

Public Summary: P&C Partial Substantive Revision - Regular

June 2025



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Summary of Standard Terms of Reference

This section provides a summary of the Better Cotton Principles and Criteria (P&C) Terms of Reference v2.1, including its proposed scope and intended sustainability outcomes. The full Terms of Reference can be access on our <u>website</u>.

Proposed Scope of the Standard

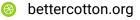
The P&C is a farm-level sustainability standard for the cotton production sector. It defines clear environmental, economic and social requirements that all Producers are required to meet to be certified to sell their cotton as Better Cotton.

While the requirements are globally applicable, the P&C has several ways to address the significant differences between cotton Producers worldwide. Firstly, it recognises differences in production methods and scale, with requirements differentiated by three categories of farm sizes. Secondly, Better Cotton's approach to Continuous Improvement considers that Producers start at very different baselines. Finally, localised guidance and implementation support (for example, on locally relevant good practices) help ensure relevant implementation across different farming contexts.

The scope of the P&C focuses on cotton production activities within the farm or Producer Unit (PU). However, while this is not relevant for compliance, many requirements and/or associated guidance can apply more broadly, and Producers are encouraged to consider these across other crops and beyond the farm gate.

Note: Between 2025 and 2028, Better Cotton will phase out its current assurance model and transition to a certification scheme. During this period, licensing under the former assurance model and certification under the new model will run concurrently. The P&C will apply to both license and certification holders throughout this transition. For clarity, the term 'certification' and its derivatives (such as 'Certificate Holders', 'certified', etc.) will be used to also refer to 'licensing' and its derivatives (such as 'licensees', 'licensed', etc.) until the phase-out process is complete.

In line with our continuous improvement approach, all Indicators in the P&C are mandatory for certification purposes. This means that Producers shall meet all Indicators relevant to their farm category before they are certified to sell Better Cotton. The Better Cotton Assurance Programme provides more information on audits, certification and how to address and resolve any non-conformities.





Intended Sustainability Outcomes of the Standard

Cotton is one of the most significant and widely cultivated crops globally. According to ICAC's February 2025 data¹, cotton is grown on approximately 32.5 million hectares, representing about 2.4% of the world's arable land. Around 75 countries produce cotton on a commercial scale, and more than 90% of cotton farmers are smallholders in developing countries, typically managing farms of less than 2 hectares. Cotton remains a vital cash crop, contributing substantially to rural incomes and national economies. The ICAC estimates that the broader cotton industry supports the livelihoods of approximately 300 million people worldwide each year.

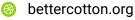
However, there are various negative social and environmental impacts associated with cotton cultivation worldwide that threaten its sustainability. Inefficient irrigation techniques, poor cultivation practices, and improper use of pesticides and fertilisers compromise water quality, soil fertility, human health, and biodiversity. Climate change is expected to exacerbate these pressures, intensifying water stress, shortening growing seasons, and increasing unpredictability. Smallholders are already experiencing reduced yields and profitability as a result. Child labour remains a concern in many cotton-growing regions, especially in areas with limited access to education. Furthermore, cotton farms often rely on migrant, temporary, or seasonal workers, who may face unsafe working conditions, coercion, indebtedness, or other forms of labour exploitation.

Improving these social and environmental conditions is essential to protect human and ecosystem health, support rural livelihoods, and ensure the long-term sustainability of the commodity.

Better Cotton is the largest voluntary sustainability scheme in the cotton sector and tries to address these challenges through a holistic approach that aims to transform the industry. It addresses the main social, economic, and environmental issues facing cotton, with indicators spanning across 6 Principles: Management Systems, Natural Resources, Crop Protection, Decent Work, Sustainable Livelihoods and the 2 cross-cutting priorities on Gender Equality and Climate Change Mitigation and Adaptation.

The P&C are designed to be inclusive and apply to producers of all sizes, from smallholder farmers to large, mechanised farms. Embedding an approach to continuous improvement, the P&C can be applicable to farms in a range of different contexts – from those who are just starting to understand the benefits of sustainability, to those who are on the leading edge of environmentally and socially responsible farming.

Better Cotton's Theory of Change unfolds across two interconnected pathways: the Farm Impact Pathway and the Market Impact Pathway. Each pathway is designed to foster sustainable farming practices, enhance the well-being and economic development of cotton farming communities, and drive demand for cotton that is produced in a way that protects and restores the environment.



¹ Cotton This Month



At the heart of the Theory of Change lies the centring of cotton farmers, farming communities, and the ecosystems that sustain them. Supported by assurance, partnerships, access to services, tools and knowledge, and multi-stakeholder engagement, the P&C aim to:

- Embed sustainable farming practices and policies
- Enhance well-being and economic development in cotton farming communities
- Strengthen conservation and enhancement of soils, water and biodiversity
- Improve working conditions, rights protection, and gender equality
- Increase social inclusion and resilience to climate and economic shocks
- Drive global demand for sustainable cotton through the supply chain

To learn more about Better Cotton's Theory of Change, see <u>Better Cotton's Theory of Change</u>.



