

Better Cotton Chain of Custody Standard Monitoring and Certification Requirements v1.2

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1. Introduction

1.1 Better Cotton Chain of Custody

The Better Cotton Standard System is a holistic approach to sustainable cotton production which covers the three pillars of sustainability: environmental, social, and economic. Each element of the system, from the Better Cotton Principles and Criteria (P&Cs) to the monitoring mechanisms which show results and impact, work together to drive the adoption of sustainable practices.

The Better Cotton Chain of Custody (CoC) Standard is the key framework that connects Better Cotton supply (which is produced in accordance with the Better Cotton P&Cs) with demand. The CoC Standard sets out auditable requirements for organisations in the supply chain that are buying or selling Physical Better Cotton, or Better Cotton-containing products as Better Cotton Mass Balance orders.

1.2 Purpose of This Document

This document outlines the process and requirements for monitoring and audits related to the Better Cotton Chain of Custody Standard.

The purpose of this document is to:

- Provide information to organisations wishing to join the Better Cotton CoC programme about ongoing audit and monitoring expectations.
- Describe the process of monitoring visits and audits against the Better Cotton CoC Standard so that a consistent approach can be applied.
- Establish the minimum requirements of a consistent methodology on how certification audits should be conducted.
- Set out the requirements for post-audit activities.

This document includes sections that are relevant to Organisations/Sites being assessed and to Certification Bodies (CBs) conducting the audits.

Where a section or requirements applies specifically to the Organisations/Sites it will be preceded by 'Applicable to Organisations/Sites'.

Where a section or requirements applies specifically to the Certification Body it will be preceded by 'Applicable to Certification Bodies'.

It is recommended that Organisations/Sites read the sections that are applicable to Certification Bodies as there may be an impact and will provide a better understanding of the audit process.

Some sections are applicable to both parties and will state 'Applicable to Organisations/Sites and Certification Bodies'.

1.3 Normative Documents

The following documents are relevant to all Organisations/Sites wishing to operate against the Better Cotton Chain of Custody:

- Better Cotton Chain of Custody Standard (live version)
- Better Cotton Chain of Custody Monitoring and Certification Requirements (this document)
- Better Cotton General Certification Requirements
- Better Cotton Platform Terms & Conditions
- Better Cotton Eligibility Criteria
- Better Cotton Claims Framework

1.4 Effective Date

These requirements are effective for all audits and related certifications from 1st November 2025.

From 2025 the Better Cotton Chain of Custody Programme will be transitioning to a certification scheme. As of February 2025, any Organisation/Site that is seeking to source and/or sell Physical Better Cotton will need be certified by a Certification Body (CB) that has been approved by Better Cotton and appears on our website – [link here](#).

Failure to become certified within the deadline defined by Better Cotton will mean that the Organisation/Site will no longer be able to source and/or sell Physical Better Cotton.

All Organisations/Sites seeking to trade Better Cotton are required to adhere to the requirements of the Better Cotton Chain of Custody Standard and this document where applicable. Organisations/Sites that do not adhere to these documents will not be able to access the Better Cotton Platform (BCP) and to buy and/or sell Better Cotton, including Better Cotton Claim Units (BCCUs).

For Organisations/Sites wishing to apply the Mass Balance Chain of Custody Model only, a longer timeframe shall be given to achieve certification. Better Cotton will update organisations on any transition to certification for Mass Balance only.

1.5 Document Control

This document is issued, effective and managed as below.

Issue date	12 th August 2025
Effective date	1 st November 2025
Previous version	31 st January 2025
Contact	<p>Ownership of this document is with the Better Cotton Standards and Systems Integrity Team:</p> <p>compliance@bettercotton.org</p> <p>Better Cotton Initiative Ch. De Balexert 7-9 1219 Châtelaine Switzerland</p>

1.6 Change Log

Version No	Effective Date	Amendments
1.0	October 2023	<ul style="list-style-type: none"> Initial version
1.1	31 January 2025	<ul style="list-style-type: none"> Incorporation of certification requirements and terminology
1.2	1 November 2025	<ul style="list-style-type: none"> Amendments and additional clarity added to multi-site requirements including removal of geographical limits Inclusion of section on benchmarked partners Inclusion of timelines for BCP usage Amended brand eligibility requirements Removed member checks for CB in application steps Added clarity to claims and trade mark requirements

2. Audit Process

2.1 Registration and Eligibility

Initial entry into the programme

Applicable to Organisations/Sites

- 2.1.1 The Better Cotton CoC Standard requirements are applicable globally for all supply chain organisations that are buying or selling Physical Better Cotton or fulfilling Mass Balance orders. These include (but are not limited to) intermediaries, ginners, lint traders, mills with spinning capabilities, mills or suppliers without spinning capabilities (including fabric mills, dyeing mills, yarn and/or fabric traders, vertical mills), end-product manufacturers, sourcing agents, brands. Organisations shall include sub-contracted (outsourced) activities within their certification scope where applicable. The Better Cotton CoC Standard applies to products containing seed cotton produced in accordance with the Better Cotton Principles and Criteria and benchmarked partners, and cotton containing products sourced as Mass Balance orders. It is applied exclusively to virgin cotton and does not extend to pre-consumer or post-consumer recycled cotton materials.
- 2.1.1.1 Typically, the Chain of Custody begins at the first recipient post farm gate which, in the cotton industry, is the ginner. In some instances, the Chain of Custody begins at the farm where the ginning activity is sub-contracted. In these instances, the 'Protocol for Producers with Sub-contracted Gins' (Section 5 of this document) shall apply.
- 2.1.2 Organisations/Sites can apply for multiple CoC supply chain models (Mass Balance, Controlled Blending, Segregation Single Country, Segregation Multi-Country). The organisation is required to meet the requirements for that specific model(s).
- 2.1.2.1 Failure to comply with the relevant requirements may result in a different model being assigned (e.g., failure to comply with segregation rules may result in only the Mass Balance model being applied), or the suspension or rejection of the organisation to enter the programme.
- 2.1.2.2 Ginners shall always be required to physically segregate their Better Cotton.
- 2.1.2.3 Ginners are required to complete an annual Better Cotton Ginning Factory Agreement as well as adhering to the requirements in this document.

- 2.1.2.3.1 Ginners acting as service providers (see section 5) without taking ownership of the Better Cotton will be considered as subcontractors and not required to sign the Ginning Factory Agreement.
- 2.1.3 Each Organisation/Site wishing to initially enrol into the CoC programme shall adhere to the requirements set out in the CoC Standard, BCP Terms and Conditions, and this document as a minimum.
- 2.1.4 Each Organisation/Site seeking to be a certificate holder shall have an account on the [Better Cotton Platform](#) before applying for certification. This allows for the creation of a unique BCP number which can be tracked.
- 2.1.5 The Organisation/Site shall contact one of the [approved CBs](#) to schedule their audit.

Applicable to Certification Bodies

- 2.1.6 The CB shall conduct an initial screening of applicants to the programme to review any other potential integrity risks that could bring the reputation of Better Cotton into disrepute. Details can be found in the Better Cotton Chain of Custody Eligibility Criteria document.
 - 2.1.6.1 If issues are identified and the decision is made to reject the applicant, they will be informed of this decision.
 - 2.1.6.2 If the applicant is rejected based on the initial screening process, they shall not be allowed to re-apply for a minimum of 12 months and even then, the reasons for the rejection shall have been corrected prior to consideration.
 - 2.1.6.3 Organisations/Sites have the option to appeal any decision made because of an audit or monitoring activity. Complaints received shall be handled as per the Better Cotton's requirements.
 - 2.1.6.3.1 Complaints shall be handled as per Section 2.7.4.
- 2.1.6 All Organisations/Sites will be subject to ongoing monitoring and verification. This may be done by the CB that issued their certificate or as part of work done by the Better Cotton team.
 - 2.1.6.1 Monitoring activities conducted by the Better Cotton team that require escalation shall be forwarded on to the respective CB within 14 days of the outcome. The CB shall then be responsible for determining further actions related to the certification status of the Organisation/Site.
 - 2.1.6.2 Organisations/Sites that are not covered by a certificate issued by a CB but are part of the Better Cotton Programme may be subject to actions taken by Better Cotton directly which may include, but not be limited to,

suspension of BCP accounts or removal from the Better Cotton programme.

2.2 Scope

Applicable to Organisations/Sites and Certification Bodies

In addition to the scope of CoC implementation outlined in the Better Cotton Chain of Custody Standard, the scope of the specific audit shall be agreed between the Organisation/Site and the CB.

- 2.2.1 The scope of the audit shall include:
 - 2.2.1.1 The activities relevant to the handling or processing of Better Cotton conducted by the Organisation/Site.
 - 2.2.1.2 The relevant product categories handled at the site.
- 2.2.2 The Organisation/Site shall apply with the CB by disclosing its full intended scope of certification. Elements of the Organisation/Site's activities that are considered to be excluded may be assessed by the CB if the excluded elements affect the certified scope in any way.
- 2.2.3 The processing activities and product categories within scope shall be included on the certificate issued to the Organisation/Site.
- 2.2.4 Organisations/Sites shall only be permitted to purchase, handle and sell Better Cotton products that are covered within the scope of their certificate.
 - 2.2.4.1 If an Organisation/Site wishes to purchase, handle and sell Better Cotton products that are outside of the scope of their certificate they shall need to contact their CB to agree an extension to their scope and the CB may need to conduct an additional audit to verify the validity of this extension.
 - 2.2.4.2 If the scope does not match the activity(ies) defined in their BCP account, the Organisation/Site shall contact Better Cotton to request a change to their account type.
- 2.2.5 If an Organisation/Site is found to be purchasing, handling or selling products outside the scope of their certification, the CB shall suspend their certificate until their requested extension has been assessed and approved.
 - 2.2.5.1 The CB shall inform Better Cotton of the suspension who shall suspend the BCP account until the extension has been assessed and approved by the CB.

