

Better Cotton Assurance Manual

V4.4



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Better Cotton Assurance Manual

This document sets out the main requirements of the Better Cotton assurance model for key stakeholders. It is intended to be a reference manual for Programme partners, Producers, Better Cotton staff, and third-party verifiers, to ensure consistent implementation of assurance requirements across all Better Cotton projects. The assurance model is applicable with the [Better Cotton Principles and Criteria, Version 3](#).

Issue date	16 February 2024
Effective date	1 May 2024
Previous version	<p>This document replaces v4.3 to include:</p> <ul style="list-style-type: none"> - New formatting style - Correcting a typo in Annex B guidance (B.3.4) - Clarity that licenses can be cancelled due to change in status of a programme partner not only of the producer (18.1.6) <p>These versions replace v4.2 published in March 2022. Changes include:</p> <ul style="list-style-type: none"> • Revised self-assessment requirements and timing (see clause 6.3) • Recurrent incidentals are no longer to be raised as incidentals, but if no progress is made to raise straight away as a systemic (see Table 5) • Change terminology Implementing Partner (IP) to Programme Partner (PP) • New section to explain how major changes to the assurance manual would be brought into effect through transition periods and communication with PPs (see clause 22.1.3) • Adjustment to the process following license cancellation to avoid automatic reactivations in certain cases when these may not be needed (see clause 18.1.5) • Introduction of new term of Licensing Management Partners for the Large Farm Group Coordination Model currently operated in the US, and clarity on the role this partner plays (Stakeholder roles and Annex B) • Removing recommendations for improvement within the assessment process, to increase impartiality.
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Glossary of Key Terms

Activities and Monitoring plan

A plan required to be maintained by Producer Unit managers to plan activities and monitor their effectiveness across the Producer Unit in relation to compliance with the Better Cotton Principles and Criteria and continuous improvement targets.

Annual Authorised Volume (AAV) Code

The AAV code is a unique number generated by Better Cotton for licensed Producers (Large Farms or Producer Units). AAV codes allow gins buying from licensed Better Cotton Farmers to enter purchases of seed Better Cotton into the Better Cotton Platform (BCP) and allocate the volumes back to the corresponding Producer.

Better Cotton

Better Cotton is cotton that has been produced by licensed Better Cotton Farmers, or by farmers licensed under a recognised equivalent standard. Licensed Better Cotton farmers have been assessed as compliant with the P&C Indicators of the Better Cotton Principles and Criteria (P&C) – Version 3 and have fulfilled the Licensing Requirements outlined in the Better Cotton assurance model. Farmers licensed to sell Better Cotton produce cotton in a way that cares for people and the environment, ensuring decent work conditions for workers and caring for water, soil health and natural habitats.

Better Cotton Platform (BCP)

The Better Cotton Platform is the online system for tracking purchases/sales of Better Cotton and associated Better Cotton Claim Units (BCCUs). BCCUs are designated units that correspond to 1 kg of Better Cotton lint produced from seed Better Cotton. The BCP is used by Better Cotton and registered supply chain organisations that are buying, selling, or sourcing Better Cotton products. It enables suppliers and manufacturers to report to their customers how much Better Cotton lint was sourced through the sale of a physical product.

Corrective Action Plan (CAP)

A Corrective Action Plan is a document completed by the Producer outlining remediation steps for any incidental or systemic non-conformity identified during an assessment. The CAP is completed by the Large Farm Manager or Producer Unit Manager (with support from the Programme Partner), using a standard template from Better Cotton.

P&C Indicators

P&C v3 Indicators are specific requirements under each Criteria against which Producers are assessed for compliance before they can be licensed to sell Better Cotton. They define a globally consistent baseline for more sustainable cotton production.

Field Facilitator (FF)

Field Facilitators are part of the management structure for Better Cotton Producer Units. They are trained field-based staff who help organise farmers, collect farm level data and carry out capacity strengthening activities in farming communities. Field Facilitators are typically employed by either Programme Partners or their affiliated Local Partners.

Programme Partner (PP)

Better Cotton's Programme Partners are organisations with local expertise who oversee the set-up and management of Producer Units under the assurance model. Programme Partners assume full responsibility for project delivery at the field level, including establishing the management structure of Producer Units, recruiting and training Producer Unit Managers/Field Facilitators, and providing Producer Units with ongoing oversight and support, including regular field-level engagement.

Labour Monitoring and Remediation System

A system created and maintained by a Producer Unit Manager or large farm management to regularly monitor risks and incidents of labour rights violations. It includes defining responsibilities and taking prompt actions to address risks identified and prevent their escalation.

Large Farm (LF)

Large Farms (LF) are defined as farms with a size typically above 200 hectares of cotton which either have mechanised production or are structurally dependent on permanent hired labour. LFs participate with Better Cotton on an individual basis or (in some contexts) through a Large Farm Group Coordination Model (refer to [Annex B](#)).

Learning Group (LG)

A Learning Group is a group of Better Cotton Farmers who gather together to participate in training and learning activities on more sustainable production practices. All Smallholder Producer Units are divided into Learning Groups of approximately 35 farmers, managed by a Field Facilitator to help enable learning. Typically, each Field Facilitator in a Smallholder Producer Unit will work with about 10 Learning Groups, or 350 farmers at a maximum.

Licensing Date

The Licensing date is the seasonal date at which the administrative process of licensing is conducted for any Producer with an active licence. This includes issuing Annual Authorised Volume (AAV) codes or updating volume inventories in the Better Cotton Platform, so that buyers of Better Cotton can enter their purchases into the Better Cotton Platform and receive Better Cotton Claim Units (BCCUs) to pass through the supply chain. The Licensing date is determined on a country or regional basis and is typically around the start of harvest.

Licensing Management Partners (LMPs) & Licensing Support Partners (LSPs)

Licensing Management Partners and the nominated Licensing Support Partners work directly with interested cotton producers within the Large Farm Group Coordination Model to successfully support them in attaining and maintaining a license to sell Better Cotton under the Better Cotton Standard System (BCSS).

Medium Farms (MF)

Under the Better Cotton Standard System, Medium Farms (MF) are defined as farms with a farm size typically between 20 to 200 hectares of cotton which usually are structurally dependent on permanent hired labour. MFs are grouped into Producer Units for licensing purposes.

New Producer Unit (PU)

A new Producer Unit (PU) refers to a group of farmers being organised to participate in the Better Cotton programme for the first time. New PUs are required to fulfil specific requirements under the set-up phase before they are eligible to be assessed for licensing. Existing PUs that undergo changes to the farmer composition or management system (i.e. new PU Manager, restructured PU, or change in PP management) are not considered new PUs under this definition¹. Existing PUs where more than 33% of farmers are new for a given season are not considered new PUs; however, they receive a Surveillance Assessment to maintain the licence.

Producer

Under the Better Cotton Standard System, the Producer defines the unit of licensing and can be either a Producer Unit for Smallholders (SH) or Medium Farms (MF) or an individual farm in the case of Large Farms (LF).

Producer Unit (PU)

A Producer Unit (PU) is a group of Smallholders (SH) or Medium Farms (MF) who are organised together under a common management structure to participate in the Better Cotton Programme. Each PU is overseen by a dedicated PU Manager who is responsible for implementing an internal management system to support, train and monitor farmers across the PU. The size of a PU depends on local circumstances, although the optimal size is between 3,500 to 4,000 farmers for a SH PU and around 100 farmers for a MF PU. Farmers in a SH PU are further divided into Learning Groups.

Producer Unit Manager (PUM)

The main individual responsible for implementation of the Better Cotton Principles and Criteria at the Producer Unit level.

Results Indicator (RI) reporting

Results Indicator (RI) reporting is the annual collection of environmental, economic, and social data from a representative sample of Smallholder farmers, and from all Medium and Large Farms. Results Indicators quantitatively measure differences between licensed Better Cotton Farmers and other farmers in the same geographic area who are not participating in the Better Cotton Programme. RI reporting is fully integrated into the assurance model as a licensing requirement to ensure that sustainability improvements are adequately measured everywhere Better Cotton is produced.

¹ An PP can decide to voluntarily put an existing PU that undergoes structural changes into a set-up phase in order to focus on strengthening performance before being assessed (or reassessed) for licensing



Smallholders (SH)

Under the Better Cotton Standard System, Smallholders (SH) are defined as farms with a farm size typically not exceeding 20 hectares of cotton which are not structurally dependent on permanent hired labour. SH are grouped into Producer Units for licensing purposes.

1. Introduction

1.1. About the Better Cotton Assurance Model

The assurance model is a critical component of the Better Cotton Standard System, which aims to improve livelihoods and economic development in cotton-producing areas and reduce the environmental impact of cotton production. The assurance model provides a roadmap for participating [Producers](#) to progress from baseline performance, to meeting the [P&C Indicators](#), and eventually achieving long-term improvement goals.

The main objectives of the assurance model are to:

1. Verify that cotton Producers have met the P&C Indicators of the Better Cotton Principles and Criteria before they are licensed to sell [Better Cotton](#)
2. Provide a framework to ensure that Better Cotton Producers – once licensed – continue to make progress against their continuous improvement priorities and receive adequate capacity strengthening support
3. Create channels for ongoing learning, through sharing information back to Producers (and Programme Partners, if applicable) to identify improvement opportunities or compliance gaps
4. Measure the sustainability performance of Better Cotton Producers, and overall programme impacts, through regular collection of field-level ([Results Indicator](#)) data.

Better Cotton's approach to assurance is unique from many other standard systems in two regards. First, it aims to balance credibility with scalability and cost-effectiveness, through combining third-party verifier assessments with other types of assessments. Better Cotton's approach combines third-party visits with licensing assessments by Better Cotton Country Teams, support visits by Programme Partners (PPs), and regular self-assessments by Producers themselves.

Second, the assurance model puts a strong emphasis on capacity strengthening and continuous improvement. Producers are required to make ongoing sustainability improvements in order to maintain their licence, and assessments focus not only on compliance but also on identifying areas where further support or capacity strengthening is needed.

1.2. Producers Under the Better Cotton Assurance Model

Under the Better Cotton Standard System, farms are differentiated into three categories based on the production methods and workforces they use:



- Smallholders (SH): Farmers who are not structurally dependent on permanent hired labour, and whose farm size does not exceed 20 ha of cotton.
- Medium Farms (MF): Farmers who are structurally dependent on permanent hired labour, and whose farm size is between 20 to 200 ha of cotton.
- Large Farms (LF): Farmers who have a farm size above 200 ha of cotton, and either have mechanised production, or are structurally dependent on permanent hired labour.

Smallholders and Medium Farms are grouped into [Producer Units](#) (PUs) and are licensed to sell Better Cotton at the PU level.

Maximum size: for Smallholder PUs, a maximum of 7000 farmers² can be included in the PU; however, the optimal size (depending on local circumstances) is around 3,500 farmers. For Medium Farm PUs, there is no maximum size; however, the recommended number of farmers is around 100.

Farmers in a Smallholder PU are further divided into [Learning Groups](#) (LGs) of approximately 35 farmers (with a Lead Farmer in each one) managed by a [Field Facilitator](#) (FF) to help facilitate learning. Typically, each FF in a Smallholder PU will work with about 10 Learning Groups, or 350 farmers at a maximum. This helps to ensure the FF can have regular contact and visits with each farmer.

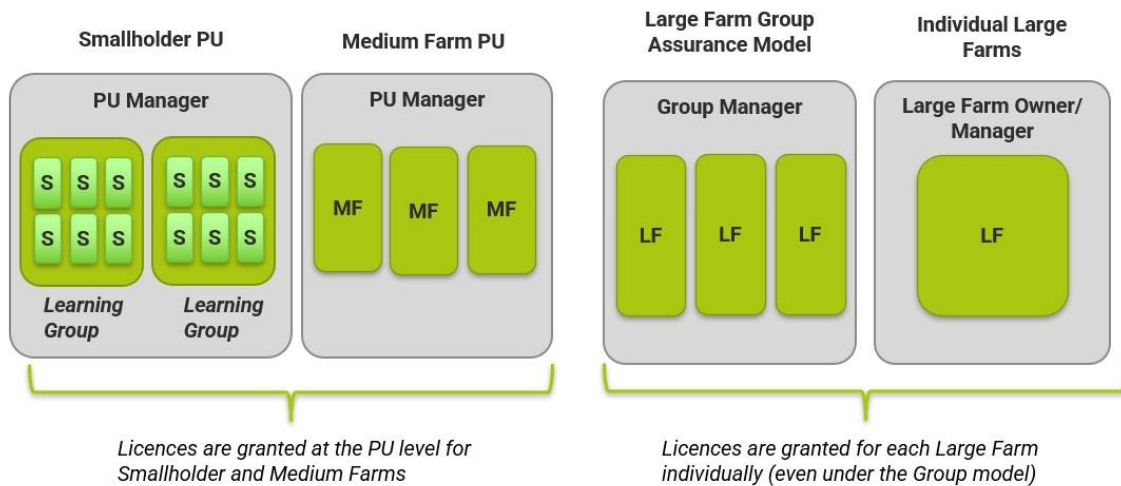
Some [Large Farms](#) participate with Better Cotton on an individual basis, while others are engaged through a Large Farm Group Coordination Model.³ Under the Large farm Group Coordination Model, farms join together with other local farmers under the guidance of a designated Licensing Management Partner. In both cases, Large Farms are licensed to sell Better Cotton on an individual farm basis.