Objectives of Standard Revision Process

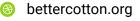
Better Cotton's Standards team is undertaking a **Partial Substantive Revision – Regular**, in accordance with its Standard-Setting and Revision Procedure v2.2.

As defined by our Standard-Setting and Revision Procedure v2.2, this is the scope of the revision:

"Partial substantive revision: Any substantive amendments to an existing standard and/or substantive changes in some sections of the standard in between the formal 5-years review period, without changing the overall structure, intended outcomes, and/or application of the standard. This can be triggered if changes are required for the standard to remain effective and relevant, based on external or internal changes in the enabling environment or critical stakeholder feedback or learning (e.g. adjustments of organisational strategy, changes in legislation, unintended negative effects of a standard, major feasibility challenges, etc.). Partial substantive revisions can be urgent or regular and follow different procedures respectively."

The objectives of this partial substantive revision are to make targeted updates and clarifications to specific indicators and guidance. These changes are being considered and consulted on to ensure the standard remains relevant, feasible, and auditable.

- This Partial Substantive Revision is not expected to results in significant implications for field-level implementation and/or producer compliance requirements.
- Proposed changes are informed by:
 - o Auditability checks.
 - Feedback from sustainability standard rating schemes.
 - Lessons learned from implementation.
- A key goal is to ensure that indicators remain feasible and relevant for stakeholders across our global cotton-growing contexts.





Overview of Governance and Decision-making Procedures

This Partial Substantive Revision is being conducted in line with Better Cotton's **Standard-Setting and Revision Procedure v2.2** and in accordance with the ISEAL Code of Good Practice for Sustainability Systems v.1.0.

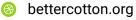
The Standard-Setting and Revision Procedure v2.2 can be found on our website under 'Key Documents' <u>here</u>.

	Decision to launch the process	Adjusted TORS of the Standard	Standards Committee	Technical working groups	Internal Steering Team	Stakeholder mapping and targeted consultations	Public consultation	Approval of final standard
Partial Substantive Revision - Regular	Executive Group	Mandatory	Optional	Optional	Mandatory	Mandatory	At least one round of 30 days mandatory	Better Cotton Council

Figure 1: Summary of Decision-making and Process from SSR v2.2

This revision is classified as a **Partial Substantive Revision – Regular**, which follows a defined governance process outlined in Better Cotton's Standard-Setting and Revision Procedure v2.2. The following groups are responsible for oversight and delivery of the revision:

- **Executive Group**: Approved the initiation of the revision, based on a recommendation from the Senior Director of Standards System Integrity (*SSR v2.2, Section 6.1*).
- **Standards System Integrity:** Leads and coordinates the revision process, in alignment with Better Cotton's procedures and the ISEAL Code of Good Practice.





- Internal Steering Team: The Internal Steering Team comprises representatives from relevant Better Cotton Secretariat functions. The IST provides technical input, ensures alignment across countries and functions, and supports the consistency and credibility of proposed changes.
- **Better Cotton Council**: Responsible for the final approval of the revised P&C v.3.2, based on a recommendation from the Senior Director of Standards System Integrity, as set out in SSR v2.2, Section 6.7.1.

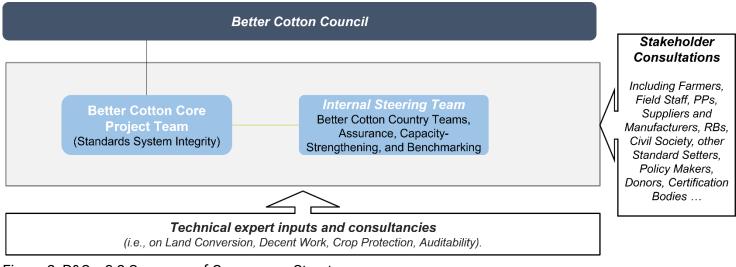


Figure 2: P&C v.3.2 Summary of Governance Structure



Timelines & Opportunities for Contributions

Timelines

The P&C Partial Substantive Revision process launched in June 2025 and is expected to run until March 2026. It is expected that the P&C v.3.2 would be released by end of March 2026 following Better Cotton Council approval in December 2025. This timeline is subject to change based on the scope and nature of stakeholder feedback.

Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Ар
Consultations with Internal Steering Team, Thematic Leads, and Assurance Public Consult Prep			Public Consult & Share Re			P&C v.3.2 Council Approval				Publish P&C v.3.2
		Public Stakeholder Consultation	Certification Body Auditability Check	Finalise (Content and Guidance		Docum	ent Prep for Publ	ishing	

Figure 3: P&C v.3.2 Partial Substantive Revision Process Timeline

Opportunities for Contributions

Following our Standard-Setting and Revision Procedure v2.2, we will conduct a 30-day public stakeholder consultation in **August 2025.** This consultation will take the form of a targeted survey. The public will be invited to participate through the survey, and additional stakeholder groups will be engaged via targeted outreach.

For any enquiries or comments kindly email us at: standards@bettercotton.org.