2.3 Monitoring and Audit Planning

2.3.1 Application

Applicable to Organisations/Sites

- 2.3.1.1 The Organisation/Site shall apply for an audit with an approved Better Cotton CB – [link here](#).

Applicable to Certification Bodies

- 2.3.1.2 During the application the CB shall request the following as a minimum:
- 2.3.1.2.1 Site(s) to be certified.
 - 2.3.1.2.2 The Standard (Better Cotton Chain of Custody) for which the applicant is seeking certification.
 - 2.3.1.2.3 Which CoC supply chain model(s) are being applied.
 - 2.3.1.2.4 Whether the application is for single or multi-site model and the relevant scenario (see section 4 of this document)
 - 2.3.1.2.5 Details of the site(s) processes and operations.
 - 2.3.1.2.6 General information about the site, including but not limited to:
 - 2.3.1.2.6.1 Relevant personnel;
 - 2.3.1.2.6.2 Human and technical resources;
 - 2.3.1.2.6.3 Functions;
 - 2.3.1.2.6.4 Any relationships with a larger corporation and/or group.
 - 2.3.1.2.7 Any subcontractors or outsourced processes that will affect conformity to the requirements.
 - 2.3.1.2.8 The number of employees including the highest estimated number of temporary and/or seasonal workers present where applicable.
 - 2.3.1.2.9 If the Organisation/Site has been suspended against the Better Cotton Chain of Custody Standard.
- 2.3.1.3 The CB shall review if the Organisation/Site(s) applying are already certified to the Better Cotton Chain of Custody Standard.
- 2.3.1.3.1 If already certified, the CB shall request access to the previous audit report from the Organisation/Site along with associated non-conformities.

- 2.3.1.3.2 If the new CB is unable to gain access to the previous audit report, they may reach out to Better Cotton to help facilitate the transfer of information.
- 2.3.1.4 The CB shall also check if the Organisation/Site is suspended against the Better Cotton Chain of Custody Standard. If it is identified that they are suspended, then the CB shall check with the existing CB as to the status of the suspension prior to agreeing to conduct an audit.
- 2.3.1.5 The CB may ask for other information as per their own internal requirements.
- 2.3.1.6 The CB shall ensure that they follow the requirements for certificate transfers outlined in the Better Cotton [General Certification Requirements document](#).

2.3.2 Audit Agreement

Applicable to Organisations/Sites and Certification Bodies

- 2.3.2.1 The Organisation/Site shall enter into an audit agreement with an approved CB prior to a certification audit being conducted.
- 2.3.2.2 The agreement shall be signed by both parties and shall include the following aspects as a minimum:
 - 2.3.2.2.1 Scope of the audit.
 - 2.3.2.2.2 Duration of the audit.
 - 2.3.2.2.3 Cost of the audit.
 - 2.3.2.2.4 That the organisation agrees to adhere to the requirements of the applicable Better Cotton Chain of Custody Standard.
 - 2.3.2.2.5 The organisation continues to fulfil requirements of the Better Cotton Chain of Custody Standard throughout the duration of their certificate.
 - 2.3.2.2.6 Confidentiality of information reviewed as part of the audit.
 - 2.3.2.2.7 The organisation's right to appeal a decision made.
 - 2.3.2.2.8 The right of the CB and Better Cotton to request records and documents deemed necessary for the purposes of the audit or to verify compliance with the Standard.
 - 2.3.2.2.9 The right of the CB to share audit data with Better Cotton.
 - 2.3.2.2.10 Requirements around confidentiality and declarations.

2.3.2.2.11 References that the CB may suspend the organisation if there is evidence of a failure to adhere to the requirements in normative documents associated to the Better Cotton Chain of Custody Standard.

2.3.2.2.11.1 This includes, but not limited to the Claims Framework and the BCP Terms and Conditions.

2.3.2.2.12 Reference that Better Cotton and/or accreditation body staff may attend audits.

2.3.2.2.13 Duration of the agreement.

2.3.2.2.14 That the site shall only make any claims as per the relevant Claims Framework and scope of their certificate.

2.3.3 Audit Preparation

Applicable to Certification Bodies

2.3.3.1 The CB shall ensure that only competent and approved auditors are used to conduct the audit.

2.3.3.2 The CB shall communicate with the Organisation/Site to arrange the audit.

2.3.3.2.1 Two weeks in advance of the audit, the auditor should re-confirm the date of the audit with the Organisation/Site and send a detailed audit plan to the site. In urgent circumstances whereby the audit is scheduled within 14 days, the audit plan should be shared with the Organisation/Site at the earliest opportunity.

2.3.3.2.2 Two weeks in advance of the audit the CBs shall inform Better Cotton when the audit is scheduled. In urgent circumstances whereby the audit is scheduled within 14 days, the CB should inform Better Cotton at the earliest opportunity.

2.3.3.2.2.1 Once informed, Better Cotton will assign the audit to the CB in the INTACT platform. The CB should add the audit order details in the INTACT platform within 48 hours of being assigned the audit.

2.3.3.3 For Organisations/Sites conducting transformation processes, the audit should take place while the Organisation/Site is in production.

2.3.3.3.1 Where this is not possible, the CB shall have a process to determine if they need to conduct an additional visit to the site to observe certain activities.

- 2.3.3.4 The auditor shall develop an audit plan and use the applicable version of the CoC Standard, report, normative documents, and data provided for preparing, executing and reporting the audit.
- 2.3.3.5 While preparing for the audit, auditors should confirm information on the language that is spoken locally at the Organisation/Site. If local language is not spoken by the auditor/team of auditors, and there is no language that is commonly understood by both parties, appropriate, independent, and impartial translation services shall be arranged.

Applicable to Organisations/Sites

- 2.3.3.6 The Organisation/Site which is being audited shall ensure that relevant personnel and resources are made available to the auditor to ensure a thorough audit is completed.

2.3.4 Audit Duration

Applicable to Certification Bodies

- 2.3.4.1 The CB shall ensure that sufficient resources are allocated to the audit process, including time, for personnel to carry out the assigned tasks.
 - 2.3.4.1.1 This covers time for the auditor to effectively perform audit activities including but not limited to:
 - 2.3.4.1.1.1 Audit preparation;
 - 2.3.4.1.1.2 Execution and/or reporting activities to collate all the evidence required to deliver an accurate audit report. If interpretation is required, this shall be arranged in advance. The Organisation/Site to be audited shall arrange the interpreter who shall be independent and avoid any conflict of interest.

It is estimated that on average, each site audit will typically have a duration of a full day (approximately 6-8 hours) however the CB shall determine if the duration is longer or shorter and this may depend on the size and complexity of the Organisation/Site.

- 2.3.4.2 Auditors should allow a minimum 1-1.5 hours to complete the final report and to review any documentation submitted after the audit (for example, if requested purchase documents are held offsite and must be submitted via email).

Please note that this is only an indicative duration for audits, the time spent at each Organisation/Site may be different and depends on various factors.

- 2.3.4.3 The auditor shall ensure that they complete the audit in its entirety even if this means they spend more than the estimated time.

2.4 Audit Process

An audit is used to obtain and evaluate objective evidence to determine the extent to which the Organisation/Site is following the requirements of the CoC Standard.

Applicable to Certification Bodies

- 2.4.1 Where applicable during the audit, the auditor shall review, observe, and inspect records, production processes, and storage units at each site.

2.4.2 Opening Meeting

- 2.4.2.1 The audit shall start with an opening meeting. The auditor shall cover the following as a minimum:

- 2.4.2.1.1 Welcome and introductions;
- 2.4.2.1.2 Clearly explain the purpose of the audit;
- 2.4.2.1.3 Provide a summary of how the audit activities will be carried out and the time required;
- 2.4.2.1.4 Confirm that all required documentation is available or is otherwise easily accessible by electronic means;
- 2.4.2.1.5 Confirm that the Organisation/Site agrees to allow full access to relevant areas of the site and processes within scope of the audit;
- 2.4.2.1.6 Confirm access to personnel and explain that workers shall be interviewed at their place of work where the worker feels comfortable and provides privacy;
- 2.4.2.1.7 Explain the need to perform a site tour (for onsite audits);
- 2.4.2.1.8 The method of reporting, including the types and grading of any non-conformities that may be identified;
- 2.4.2.1.9 Explanation of confidentiality and conflicts of interest;
- 2.4.2.1.10 Confirmation of the language to be used during the audit as well as any necessity for interpreters.

2.4.3 Interviews

- 2.4.3.1 The auditor shall interview responsible personnel (management and administrative staff and workers) to verify their competency in understanding and applying the CoC Standard.

- 2.4.3.2 For remote audits, the auditor shall coordinate in advance with the Organisation/Site to schedule staff interviews, ensuring relevant personnel are available at agreed times.
- 2.4.3.3 When selecting personnel to be interviewed the auditor shall consider, but not be limited to, the following:
 - 2.4.3.3.1 The personnel responsible for the overall implementation of the CoC Standard;
 - 2.4.3.3.2 The personnel responsible for critical control points and areas of risk identified;
 - 2.4.3.3.3 Processing and handling activities in the operation during the audit;
 - 2.4.3.3.4 The open non-conformities from previous audits (if applicable) and ensuring personnel responsible for managing those are interviewed;
 - 2.4.3.3.5 In cases where activities at an Organisation/Site (e.g., ginner) depend on the use of temporary and/or seasonal workers, the Organisation/Site shall make its best effort to have the highest estimated number of temporary and/or seasonal workers present during the audit or monitoring.
- 2.4.3.4 The number of interviews carried out by the auditor shall reflect the size of the Organisation/Site, the complexity of operations, and the range of staff who could affect the integrity of Better Cotton products and trademarks.
 - 2.4.3.4.1 Interviews shall be used to determine if personnel understand the relevant process or procedure which ensures conformity with the CoC Standard.
 - 2.4.3.4.2 At a minimum, the auditor should interview at least one (1) worker/staff from each of the sections outlined in 2.4.3.3.
- 2.4.3.5 The auditors shall consider the following aspects for interviewing workers:
 - 2.4.3.5.1 The auditor shall ensure that the management representatives shall not be present during interviews of workers.
 - 2.4.3.5.2 The auditor shall ensure that the participants in the interview feel safe, secure, comfortable and their privacy is protected.
 - 2.4.3.5.3 Information about the interviews and the information obtained shall be recorded, but worker names can be withheld due to confidentiality. In these cases, a short description of the role is sufficient. This shall be included in the audit report.
 - 2.4.3.5.4 Interview questions shall not be leading.