The term 'Producer' in the context of the Better Cotton Standard System therefore refers to either an individual Large Farm or a Producer Unit of Smallholders or Medium Farms.

² This absolute maximum of farmers (twice the recommended guidance) was introduced in January 2021 and becomes effective for the 2021-22 season.

³ This model was introduced formally in 2018 and is currently applicable only in the United States, although may be expanded to other regions in the future. More details around the Large Farm Group Coordination Model can be found in [Annex B](#).

Figure 1: Producers under the Better Cotton Standard System



1.3. Supporting documents

Supporting documents, including assessment reporting templates, assessment guidance tools, approval procedures for verifiers, and the Better Cotton appeals process, are available on the [assurance page](#) of the Better Cotton website.

1.4. Stakeholder Roles

The roles of key stakeholders in the assurance model are set out below:

Stakeholder	Role in Assurance Model
Farmer	<p>Farmers categorised as Smallholders and Medium Farms participate in trainings and awareness-raising activities organised by the Producer Unit. Farmers are expected to apply learnings in order to adopt more sustainable farming practices. Farmers are also responsible for maintaining farm level data on inputs and outputs, to enable the PU to track progress and understand impacts.</p> <p>Farms categorised as Large Farms are responsible for ensuring they meet the P&C Indicators before achieving a licence to sell Better Cotton. This includes setting continual improvement targets and monitoring their progress against them.</p>

Stakeholder	Role in Assurance Model
Field Facilitator (FF) [PUs only]	See <i>glossary</i>
Producer Unit (PU) Manager [PUs only]	<p>See <i>glossary</i></p> <p>The PU Manager identifies areas where farmers require improvement or support and supports Field Facilitators in working with farmers and workers. The PU Manager is responsible for the following key areas (with support from the PP):</p> <ul style="list-style-type: none"> • Development of training material and training plans • Strengthening the capacity of Field Facilitators • Development and implementation of the Activities and Monitoring plan and continuous improvement targets (with other stakeholder engagement,) • Development and implementation of the Labour Monitoring and Remediation System • Development and implementation of an internal management system (IMS); for monitoring training efficacy, practice adoption, and data collection • Completion of annual internal assessment and self-assessment • Development and implementation of Corrective Action Plans
Programme Partner (PP) [PUs only]	<p>See <i>glossary</i></p> <p>PP representatives are also responsible for supporting and strengthening the capacity of PU Managers and Field Facilitators, supporting PUs in the identification of Continuous Improvement priorities, and monitoring PU performance through Readiness Checks and Support Visits.</p>
Licensing Management Partner	See <i>glossary</i>
Local Partner [PUs only]	Some PPs may delegate specific field-level implementation activities to Local Partners. Local Partners are typically entities with a strong field presence and technical expertise relevant to the geographical area. Local Partners are overseen by the associated PP, and the PP is accountable

Stakeholder	Role in Assurance Model
	for ensuring the efficacy of the Local Partner through ongoing monitoring and engagement.
Better Cotton Country Team	Each Better Cotton Country Team has Programme Officers and Coordinators responsible for the implementation of activities and protocols in the assurance model. ⁴ Better Cotton Country Teams conduct Licensing and Surveillance Assessments, maintain communication with Programme Partners and PU Managers, and support Better Cotton Assurance Manager(s) with licensing recommendations.
Third-party Verifiers (3PV)	Third-party verifiers (3PVs) are independent parties approved by Better Cotton to carry out Licensing and Surveillance Assessments in specific countries. 3PVs must complete training and approval requirements defined by Better Cotton; available on the assurance website .
Assurance Managers	Better Cotton Assurance Managers are responsible for the planning, execution and reporting of the assurance model in all countries. They oversee the operational delivery of the Global Assurance Team, consisting of Programme Officers and Coordinators within Country Teams. Assurance Managers are responsible for all final Producer licensing decisions (based on recommendations and evidence provided by third-party verifiers or Country Teams). Assurance Managers also oversee the <i>Terms of Reference</i> and membership for the Appeals Committee and coordinate the process for any appeals against a licensing decision. Refer to the assurance website .
Appeals Committee	The Appeals Committee is responsible for providing objective, consistent, and evidence-based decisions for Producers appealing a licensing decision. The Appeals Committee is composed of Better Cotton Country Managers and selected third-party verifiers or independent consultants. Members of the committee are selected based on local knowledge and availability. Refer to the Appeals Procedure for more information.

⁴ In countries where Better Cotton operates through a strategic partner, Programme Officers/Coordinators are employed by the strategic partner.

1.5. Overview of Licensing Requirements

To be licensed to sell Better Cotton, Producers must fulfil the following requirements:

1. Comply with all with P&C Indicators of the [Better Cotton Principles & Criteria](#)
2. Submit an annual self-assessment survey on Producer practices.
3. Submit annual [Results Indicators \(RI\) reporting](#) data on field-level practices as required in the Farm Data Requirement document.
4. Demonstrate continuous improvement through achieving more sustainable practices over time.

The fixed nature of the P&C Indicators ensures that all licensed Producers reach a globally consistent baseline in sustainable cotton production and make progress on continuous improvement towards more sustainable practices over time. Regular RI reporting enables Better Cotton and its partners to monitor and learn from field-level results.

Better Cotton Principles and Criteria – P&C indicators

The [Better Cotton Principles and Criteria](#) (P&C v3) include 6 Principles covering the most significant global sustainability issues associated with cotton production:

- Principle 1: Management
- Principle 2: Natural resources
- Principle 3: Crop Protection
- Principle 4: Fiber Quality
- Principle 5: Decent Work
- Principle 6: Sustainable livelihoods

The 6 Better Cotton Principles are further defined through 28 criteria and a subset of 76 indicators. Criteria are applicable to all Producer categories, while indicators are differentiated for Smallholders, Medium Farms, and Large Farms. Producers must comply with all indicators (applicable for their Producer category) to be licensed to sell Better Cotton.

Indicators under criterion 1.3 require demonstrable continuous improvements to ensure over time progress is made in order for Producers to obtain or keep their Better Cotton license.

Results Indicators (RI) reporting

While complying with the P&C Indicators from the [Better Cotton Principles and Criteria](#), all Producers must report farm-level data on inputs, outputs and practices, as specified in the Results Indicators procedure available on the [M&E page](#) of the Better Cotton website. This ensures that sustainability improvements are measured everywhere Better Cotton projects are implemented. It is important to emphasise that this requirement focuses on the reporting of data, not the content of that data. The content of Results Indicator (RI) data and any trends/impacts revealed are used for learning processes only and are not a basis for disqualifying Producers or cancelling licences. RI data must be

collected and reported every season in order to maintain a licence. Reporting is done at Producer Unit level in the case of Smallholders or at individual farm level in the case of Medium and Large Farms.

For details on what is required in the Results Indicator Reporting the Farm Data Requirements can be found [here](#).

Overview of Assurance Requirements

To verify that Producers meet the P&C Indicators and continue to make continuous improvements in sustainability, the assurance model uses a combination of self-assessment, external (licensing) assessments, and support visits by Programme Partners (for PUs only).

Table 2 below summarises the assurance requirements for each Producer type. Note that specific requirements for the Large Farm Coordination Model are found in [Annex B](#).

Table 2: Assurance Requirements by Producer Type

Producer type	Requirements to receive a licence (for new PUs/LFs)	Requirements during active licence period	Requirements for licence renewal
PU (Smallholder or Medium Farms)	<ul style="list-style-type: none"> Complete all PU 'set-up' expectations (See 4) Complete self-assessment Readiness Check carried out and PP decides the PU is 'recommended for licensing'. Licensing Assessment by 3PV or Better Cotton team verifies compliance with all P&C Indicators 	<ul style="list-style-type: none"> Correct any incidental non-conformities from Licensing Assessment (if relevant) Complete annual self-assessment Submit annual Results Indicator data as required. PU Support Visit in Year 2 or 3 of active licence [For sample of PUs only] receive Surveillance Assessment in Year 2 or 3 	<ul style="list-style-type: none"> Licensing Assessment by 3PV or Better Cotton team verifies compliance with all P&C Indicators, including progress against continuous improvement priorities
Large Farm (individual)	<ul style="list-style-type: none"> Complete self-assessment Licensing Assessment by 3PV verifies compliance with all P&C Indicators 	<ul style="list-style-type: none"> Correct any incidental non-conformities from Licensing Assessment (if relevant) Submit annual Results Indicator data. Complete annual self-assessment 	<ul style="list-style-type: none"> Licensing Assessment by 3PV verifies compliance with all P&C Indicators, including progress against continuous improvement priorities

2. Summary of Large Farm Requirements

This section covers individually licensed Large Farms. Refer to [Annex B](#) for more information on Large Farms under the Large Farm Group Coordination Model.

2.1. Initial licensing⁵

- 2.1.1 Individual Large Farms that wish to participate in the Better Cotton programme register their participation with the local Better Cotton Country Team by the end of sowing deadline.⁶
- 2.1.2 The Large Farm first completes an online self-assessment survey during sowing, evaluating its performance against the P&C Indicators and acting as a readiness check⁷
- 2.1.3 After the self-assessment is complete, the Large Farm commissions a Licensing Assessment⁸ directly with an approved third-party verifier.
 - a) The verifier must be included in up-to-date list of Better Cotton approved third-party verifiers, available on the assurance webpage
 - b) There must be a written contract between the farmer/farm management or contracting party, and the third-party verifier. This should cover the scope and terms of the licensing assessment, and responsibilities and obligations, including data use and confidentiality.
- 2.1.4 The outcome of the Licensing Assessment is reviewed by the Better Cotton Assurance Managers, together with supporting evidence.
 - a) If the Licensing Assessment and Assurance Manager review confirms the Large Farm meets all P&C Indicators, the Large Farm receives a 3-year licence to sell Better Cotton
 - b) If any incidental non-conformities are identified, the Large Farm is required to complete a [Corrective Action Plan](#) (CAP) within ten working days and to close the incidental non-conformities within six months of the assessment date (see [19. Non-conformities and Corrective Actions](#))
 - c) If any systemic non-conformities are identified, the licence is denied, and the Large Farm will be eligible for another Licensing Assessment the following season.

The Large Farm is still required to complete a CAP to identify corrective actions for any systemic non-conformities, even if the licence is denied.

⁵ This also applies to license renewal.

⁶ These seasonal deadlines for assurance activities are set by country and harvest wave

⁷ Part 2 of the self-assessment is completed at the end of the season when LFs can edit information submitted at the beginning of the season and provide more information as required.

⁸ Third-party verification for Large Farms follows the same process outlined for Producer Units in section 8

2.2. Active License Period

- 2.2.1 During the 3-year active licence period, Large Farms are expected to fulfil annual requirements (see [16 Active Licence Period](#)) to maintain the licence.
- 2.2.2 If the Large Farm does not meet the annual requirements, the licence is cancelled (see [18.1 Licence Cancellation](#)).

2.3. License renewal

- 2.3.1 At the end of the 3-year active licence period, the Large Farm is required to commission another Licensing Assessment with an approved third-party verifier⁹:
 - a) The assessment evaluates whether the Large Farm continues to meet all P&C Indicators and also assesses whether the Large Farm is progressing against the priorities outlined in its Continuous Improvement Plan.
- 2.3.2 The outcome of the Licensing Assessment is reviewed by the Assurance Managers (together with supporting evidence).
- 2.3.3 If the Licensing Assessment and Assurance Manager review confirms the Large Farm meets all P&C Indicators, the licence is renewed for another 3 years.
- 2.3.4 If any incidental non-conformities are identified, the Large Farm is required to complete a corrective action plan within two weeks and to close the incidental non-conformities within six months of the assessment date (see [19. Non-conformities and Corrective Actions](#)).
- 2.3.5 If any systemic non-conformities are identified, the licence is denied, and the PU will be eligible for another Licensing Assessment the following season.

