Measuring cotton consumption: Independent Assessments

Guidance for Retailers and Brands

Version 1.2 – September 2023
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1. Introduction

Retailer and Brand Members (RB Members) are required to calculate their total cotton fibre consumption annually, and submit relevant supporting documentation in accordance with the requirements set out in Measuring Cotton Consumption: Requirements and guidance. Better Cotton’s annual deadline for submission is 15 January.

Unless exempt, from January 2024 onwards, RB Members are also required to commission an Independent Assessment of their cotton fibre consumption measurement. This is to create a level playing field for RB Members and ensure consistency and reliability of their result. Better Cotton’s annual deadline for submission of Independent Assessment is 31 March.

The requirement and frequency of the Independent Assessment is based on their membership size category, and therefore their total amount of cotton fibre consumption. RB Members must carry out an Independent Assessment if they wish to have access to certain claims (Advanced Claims and the On-Product Mark).

This document sets out guidance for RB Members commissioning an Independent Assessment.

Note: Better Cotton reserves the right to review and amend the Independent Assessment requirements for RB Members. Better Cotton also strongly recommends that exempted size category RB Members (i.e. a ‘very small’ size category RB Member that does not require access to Advanced Claims or the On-Product Mark), commission Independent Assessments at a frequency suitable for their business.

All documents and guidance can be found in the Measuring Cotton Consumption section of Better Cotton’s website.
2. What is an Independent Assessment?

In this instance, Independent Assessment is the process by which an individual or organisation, outside of the RB Member’s organisation, assesses the conformity of the RB Member’s cotton fibre consumption measurement against Better Cotton’s requirements and guidance. It is a conformity assessment.
Consistent and reliable cotton fibre consumption measurements create a level playing field for all RB Members. They support RB Members’ cotton strategies and inform associated communications. Independent Assessments are designed to support the responsibilities RB Members have committed to uphold as part of Better Cotton Membership.

Importance for strategy

RB Members benefit from reliable knowledge of their cotton fibre consumption measurement, which underpins their material sourcing strategies, planning of Better Cotton uptake, and engagement with relevant stakeholders along the supply chain.

The cotton fibre consumption measurement provides a reliable cotton baseline on which to base their Volume Based Fees paid to Better Cotton. This enables them to set realistic strategic targets and build a robust picture of progress from year to year.

Additionally, cotton fibre consumption data facilitates Better Cotton’s forecasting and stakeholder engagement.

Importance for communications

Cotton fibre consumption measurements are a starting point for making claims in accordance with the guidelines set out in the Better Cotton Claims Framework.

RB Members wishing to access Advanced Claims and the On-Product Mark must have submitted their latest annual cotton fibre consumption measurement along with evidence of a successful Independent Assessment. Better Cotton regularly reviews claims made by members to ensure these are not misleading, however it is the responsibility of RB Members to ensure the claims they make comply with legislation and do not constitute greenwashing.
4. Choosing an Independent Assessor

Competence
The Assessor should demonstrate that they:
- Have existing experience or competence in conducting conformity assessment (e.g., auditing, peer review, verification, certification, or other proprietary, national, or international assurance programmes).
- Understand the requirements set out in Measuring cotton consumption: Requirements and guidance.
- Are capable of handling and storing confidential data.

Independence and Impartiality
The Assessor should demonstrate that they:
- Are free from, and actively manage, potential conflicts of interest that may affect their impartiality or their ability to make an impartial assessment decision. For example, the Assessor should not undertake Assessments where commercial pressures might influence whether an outcome is successful or unsuccessful, e.g., payment for services being conditional on the basis of a successful outcome.
- Are not part of the same organisation or ownership structure as the RB Member.
- Are not part of the same organisation carrying out the cotton fibre consumption measurement, unless the Assessor can demonstrate separation between individuals involved in the measurement and those involved in the Independent Assessment.

Eligibility Criteria for Independent Assessors

Assessors do not have to be Better Cotton Members to carry out Independent Assessments. An Independent Assessor must meet one of the following eligibility criteria:

- The organisation carrying out the Independent Assessment is accredited for ISO/IEC Standard 17065. This accreditation is intended to ensure the competence of an accreditation body in providing certification for the quality of products and processes. Accreditation must be issued by an accreditation body that is a signatory of the International Accreditation Forum (IAF) and a full list can be found here: https://iaf.nu/en/accreditation-bodies/
- Financial audit firms
- At Better Cotton's discretion, consultancies with experience of working with Better Cotton and who have proven they have a strong understanding of the Better Cotton methodology and/or environmental compliance work and reporting. The Assessor carrying out the work must be competent and understand environmental reporting. When a Retailer or Brand Member submits an Independent Assessment carried out by an environmental consultant that they have selected, the Retailer or Brand must state their qualifications when they submit this to Better Cotton
- At Better Cotton’s discretion, in 2024, for the first submission deadline we will accept Independent Assessments from established internal auditing teams who are trained and competent on auditing practices. The internal auditor shall be independent of the activities being audited.