2.4.4 Documentation Review and Sampling

- 2.4.4.1 During an audit, the auditor shall verify all relevant requirements in the CoC Standard including, as a minimum:
 - 2.4.4.1.1 Management plan;
 - 2.4.4.1.2 Documented procedures required by the CoC Standard;
 - 2.4.4.1.3 Competence of the staff and temporary workers;
 - 2.4.4.1.4 Training records for staff and temporary workers;
 - 2.4.4.1.5 Processing records including conversion rate;
 - 2.4.4.1.6 Purchase/sales procedures, and purchase/sales records;
 - 2.4.4.1.7 Volume reconciliation records;
 - 2.4.4.1.8 Contracts with subcontractors and details of the subcontracting activities (if applicable);
 - 2.4.4.1.9 For ginner only: gin agreement.
- 2.4.4.2 For Organisations/Sites applying Physical CoC models (Segregation Single Country, Segregation Multi-Country and/or Controlled Blending), the auditor shall conduct a minimum of 1 (one) traceability exercise.
 - 2.4.4.2.1 This traceability exercise shall seek to link the input of physical Better Cotton products with the outputs.
 - 2.4.4.2.2 This shall be done through reviewing inbound records, internal traceability records and documents including handling and supply records and, where applicable, relevant documents involving subcontractors.
 - 2.4.4.2.3 The auditor shall conduct further traceability tests if the results are inconclusive, or risks are identified.
 - 2.4.4.2.4 The auditor may include the information from the traceability test in the audit report.
- 2.4.4.3 The auditor shall review a minimum of 5 to 15 acknowledged or completed transactions on the BCP for completeness. The sample shall include a mix of inbound and outbound transactions.

2.4.4.3.1 If the Organisation/Site is new to the Better Cotton programme and does not have any transactions on the BCP, 2.4.4.3 is not applicable.

2.4.4.4 The auditor shall conduct an input/output volume reconciliation review over a certain time period and/or batch of products to verify quantities of Better Cotton inputs correspond proportionally to the quantities of outputs, accounting for permissible losses/conversions.

2.4.5 Site Inspection

The purpose of the site inspections is to enable the auditor to observe the current practices in all areas of the site to form a view of how the practices meet CoC Standard requirements.

- 2.4.5.1 The site inspection(s) shall cover, but not be limited to, locations where there are workers performing key processing activities directly involved in the scope.
- 2.4.5.2 While it is not necessary to always start the site tour following the order of the product movement across different stages, the auditor shall ensure that all critical control points are assessed as part of the site inspection.
- 2.4.5.3 The auditor shall conduct unstructured conversations/interviews with management and workers and seek site-based evidence to support findings.
- 2.4.5.4 The findings from the inspection shall later be triangulated with evidence from management/worker interviews and document review.
- 2.4.5.5 The auditor may also inspect areas not covered by the scope of the audit to ensure there are no impacts on the in-scope areas.

2.4.6 Closing Meeting

Applicable to Organisations/Sites and Certification Bodies

- 2.4.6.1 The closing meeting shall be conducted with management and shall include a review of any non-conformities.
- 2.4.6.2 The closing meeting shall include, but is not limited to, the following elements:
 - 2.4.6.2.1 Explanation that the audit process used a sample-based approach;
 - 2.4.6.2.2 The method and timeframe for the reporting;
 - 2.4.6.2.3 A short summary of strengths and good practices at the organisation, if applicable;
 - 2.4.6.2.4 Explanation of all audit findings including non-conformities;

- 2.4.6.2.5 The process for handling audit findings/non-conformities, including any consequences;
 - 2.4.6.2.6 Timeframe for the organisation to respond to the non-conformities;
 - 2.4.6.2.7 Post audit activities, such as (onsite) follow-up audit if applicable and the possibility that non-conformities may be adjusted if any new information is received by the CB;
 - 2.4.6.2.8 Agree on how the auditor will verify the implementation of corrective actions to confirm the closure of the non-conformities.
- 2.4.6.3 The auditor shall provide a copy of the non-conformities identified during the audit to the Organisation/Site at the end of the closing meeting. This document shall be signed by the Organisation/Site as acknowledgement of receipt.

Applicable to Certification Bodies

2.4.7 Audit of Subcontractors

- 2.4.7.1 The CB shall conduct audits of subcontractors according to the risk decision tree in Annex A.
 - 2.4.7.1.1 Where an Organisation/Site engages a new subcontractor, the CB shall assess the need for an audit in accordance with the risk decision tree in Annex A.
- 2.4.7.2 Audits of subcontractors shall be done on-site.
 - 2.4.7.2.1 If, for any reason, the audit of the subcontractor cannot be done on-site, the CB shall contact Better Cotton for approval to conduct remotely via the variations form.
- 2.4.7.3 If any non-conformities are identified at the subcontractor, they shall be raised against the organisation seeking to be certified against the Better Cotton Chain of Custody Standard and shall be handled as per Section 2.7 of this document.

2.5 Additional Requirements for Audit of Brands/Traders/Sourcing Agents

Applicable to Certification Bodies

- 2.5.1 The CB shall verify that organisations selected for Brand audits meet the definition of a brand based on their activities. Such organisations are typically responsible for product design and development. This includes Retailers with their own

branded products, licensed brands, wholesalers and other similar entities.

- 2.5.2 The CB shall assess the applicable sections of the standard, as outlined in Section 1.5 Audit Criteria of the CoC Standard.
- 2.5.3 The CB shall only conduct in-person site audits of Brands/Traders/Sourcing Agents warehousing and distribution sites where necessary. This includes cases whereby:
 - 2.5.3.1 A complaint has been raised pertaining to the traceability of the products at a specific site.
 - 2.5.3.2 An unsuccessful traceability exercise occurs during audit or monitoring that indicates a traceability risk in the warehousing or distribution site's operations.
 - 2.5.3.3 The warehousing or distribution site also conducts processing or manufacturing activities to certified products.
- 2.5.4 In-person site audits of warehousing and distribution site shall only occur at the site where the risk has been identified.
- 2.5.5 The CB may conduct Brand/Trader/Sourcing Agent audits remotely in line with Section 2.9 of this document.
- 2.5.6 Only the Central Function and any associated sites included within the Multi-Site Criteria shall be listed as sites in the scope certificate. Any warehousing, distribution, and retail sites shall be excluded.
- 2.5.7 For Brands/Traders/Sourcing Agents with one or more offices responsible for the purchasing and sale of Better Cotton, the CB shall assess the organisation in accordance with the Multi-Site Certification in Section 4.
- 2.5.8 Brands who also own manufacturing sites shall be required to have distinct audit reports and scope certificates for both their brand and manufacturing activities.
 - 2.5.8.1 Where feasible, the CB may conduct the audit activities for the brand and manufacturing site(s) as part of the same audit visit, provided that separate audit reports and scope certificates are issued to the organisation.

Applicable to Organisations/Sites

- 2.5.9 Parent companies that own multiple brands may hold a scope certificate for their brands, or brands may be individually certified.
 - 2.5.9.1 In such cases where a parent company holds a scope certificate for multiple brands, the name of the brands shall be listed on the scope certificate.

2.6 Non-Conformities and Corrective Action Plans

The following section outlines details for how NCs will be raised and how they shall be managed by the organisation.

Applicable to Certification Bodies

2.6.1 Grading of Non-Conformities

2.6.1.1 The auditor shall classify NCs as follows:

- 2.6.1.1.1 Minor NC: an isolated event that is limited in temporal and spatial scale, and where an effective internal management system was in place that should have prevented or detected the issue. A NC can also be graded as Minor if it does not result in a fundamental failure to achieve the objective of the relevant requirement.
- 2.6.1.1.2 Major NC: if it results in, or is likely to result in, a fundamental failure to achieve the objective of the relevant requirement (either alone or in combination with other NCs). Major NCs typically continue over a period of time or are repeated or systematic in nature.
- 2.6.1.1.3 Critical NC: Where there is a demonstrable breakdown in the Chain of Custody or issues identified that correlate to Section 3.5 of this document.

2.6.1.2 The auditor shall issue any non-conformities relating to deliberate fraud (including but not limited to altering any records related to claimed material by the organisation's personnel) as a Critical NC.

2.6.1.3 The auditor shall report to Better Cotton within 24 hours if they detect any kind of unethical conduct from the staff representing the organisation, including the offering of bribes in any kind or cash. This will lead to negative audit decision (see relevant section for details).

2.6.2 Corrective Action Plan

Applicable to Organisations/Sites

2.6.2.1 If, during audits or monitoring activities, NCs are identified against CoC Standard requirements, the Organisation/Site shall submit their corrective action plan (including a correction) within the specified timeframes.