2.4. Change in Large Farm Status or Contracts

- 2.4.1 Any changes in the status of the Large Farm which might affect its participation with Better Cotton, or any changes in the contact details of the Large Farm Manager, should be communicated to the Better Cotton Team within 10 working days of the change occurring.

⁹ Typically, if a LF is licensed in its first year of participation, the assessment to renew the licence would be carried out in its fourth year of participation, before the [licensing date](#)

3. Summary of Producer Unit Requirements

The assurance process for Producer Units (PUs) in the Better Cotton programme is similar to that for Large Farms; however, with a few key differences. PUs typically spend their first season in a set-up phase before being recommended for licensing. They also require a Readiness Check by the PP before receiving a Licensing Assessment (carried out by either Better Cotton or a third-party verifier). PUs also receive a Support Visit by the PP during the active licence period and may also receive a Surveillance Assessment (by Better Cotton assessors or a 3PV).

This section provides a summary of requirements at each stage of the assurance process; more detail can be found in later sections of the Assurance Manual

3.1. New PUs Entering the Better Cotton Programme

- 3.1.1 A [new PU](#) generally spends its first season in a 'set-up phase' focused on building its internal management system, identifying baseline farming practices, and training farmers on key improvement areas (see [4.1](#))
- 3.1.2 During the set-up phase, the PU completes an internal assessment and online self-assessment but does not yet receive a Licensing Assessment.
Refer to [7 Readiness Checks](#) for more detail on the Readiness Check process.

3.2. Readiness Check and Recommendation for Licensing

- 3.2.1 Once a PU has established its internal management system, trained field staff and farmers, and has made progress to comply with all P&C Indicators, the PP carries out a field-based Readiness Check.
 - 3.2.2 If the PP determines that the PU is fully compliant with all P&C Indicators by the end of sowing, the PP can recommend the PU to be assessed for licensing.
 - 3.2.3 If more work is needed to close gaps against P&C Indicators, the PP is responsible for following up with the PU Manager to ensure appropriate corrective actions are put in place before recommending the PU for licensing.
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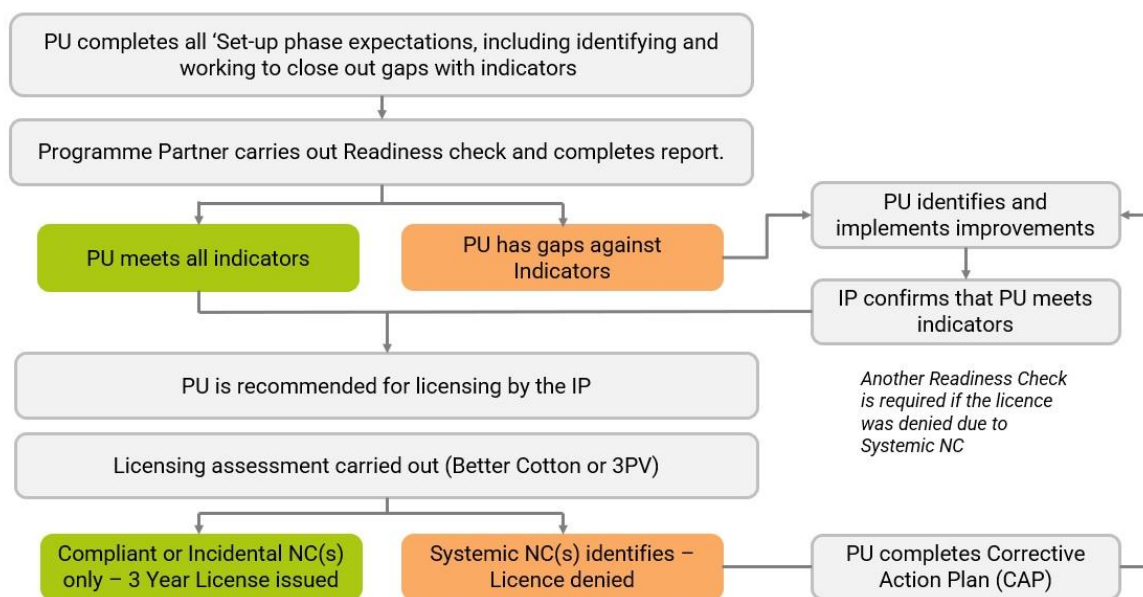
Refer to [7 Readiness Checks](#) for more detail on the Readiness Check process.

3.3. Initial Licensing

- 3.3.1 After a PU is recommended for licensing by the PP, the PU receives a Licensing Assessment by either an approved third-party verifier or a qualified Better Cotton staff member (see [8 Licensing Assessments](#)).
- 3.3.2 The Licensing Assessment evaluates conformity with the P&C Indicators and forms the basis for the licensing decision, which is reviewed and confirmed by the Assurance Managers.
- 3.3.3 If the PU is found fully compliant with all P&C Indicators or partially compliant (i.e. incidental non-conformities but no systemic non-conformities), then the PU receives a 3-year licence to sell Better Cotton.

Refer to [19. Non-conformities and Corrective Actions](#) for more detail on non-conformity grading and follow-up.

Figure 2: Process to Receive Initial License (PU only)



3.4. Active License Period

- 3.4.1 During the 3-year active licence period, PUs are expected to fulfil annual requirements (see [16 Active Licence Period](#)) to maintain the licence.
- 3.4.2 If the PU does not meet the annual requirements, the licence is cancelled (see [18 Licence Cancellation](#))

3.4.3 During the second or third year of the active licence period, all PUs receive a PU Support Visit by the PP, and a sample of PUs also receive a Surveillance Assessment (by Better Cotton assessors or a 3PV) during the second or third year of their active licence.

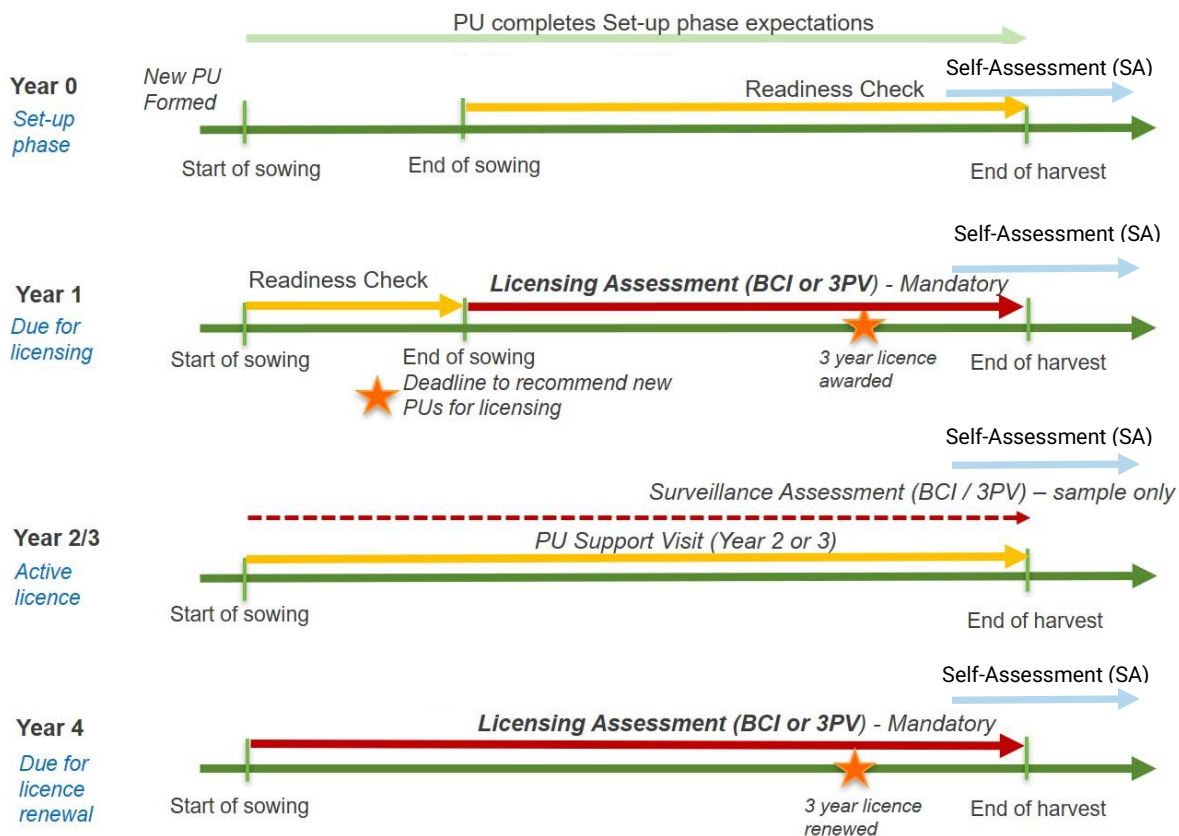
3.5. License Renewal

3.5.1 At the end of the licence period, when due for licensing again, PUs undergo an additional Licensing Assessment (by Better Cotton assessors or a 3PV) for the licence to be renewed.

3.6. Change in PU Status or Contacts

3.6.1 Any changes in the status of a Producer Unit that might affect its participation with Better Cotton, or any changes in the contact details of the PU Manager or relevant PP contact, should be communicated to the Better Cotton Team within 10 working days of the change occurring.

Figure 3: Assurance Cycle for PUs (Years 0-4)¹⁰



4. Set-Up of New Producer Units

When new Producer Units (PUs) are formed under the assurance model, they are generally expected to spend their first season¹¹ focusing on recruiting and training field staff, engaging with farmers, and implementing the internal management system. This 'set-up' phase helps new PUs build a strong foundation and ensures that future efforts can deliver training and support to farmers in the most relevant areas. During the set-up phase, the focus should be on working closely with farmers to identify

¹⁰ In cases where a new PU applies for a variation to be recommended for licensing in the first season (see 4.2) the PU is expected to have completed all set-up phase activities before the end of sowing deadline when the variation is requested.

¹¹ Defined for the purposes of the Better Cotton assurance model as pre-sowing activities (i.e. soil preparation) through to end of harvest for one crop season

baseline practices and gaps in meeting the P&C Indicators, developing training materials and demonstration plots, and carrying out farmer training/support visits.

4.1. Set-up Phase

4.1.1 Before being assessed for licensing, [new PUs](#) are expected to carry out the following activities as part of their initial set-up phase:

- a) Complete an internal assessment to understand current baseline farming practices within the PU (see [6.2 Internal Assessment](#))
- b) Complete the self-assessment
- c) Identify gaps in meeting the P&C Indicators and develop/implement [Corrective Action Plans](#)
- d) Develop training materials and carry out cascade training to Field Facilitators and farmers/workers
- e) Based on a participatory approach with field staff and farmers, develop the activities and monitoring plan under the Better Cotton Principles and Criteria
- f) Submit Results Indicator (RI) reporting data for the specified sample of farmers
- g) Undergo a Readiness Check carried out by the Programme Partner (PP) and fully address any corrective actions identified during this visit (see [7.3](#))

Additional guidance on expectations for new PUs and preparation for licensing can be found on the [assurance page](#) of the Better Cotton website.

4.2. Timing of the Set-Up Phase

4.2.1 [New PUs](#) are generally expected to spend their first season in a set-up phase, without being assessed for licensing.

4.2.2 In specific cases, a new PU can apply for a variation to have a Licensing Assessment in its first season. A variation can be requested in the following cases:

- a) The participating farmers are already covered by an effective internal management system such as that of another standard or certification system, or
- b) The PU has been established well in advance of the current crop season; at the very latest:
 - i. The PU Manager and all Field Facilitators have been hired and trained by the start of sowing, and
 - ii. The internal assessment on the PU has been completed by the PU Manager, by two weeks after start of sowing (at the latest).

New PUs that are recommended for licensing in their first season are expected to have completed all set-up phase expectations and to be fully compliant with P Indicators before being recommended for licensing. The starting point for determining whether the PU is prepared for licensing in the first season is the internal assessment conducted by the PU Manager (see [6.2 Internal Assessment](#)) The internal assessment is a requirement for all PUs, but it is expected to be completed early in the season in cases where a new PU submits a request for variation.

These variations can apply for example where PUs have been established well in advance of the growing season; e.g. during the end of the previous cotton season.

- 4.2.3 A variation to have a PU assessed for licensing in its first season must be submitted by the end of sowing deadline to the Better Cotton Assurance Managers ([see 20.1 Variations and Extension Process](#)):
- a) PUs that are recommended for licensing in the first season must still have a Readiness Check completed by the end of sowing deadline;
 - b) The completed Readiness Check report is submitted to Better Cotton as part of the variation request.