In addition, an Independent Assessor must:
- have the appropriate competence to complete the Independent Assessment to a satisfactory level*.

For more information regarding the role of Independent Assessors, refer to Measuring cotton consumption: Independent Assessment – Guidance for Independent Assessors.

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*Better Cotton may review the outputs of the Independent Assessments and if concerns around competence of the assessor are identified Better Cotton may reject the assessment or prevent the assessor from conducting future assessments.
5. Process

**Key Terms:**

- **Outcome Declaration:** part of the Outcome Declaration and Conformity Assessment document, or equivalent, which is the document provided to the RB Member as a result of the Independent Assessment. This is where the Independent Assessor reviews whether each requirement has been met for the cotton fibre consumption measurement.

- **Conformity Assessment:** part of the Outcome Declaration and Conformity Assessment document, which is the document provided to the RB Member as a result of the Independent Assessment. This is where the Assessor reviews whether each requirement has been met for the cotton fibre consumption measurement and provides additional information where relevant.

- **Non-conformity:** a type of finding that indicates that the RB Member has not met a specific requirement.

- **Observation:** a type of finding, synonymous with a recommendation. The RB Member has met a specific Requirement, but the Assessor has noticed a deficiency that may lead to a non-conformity in future.

RB Members are advised to allow sufficient time for Independent Assessments, so that non-conformities can be rectified prior to the Better Cotton annual submission deadline. The cotton fibre consumption measurement process will involve the creation of records (these include documents, calculations, database extracts, notes and presentations).

RB Members should provide all records related to their cotton fibre consumption measurement in an electronic format suitable for the Independent Assessor to review. They should also provide a documented protocol (a clear and documented explanation of how the records are used to calculate the cotton fibre consumption measurement).

The cotton fibre consumption measurement includes other types of non-conventional cotton (such as organic, recycled, Fairtrade etc.). RB Members who source these types of cotton are responsible for maintaining a suitable due diligence process that enables their accurate, credible and consistent measurement. These due diligence processes should be included in their documented protocol.

RB Member reads and becomes familiar with Better Cotton’s Measuring cotton consumption: Requirements and guidance

RB Member gathers data, establishes assumptions and fills any missing gaps

RB Member performs the calculation according to Better Cotton’s methodology, with the final outcome being ‘metric tonnes of cotton fibre/lint’

RB Member ensures that all records are saved and documented, and a documented protocol created

RB Member commissions an Independent Assessment, with an organisation of their choice that meets Better Cotton’s due diligence criteria

Assessor conducts the Independent Assessment. They should provide a signed Outcome Declaration and Conformity Assessment, or equivalent (Successful/Unsuccessful)

RB Member submits cotton fibre consumption measurement (Better Cotton Annual Cotton Consumption Submission Form) by annual submission deadline 15 January.

RB Member submits Independent Assessment (signed and stamped Outcome Declaration and Conformity Assessment document, or equivalent) to Better Cotton by 31 March.
Independent Assessments have two potential outcomes:

**Successful Outcome:** either no non-conformities are raised, or any non-conformities raised have been addressed by the RB Member, and confirmed as closed by the Assessor, prior to the Better Cotton annual submission deadline.

**Unsuccessful Outcome:** non-conformities are raised during the course of the Assessment, and the RB Member cannot address the non-conformities prior to the Better Cotton annual submission deadline.

In the event of an Unsuccessful Outcome, the RB Member must create a corrective action plan (CAP) within 30 days to address the non-conformities raised during the Independent Assessment.

RB Members who address all non-conformities to the Assessor’s satisfaction shall be granted a Successful Outcome for the relevant period.

RB Members who are unable to address all non-conformities shall maintain their Unsuccessful Outcome. At the point when the following year’s Assessment is being carried out, all previous NC’s must be confirmed as closed. If a Retailer and Brand Member is unable to achieve a positive outcome, then they will need to carry out an Assessment the following year regardless of the usual frequency for Independent Assessment that applies to their membership size category.

Better Cotton reserves the right to review claims made by RB Members and the membership conditions of an RB Member who receives an unsuccessful outcome for two consecutive years.
7. Independent Assessment frequency

Depending on their membership size category, RB Members will need to commission an Independent Assessment either every year or every other year, as specified in Table 7.1.