- 2.6.2.1.1 Minor non-conformities shall be corrected within 60 calendar days of the audit and the Organisation/Site shall provide evidence to the third-party auditor demonstrating how the issue has been addressed.
- 2.6.2.1.2 Major non-conformities shall be corrected within 30 calendar days of the audit and the Organisation/Site shall provide evidence to the third-party auditor demonstrating how the issue has been addressed.
- 2.6.2.2 The CAP shall include a description of:
 - 2.6.2.2.1 The root cause of the non-conformity;
 - 2.6.2.2.2 The corrective actions intended to correct the non-conformity.
- 2.6.2.3 If the Organisation/Site fails to submit their CAP within the timeline, the Organisation/Site's BCP account shall be temporarily suspended until it provides a valid reason for delay, or submits the CAP.
- 2.6.2.4 If non-conformities are not corrected within the designated timeframe a certificate shall not be awarded, and an additional audit may be required. For existing certified organisations their certificate shall be suspended along with their BCP account.
- 2.6.2.5 Critical non-conformities shall result in a failed audit.
 - 2.6.2.5.1 Critical non-conformities shall be corrected prior to having a new audit to become certified.
 - 2.6.2.5.2 The CB shall determine if evidence of correction of critical non-conformity needs to be done on-site or off-site.
 - 2.6.2.5.3 Correction of the critical non-conformities shall not result in certification for the Organisation/Site without a new audit being conducted.

Applicable to Certification Bodies

- 2.6.2.6 The CB shall provide the table from the Better Cotton Audit Report template for completion of this information.
- 2.6.2.7 The CB shall ensure that Organisations/Sites:
 - 2.6.2.7.1 Are aware of the requirement of submitting CAP for their NCs;
 - 2.6.2.7.2 Are aware that the CAP shall contain sufficient information for review;
 - 2.6.2.7.3 Are aware of the need to submit CAP to the CB within the required timeframe;

- 2.6.2.7.4 Are aware of the specified timelines for closing major and minor NCs, and the consequences of not meeting these NCs.

2.7 Audit Result and Certification Decision

2.7.1 Audit Report

Applicable to Certification Bodies

- 2.7.1.1 After each audit, the auditor shall complete a report using the Better Cotton CoC Audit Report.
- 2.7.1.1.1 The auditor shall ensure the appropriate audit report template is used, according to whether the audit is conducted for a Brand, or Supplier/Manufacturer/Trader/Ginner.
- 2.7.1.1.2 The auditor shall ensure the appropriate audit report is used, depending on whether it is a single or multi-site audit.
- 2.7.1.2 The report shall include the audit findings (conformity and NCs) with description of required objective evidence(s) obtained during the audit so that the reader understands the nature and magnitude/impact of the findings. The audit evidence (photos and copies of documents) that support or demonstrate the evidence description provided can be annexed to the report.
- 2.7.1.3 The audit report shall typically be completed in English along with the non-conformities. However, where the CB determines that it is simpler to complete in the native language, the non-conformities and corrective action plan as a minimum shall be in English.
- 2.7.1.4 Where a translator or interpreter was present at the audit their name shall be listed on the audit report.
- 2.7.1.5 All reports shall go through a technical review process by a competent individual or team that were not involved in the audit prior to being finalised.
- 2.7.1.6 The auditor or CB shall submit a copy of the finalised audit report and certificate to both the Organisation/Site and upload the information onto the INTACT platform within 14 calendar days of receipt of the finalised correction action plan (including correction).
- 2.7.1.6.1 Where no non-conformities were identified, the auditor or CB shall submit a copy of the finalised audit report and certificate to the Organisation/Site and upload the information onto the INTACT platform within 14 calendar days of the final day of the audit.

- 2.7.1.7 Better Cotton may request that the auditor submits their first report to Better Cotton for review before continuing other reports. This is to ensure that the quality of report is acceptable and that any feedback is incorporated before replication.

2.7.2 Audit Decision

- 2.7.2.1 The CB shall assign a competent person(s) or team to make the decision based on the findings in the report. The decision maker may be made by the same person or team that performed the technical review but must not have participated in conducting the audit itself.

Positive Decision/Certification

- 2.7.2.2 A positive decision and certificate shall be issued to the organisation that has successfully completed the audit to the satisfaction of the auditor that they demonstrate their ability in meeting the requirements of the CoC Standard. This includes:

- 2.7.2.2.1 All NCs are corrected;
- 2.7.2.2.2 The number of NCs is less than the allowable number outlined in Table 1.

Negative Decision/Non Certification

- 2.7.2.3 A negative decision shall be issued to the organisation that exhibits fundamental failure to achieve the objective of the CoC requirements, which includes the following cases (please also refer to Table 1):
- 2.7.2.3.1 Any NC(s) has not been corrected;
 - 2.7.2.3.2 The number of NCs exceeds the threshold identified in Table 1;
 - 2.7.2.3.3 Better Cotton or a designated third-party auditor has evidence of a NC that was induced purposefully, grossly negligent, systematic, and/or which imposes a severe reputational risk to Better Cotton stakeholders;
 - 2.7.2.3.4 No response to submit a CAP within specified time period of receiving the CAP template.
- 2.7.2.4 Where the Organisation/Site is certified the CB shall suspend the certificate and inform the organisation and Better Cotton of this decision within 2 days of making the decision.
- 2.7.2.5 In addition, Better Cotton retains the right to suspend use of the BCP at any time if Better Cotton or a designated third-party auditor has detected any kind

of unethical conduct which may include bribery or fraud. These details are also covered in the BCP Terms and Conditions.

Table 1 - Audit decision based on level of compliance with CoC requirements and other risk factors.

Minor	Major	Critical	Provisional Audit Decision	Timeline
≤9	0		Positive result	NCs to be corrected within 60 calendar days
10 - 14	0		Positive result with Surveillance	NCs to be correct within 60 calendar days and another surveillance audit within 12 months
15≥	0		Negative result	Full re-audit required. Existing BCP users and certified will have both their account and certificate suspended immediately and initial sites will not be allowed to enter the programme
≤5	≤2		Positive result	Major NCs to be corrected within 30 calendar days Minor NCs to be corrected to be corrected within 60 calendar days
≤5	3 - 5		Positive result with Surveillance	Major NCs to be corrected within 30 calendar days Minor NCs to be corrected to be corrected within 60 calendar days and another surveillance audit within 12 months
>5	3 - 5		Negative result	Full re-audit required. Existing BCP users and certified will have both their account and certificate suspended immediately and initial sites will not be allowed to enter the programme
Any amount	>5		Negative result	Full re-audit required. Existing BCP users and certified will have both their account and certificate suspended immediately and initial sites will not be allowed to enter the programme
		1 or more	Negative result	Full re-audit required. Existing BCP users and certified will have both their account and certificate suspended immediately and initial sites will not be allowed to enter the programme they have completed a full re-audit

2.7.3 Certificate

2.7.3.1 Where the CB has made a positive decision, a certificate shall be issued to the Organisation/Site that has successfully completed their audit against the Better Cotton Chain of Custody Standard. The certificate shall include the following information:

2.7.3.1.1 The scope of the certification:

2.7.3.1.1.1 Processes;

2.7.3.1.1.2 Products;

2.7.3.1.1.3 Outsourced processes;

2.7.3.1.1.4 Multi-Site (where applicable);

2.7.3.1.1.4.1 For multi-site audits a list of associated sites shall be included on an annex to the certificate including BCP numbers and addresses of the associated sites where applicable.

2.7.3.1.1.5 Named brands within scope (*for brands only*).

2.7.3.1.2 The CoC model(s);

2.7.3.1.3 The date of the audit;

2.7.3.1.4 The issue date of the certificate;

2.7.3.1.5 The expiry date of the certificate;

2.7.3.1.6 The main registered address of the Organisation/Site;

2.7.3.1.7 The name and address of the CB;

2.7.3.1.8 The signature of the or other defined authorisation of the person(s) of CB assigned such responsibility;

2.7.3.1.9 Certification Approval Number (equivalent to BCP Number);

2.7.3.1.10 Unique certificate number as determined by the CB.

2.7.3.2 The duration of the certificate shall be a maximum 3 years.

2.7.3.2.1 The expiry date of the certificate shall be based on the issue date.

Example

Certificate Issue Date	Certificate Expiry Date
1 st June 2025	31 st May 2028

2.7.4 Appeals and Complaints

Applicable to Organisations/Sites

2.7.4.1 The Organisation/Site shall have the option to appeal any decision made because of audit and monitoring activities.

2.7.4.1.1 In the first instance the appeal shall be made to the CB. Any appeal should be made in writing to the CB in accordance with the CB's complaints and appeals procedure.

- 2.7.4.2 In the event of an unsuccessful appeal the Organisation/Site may appeal to Better Cotton.
- 2.7.4.2.1 The appeal to Better Cotton shall only be made if the Organisation/Site has reason to believe that CB has not followed the processes outlined in this document and/or a conflict of interest has been identified.
- 2.7.4.2.2 This appeal shall be made within 10 calendar days of the appeal decision received by the CB. Failure to submit in this timeline shall result in Better Cotton not reviewing the appeal.
- 2.7.4.2.3 Better Cotton shall acknowledge the appeal within 10 working days of receipt and keep the appellant informed of the progress in evaluating the appeal until it is closed.
- 2.7.4.2.4 Appeals received shall be handled as per the Better Cotton's requirements.

2.8 Combination Audits

Applicable to Certification Bodies

- 2.8.1 Where possible, and appropriate, the CB may combine their Better Cotton CoC Audit with other on-site audits that are recognised by Better Cotton.
- 2.8.2 Better Cotton shall provide a list of recognised Standards and will continually monitor and update those lists of standards.
- 2.8.3 Where an Organisation/Site is assessed and approved by other standards recognised by Better Cotton this may be used as a demonstration of conformity with the Better Cotton CoC Standard and may be recognised as equivalent to an audit against the CoC Standard.
- 2.8.3.1 Better Cotton may require that certain additional requirements from the Better Cotton CoC Standard are also assessed before acceptance. This will be at the discretion of Better Cotton.
- 2.8.4 If an Organisation/Site receives a negative result in one of these audits, it may have implications on their Better Cotton CoC certificate or require a follow up by their CB.