5. Overview of Assessment Types

The assurance model includes different forms of assessment to support Producers in making improvements and to verify their compliance with P&C Indicators.

Table 3: Overview of Assessment Types

Assessment Type	Conducted by	Key Objective	Frequency and Timing
Self-assessment	PU/LF Manager	<p><i>LFs due for licensing (part 1):</i> assess readiness for assessment</p> <p><i>Other Producers:</i> Ensure that Producer self-monitoring is happening, and support PUs in meeting P1 requirements to conduct monitoring, consultation, and annually review the activity plan (1.1.1, 1.1.2, 1.1.3)</p>	<p><i>Frequency:</i> Annually by each PU and LF</p> <p><i>Timing:</i> For LFs due of licensing part 1 submitted at the end of sowing, part 2, 4 weeks after end of harvest. For other LFs and PUs submitted 4 weeks after the end of harvest.</p>

Assessment Type	Conducted by	Key Objective	Frequency and Timing
Readiness Check [PUs only]	Trained PP Staff Member	Assess whether the PU is compliant with P&C Indicators and for licensing; identify areas for further support/capacity strengthening	<i>Frequency:</i> Before a new PU is assessed for licensing; typically, in the first or second season <i>Timing:</i> from start of sowing to end of harvest during the initial set-up season or during the sowing period of the second season.
Licensing Assessment	Better Cotton/Third-party verifier (for PUs) Third-party verifier (for LFs)	<i>For new licences:</i> confirm the Producer meets all P&C Indicators <i>For licence renewal:</i> confirm the Producer continues to meet the P&C Indicators and verify that Continuous Improvement is in progress	<i>Frequency:</i> Prior to initial licence and at point of licence renewal; at least every 3-years <i>Timing:</i> from start of sowing to end of harvest
PU Support Visit [PUs only]	Trained PP Staff Member	Monitor continuous improvement and identify areas where the PU needs additional support/capacity strengthening	<i>Frequency:</i> At least once during the second or third year of an active licence <i>Timing:</i> from start of sowing to end of harvest
Surveillance Assessment [PUs only]	Better Cotton/Third-party Verifier	Ensure ongoing compliance with P&C Indicators, including demonstrated continuous improvement progress	<i>Frequency:</i> Once per licence period if applicable- minimum 5% licence holders covered annually based on risk <i>Timing:</i> from start of sowing to end of harvest

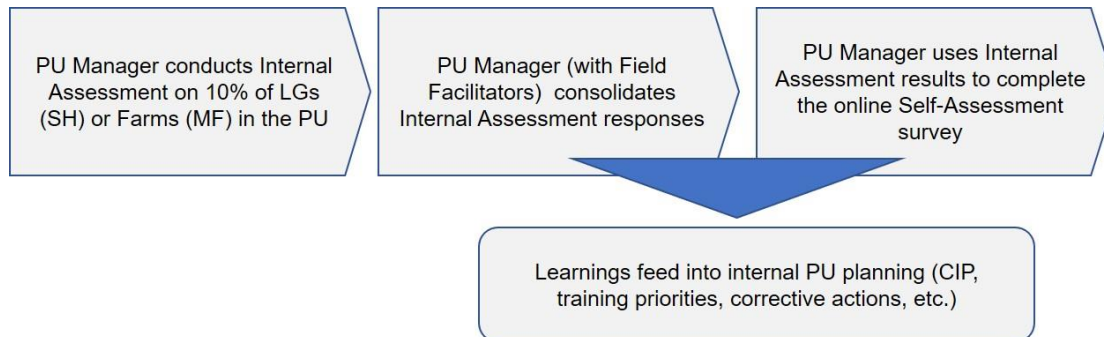
6. Self -assessment and Internal Assessment

6.1. Overview

- 6.1.1 All Producers are required to complete an annual self-assessment survey in order to receive or maintain a licence:
- Self-assessment is completed individually for each Large Farm.
 - Self-assessment is completed at the Producer Unit (PU) level for each Smallholder and Medium Farm PU, based on the results of internal assessment and other monitoring activities.
- 6.1.2 The objectives of the self-assessment are to:
- Ensure that Producer self-monitoring is happening in between external assessments
 - Support PUs in meeting Principle 1 requirements to conduct monitoring, consultation, and annually review the activity plan (1.1.1, 1.1.2, 1.1.3)
 - Support LFs in assessing their level of preparedness for licensing
- 6.1.3 The self-assessment is organised into six sections:
- Background contextual information
 - Consultation activities and findings – not applicable to LFs
 - Labour monitoring and remediation (including labour profile)
 - Monitoring of improvements (including using RIRs and practice adoption data) – partially applicable to LFs
 - Indicator-level self-assessment with identification of compliance gaps
 - Conclusions, informing the required annual revision of the activity plan
- 6.1.4 The results of the self-assessment are not directly linked to licensing; they are used instead to help the PU or Large Farm (LF) Manager identify improvement areas.
- Self-assessment results may also be used by third-party verifiers (3PVs), Programme Partners (PPs), or Better Cotton teams to help prepare for an assessment or monitoring visit and to assess quality of Producer management and monitoring systems.

6.2. Internal Assessment (PUs only)

- 6.2.1 Before completing the self-assessment at PU level, the PU Manager and Field Facilitators carry out an annual internal assessment to gather feedback from a representative sample of farmers each season:



- 6.2.2 The internal assessment may use the consultation and monitoring processes defined within Principle 1 of Better Cotton Principles and Criteria .
- 6.2.3 The internal assessment should cover at least 10% of the LGs (for a Smallholder PU) or 10% of Farms (for a Medium Farm PU).
PU's are recommended to include even more LGs or Farms where possible – 10% of LGs (Smallholders) or Medium Farms is a minimum expectation.
- 6.2.3 The internal assessments is able to help identify any risks of non-compliance against the indicators of the P&C
- 6.2.4 The internal assessment helps to identify current practices used by farmers and assesses various elements of training and practice adoption:
 - a) During the set-up phase, internal assessment focuses on baseline (existing) farmer practices, which helps identify improvement priorities.
 - b) After a PU is licensed, the focus of internal assessment shifts to assessing levels of farmer understanding and adoption of the practices promoted through training.
- 6.2.5 A standard reporting format for internal assessment reporting can be found on the [assurance website](#)– this format is optional for PUs.
- 6.2.6 Internal assessment reports are maintained by the PU Manager and do not need to be submitted to Better Cotton; however, they may be reviewed by verifiers during assessments.

6.3. Self-Assessment Format and Timing

- 6.3.1 The self-assessment is completed by the PU Manager or LF Manager in Excel in the case of PUs and in an online survey tool distributed by the Better Cotton Assurance team in the case of LFs.
- 6.3.2 For PUs and LFs with a valid license the Self-Assessment is an end of season requirement and it is submitted to Better Cotton by 4 weeks after the end of harvest.
- 6.3.3 For LFs due for licensing (i.e. new LFs or LFs due for a renewal of their license) the self-assessment is divided in two sections, of which part 1 is completed by the end of sowing and part 2 by 4 weeks after the end of harvest. When re-sent the survey at the end of the season, LFs have the chance to check and edit the information originally submitted in addition to providing the required new information for section two.

- 6.3.4 For PUs, the PU Manager should use the results of the internal assessment, licensing and surveillance assessments, readiness checks, PU support visits, labour monitoring and remediation system, and data review (e.g. results indicators reporting and practice adoption).
- 6.3.5 If a Producer does not submit a completed self-assessment in admissible quality by the deadline, the Producer's active licence will be cancelled for one season (or if unlicensed, the Producer will remain unlicensed for that season).

See [18.1 Licence Cancellation](#) for more information on cancelled licences. In extenuating circumstances an extension request for more time to complete the self-assessment can be requested, please refer to [20. Variations and Extensions](#)

7. Readiness Checks (PU only)

7.1. Overview

- 7.1.1 The Readiness Check uses the unique role of Programme Partners (PPs) as expert organisations with an ongoing field presence to ensure [new PUs](#) meet the P&C Indicators prior to being assessed for licensing.
- 7.1.2 The objectives of the Readiness Check are to:
- Assess whether a new PU fully meets the P&C Indicators;
 - Identify any gaps against P&C Indicators and develop corrective actions (together with the PU Manager); monitor the PU to ensure these corrective actions are implemented and effective; and
 - Evaluate the strength of the PU's capacity strengthening programme and identify improvement areas (e.g., related to quality of training, knowledge of Field Facilitators, etc.).

Together, the outcome of these points will inform the PP's decision on whether a PU is ready to be recommended for licensing.'

- 7.1.3 Readiness Checks can be conducted by any experienced member of the PP organisation who has completed relevant training.

The job title of the specific individual(s) within an PP organisation who meet these requirements may vary. Better Cotton provides training to PP representatives on how to conduct the Readiness Check. PP representatives who have experience with the Better Cotton programme and have undergone training on

the Readiness Check process can train other PP staff members in order to build up a pool of eligible assessors within the organisation.

- 7.1.4 Readiness Checks cannot be conducted by the PU Manager (or another staff member) of the same PU that is being assessed.

7.2. Format and Timing

- 7.2.1 Readiness Checks are field-based visits, in which the PP Representative spends significant time visiting farmers and observing the Field Facilitators and PU Manager in their daily roles.
- 7.2.2 Readiness Checks should typically last at least two full days for a Smallholder PU and 1.5 days for a Medium Farm PU.
- 7.2.3 Readiness Checks include the following elements:
- A meeting with the PU Manager and Field Facilitators to understand progress and identify key challenges and action plans;
 - Individual interviews with at least 5 farmers from 3 different Learning Groups for Smallholders (15 farmers minimum), or 3 farmers for Medium Farms;
 - Field observations at individual farms (minimum of 5 farms, but more farm visits are recommended);
 - Worker interviews (whenever possible);
 - Observing the PU Manager and Field Facilitators in their daily roles; for example, watching training sessions, farmer focus groups, or shadowing Field Facilitators on individual farmer visits;
 - Individual interviews with the PU Manager and Field Facilitators to understand knowledge strengths and areas for improvement;
 - A review of essential PU documents, including internal assessments, management plans, the continuous improvement plan, and training schedules and materials (for PU staff and LGs/farmers); and
 - A closing meeting with the PU Manager and Field Facilitators to discuss findings, corrective actions, and any next steps.
- 7.2.4 Readiness Checks can be carried out any time from sowing to harvest during the initial set-up season or any time during the sowing period of the PU's second season.
- 7.2.5 PPs must submit a list of all PUs that are recommended for licensing to Better Cotton Country Teams at the latest by the end of sowing deadline.

If a PU applies for a variation to be assessed for licensing in its initial season, the Readiness Check would have to occur during sowing of this initial season (see [4.2](#)).

7.3. Readiness Check Outcomes

- 7.3.1 The findings of the Readiness Check are documented and shared back to the PU Manager in the Readiness Check report

- a) If the PU does not yet fully meet all P&C Indicators, the PP Representative (together with the PU Manager) completes a corrective action plan, as specified in the Readiness Check Reporting Template (available on the [assurance website](#)).
- b) The Readiness Check report (and corrective action plan, if applicable) are to be shared with the PU Manager within 3 weeks of the visit taking place.

7.3.2 The PP is responsible for monitoring progress and verifying implementation of corrective actions if applicable.

This is ideally completed through an additional Readiness Check, or if necessary, through the remote verification of evidence. Evidence supporting non-conformity closure does not need to be submitted to Better Cotton but should be available at PP level and may be requested as part of external assessment activities.

7.3.3 Based on the outcome of the Readiness Check and any follow-up monitoring activities, the PP determines whether the PU is ready to be assessed for licensing.

7.3.4 By the end of sowing deadline, the PP is required to submit a list of all new PUs which are 'recommended for licensing' to the Better Cotton Country Team.

The Readiness Check reports for all PUs recommended for licensing can be submitted to Better Cotton on a rolling basis, with all reports received by the End of Sowing deadline. It is the responsibility of the PP to ensure the quality and completeness of Readiness Check reports before they are submitted to Better Cotton.

7.3.5 Better Cotton Country Teams may request improvements or additional information if Readiness Check reports lack enough detail to assess PU performance.

Better Cotton will not formally approve each Readiness Check report. A sample of reports may be reviewed as part of the routine annual assurance review and periodic external oversight activities (see [22.2 Assurance System Oversight](#)).