A single Independent Assessment should only include the RB Member’s most recent consecutive 12-month data period.

RB Members’ total cotton fibre consumption measurements are a starting point for obtaining access to making claims. All RB Members must first submit a successful Independent Assessment in addition to meeting the other eligibility criteria set out in the Better Cotton Claims Framework before obtaining access to Advanced Claims or the On-Product Mark. In order to maintain access to these claim types, RB Members must then comply with the relevant Independent Assessment frequency requirement for their membership size category.

Note: Independent Assessment requirements apply for new RB Members from the first annual submission deadline which falls after a full year of membership. Please refer to the below examples:

- For a membership start date of January 2024 the requirement would apply from the submission deadline of 15 January 2025 onwards.
- For a membership start date of April 2024 the requirement would apply from the submission deadline of 15 January 2026 onwards.
- For a membership start date of December 2024 the requirement would apply from the submission deadline of 15 January 2026 onwards.

If a new RB Member wishes to have access to Advanced Claims or the On-Product Mark sooner than this date, then they must first submit a successful Independent Assessment, regardless of start date.

<table>
<thead>
<tr>
<th>Member Size Category</th>
<th>Very small</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Very large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of requirement for Better Cotton Membership</td>
<td>None</td>
<td>Every other year</td>
<td>Every year</td>
<td>Every year</td>
<td>Every year</td>
</tr>
<tr>
<td>Frequency of requirement for access to Advanced Claims and On-Product Mark</td>
<td>Before claim launch and then Every other year</td>
<td>Before claim launch and then Every other year</td>
<td>Before claim launch and then Every year</td>
<td>Before claim launch and then Every year</td>
<td>Before claim launch and then Every year</td>
</tr>
</tbody>
</table>

Table 7.1 Independent Assessment Requirements

Note: If an RB Member is in the ‘very small’ size category and does not require access to Advanced Claims or the On-Product Mark, then they are exempt from the Independent Assessment requirement. However Better Cotton Strongly recommends that they commission Independent Assessments at a frequency suitable for their business.
Checklist for RB Members

Annual deadline for submission of cotton fibre consumption measurement is 15 January. Annual deadline for submission of Independent Assessment result is 31 March. All documents and guidance can be found in the Measuring Cotton Consumption section of Better Cotton’s website.

**Note:** plenty of time should be allowed for calculating the measurement and conducting an Independent Assessment before the deadlines.

1. Understanding the requirements and guidance
   - Ensure the teams responsible for data gathering and calculations have read, understood and been briefed about Better Cotton’s Measuring cotton consumption: Requirements and guidance, Measuring cotton consumption: Technical supplement and Measuring cotton consumption: Better cotton conversion factors and multipliers
   - Check whether you’re required to submit an Independent Assessment and how frequently

2. Data gathering
   - Locate relevant data for all cotton-containing products from your data systems (PO system, PLM, POS, etc.)
   - Data gathered must include certain essential fields according to Better Cotton’s requirements (3a to 3i)
   - Make sure data is filtered according to Better Cotton’s measurement requirements (i.e. covering 12-month period, excluding third party brands, etc.)
   - Evaluate whether data is missing and ensure the assumptions taken are reliable and consistent, such as:
     - Product weights
     - Fabric and/or product type
     - Material composition

3. Cotton consumption calculation
   - Data must be cleaned and standardised, especially material compositions, product types and fabric types (in order to apply weights and conversion factors)
   - Address any gaps with assumptions in a consistent and reliable manner
   - Calculate the cotton consumption for the 12-month period selected
   - Fill out the Better Cotton Annual Cotton Consumption Submission Form (highlighting exclusions, timeframes, and other important aspects of the calculation)
   - Senior internal sign-off for cotton fibre consumption measurement

4. Record keeping
   - Save all records (data sources, methodology, etc.) used for the calculation
   - Create a documented protocol that explains how the records have been used to create the measurement

5. Independent Assessment
   - Book an Independent Assessment (allowing plenty of time for clarifications, amendments and corrections)
   - Independent Assessor to carry out the Independent Assessment. They should provide an Outcome Declaration (Successful/Unsuccessful) and a Conformity Assessment either using the example template provided, or equivalent format

6. Cotton consumption submission to Better Cotton
   - Submit completed Submission Form
   - Submit Outcome Declaration and Conformity Assessment document, or equivalent. This should be signed and stamped by the Independent Assessor
Please direct your questions about this document to:
Membership@bettercotton.org