Applicable to Organisations/Sites

- 2.8.5 The Organisation/Site shall continue to add relevant transactions to the Better Cotton Platform even if an audit was done against another accepted Standard.

2.9 Remote Audits

Better Cotton recognises that in some instances it is not always practical or necessary to conduct audits on-site and are happy to support the use of Information and Communication Technology (ICT) in specific circumstances. The following audits can be done remotely:

- Chain of Custody Audits for Brands
- Chain of Custody Audits for Traders/Sourcing Agents
- Partial remote audits as part of the Multi-Site Criteria e.g. head offices (See Section 4)

There may also be cases of force majeure which prevent an audit being conducted on-site.

Applicable to Certification Bodies

Where remote audits are allowed and at the discretion of the CB the following requirements shall be met:

- 2.9.1 The CB shall ensure that the use of ICT for audit purposes is mutually agreed with the Organisation/Site that is being assessed.
 - 2.9.1.1 Where agreement is not reached the audit shall not be conducted remotely.
- 2.9.2 The CB shall include a check within their application review stage that the Organisation/Site has the necessary infrastructure to support the use of the ICT proposed.
- 2.9.3 The CB shall ensure that confidentiality is upheld while using ICT and remote audit methodologies.
- 2.9.4 The CB/auditor may arrange a test call with the Organisation/Site to ensure that there is a stable connection to conduct the full audit remotely.
- 2.9.5 The CB shall identify and document the risks that may impact the audit effectiveness.
 - 2.9.5.1 This shall include reviewing the selection of the technologies and how they are managed.
- 2.9.6 The auditor shall include in the audit plan how ICT will be utilised.
- 2.9.7 When using ICT, auditors shall have the competency and ability to understand and utilise the information and communication technologies employed to achieve the desired results of audit(s).
- 2.9.8 The use of ICT shall contribute to the total audit time as additional planning may be necessary which may impact audit duration.

2.9.9 All stages of the audit process as referenced in Section 2.4 of this document shall be covered within a remote audit.

2.9.9.1 An exception to this may be a site tour depending on its applicability. Where a site tour is not applicable, the auditor shall ensure that critical control points are reviewed through alternative means.

2.10 Trade Mark License Agreements and Claims Requirements

Better Cotton operates a licensing programme to manage the use of its trademarks on product labels within the certification programme. Under this model, only certified member organisations wishing to use a product label, either B2B or B2C, are required to sign a Trade Mark Sub License Agreement with their CB prior to using the label.

Applicable to Organisations/Sites

- 2.10.1 The use of the BCI Cotton Label (either B2B or B2C) for products shall only be available to certified member Organisation/Site.
- 2.10.2 The member Organisation/Site shall only use the BCI Cotton Label upon signing a Trade Mark Licensing Agreement.
- 2.10.3 The member Organisation/Site shall adhere to the requirements specified in the Trade Mark Sub License Agreement and ensure that all trademark usage aligns with the Claims Framework and any related guidelines or use policies.

Applicable to Certification Bodies

- 2.10.4 The CB shall review the Organisation/Site's claims to ensure that they meet the requirements of the Claims Framework. This shall include, at a minimum, the following elements:
 - 2.10.4.1 Organisational claims e.g. Certification Claims relating to the Organisation/Site's assurance status
 - 2.10.4.2 Verification that a Trade Mark Sub License Agreement has been signed if the Organisation/Site is using either the B2B BCI Cotton Label or the B2C BCI Cotton Label for Physical BCI Cotton products.
 - 2.10.4.3 For Brands selling products that display the B2C BCI Cotton Label, the CB shall review a minimum of 5 uses of the B2C BCI Cotton Label on products or the total number of BCI Cotton Label uses, whichever is fewer, to ensure compliance with the Claims Framework and associated B2C Label Design and Logo Use

Guidelines. Where relevant, this review shall include:

- 2.10.4.3.1 Different products, styles, or blends;
 - 2.10.4.3.2 Different packaging or artwork;
 - 2.10.4.3.3 Both physical (print) labels and e-commerce webpage use;
 - 2.10.4.3.4 At least one of the products selected for review shall be included in the traceability exercise referred to in section 2.4.4.2.
- 2.10.5 For member Organisations/Sites who intend to use the BCI Cotton Label for the first time, the CB shall request a mock-up of how the Organisation/Site plans to use the BCI Cotton Label artwork to ensure that this is in line with the Claims Framework and relevant label and logo use guidelines.
- 2.10.6 The CB shall sign the Head Trade Mark License agreement with Better Cotton, granting them the authority to sub license the use of the BCI name and logos on the BCI Cotton Label to certified member Organisations/Sites.
 - 2.10.6.1 Certified member Organisations/Sites that do not intend to use the B2C or B2B BCI Cotton Label are not required to enter into a Trade Mark Sub License Agreement.
- 2.10.7 The CB shall be responsible for signing sub license agreements with certified member Organisations/Sites, using the form provided by Better Cotton. The Trade Mark Sub License Agreement shall not be amended or modified in any substantive way by either the Certification Body or the certified member Organisation/Sites.
- 2.10.8 The signed Trade Mark Sub License Agreement shall be submitted to Better Cotton concurrently with the audit report and certificate, using the same submission mechanism.
- 2.10.9 The CB shall share the trademarked assets with the certified member Organisation/Site only once the Trade Mark Sub License Agreement has been signed by both parties.
- 2.10.10 Upon issuance of the Scope Certificate, the CB shall grant access to the BCI Cotton Label and logo assets to the certified member Organisation/Site via the relevant folders corresponding to the applicable organisation type .
- 2.10.11 For certified non-member Organisations/Sites, the CB shall only grant access to the Canto link containing the BCI Certified logo. These Organisations/Sites shall not be granted access to the BCI Cotton label assets for their respective category and do not need to sign a Trade Mark Sublicense Agreement.

3 Ongoing Monitoring, Compliance and Audit Cycles

3.1 BCP Access and Inventory

Applicable to Organisations/Sites

- 3.1.1 Upon successful certification the Organisation/Site shall be granted access to the relevant inventory option on the BCP where Physical Better Cotton transactions can be added.
- 3.1.2 Organisations/Sites shall ensure that they only enter accurate and factual information into the BCP.
 - 3.1.2.1 For Mass Balance orders this includes assigning BCCUs to 100% of the volume of the transaction.
- 3.1.3 Organisations/Sites shall ensure that they have a system for entering transactions into the BCP in a timely manner. This includes but is not limited to:
 - 3.1.3.1 Purchase transactions shall be acknowledged within 60 calendar days of data being entered into the BCP.
 - 3.1.3.2 Sale transactions shall be entered within 60 calendar days of the shipment date.
 - 3.1.3.3 Cancellations shall be requested within 30 days of entering the transaction onto the BCP.
 - 3.1.3.4 Physical (traceable) transactions shall not be acknowledged until the physical product has been received by the buyer.
- 3.1.4 Requests for derogations from the defined timelines in 3.1.3 shall be submitted to compliance@bettercotton.org using the Derogations Form.
- 3.1.5 If discrepancies are identified in any transaction(s) in the BCP, Better Cotton reserves the right to amend, cancel or refuse a transaction(s).
- 3.1.6 The way an Organisation/Site is setup in the BCP is the responsibility of Better Cotton.

3.2 Annual Self-Assessment

Applicable to Organisations/Sites

- 3.2.1 As per Section 2.8 of the CoC Standard all Organisations/Sites are required to complete an annual self-assessment. This self-assessment should be completed within one (1) year of the organisation's entry to the CoC programme.
- 3.2.2 The self-assessment shall be completed using a template provided by Better Cotton and shall be submitted to the CB.
 - 3.2.2.1 The self-assessment template can be found in the HELP section in BCP. Suppliers shall always access the latest version available on BCP.
 - 3.2.2.2 The CB and/or Better Cotton may evaluate the self-assessment and request further information on the outputs of the internal review.
- 3.2.3 Failure to cooperate with requests from the CB and/or Better Cotton shall result in the CB suspending the Organisation/Site's certificate and Better Cotton shall block the respective BCP account until the information is provided.
 - 3.2.3.1 If the information provided is of poor quality or raises concerns, the CB and/or Better Cotton may request further information and conduct additional monitoring and/or surveillance.

3.3 Surveillance, Monitoring and Compliance

Applicable to Organisations/Sites and Certification Bodies

- 3.3.1 Where an Organisation/Site reaches the non-conformity threshold of 'Positive Result and Surveillance Audit' listed in Table 1 they shall undergo a surveillance audit within 12 months of the certification (or re-certification) audit.
- 3.3.2 The surveillance audit shall include all the steps of a certification audit as outlined in Section 2.4 – 2.9 of this document. Where it is conducted remotely this shall be done in line with Section 2.9 as well.
- 3.3.3 The surveillance audit shall include, as a minimum, a review of areas where non-conformities were raised along with any updated systems and a sample of records created since the certification (or re-certification) audit.
- 3.3.4 The surveillance audit shall be conducted by the same CB that conducted their certification (or re-certification) audit.