7.3.6 If the PP determines that a PU is not ready for licensing by the end of sowing deadline, the PU can spend the season in set-up phase and will not receive a Licensing Assessment that season.¹²

Better Cotton will not formally approve each Readiness Check report. A sample of reports may be reviewed as part of the routine annual assurance review and periodic external oversight activities (see [22.2 Assurance System Oversight](#)).

8. Licensing Assessments

This section applies to both Producer Units and Large Farms. Licensing assessments for PUs can be carried out by either Better Cotton Country Teams or third-party verifiers, while Licensing Assessments for Large Farms are always carried out by third-party verifiers.

¹² PUs can spend 1-2 seasons in set-up phase; if additional time is required before they are ready for licensing, a written variation must be requested.

8.1 Overview

- 1.1.1 All Producers must undergo a field-based Licensing Assessment in order to receive or renew a licence. This happens at least every 3 years as the standard license duration is three years. PUs can only undergo Licensing Assessments after they have completed the set-up phase requirements.
- 1.1.2 The purpose of a Licensing Assessment is to:
- Verify whether the Producer is in conformity with the P&C Indicators to inform the final licensing decision made by Better Cotton Assurance Managers;
 - Check continuous improvement progress;
 - If incidental non-conformities are identified, provide the Producer with a non-conformity report to enable the PU/LF Manager to develop a Corrective Action Plan (CAP).
- 1.1.3 Licensing Assessments for Large Farms (LFs) are conducted by an approved third-party verifier (list of approved verifiers is available on the Better Cotton [assurance website](#))
- 1.1.4 Licensing Assessments for PUs are conducted by either a trained Better Cotton assessor or an approved third-party verifier.¹³
- third-party verification constitutes a minimum of 20% of the licensing and surveillance assessments for PUs conducted in a given country per year.

Using a combination of qualified Better Cotton staff and approved third-party verifiers for PUs allows assurance resources to be allocated efficiently and ensures each country has a wide pool of assessors eligible to perform visits. The distribution of assessments between Better Cotton and third-party verifiers is determined on a country basis depending on resource availability and Better Cotton team capacity.

8.2 Format and Timing

A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#)

- 8.2.1 Licensing Assessments are field-based visits that include a review of the Producer's internal management system as well as field observations and interviews.
- 8.2.2 Each assessment includes the following elements¹⁴:
- Gathering information from local sources (for third-party verification only)
 - Management interview
 - Farmer interviews
 - Worker interviews
 - Documentation review

¹³ Refer to the [Stakeholder roles](#) section for more information on the role of country-level Assurance staff and third-party verifiers in the assurance model.

¹⁴ In the case of self-assessment, the 'Assessment Process' is applicable to the Internal Assessment visits that inform the completion of the self-assessment survey. See [6.2 Internal Assessment](#).

- f) Visual (field) inspection
- g) Analysis and reporting

A guidance document for assessments provides more detail on each of these elements, and can be found on the [assurance website](#).

8.2.3 During the assessment process for PUs, a sample of farmers are visited:

- a) For Smallholder PUs, a minimum of 3 Learning Groups are visited and 5 farmers per Learning Group (total of 15 farmers) receive farm visits.
- b) For Medium Farm PUs, a minimum of 3 farmers receive farm visits.

These are minimum expectations. A greater sample of farmers should be visited whenever possible in order to have better representation of the PU's performance. Additional farmers may also be visited at the assessor's discretion; for example, in order to determine the extent of a potential non-conformity.

8.2.4 During the assessment process for LFs, the individual LF receives a site visit from a third-party verifier.

8.2.5 Licensing Assessments can take place anytime during the cotton season from start of sowing to end of harvest:

- a) For new PUs, a Licensing Assessment can only occur after the completion of set-up phase expectations, and after the PU has received a Readiness Check and been 'recommended for licensing' by the PP.
- b) For licensed Producers, a Licensing Assessment to renew the licence is carried out the same season the licence is expiring.

8.2.6 In general Licensing Assessments take place before the [licensing date](#) in each country; however, in extenuating cases, a Licensing Assessment for an active PU may take place after the licensing date (e.g. due to scheduling issues or timing of the crop season).

- a) In this case, the licence will be renewed and if systemic non-conformities are identified during the assessment, the licence would be cancelled for the following season

8.3 Outcome of Licensing Assessments

8.3.1 During the closing meeting at the end of a Licensing Assessment, the Better Cotton assessor or third-party verifier will discuss and share a short, written summary of key findings with the PU Manager or LF Manager.

- a) This will include both positive elements of the Producer's performance as well as areas where there are potential gaps against P&C Indicators or further improvements could be made.

This summary of findings should be used as the basis to guide the closing meeting discussion, and a copy will be left with the PU Manager or LF Manager to ensure there is clear communication of assessment

findings. No non-conformity gradings should be communicated at this point (as these are subject to Assurance Manager oversight); only fact-based descriptions of potential issues identified.

- 8.3.2 After the visit, the full set of findings are documented using the Assessment Report template, available on the [assurance website](#).
- 8.3.3 The Licensing Assessment report, summary of key findings, and supporting evidence are shared with the Better Cotton Assurance Managers to review and confirm a final licensing decision.
- a) If compliant with all P&C Indicators, the Producer will receive a 3-year licence
 - b) If only incidental non-conformities are identified, the Producer will receive a 3-year licence and is required to carry out the following to maintain the licence:
 - i. Complete and submit a Corrective Action Plan (CAP) within ten working days
 - ii. Demonstrate that corrective actions have been implemented within six months

If either of these requirements are not met, the licence will be cancelled for the following season

- c) If any systemic non-conformities are identified, the licence will be denied
- 8.3.4 Once a final licensing decision has been made, the Assessment Report (available on the [assurance website](#)) is shared with the PU Manager or Large Farm.
- 8.3.5 Reports are generally expected to be completed and shared with the Producer within three weeks of the visit taking place. If any non-conformities (incidental or systemic) are identified during the assessment, Better Cotton will also share a CAP template with the PU or LF Manager
- a) The PU or LF Manager must complete the CAP and return the Better Cotton Country team within ten working days

Refer to [19. Non-conformities and Corrective Actions](#) for more information on non-conformities and licensing.

- 8.3.6 For new PUs only, if a systemic non-conformity is identified during the first Licensing Assessment, the PP must conduct a Readiness Check to confirm that corrective actions have been effective and the PU complies with all P&C Indicators, before the PU can be recommended again for licensing.

9. PU Support Visits (PUs only)

9.1 Overview

9.1.1 All licensed PUs are required to receive a field-based PU Support Visit by the Programme Partner (PP) in either the second or third year of the active licence period.

These visits are designed to complement – not replace – regular monitoring and field visits by the PP to all the PUs under their management.

9.1.2 PPs are responsible for scheduling PU Support Visits and tracking to ensure that each PU receives a visit during the second or third year of the active licence period.

9.1.3 The aim of the PU Support Visit is to:

- a) Evaluate the PU's continuous improvement progress, identify challenges, and develop solutions (together with the PU Manager and Field Facilitators)
- b) Review the effectiveness of the PU's internal management system and training/awareness raising efforts, and determine if any changes are needed
- c) Verify whether the PU is still fully compliant with the P&C Indicators; identify any gaps and agree on corrective actions to address these
- d) Understand where the PU needs additional capacity strengthening support and training (including skills development or training of PU staff as well as for farmers)

9.1.4 PU Support Visits can be conducted by any experienced member of the PP organisation who has completed relevant training.

The job title of the specific individual(s) within an PP organisation who meet these requirements may vary. Better Cotton provides training to PP representatives on how to conduct the PU Support Visits. PP Representatives who have experience with the Better Cotton programme and have undergone training on the PU Support Visit process can train other PP staff members in order to build up a pool of eligible assessors within the organisation.

9.1.5 PU Support Visits cannot be conducted by the PU Manager (or another staff member) of the same PU that is being assessed.

9.2 Format and timing

9.2.1 PU Support Visits are field-based checks that should typically last at least two full days for a Smallholder PU and 1.5 days for a Medium Farm PU.

9.2.2 The PU Support Visit should include at a minimum the following elements (others may be included based on the judgement of the PP representative):

- a) A meeting with the PU Manager and Field Facilitators to understand progress and identify key challenges and action plans;
- b) Individual interviews with at least 5 farmers from 3 different Learning Groups for Smallholders (15 farmers minimum), or 3 farmers for Medium Farms;
- c) Field observations at individual farms (minimum of 5 farms, but more farm visits are recommended);
- d) Worker interviews (whenever possible);
- e) A detailed review of PU documents, including the continuous improvement priorities, training records, adoption records, etc.;

- f) Cross-checking PU level documents (e.g., training and adoption records) with farmer interviews on a sample basis;
- g) Observing the PU Manager and Field Facilitators in their daily work, for example, observing training sessions, farmer focus groups, or shadowing Field Facilitators on individual farmer visits;
- h) Individual interviews with the PU Manager and Field Facilitators to understand knowledge strengths and areas for improvement;
- i) An assessment of year-on-year progress in achieving continuous improvement targets and identification of any areas of challenge that require support;
- j) A closing meeting with the PU Manager and Field Facilitators to discuss findings, corrective actions, and any next steps.

9.3 Outcomes of PU Support Visits

- 9.3.1 After the visit, findings are reported using the PU Support Visit template, available on the [assurance website](#).
- 9.3.2 The PP Representative carrying out the PU Support Visit should complete the report and the detailed Action Plan and share back with the PU Manager within 3 weeks of the visit.
- 9.3.3 Copies of the PU Support Visit reports are to be shared with the Better Cotton Country Teams at least once per year, or when requested.
- 9.3.4 If a PP determines at any time (including through a PU Support Visit) that a PU has significant gaps in meeting any of the P&C Indicators, the PP is expected to notify the Better Cotton Country team in writing of the issue
- 9.3.5 This information will not lead to an automatic licence cancellation but may result in an additional Surveillance Assessment being carried out.

10. Surveillance Assessments (PUs only)

10.1 Overview

- 10.1.1 Surveillance Assessments are carried out on a sample of licensed PUs in the second or third year of an active licence.
-

10.1.2 Surveillance Assessments are conducted by either qualified Better Cotton Programme Officers/Coordinators or approved third-party verifiers.

10.1.3 The objectives of Surveillance Assessments are to:

- a) Confirm that the PU continues to comply with all P&C Indicators;
- b) Check that any non-conformities from previous assessments have been fully closed;
- c) Ensure the PU is making progress against priority areas for continuous improvement; and
- d) Provide feedback to the PU on any compliance gaps

10.2 Sampling

10.2.1 Surveillance Assessments are carried out on a sample of licensed PUs globally each year¹⁵.

10.2.2 The sample of PUs to receive a Surveillance Assessment is calculated by the Better Cotton Assurance Managers based on the following factors:

- a) All PUs with over 33% new farmers will receive a mandatory surveillance assessment
- b) PUs with a high rate of non-conformities during previous assessments
- c) Balanced distribution across PPs, Local Partners, and regions
- d) Third-party information on risk factors (i.e. known sustainability issues or labour violations in a specific region)

10.2.3 The list of any PUs to receive a Surveillance Assessment will be shared with the relevant PP by Better Cotton Country Teams at least five working days ahead of the visit.

10.3 Format and timing

10.3.1 Surveillance Assessments follow the same general format and timing as a Licensing Assessment (see [8.2](#)).

10.3.2 Surveillance Assessments can be carried out any time during the crop season from start of sowing to end of harvest.

A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#)

¹⁵ The total sample of surveillance assessments is expected to be around 5% of licensed Producers globally each year, but this varies depending on risk factors. Total surveillance assessments completed by country and outcomes of these visits are published annually on the Better Cotton assurance website

10.4 Outcomes of Surveillance Assessments

10.4.1 During the closing meeting at the end of a Surveillance Assessment, the Better Cotton assessor or third-party verifier will discuss and share a short, written summary of key findings with the PU Manager.

- a) This will include both positive elements of the PU's performance as well as areas where there are potential gaps against the P&C Indicators or further improvements could be made.

This summary of findings should be used as the basis to guide the closing meeting discussion, and a copy will be left with the PU Manager to ensure there is clear communication of assessment findings. No non-conformity gradings should be communicated at this point (as these are subject to Assurance Manager oversight); only fact-based descriptions of potential issues identified.

10.4.2 After the visit, the full set of findings are documented using the Assessment Report template, available on the [assurance page](#) of the Better Cotton website.

10.4.3 The Assessment Report, summary of key findings, and supporting evidence are shared with the Assurance Managers for a final review and decision:

10.4.4 If compliant with all P&C Indicators, or if only incidental non-conformities are identified, the PU will retain its current licence.

- a) If systemic non-conformities are identified, the active licence will be cancelled and another Licencing Assessment will be required before the licence can be reinstated

10.4.5 Once reviewed by Assurance Managers, the final report is shared with the PU Manager.

Reports are generally expected to be completed and shared with the PU Manager within 3 weeks of the visit.

10.4.6 If any non-conformities (incidental or systemic) are identified during the assessment, Better Cotton will also share a Corrective Action Plan (CAP) template with the PU Manager

- a) The PU Manager must complete the CAP and return the Better Cotton Country Team within 10 working days.

Refer to [19. Non-conformities and Corrective Actions](#) for more information on non-conformities and licencing.

11. Remote Assessments

11.1 Force Majeure

11.1.1 Where political events, natural disasters, or other force majeure events make it not possible or not safe to carry out standard assurance activities; remote or partially remote assessments may be carried out instead with prior written approval from the Better Cotton Director of Standards & Assurance.

11.2 Standard Remote Assessment Sample

11.2.1 Outside of a force majeure response, up to 20% of assessments in each season may take place remotely. The selection of assessments to be done remotely is based on the following factors:

- a) Producer is not being assessed for their first/initial licence
- b) Producer has a good record of conformity in previous assessments, self-assessments, and monitoring visits
- c) Previous assessment for the Producer was on-site (e.g., consecutive assessments should not be remote)
- d) The Producer has not had a significant composition change of farmers i.e., more than 33%.
- e) Consideration of locality – e.g., within a region, assessments should not be fully remote

11.2.2 Remote assessments should follow guidelines on the Better Cotton remote assessment process, available on the [assurance website](#).

12. Use of Interpreters

12.1 Interpreters During Assessments

12.1.1 Interpreters¹⁶ are to be contracted as part of the assessment process in cases where the local language is not spoken by the assessor.

12.1.2 Interpreters must be independent and impartial from the Producer being assessed.

12.1.3 Translations must be a direct translation to maintain accuracy and completeness of the interviewee's statement.

13. Continuous Improvement

13.1 Continuous Improvement for Producers

¹⁶ Term 'interpreters' incorporates the term 'translator' within this document where mentioned

All producers are expected to plan for and demonstrate continuous improvement. For producer units this will be reflected in their activities and monitoring plans. For Large Farms they will be required to define targets and show progress over time.

- 13.1.1 During the active licence period, Producers are expected to focus on the implementation and achievement of improvements.
- a) Producers (with the support of Programme Partners (for PUs)) should shape their capacity strengthening and interventions around priorities for improvement
 - b) PUs are expected to regularly monitor the effectiveness of training and other interventions, through tracking levels of farmer understanding and awareness and (eventually) adoption of more sustainable practices.
- 13.1.2 Both PUs and LFs are required to demonstrate year-on-year progress in achieving their improvement goals, and to engage in an annual review process to ensure they build on successes and address any areas of challenge.
- 13.1.3 The assurance process provides a framework of both accountability and support to ensure Producers make continued progress against the priorities for improvement.
- 13.1.4 The Readiness Check (for PUs) and initial licensing assessment (for all Producers) reviews the initial priorities for improvement and checks whether the priorities and timeframes are appropriate and realistic; they also assess the level of competence and understanding of the PU/LF Manager and Field Facilitators (for PUs).
- 13.1.5 For PUs, the PU Support Visits and Surveillance Assessments also have a strong focus on continuous improvement.
- 13.1.6 The Licensing Assessment to renew a licence also evaluates whether the Producer has made progress against the areas of improvement; based on cross-checking farming practices and levels of farmer awareness/understanding.

If the Licensing Assessment to renew a licence finds that a Producer has not demonstrated clear progress against priority areas for improvement, a systemic non-conformity can be raised against 7.1.1 and the licence will not be renewed.

14. Additional Verification Activities

If significant environmental, social, or economic threats are identified in an area where licensed Producers are operating, Better Cotton may request additional verification activities to help safeguard the credibility of the Better Cotton Standard System. This could be applicable for example if third-party reports show high uses of child labour, or a credible research study suggests continued use of banned pesticides in a specific region.

14.1 Additional Verification Activities

- 14.1.1 In specific cases where risk areas have been identified (e.g. through credible third-party information or monitoring of external data), Better Cotton may commission additional verification activities to assess Producer compliance with specific P&C Indicators.
- 14.1.2 Additional verification activities:
- a) Can consist of either field-based visits or remote interviews/document checks;
 - b) Are carried out by designated technical experts approved and commissioned directly by Better Cotton Assurance Managers.
- 14.1.3 If additional verification activities are commissioned by Better Cotton, the Producer (either Large Farm Manager or PU Manager and PP representative) will be notified in writing with a minimum of 24 hours' notice.
- 14.1.4 All findings of additional verification activities are shared, in writing, with the Assurance Managers, who will review any outcomes and make final decisions on licensing impacts:
- a) Identification of systemic non-conformities will result in the licence being cancelled and a Corrective Action Plan (CAP) being developed.
 - b) Identification of incidental non-conformities will not affect the licence but will require development of a CAP within ten working days of being informed of the findings.
- 14.1.5 Failure to comply with a request for additional verification activities (such as refusing access to assessors, or non-submission of requested information) can lead to a licence cancellation

15 Licensing Decisions and Claims

15.1 Licensing Decisions

- 15.1.1 All final licensing decisions are made by Better Cotton Assurance Managers based on a review of the outcome of a Licensing Assessment, including the report itself and any supporting evidence where appropriate.
- 15.1.2 All licences to sell Better Cotton are issued for a standard duration of 3 years.
- 15.1.3 Large Farms receive licences on an individual basis, and a Producer Unit (PU) is awarded a single licence covering all farmers within the PU.
- 15.1.4 All licensing decisions (such as licences being awarded or cancelled) for any given season are communicated to PPs and PU or LF Managers by Better Cotton Country Teams.

- a) A full list of active licensed Producers by country and season are also published on the Better Cotton website

The licensing communication also identifies the conditions associated with individual licences. In the context of PUs, the PP representative is responsible for sharing licensing information with individual PU Managers.

15.2 Licensing Claims

15.2.1 Producers who hold active licenses to sell Better Cotton can make claims about their licensed status, provided they:

- a) Reflect the accurate and current status of the license for the given cotton season, as indicated via the public list of active licenses (available on the Better Cotton website) and/or as indicated via the latest license communication from Better Cotton
- b) Clearly indicate the duration of the license and/or the season for which the Producer is licensed to sell Better Cotton

The use of authorised annual volume (AAV) codes helps to ensure that even if unlicensed Producers make false claims about their license status, their cotton cannot be sold and recorded into the Better Cotton Platform as 'Better Cotton'

16 Active Licence Period

16.1 Active Licence Period

16.1.1 During the 3-year active licence period, Producers are expected to fulfil annual requirements to maintain the licence:

- a) Submit annual Producer data to Better Cotton by specified deadlines;¹⁷
- b) Complete an annual self-assessment survey (and internal assessment, for PUs only);
- c) Implement corrective actions and fully address any incidental non-conformities identified through a Licensing or Surveillance Assessment, or PU Support Visit;

¹⁷ PU data includes (but is not limited to) name and contact information of Producer Unit Manager; list of farmers organised into Learning Groups (for Smallholder Producer Units); age, gender, education level of farmers; expected seed cotton production per farmer and area under cultivation; geo-location of Producer Units; names of gins. For LFs, Producer data includes (but is not limited to) name of LF Manager; expected seed cotton production and area under cultivation; geo-location of farm; name of gin(s).

- d) Demonstrate progress in achieving the continuous improvement targets
- e) Submit [Results Indicator](#) (RI) reporting 12 weeks after the end of harvest (see [Results Indicators Reporting](#)).

It is the PP's responsibility to submit accurate PU-level farmer lists each season to Better Cotton to maintain an active licence. If wide-scale inaccuracies in this data, or falsified farmer information is suspected, Better Cotton has the right to investigate further. Better Cotton may cancel the PU's licence if these inaccuracies are systemic in nature.

- 16.1.2 During the licence period PUs are also required to participate in at least one PU Support Visit, and if applicable, a Surveillance Assessment.
- 16.1.3 If changes in farmer composition result in the percentage of new farmers in the PU exceeding 33% at any point during the active licence period, the PU must undergo a Surveillance Assessment in order to maintain the licence.¹⁸

17 Annual Licensed Volumes

17.1 Annual Licensed Volumes

- 17.1.1 All Producers with an active licence to sell Better Cotton will receive an annual licensed volume allocation – this enables their cotton to be sold into the supply chain as 'Better Cotton'.

The licensed volume is based on projected cotton production and is an estimate of the volume each Producer can sell into the supply chain as 'Better Cotton'

- 17.1.2 Producers in most countries where Better Cotton operates will receive an [Annual Authorised Volume \(AAV\) code](#) once a year at the licensing date:
 - a) The AAV code is a unique code, specific to each Producer, that is linked to the volume of licensed cotton produced by that PU or LF.
 - b) The AAV code is to be passed on to buyers of the cotton (i.e. ginners) so that purchases of Better Cotton can be entered into the [Better Cotton Platform](#).
 - c) A new, unique AAV code is generated each year for every Producer with an active licence; and is valid for the duration of the season.
- 17.1.3 AAV codes are communicated out to PP representatives (or Large Farm managers) by Better Cotton Country Teams during the annual licensing deadline.
- 17.1.4 In countries where combined gin inventories are used (rather than individual AAV codes), the total volume of licensed cotton will be updated in the Better Cotton Platform on an annual basis.

¹⁸ The 'percentage of new farmers' is calculated as the number of new farmers/total farmers in the PU for the current season * 100.

18. Licence Cancellation

New Producers remain 'unlicensed' until a Licensing Assessment has been carried out with no systemic non-conformities identified (following the set-up phase and a Readiness Check for PUs). Once a licence is issued, it remains valid for the 3-year period unless the Producer fails to meet a specific requirement (such as submitting RI data), there is a change in the Producer's overall status (i.e. the PU is dissolved), or a systemic non-conformity is raised during an assessment. In some cases, a Licensing Assessment is required before a cancelled licence can be reinstated – refer to the table below. All changes to licensing status are approved by an Assurance Manager.

18.1 Licence Cancellation

- 18.1.1 A licence cancellation is when a Producer's active licence becomes invalid for a specified period due to a failure to comply with at least one of the licensing requirements (see [Overview of Licensing Requirements](#)) or due to an administrative reason.
- 18.1.2 Licences can be cancelled for the current season or for the following season, depending on the timing of the issue (i.e. whether it occurred before or after the [licensing date](#) – refer to [Table 4: Licence Cancellations](#)).
- 18.1.3 Producers with a cancelled licence are not permitted to sell cotton as 'Better Cotton' during the cancellation period; however, the Producer can continue participating with Better Cotton, with farmers receiving training and support from the PP and PU staff.
- 18.1.4 Active licences are cancelled in the following cases:
- Self-assessment is not submitted on time;
 - Results Indicator (RI) reporting data is either not submitted on time, incomplete, systematically erroneous (e.g. fertilizer data in place of pesticide data), or falsified or fabricated (or cannot be verified through cross-checking);
 - Corrective actions to address incidental non-conformities have not been implemented within the six-month timeframe¹⁹;
 - Systemic non-conformity is found during a Licensing or Surveillance Assessment (or additional verification activity as in Section 11);
 - Scheduled assessments are not carried out (for example, the Producer refuses access);
 - Corrective Action Plan (CAP) for incidental non-conformity is not submitted by the required deadline or is incomplete or insufficient quality.
- 18.1.5 Following the cancellation period,
- If the license has not expired, and cancellation was only for non-submission of self-assessment or RI reporting, the license may be reactivated by the assurance team upon request and confirmation of the farm/ PUs intention to participate.
 - In all other cases of cancellation, a Licensing Assessment is required and if successful a new 3 year license is awarded.

¹⁹ Unless exceptional circumstances have prevented the implementation of corrective actions.

18.1.6 Licences can also be cancelled due to a change in the status of the Producer or Programme Partner, for example:

- a) The PU stops growing cotton [PUs only]²⁰.
- b) The PU is dissolved or the Programme Partner agreement is no longer active.
- c) The Producer stops participating with Better Cotton.