- 3.3.5 Any non-conformities raised at a surveillance audit shall be handled as per Section 2.7 of this document and will have the same consequences as those raised in a certification (or re-certification audit).
- 3.3.5.1 The CB shall determine if a further surveillance or suspension is required depending on the number of non-conformities raised and/or the quality of corrective actions.
- 3.3.6 The auditor or CB shall submit a copy of the finalised surveillance audit to both the Organisation/Site and upload the information onto the INTACT platform within 14 calendar days of receipt of the finalised correction action plan (including correction).
- 3.3.7 Where no non-conformities were identified, the auditor or CB shall submit a copy of the finalised audit report to the Organisation/Site and upload the information onto the INTACT platform within 14 calendar days of the final day of the surveillance audit.
- 3.3.8 In addition to the audit methods outlined; Better Cotton shall conduct regular monitoring of Organisations/Sites that are part of the CoC programme.
- 3.3.8.1 The methods of monitoring include, but are not limited to:
- 3.3.8.1.1 Document reviews;
 - 3.3.8.1.2 On-site/Remote audits;
 - 3.3.8.1.3 Unannounced audits;
 - 3.3.8.1.4 Tracebacks
 - 3.3.8.1.5 Transaction monitoring;
 - 3.3.8.1.6 Spot check visits;
 - 3.3.8.1.7 Physical tracers;
 - 3.3.8.1.8 Response to complaints.
- 3.3.9 Risks or findings identified from Better Cotton's monitoring activities in 3.3.6 may trigger an on-site surveillance audit.
- 3.3.9.1 This surveillance may be in addition to the surveillance audits required where certain NC thresholds are exceeded as per Table 1.
- 3.3.9.2 The surveillance audit shall follow the steps outlined in Section 3.3.1 – 3.3.5 of this document.
- 3.3.10 Where findings are identified by Better Cotton during monitoring activities the CB shall have a process to review the findings and determine actions to be taken.
- 3.3.10.1 This may include, but not limited to, follow up visits or suspension/withdrawal of the Organisation/Site's certificate.
- 3.3.10.2 This shall include any non-conformities identified during Better Cotton's claims monitoring activities that require escalation.

Applicable to Organisations/Sites and Certification Bodies

3.3.11 If the Organisation/Site appears on a banned list for other Standards (e.g. GOTS, Textile Exchange) they shall inform their CB within 3 working days.

3.3.11.1 The CB shall conduct an investigation into the ban and determine if an additional audit is required.

3.3.11.2 The result of this investigation and/or additional audit may result in the Organisation/Site's certificate being suspended and their BCP account temporarily blocked.

3.3.11.3 The suspension and BCP block shall only be lifted once the CB has received satisfactory evidence to lift the suspension.

3.4 Audit Cycles

Applicable to Organisations/Sites and Certification Bodies

3.4.1 The audit cycle for Organisations/Sites in the Better Cotton supply chain is defined on a 3-year cycle as in the example below.

Physical Segregation Model (Single Country, Multi-Country, Controlled Blending)

Year 0	Year 1	Year 2	Year 3
01-May-25	01-May-26	01-May-27	01-May-28
Initial certification audit	Self-Assessment or Surveillance	Self-Assessment	Re-certification audit

It should be noted that the type of audit can vary if a negative decision is reached or if heightened risk factors have been identified in the organisation/site.

3.4.2 The Organisation/Site shall ensure that they arrange a re-audit to be conducted at least 60 days prior to the certificate expiry date.

3.4.3 If the Organisation/Site fails to have their audit within the designated timeframe, the Organisation/Site shall have their certificate and BCP account suspended until they successfully complete their audit and subsequent steps.

3.4.3.1 The CB is responsible for informing Better Cotton if the Organisation/Site fails to complete their audit within the necessary timeframe so that access to the BCP can be suspended.

3.4.4 The CB shall follow all the same processes and steps at a re-certification audit as is done for an initial certification audit.

3.5 Suspension and Consequences

Applicable to Organisations/Sites and Certification Bodies

- 3.5.1 The following reasons (but not limited to) shall be causes for suspension of a certificate and/or BCP account.
- 3.5.1.1 Failure to close out non-conformities from monitoring activities;
 - 3.5.1.2 Failure to cooperate with Better Cotton or approved 3rd party auditors in monitoring activities;
 - 3.5.1.3 This includes refusing to allow entry to an Organisation/Site for the purpose of an audit;
 - 3.5.1.4 Demonstrable breakdown in the Chain of Custody;
 - 3.5.1.5 Evidence an Organisation/Site has sold products as Physical Better Cotton when they are shown to not be Better Cotton either by origin or another claim;
 - 3.5.1.6 Breaches in other Better Cotton processes including, but not limited to:
 - 3.5.1.6.1 Membership Requirements;
 - 3.5.1.6.2 Better Cotton Claims Framework Requirements;
 - 3.5.1.6.3 BCP T&Cs and misuse of the BCP.
 - 3.5.1.7 Issues that may bring Better Cotton into disrepute;
 - 3.5.1.8 Unethical behaviour (bribery, corruption, etc.)

Applicable to Certification Bodies

- 3.5.2 The CB shall contact the Organisation/Site in writing (email is acceptable) to inform the Organisation/Site of the suspension, including duration, any non-conformities identified and timelines for corrective actions.
- 3.5.2.1 The CB shall also inform Better Cotton within 48 hours of the suspension.
- 3.5.3 The period of suspension shall be determined according to Table 2 along with actions required to lift suspension.
- 3.5.4 Failure to take acceptable actions to correct the cause of the suspension may result in the Organisation/Site being removed from the Better Cotton programme and they shall be required to go through a new certification audit with an approved CB. The following page describes the typical suspension periods.

Applicable to Organisations/Sites and Certification Bodies

Table 2 – Suspension and Withdrawal Periods

Issue	Timeline of Suspension (minimum)	Corrective Action
>15 Minor NCs	3 Months or until re-audit, whichever is longer. For Ginners - 3 months of a season	Re-audit (positive decision)
>5 Major NCs	3 Months or until re-audit, whichever is longer. For Ginners - 3 months of a season	Re-audit (positive decision)
Failure to close out non-conformities from audit/monitoring activities in required timeframe	3 Months or until non-conformities are closed. For Ginners – 6 months of a season	Effective close out of non-conformities as per severity (Minor or Major)
Failure to cooperate with Better Cotton or approved 3 rd party auditors in audit/monitoring activities	6 Months For Ginners – 6 months of a season	Audit/Re-audit (positive decision)
Demonstrable breakdown in the Chain of Custody	12 Months For Ginners – Whole season	Audit/Re-audit (positive decision)
Evidence an Organisation/Site has sold products as Physical Better Cotton when they are shown to not be Better Cotton either by origin or another claim	12 Months For Ginners – Whole season	Re-application to the programme and then Re-audit (positive decision)
Issues that may bring Better Cotton into disrepute	Withdrawal and minimum 2 Years before re-entry	Re-application to the programme and then Re-audit (positive decision)
Suspended twice in a 12-month period	Withdrawal and minimum 12 Months before re-entry	Re-application to the programme and then Re-audit (positive decision)
Unethical behaviour or deliberate fraud	Withdrawal and minimum 3 years before re-entry	Re-application to the programme and then Re-audit (positive decision)
Breaches in other Better Cotton processes including, but not limited to: a. Membership Requirements b. Claims Requirements c. BCP T&Cs	As per relevant procedure	As per relevant procedure

Applicable to Organisations/Sites

3.5.5 During the suspension period the following rules shall apply to the suspended Organisation/Site:

3.5.5.1 The Organisation/Site cannot buy or sell Better Cotton products or BCCUs in the period of suspension.

3.5.5.2 If the Organisation/Site has already made a sale or purchase prior to the suspension but has not entered onto the BCP, the Organisation/Site shall have 10 working days to enter these transactions and provide supporting evidence to the CB and Better Cotton team to verify these transactions.

3.5.5.2.1 Failure to adhere to these requirements shall lead to the transactions being rejected.

- 3.5.5.3 The Organisation/Site shall not process any Better Cotton in stock during the period of suspension.
- 3.5.5.4 The Organisation/Site shall inform their customers within 5 working days of their suspension.
- 3.5.6 Where the Organisation/Site is suspended due to a negative decision they shall wait at least 30 days from the negative decision before having another certification audit.

3.6. Withdrawal and Cancellation

Applicable to Organisations/Sites

- 3.6.1 The Organisation/Site's certificate shall be withdrawn by the CB in the following circumstances:
 - 3.6.1.1 Issues that may bring Better Cotton into disrepute;
 - 3.6.1.2 Failure to respond or provide adequate corrective actions to a suspension within the timeframe in Table 2;
 - 3.6.1.3 For issues of unethical behaviour and/or deliberate fraud;
 - 3.6.1.4 Failure to pay the CB for audit services provided associated with the Better Cotton Chain of Custody programme.
- 3.6.2 Upon notification of the withdrawal, Better Cotton shall suspend the Organisation/Site's BCP account.
- 3.6.3 If an Organisation/Site goes into bankruptcy they shall inform the CB of this information.
- 3.6.4 Where an Organisation/Site has their certificate withdrawn they shall remain out of the Better Cotton programme for the period defined in Table 2.
 - 3.6.4.1 Any inventory in the BCP account of the withdrawn Organisation/Site shall be forfeited and cannot be transferred.
 - 3.6.4.2 The Organisation/Site shall no longer be able to use claims associated with the Better Cotton Chain of Custody Programme and/or Better Cotton Claims Framework, unless they've been included in a published document (e.g. annual sustainability report) for a past period of time.
- 3.6.5 The Organisation/Site may cancel the certificate voluntarily at any stage.

Applicable to Certification Bodies

- 3.6.6 The CB shall contact the Organisation/Site in writing (email is acceptable) to inform the Organisation/Site of the withdrawal including the reasons.
- 3.6.6.1 This notification shall include the fact that the Organisation/Site can no longer make use claims associated with the Better Cotton Chain of Custody Programme and/or Better Cotton Claims Framework.
- 3.6.6.2 The CB shall also inform Better Cotton within 48 hours of the withdrawal.
- 3.6.7 In the event that an Organisation/Site goes into bankruptcy, the CB shall determine if the certificate remains valid.