Table 4: Licence Cancellations

In the table below, the current season refers to 2020/21 to help provide an example

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
Before Licensing Date	a. Self-assessment not submitted on time (LFs due for licensing – Part 1) b. RI reporting <u>from the previous season</u> not submitted, or insufficient quality data (N/A for new Producers)	Licence cancelled for the season (or if new Producer, not eligible for licensing)	<ul style="list-style-type: none"> • If the license has not expired reactivation may be approved by assurance team without assessment upon request and confirmation of the farm/PUs intention to participate. • If the license has expired a license assessment and new 3 year license would be required • 	N/A
	c. Incidental non-conformities (NCs) from previous season not fully closed within the six-month timeline d. Systemic NC on Licensing or Surveillance Assessment ²¹ e. Failure to carry out scheduled assessment f. CAP not submitted or is incomplete or insufficient quality	Licence cancelled (or if new Producer, no licence granted)	Licensing Assessment required before a new 3 year licence can be issued (or reactivated)	N/A
After Licensing Date	a. Systemic NC on Licensing or Surveillance Assessment ²²	No impact (production can be sold as Better Cotton)	Licence cancelled	Licensing Assessment required before a new 3 year

²⁰ In the case of LFs, the licence remains valid for the remainder of the licence period

²¹ Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

²² Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
	b. Failure to carry out scheduled assessment c. CAP not submitted or is incomplete or insufficient quality d. Self-assessment not submitted on time (LFs due for licensing – Part 2 and other LFs and PUs)			licence can be issued

19. Non-conformities and Corrective Actions

19.1 Non-conformity Gradings and Consequences

- 19.1.1 Non-conformities (NCs) identified during Licensing Assessments and Surveillance Assessments are graded as either incidental or systemic, as set out in Table 5.
- 19.1.1.1 Assessor may also identify some indicators as 'compliant with observation where although an indicator is currently met there is a risk which could lead to future non-compliance.

Table 5: Incidental and Systemic Non-Conformities

NC Grading	Description of Finding	Consequences	Follow-Up
Incidental	For Producer Units: a) Non-conformity on a Core Indicator is observed as an isolated event, limited in temporal and spatial scale, and b) Producer Unit has provided sufficient evidence that the internal management system	Corrective action plan to be completed within ten working days of being notified of assessment findings. The Producer has six months to implement	Better Cotton verifies the implementation of corrective actions, either through a remote evidence review and/or through a site visit.

NC Grading	Description of Finding	Consequences	Follow-Up
	<p>(IMS) should prevent such practices</p> <p>c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) but significant progress was made.</p> <hr/> <p>For Large Farms:</p> <p>a) The impacts of the non-conformity are limited in temporal or spatial scale, and/or</p> <p>b) It does not result in a fundamental failure to achieve the objective of the indicator.</p> <p>The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) but significant progress was made.</p>	<p>corrective actions to prevent the identified non-conformity from re-occurring in future.</p> <p>Note –the Large farm Group Coordination Model (refer to Annex B) the timeline for closing an incidental non-conformity is two weeks.</p>	
Systemic	<p>For Producer Units:</p> <p>a) Corroborative evidence demonstrates that a Core Indicator is not respected, and</p> <p>b) Producer Unit cannot provide sufficient evidence that the internal management system (IMS) prevents such practices.</p> <p>c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) without significant progress made.</p> <hr/> <p>For Large Farms:</p> <p>a) Non-conformity occurs repeatedly, or</p> <p>b) Results in a fundamental failure to achieve the objective of the indicator.</p> <p>c) The same non-conformity issue is identified in two consecutive assessments (either licensing or</p>	<p>The Producer is denied a licence (for a Surveillance Assessment, the PU's active licence is cancelled).</p> <p>Corrective action plan to be completed within ten working days of being notified of assessment findings.</p>	<p>Implementation of corrective actions is checked during the subsequent Licensing Assessment.</p> <p>For PUs, PPs should support the PU in implementing corrective actions and verify their effectiveness before another Licensing Assessment.</p>

NC Grading	Description of Finding	Consequences	Follow-Up
	surveillance assessments) without significant progress made.		

19.2 Corrective Action Plans

- 19.2.1 If a Licensing Assessment identifies incidental and/or systemic non-conformities, the PU/LF Manager must complete a Corrective Action Plan (CAP) for all non-conformities.
- a) The assessor shares the CAP template with the PU Manager/LF Manager after the assessment, with the non-conformities populated.
 - b) The PU Manager or LF Manager is responsible for identifying the root cause and outlining remediation steps and owners for all non-conformities identified.
- 19.2.2 The CAP is submitted by the PU/LF Manager to Better Cotton country team within ten working days of receiving the assessment outcome:
- a) If the CAP is incomplete or poor quality, Better Cotton may request corrections before the CAP is considered acceptable.
- 19.2.3 In case of incidental non-conformity, failure to submit an acceptable CAP by the required deadline results in licence denial (for new Producers), or the licence being cancelled for one season (for licence holders):
- a) If the required CAP deadline occurs before the licensing deadline, the current season licence is cancelled.
 - b) If the required CAP deadline occurs after the licensing deadline, the licence is cancelled for the following season.
- 19.2.4 For PUs, the PP is responsible for supporting the PU Manager to develop an appropriate CAP and for monitoring the PU to ensure that the agreed corrective actions are implemented.
- 19.2.5 The implementation of the CAP may be verified by Better Cotton approximately six months after the licence was issued
- a) This can take the form of an on-site visit or a remote documentation review and phone/video/email communication.
- 19.2.6 If sufficient evidence is not submitted to confirm that root causes are identified and corrective actions implemented (to the extent possible given seasonal timing), the licence will be cancelled for one season, subject to Assurance Manager review.

20. Variations and Extensions

The assurance model allows for variations or time extensions on certain requirements, as outlined below.

20.1 Variations and Extensions Process

20.1.1 Variations can be requested in the following cases:

Variation type	Deadline for request
Recommend a new PU for licensing in its first season of participation, provided the relevant criteria are met (see 4.2 Timing of the Set-Up Phase).	End of sowing. <i>[Note that the Readiness check must also have been completed by the PP by this deadline, before submitting a variations request, demonstrating the PU is fully compliant and ready for licensing]</i>
Request an additional (third) season in set-up phase for a PU that is not yet ready for licensing.	End of sowing.
Request an extension for additional time to meet a required assurance deadline, such as farmer lists, self-assessment, Results Indicator (RI) reporting, or closure of incidental non-conformities.	At least ten working days <u>ahead</u> of the original deadline.

20.1.2 All requests for variation and extension are to be submitted through the process found on the Better Cotton [assurance website](#).

- a) Requests are to be submitted by the PU Manager or LF Manager, in English, and must cover all information required in the form.
- b) Requests must include a clear rationale and supporting evidence where required.

20.1.3 Variation/ extension requests are decided on by Better Cotton Assurance Manager(s):

- a) Decisions will be communicated back to the Producer within 5 working days of receiving a complete variation/extension request (with evidence).
- b) Extension requests are generally granted for two weeks unless the Producer requests additional timing and provides a clear rationale.

21. Appeals Process

21.1 Appeals Process

- 21.1.1 Under the Better Cotton assurance model, Producers can appeal against a licensing decision within 10 working days of being informed of the licensing decision.
- 21.1.2 The appeals procedure is designed to be used in cases where the Producer has clear evidence of professional misconduct or negligence on the part of the assessor.
- The Appeals Procedure should not be triggered due to the fact that a Producer disagrees with the evidence-based findings of a Licensing Assessment.*
- 21.1.3 Appeals must be filed using the form on the Better Cotton [assurance website](#).
- 21.1.4 Appeals received are first reviewed for eligibility. Appeals are considered ineligible for processing if they are received after the deadline, the appeals form is incomplete, or it does not contain sufficient evidence of professional misconduct or negligence on the part of the assessor.
- 21.1.5 Decisions on eligible appeals are made by a subset of members from Better Cotton Appeals Committee, which comprises country-level assurance Coordinators or Managers and third-party verifiers.
- 21.1.6 Within 14 days of receiving an eligible appeal, the Assurance Managers will designate a specific panel composed of 1-3 members of the Appeals Committee, who will review and decide on the appeal in question.
- 21.1.7 Members of the panel are selected based on impartiality, technical knowledge of the relevant Better Cotton principles, understanding of local context, and availability.
- 21.1.8 The panel will exclude any members with conflicts of interest – for example, a third-party verifier who carried out the verification visit against which the Producer is appealing.
- 21.1.9 The dedicated appeals panel will review and decide on an appeal within 35 calendar days of receipt of the appeal
- a) The appellant will be notified in writing of the decision and the rationale.
 - b) All appeal decisions are final.

22. Assurance Updates and Oversight

22.1 Assurance Changes and Stakeholder Engagement

- 22.1.1 Better Cotton periodically reviews the assurance model to ensure it continues to deliver on its objectives (as outlined in Section 1 – Introduction); driving opportunities for continuous improvement and maintaining credibility.
-

- a) Where significant assurance updates are proposed there will be proactive communication and dedicated consultation opportunities with key stakeholders including Producers, PPs, verifiers, and others.
- b) A schedule of any proposed major changes and opportunities for stakeholder consultation will be made public on the Better Cotton assurance website.
- c) Minor changes to the assurance model (which do not fundamentally change the assurance mechanisms and do not have notable implications on cost, credibility, licensing, or accessibility) can be made by the Better Cotton assurance team, after consultation with affected stakeholders; these require approval of the Director of Standards & Assurance.
- d) Final approval for major changes to the assurance model rests with the Better Cotton Council, which is a multi-stakeholder body elected from the Better Cotton Membership.

22.1.2 Feedback or suggestions relating to the Better Cotton assurance programme can be submitted at any time to assurance@bettercotton.org – these will receive written responses and will inform the schedule of future updates.

22.1.3 When a new version of the Assurance Manual is published the following steps will be taken:

- a) It will be made available on the Better Cotton website.
- b) Regional teams and PPs will be emailed to inform them of the update.
- c) For minor changes the date of publication on the website will be the date the changes come into effect.
- d) For major changes (i.e. those which fundamentally change the assurance mechanisms and/or have notable implications on cost, credibility, licensing, or accessibility).
 - i. An effective date for the changes will be agreed and included in the manual based on the communication and transition needs. This will be at least 30 days after the publication of the manual.
 - ii. PPs will be requested to inform the LFs or PUs they work with about any changes which impact them sufficiently in advance of the effective date.

22.2 Assurance System Oversight

Better Cotton is committed to ensuring the continued effectiveness and integrity of its assurance model through external oversight.

22.2.1 External oversight activities are conducted as part of periodic system reviews and are performed at least every 3-years.

22.2.2 External oversight activities are conducted by independent consultants. Better Cotton will request any conflict of interests to be disclosed before proceeding with the selected independent consultant /body.



22.2.3 Further details of Better Cotton's oversight mechanism is outlined in the *Assurance Programme System Review* document; available on the Better Cotton [assurance website](#).

Annex A. Timeline of Assurance Activities

The specific dates associated with the timelines below are set by country/sub-region at the beginning of the season based on the expected timing of the crop season. All dates will be communicated to Programme Partners and Large Farms at the beginning of the season.

Table 6: Timeline of Assurance Activities

Activity	Start timing	End timing (deadline)
PPs or LFs confirm Producer data ²³	4 weeks before start of sowing	End of Sowing
PPs Submit farmer lists	4 weeks before start of sowing	End of Sowing (final confirmed farmer lists)
Internal Assessment (recommended timing)	Start of sowing (recommended timing)	End of sowing (recommended timing)
PPs submit Early Season Reporting	Start of sowing	End of sowing
Readiness checks	Start of sowing	End of harvest ²⁴
PPs submit 'recommended for licensing' list of new PUs	N/A	End of sowing
Licensing or Surveillance Assessments	Start of sowing	End of harvest ²⁵
PU Support visits (on licensed PUs)	Start of sowing	End of harvest

²³ PU data includes for example the name and contact information of the PU Manager; list of farmers organised into Learning Groups (for Smallholders); age, gender, and education level of farmers; expected seed cotton production per farmer and area under cultivation; geo-location of PUs; names of gins. LF data includes for example the name of LF Manager; expected seed cotton production and area under cultivation; geo-location of farm; and name of gin(s). Note: It is the IP's responsibility to submit accurate PU-level farmer lists to Better Cotton. If wide-scale inaccuracies in data or falsified farmer information is suspected, Better Cotton has the right to investigate further. Better Cotton may either deny or cancel licences if the inaccuracies are systemic in nature.