3.7. Extension to Scope

Applicable to Organisations/Sites

- 3.7.1 Where an Organisation/Site wishes to extend their scope and/or add new CoC models they shall contact their current CB to request the extension and/or new CoC model(s).

Applicable to Certification Bodies

- 3.7.1 The CB shall have a process for assessing requests for extension to scope which shall include determining if an on-site audit is needed to approve the extension.
- 3.7.2 The CB shall inform the Organisation/Site of the decision of whether an on-site audit is required.
- 3.7.3 The CB shall issue an updated certificate to the Organisation/Site upon either approval of the extension or successful completion of the on-site audit.
- 3.7.4 The expiry date of the existing certificate shall remain as it was before the extension was added.

Applicable to Organisations/Sites and Certification Bodies

- 3.7.5 Non-conformities are raised from a scope extension audit shall be managed as per Section 2.7 of this document.

3.8 Notification of Changes

Applicable to Organisations/Sites and Certification Bodies

- 3.8.1 As per Section 2.2 of the Better Cotton Chain of Custody Standard, the Organisation/Site shall communicate any changes in the management representative, or any other significant changes to the CB by email within 15 calendar days of the change occurring.
- 3.8.1.1 This shall include if an Organisation/Site stops processing Better Cotton temporarily or permanently.
- 3.8.1.1.1 Where the Organisation/Site stops processing Better Cotton the CB shall determine if the certificate needs to be suspended.
- 3.8.1.1.2 If a suspension is determined, the CB shall inform Better Cotton within 48 working hours and Better Cotton shall temporarily block the BCP account of the Organisation/Site until the suspension is lifted.
- 3.8.2 The CB shall determine if the change impacts the scope of the certificate and whether an audit or a surveillance audit is required to assess the changes. This may include changes relating to the Organisation/Site's membership status.
- 3.8.3 If the change relates to a change in location for the certified Organisation/Site the CB shall withdraw the certificate and the Organisation/Site shall be required to undergo a new certification audit.

3.9 Certificate Transfers

Applicable to Organisations/Sites and Certification Bodies

- 3.9.1 The Organisation/Site shall inform their existing CB at least 3 months prior to their certificate expiry should they choose to change CB for their next audit.
- 3.9.2 If a certificate holder contacts a new CB with a request to transfer their certificate, the new CB shall request and review the latest audit report(s) from the existing CB, along with any other relevant supporting documents (e.g. Corrective Action Plan, Trade Mark Agreements etc).
- 3.9.3 The new CB shall verify with Better Cotton that the certificate holder has a valid certificate.
- 3.9.4 If it is during an existing certificate cycle and an audit is not yet due, the new CB may issue a certificate for the length of time remaining on the previous certificate, based on the review evidence from the previous audit. Where applicable, the Organisation/Site shall sign a new Trade Mark Sub License Agreement with the new CB.
- 3.9.5 The certificate holder shall be responsible for ensuring that the previous CB is informed, and the contract is cancelled as soon as the contract with the new CB is signed.

Transfer in case of change in status of CB

- 3.9.6 If a CB loses accreditation or no longer has a valid contract with Better Cotton, it shall:
- 3.9.6.1 Transfer all relevant records to the new CB, including scope certificates and trade mark agreements
 - 3.9.6.2 Collaborate with the new CB to ensure a smooth transition
 - 3.9.6.3 Inform affected clients of the change

3.10 Derogations

Applicable to Organisations/Sites and Certification Bodies

The Better Cotton Chain of Custody Standard is designed for global applicability and considers different supply chain categories in its design. Nonetheless, Better Cotton recognises that in some exceptional circumstances, a requirement of the Better Cotton Chain of Custody Standard may not be relevant or applicable in a specific local context. In addition, Better Cotton supply chain organisations may at times be faced with unexpected or structural circumstances which prevent full compliance.

To account for these situations, Better Cotton has developed a process for supply chain actors to request a derogation for a specific requirement or set of requirements.

This process is applicable only if:

- There is clear evidence to support the argument that a requirement is not applicable or is not relevant in the local context; or
- There is clear evidence of unexpected or structural circumstances (e.g., natural disasters) which prevent full compliance.

- 3.10.1 The Organisation/Site shall discuss the derogation request with their respective CB before the CB submits the request to Better Cotton.
- 3.10.2 Any derogation request shall be submitted to Better Cotton by the respective CB using the required form available on the Better Cotton website and sent to compliance@bettercotton.org.

In such situations, Better Cotton shall follow a determined Derogation Process to consider the requests. Any derogations shall be listed on the Better Cotton website <https://bettercotton.org/document-library>. Better Cotton shall ensure this information is shared with Certification Bodies and auditors.

3.11 Variations

Applicable to Organisations/Sites and Certification Bodies

- 3.11.1 Where Organisation/Site seek to deviate from any of the requirements in the Better Cotton normative documents they shall discuss the request with their respective CB before submission to Better Cotton.
- 3.11.2 Where Organisations/Sites seek to deviate from any of the requirements in the Better Cotton normative documents, their CB shall submit a variation request on their behalf.
- 3.11.3 The variation request shall be made via a designated form. The request shall include:
 - 3.11.3.1 The requirement which they are seeking to vary from;
 - 3.11.3.2 The justification for the variation.
- 3.11.4 The Better Cotton team shall review the variation request and provide a response to the CB.
 - 3.11.4.1 The response shall include any conditions and timeframe for the variation.
- 3.11.5 If approved, the variation request shall not necessarily create a precedent. If a similar situation arises for the Organisation/Site in the future, they shall be required to submit another variation request.
- 3.11.6 The Better Cotton team shall review if the scenario could apply to multiple Organisations/Sites and in such circumstances shall issue a derogation and shall communicate this to all Organisations/Sites as well as approved CBs that are active in the Better Cotton Chain of Custody programme.

3.12 Better Cotton Rights

- 3.12.1 Better Cotton reserves the right to issue and amend the content and requirements stated in this document or any other normative documents that relate to the Better Cotton Chain of Custody programme. All organisations shall be informed of any changes and shall be given a timeframe to implement those changes.
- 3.12.2 Better Cotton has overall ownership of the BCP and reserve the right to reject applications to the Better Cotton Chain of Custody Programme and to block organisations BCP account as per the relevant sections of this document and for the duration of a situation of certificate suspension of the client by the CB.
- 3.12.3 The Better Cotton Chain of Custody Standard is a voluntary standard which organisations may opt in to. Better Cotton is not liable towards organisations for

any direct or indirect damages arising out of or in connection with use of the BCP or blocking the use of the BCP for any reason, unless the damage arises out of or in connection with Better Cotton's intentional or gross negligent conduct.

3.13 Ginner Inventories and Annual Authorised Volumes (AAV)

The AAV code is a unique number generated by Better Cotton for licensed Producers (Large Farms or Producer Units). AAV codes allow ginner buyers 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. It should be noted that the AAV provides an estimate of seed Better Cotton available to the ginner.

These requirements apply to ginner buyers that take ownership of the Better Cotton.

Applicable to Organisations/Sites

- 3.13.1 Any transaction between the ginner and the producer shall have corresponding Physical Better Cotton associated to it.
 - 3.13.1.1 During the season, the Better Cotton team shall receive actual harvest volumes and may revise the total seed Better Cotton inventory available under each AAV.
- 3.13.2 All ginner inventories are 'zeroed out' in the BCP at the end of the season.

Ginner's lint cotton inventories increase as they enter their production of Better Cotton lint into the BCP. As they enter sales of Better Cotton bales into the BCP, buyers will acknowledge the transactions, and these inventories are decreased accordingly. When Better Cotton bales are sold as conventional cotton, there are no entries made into the BCP to reflect this deduction in real inventory terms.
- 3.13.3 To eliminate the discrepancy between a ginner's (physical) Better Cotton lint inventory and its cotton lint inventory in the BCP, Better Cotton resets all ginner inventories back to zero prior to the beginning of a new cotton crop season.
 - 3.13.3.1 The timing of this 'zeroing out' differs by country, depending on the cotton crop season.
- 3.13.4 Each year, Better Cotton informs ginner buyers, by e-mail, one month prior to actual zeroing of their cotton lint inventories from the BCP. Ahead of this deadline, ginner buyers are expected to enter all Better Cotton sales into the BCP.
- 3.13.5 The BCP does have capacity to hold inventory for ginner buyers from two seasons and inventory can be added to a ginner's account provided sufficient evidence is submitted to verify this.

3.14 Publicly Available Information

- 3.14.1 Better Cotton shall make available certification information relating to organisations that are within the programme. This shall also include the CoC model that has been applied to the organisation.
- 3.14.2 Upon request Better Cotton can make available a list of organisations that have withdrawn or suspended from the programme within the last 2 years including the date of withdrawal.

3.15 Updates

- 3.15.1 Better Cotton reserves the right to update the BCP at any time. This shall be communicated either via the BCP itself and/or via email.

4. Multi-Site Certification

This section sets out the conditions for applying Multi-Site Certification under the Better Cotton Chain of Custody Standard. Multi-site Certification enables eligible organisations with multiple sites to be audited and certified as a group, provided they operate under a centrally administered management system. The objective of this approach is to streamline audits and ensure consistent implementation of CoC requirements across all participating sites. Organisations may be eligible for Scenario A or Scenario B.

4.1 Scope

4.1.1 The Multi-Site requirements may apply to any organisation wishing to enter 2 or more sites to the Better Cotton Chain of Custody Standard.