²⁴ Note that if a PU is recommended for licensing in its first season, the Readiness Check needs to be carried out and report documented by the end of sowing deadline for a variation to be requested

²⁵ Most Licensing Assessments for new Producers will be carried out before the designated licensing date (usually towards the start of harvest). However, in some cases Licensing Assessments may be scheduled after licensing date; in these cases, a conditional license will be issued and if a systemic non-conformity is identified, the Producer's license would be cancelled for the following season (see [18.1 License cancellation](#))

Activity	Start timing	End timing (deadline)
s – due for licensing LFs (part 1)	Start of sowing	End of sowing
Self-Assessments – due for licensing LFs (part 2), and other LFs and PUs	Start time flexible for PUs, end of harvest for LFs and PUs	4 weeks after end of harvest
Deadline to complete Corrective Action Plan (CAP) template	N/A	10 working days after findings are communicated back to the ProducerSelf-Assessment
PPs or LFs submit Results Indicator (RIR) reporting	Start of sowing	12 weeks after end of harvest (final confirmed RI reporting submitted)
Deadline to implement corrective actions for Incidental non-conformities	N/A	6 months after findings are communicated back to the Producer

Annex B. Large Farm Group Coordination Model

Large Farms covered by this model have individual licenses but are organised into groups, and assessments are issued on a sample basis. This model was designed to enable greater efficiency in licensing and coordination for large farms operating in specific lower-risk contexts²⁶.

Large Farms applying for and/or under individual Better Cotton Licenses will join together under the guidance of a designated Licensing Management Partner²⁷, (e.g., coop or Merchant), and may work with local gins or farmers' associations as Licensing Support Partners. The Licensing Management Partner (and Licensing Support Partner representatives, where relevant) are responsible for organising a group of participating farmers and providing them with farm-level support. This includes helping farmers understand licensing requirements, gathering data, conducting farm visits, and helping to coordinate assessments conducted by third-party verifiers. The Licensing Management Partner (LMP) is a member of Better Cotton.

B.1 Organisation of Large Farms in the Large Farm Group Coordination Model

B.1.1 Large Farms that wish to participate in the Better Cotton Licensing Management model are organised into a group under a designated Licensing Management Partner.

The Licensing Management Partner may also delegate responsibilities to Licensing Support Partners (LSP) such as gins that work closely with farmers. Delegation of roles to LSPs should be documented at the beginning of each season through the LSP Task Delegation Checklist

B.1.2 Licensing Management Partners are responsible for the following activities:

- a) Regular engagement and outreach to participating farmers in the group
- b) Supporting participating farmers to complete an orientation on the Better Cotton programme led by the Better Cotton Country Team
- c) Ensuring information from Better Cotton, such as updates on the programme and its requirements or information on Better Cotton events, is shared with farmers as required
- d) Facilitating timely submission of data from participating farms, including participating Producers' contact information, seasonal data, and end-of-season Results Indicator (RI) Reporting

²⁶ This approach was introduced in 2018 and is currently applicable only in the United States, due to the presence of a number of preconditions, including: (i) comprehensive government regulations, (ii) existing support systems of technical assistance, and (iii) demonstrated low risk of non-compliance based on analysis of licensing data. The model may be expanded to other regions in the future

²⁷ This Licensing Management Partner is not a license holder or responsible for P&C compliance of the large farms that fall within their group. Each farm has an individual license. The Licensing Management Partner provides support and facilitates some coordination and assessment activities.

- e) Supporting farmers through information and knowledge sharing, to help them understand Better Cotton P&C Indicators and develop/implement continuous improvement priorities
- f) Supporting farmers to complete the self-assessment, including gathering additional evidence to cross check responses where necessary
- g) Coordinating with Better Cotton and farmers to confirm assessment schedules
- h) Contracting with third-party verifiers to complete required assessments
- i) Carrying out LMP assessments directly (or supporting the designated LMP/ LLSP representative in carrying these out)
- j) Finalising reports for LMP assessments, including working with Better Cotton Country Teams or Assurance Managers to provide additional evidence or clarification when requested
- k) Supporting farmers to follow-up on any non-conformities identified during a Licensing Assessment

B.1.3 Licensing Management Partner (and Licensing Support Partners as applicable) are required to participate in regular trainings and meetings led by Better Cotton Country Teams.

B.2 Self-Assessment under the Large Farm Coordination Model

- B.2.1 All farmers within each group must complete an annual self-assessment survey at the individual farm level, as follows:
- a) In the first year of participation, farmers complete a full self-assessment survey covering all P&C Indicators
 - b) During years two and three of the active licence period, farmers complete a shorter, streamlined version of self-assessment
 - c) At the point of licence renewal (fourth year of participation) farmers complete the full self-assessment survey again, covering all P&C Indicators
- B.2.2 The self-assessment survey outcome is either compliant or non-compliant (if the farmer may not fully comply with a P&C Indicator).
- a) If the self-assessment survey results in a non-compliant outcome, the farmer's licence can be denied or cancelled.
 - b) Large Farms may submit evidence to correct a self-assessment response by specified deadline; the evidence will be reviewed by the Better Cotton Country Team and Assurance Manager to determine if the self-assessment outcome will be modified.
- B.2.3 The self-assessment survey should be completed by the farmer directly; but if necessary, the farmer can be supported by the Licensing Management Partner.

B.3 Licensing Assessments and support visits under the Licensing Management Model

A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#).

- B.3.1 Each year, a sample of farms within each group receive a Licensing Assessment or support visit, according to the following sampling requirements:
- Assessments conducted by third-party verifiers - 10% of Large Farms from each group
 - Assessments conducted by Better Cotton – 10% of Large Farms from each group
 - Support visits conducted by the LMP or LSP representative – 10% of large farms from each group

- B.3.3 Assessment sampling and support visits occur on an annual basis according to the current number in each group any given year

The number of assessments to be done in any given year is based on the number of confirmed farmers within each group at the start of the season. Sampling is conducted annually, therefore any LF could potentially receive an assessment in any year of the licence. Sampling is based on ensuring that visits are equally divided across the Large Farms. Farms that have not been visited and those with any compliance risks are prioritised for assessment.

Assessments conducted by third-party verifiers and Better Cotton assessors consist of a comprehensive evaluation of the farm's performance against the P&C Indicators.

Support visits conducted by LMP/ LSP representatives follow a more streamlined format and focus on key P&C Indicators, conformity risks, and sustainability improvements.

- B.3.4 The designated LMP/LSP representative is responsible for commissioning third-party assessments directly:
- The verifier must be included in the current list of Better Cotton approved third-party verifiers, available on the assurance webpage
 - There must be a written contract between the farmer/ farm management or contracting party, and the third-party verifier. This should cover the scope and terms of the licensing assessment, and responsibilities and obligations, including data use and confidentiality
 - The same verification organisation is not able to carry out assessments on more than 50% of the sample size (i.e. farms receiving third-party assessments within the same group) in two consecutive years.²⁸

²⁸ This rotational requirement became effective from the 2020/21 season

This requirement ensures that Licensing Management Partners have some rotation of third-party verifiers, in order to maintain credibility and objectivity. For example, if a Licensing Management Partner has 10 farms requiring third-party verifier visits in 2020/21 and they use Organisation A for 8 of these visits, the group would have to allocate 5 or fewer visits (less than 50%) to Organisation A in the following year, 2021/22. However, if the group uses Organisation A and Organisation B to each carry out 5 visits (50% of the total), they could continue using both verifier organisations (at the same ratio) in perpetuity.

- B.3.5 The assessment process for Large Farms under the Licensing Management Model follows the process requirements outlined under Licensing Assessments (see [8.2](#)).
- B.3.6 To be considered valid, all assessments must follow the guidelines set out in the relevant Better Cotton Assessment Checklist and complete all required information in the designated reporting templates; this includes:
- a) Clear and specific written evidence is provided by the assessor, sufficient to fully answer a question and/or demonstrate conformity with a given indicator
 - b) All required components of the assessment are completed, including mandatory worker interviews, documentation review, farmer interviews, and field visit (or photo/video evidence in case of remote assessment)

Note that in some cases, and only with prior authorisation from Better Cotton Assurance Managers, assessments may be carried out remotely rather than on-site. Worker interviews are required as a mandatory part of the assessment for any farm where workers are used in cotton production. These interviews may be done via phone up to two weeks after the assessment if there are challenges with availability.

B.4 Assessment outcomes and licensing

- B.4.1 Findings from all assessments must be reported using the relevant Better Cotton Assessment Report template, available from the Better Cotton local country team.
- B.4.2 If an incidental non-conformity is identified during an assessment, that individual farm must address the non-conformity and provide evidence of this within two weeks of receiving the assessment outcome.
- a) If sufficient evidence is submitted within two weeks confirming the non-conformity is closed, the licence can be issued or maintained
 - b) If sufficient evidence is not submitted within two weeks, the licence may be denied or cancelled after review by the Better Cotton Assurance Manager

In the context of the Licensing Management Model, an incidental non-conformity relates to a minor or administrative non-conformity, which does not threaten the ability of the farm to meet the key intent of a Core Indicator.

- B.4.3 The outcome of all assessments are reviewed, and final licensing decisions are made by Assurance Managers
- B.4.4 If a systemic non-conformity is identified during an assessment, that individual farm will have its licence denied or cancelled and must complete a Corrective Action Plan in order to continue participating with Better Cotton.
- B.4.5 If all annual assessments are completed as per the sampling criteria in B.3.1 above:

- a) 3-year licences to sell Better Cotton will be issued to farms in their first year of participation if they have completed a self-assessment with compliant outcome and did not receive any systemic non-conformities on a Licensing Assessment (if relevant)
- b) At the close of each season, annual licensing communications are shared with Licensing Management Partners confirming that the farms with an active licence for that season are permitted to sell their cotton as 'Better Cotton'

B.4.6. If all annual assessments are not completed as per the sampling criteria in B.3.1, assessments are not completed by the communicated deadline, and/or they are incomplete or of poor quality, Better Cotton reserves the right to cancel or deny licences.

All cancellations of licences will be subject to review by the Better Cotton Assurance Managers. Expectations for PPs/ LMPs are clearly set out in the LMP agreement.

B.4.7 To continue participating in the Large Farm Group Coordination Model and to receive or renew a licence, each Large Farm within a group is required to:

- a) Complete the annual self-assessment by the required deadline, in line with the requirements set out under B.2.1
- b) Maintain conformity with all P&C Indicators, including demonstrating year-over-year continuous improvement in sustainable farming practices (as evaluated through annual self-assessment and any potential assessments)
- c) Comply with any scheduled assessments during the active licence period
- d) Submit annual Results Indicator (RI) reporting data by the deadline, typically 12 weeks after harvest

B.4.8 If a Large Farm does not meet the requirements above, the individual licence can be cancelled (refer to [18.1 Licence Cancellation](#))

During the licence period, Large Farms under the: Large Farm Group Coordination Model are expected to demonstrate achievement of their individual Continuous Improvement Plans, in line with the requirements under [13. Continuous Improvement](#). Section [18.18. Licence Cancellation](#) is also applicable to Large Farms operating under the Group Model.

B.5 Summary of Large Farm Group Coordination Model Expectations

B.5.1 Farmers participating in the Large Farm Group Coordination Model fulfil an annual cycle of expectations, as set out in the table below.

Table 7: Annual Expectations under the Large Farm Group Coordination Model

Year of participation	Expectations for Farmers	Assessments
Year 1 (3-year licence cycle starts)	<ul style="list-style-type: none"> • Farmer Enrolment • Orientation by Better Cotton for new farmers • Full Self-Assessment (SA) 	Licensing Assessments are conducted annually according to the following sample rates (sampling is done on an annual

Year of participation	Expectations for Farmers	Assessments								
	<ul style="list-style-type: none"> Licensing Assessments for those farms selected in annual sample group Results Indicator (RI) reporting 	basis; therefore, a Large Farm could receive an assessment in any year): <table border="1" data-bbox="906 622 1294 831"> <thead> <tr> <th>Type of Licensing Assessment</th> <th>Sample</th> </tr> </thead> <tbody> <tr> <td>LMP/LSP representative</td> <td>10%</td> </tr> <tr> <td>Better Cotton assessor</td> <td>10%</td> </tr> <tr> <td>3rd party verifier</td> <td>10%</td> </tr> </tbody> </table>	Type of Licensing Assessment	Sample	LMP/LSP representative	10%	Better Cotton assessor	10%	3 rd party verifier	10%
Type of Licensing Assessment	Sample									
LMP/LSP representative	10%									
Better Cotton assessor	10%									
3 rd party verifier	10%									
Year 2	<ul style="list-style-type: none"> Streamlined SA Licensing Assessments for those farms selected in annual sample group RI reporting 									
Year 3	<ul style="list-style-type: none"> Streamlined SA Licensing Assessments for those farms selected in annual sample group RI reporting 									
Year 4 (start of new licence)	<ul style="list-style-type: none"> Full SA review and update Licensing Assessments for those farms selected in annual sample group RI reporting 									