4.1.2 There are two options for organisations in this position:

4.1.2.1 Scenario A – Multi-Site Certification for Centrally Operated Sites (Section 4.2 only)

4.1.2.2 Scenario B – Multi-Site Certification for Independent Sites Managed by a Central Function (Sections 4.3 – 4.9)

4.2 Multi-Site Certification for Centrally Operated Sites (Scenario A)

This sub-section contains the requirements for organisations that manage multiple operational sites, where one site, typically the head office, but possibly a separate invoicing location (hereafter referred to as the 'Central Function') holds responsibility for purchasing, sales, and implementation of the CoC across sites. In this model, sites typically function as part of a vertically integrated entity under operational control from the Main Site. These sites do not operate independently and are instead treated as extensions of the Main Site. A single certificate may be issued for the group of sites, provided the below conditions are met.

Applicable to Organisations/Sites and Certification Bodies

4.2.1 Where an organisation owns additional sites at more than one location, these sites can be covered by a single audit report and certificate if all the following criteria are met:

4.2.1.1 All site(s) shall operate under the same ownership*

4.2.1.2 The Organisation/Site shall designate a Central Function which will be listed as the certificate holder and shall be responsible for compliance with

the Better Cotton Chain of Custody Standard.

- 4.2.1.3 The Central Function shall be responsible for purchasing and sales of Better Cotton
- 4.2.1.4 The Central Function shall determine which additional sites are to be included within the scope of certification and agree this with the respective CB.
- 4.2.1.5 All site(s) shall have the same management system as the Organisation/Site that will be listed as the Central Function
- 4.2.1.6 The additional site(s) shall not process and/or handle Better Cotton independently of the Central Function
- 4.2.1.7 The additional site(s) shall may not engage with external customers or suppliers independently, unless such transactions are fully conducted and overseen by the Central Function
- 4.2.1.8 Any sites that do not meet the criteria listed shall be audited and certified separately.
- 4.2.2 The Central Function shall inform the CB of the total sites/units to be covered as part of the audit.
 - 4.2.2.1 If any of the information provided proves to be incorrect the CB may require individual audits to be arranged.
- 4.2.3 The CB shall audit all sites under the agreed scope of certification.
 - 4.2.3.1 The CB may remotely audit either the Central Function and/or associated site(s) where the Central Function and/or associated site(s) manage purchase and sales but do not take physical possession of the product.
- 4.2.4 The CB shall plan and conduct the audit as per Section 2 of this document.
- 4.2.5 Non-conformities found at any of the sites shall be accumulated and count towards the overall audit result.
 - 4.2.5.1 Non-conformities shall be handled as per Section 2.7 of this document.
- 4.2.6 The certificate shall be awarded in the name of the Central Function, and the additional site(s) shall be listed on an appendix to the certificate.
- 4.2.7 The configuration of BCP accounts in relation to the Multi-Site shall remain at the sole discretion of Better Cotton. This shall not affect certification activities undertaken by the CB.
- 4.2.8 The Multi-Site Certification may be applied globally.

- 4.2.8.1 Where associated sites are located in different countries, audits may be conducted by different auditors; however, all auditors shall be employed by, or contracted under, the same CB responsible for the overall certification decision

**By ownership we are referring to sites or organisations as being owned directly or indirectly by the same person or entity. This includes cases where one site owns the other, or where both sites are owned by the same parent entity. Partial ownership may also apply providing there is a majority or controlling stake in the additional site.*

4.3 Multi-Site Certification for Independent Sites Managed by a Central Function (Scenario B)

This sub-section defines the requirements for Multi-Site Certification where individual sites operate with a higher degree of independence but are still linked through common ownership and a centrally administered management system (hereinafter referred to as the 'Central Function'). In this model, each site may be responsible for its own purchasing and sales activities but is subject to oversight by the Central Function that is ultimately responsible for the certificate's continued conformance with the CoC Standard.

Unlike the model described in Section 4.2, which applies to organisations operating within a single process chain, this model accommodates operations where the activities of the Central Function may be varied or replicated across multiple locations.

Example: This could include a lint trader operating several autonomous trading offices, a brand managing multiple sourcing offices in different regions, or a large textile mill that own multiple independent spinning and fabric making facilities.

Applicable to Organisations/Sites

- 4.3.1 An organisation qualifying for these requirements shall be covered by a single management system, comprising of an identified Central Function, and a number of sites (permanent, temporary or virtual) at which such processes/activities are fully or partially carried out.
- 4.3.2 The organisation and associated sites shall be linked either through:
- 4.3.2.1 Ownership or;
 - 4.3.2.2 A legal relationship with the Central Function.
- 4.3.3 The Central Function shall retain evidence demonstrating their legal relationship with the other sites in the Multi-Site.

- 4.3.4 The configuration of BCP accounts shall remain at the sole discretion of Better Cotton. This shall not affect certification activities undertaken by the CB.
- 4.3.5 The Central Function and associated sites shall have a common management systems which shall cover all activities associated with the scope of the Better Cotton Chain of Custody Standard.
 - 4.3.5.1 Associated sites that operate a separate management system are not eligible for Multi-Site Certification and should be individually certified.
- 4.3.6 The Multi-Site Certification may be applied globally.
 - 4.3.6.1 Where associated sites are located in different countries, audits may be conducted by different auditors; however, all auditors shall be employed by, or contracted under, the same CB responsible for the overall certification decision

4.4 Registration (Scenario B only)

Applicable to Organisations/Sites

- 4.4.1 The Central Function shall contact an approved CB to apply for certification to the Better Cotton Chain of Custody Standard and reference that they wish to apply the Multi-Site requirements.
- 4.4.2 A representative of the Central Function and a representative from each associated site with BCP access (where applicable) should have taken the online BCP training.

4.5 Additional Multi-Site Requirements (Scenario B only)

Applicable to Organisations/Sites

- 4.5.1 The Central Function shall demonstrate it has the management system and resources to manage the associated sites under the scope of its certificate.
- 4.5.2 The Central Function and associated sites shall adhere to the requirements of the Better Cotton Chain of Custody Standard.
- 4.5.3 Each associated site shall have a designated representative that has responsibility for ensuring adherence to the Better Cotton Chain of Custody Standard as per 2.2.1 of the Better Cotton Chain of Custody Standard.
- 4.5.4 The Central Function shall maintain a list of associated sites including, as a minimum:

- 4.5.4.1 Main contact;
- 4.5.4.2 Address;
- 4.5.4.3 Date they joined the certificate.
- 4.5.5 The Central Function shall conduct an annual internal audit of each of the associated sites.
 - 4.5.5.1 The Central Function shall identify a competent individual(s) or team that is responsible for conducting the internal review of the associated sites.
 - 4.5.5.2 The individual(s) or team shall be objective and impartial from the sites being assessed.
 - 4.5.5.3 The annual internal audit shall evaluate each of the associated sites against the Better Cotton Chain of Custody.
 - 4.5.5.4 Where non-conformities are raised as part of the internal audit they shall be addressed by the Organisation/Site within 90 calendar days
- 4.5.6 The Central Function shall include the results of any internal audits or self-assessments as part of the annual management review as per the requirements of 2.9 of the Better Cotton Chain of Custody Standard

4.6 Additional Audit and Surveillance Requirements for Suppliers and Manufacturers (Scenario B only)

Applicable to Certification Bodies

- 4.6.1 The Central Function shall be audited annually by a CB to maintain the validity of the certificate.
 - 4.6.1.1 The CB shall suspend the organisations certificate if the central function fails to have their annual surveillance audit.
 - 4.6.1.2 The certificate may be re-instated upon successful completion of the surveillance audit.
- 4.6.2 The initial and re-certification audits of the Central Function shall be done on-site.
- 4.6.3 The annual surveillance audit of the Central Function may be done remotely.

- 4.6.3.1 At the surveillance audits of the Central Function the following shall be assessed as a minimum:
 - 4.6.3.1.1 The list of associated sites;
 - 4.6.3.1.2 The rate of change of associated sites (new sites, sites that have left the certificate);
 - 4.6.3.1.3 The capacity of the central function's management system to manage any change in scope of the certificate including any increase in size, number, or complexity of operational sites within the scope of the certificate;
 - 4.6.3.1.4 Records of the Central Function's internal audits;
 - 4.6.3.1.5 Records of any corrective action requests issued by the central function, including follow-up and close-out evidence;
 - 4.6.3.1.6 A sample of transactions on the BCP and associated documentation.
- 4.6.4 At each audit, the CB shall also evaluate the ability of the Central Function to manage the number of participating sites of the certificate and approve an annual growth rate.
- 4.6.5 The CB shall conduct on-site audits of a sample of sites annually.
 - 4.6.5.1 The sample of sites to be audited shall be based on the square root of the number of associated sites, rounded up to the whole upper number.
 - 4.6.5.2 The CB shall avoid auditing the same associated site annually unless there is clear justification to do so.
 - 4.6.5.3 The CB may increase the sample size if they determine an increased risk to the validity of the central function's certificate.
- 4.6.6 The CB shall consider the following factors when selecting the sample of sites to audit:
 - 4.6.6.1 Differences in processes/activities at sites;
 - 4.6.6.2 Results of internal site audits and management reviews or previous certification audits;
 - 4.6.6.3 Significant variations in the size of the sites and number of personnel;
 - 4.6.6.4 Records of complaints

4.7 Additional Audit and Surveillance Requirements for Brands/Traders/Sourcing Agents (Scenario B only)

Applicable to Certification Bodies

- 4.7.1 The Brand/Trader/Sourcing Agent shall be audited every three (3) years in accordance with Section 3.4 of this document.
- 4.7.2 The initial and re-certification audits of the Central Function may be conducted remotely.
- 4.7.3 The CB shall determine the appropriateness of conducting the audit remotely and shall follow Section 2.9 of this document.
 - 4.7.3.1 The ultimate decision on whether the audit can be conducted remotely lies with the CB.
- 4.7.4 During the audit of the Central Function, the following shall be assessed as a minimum:
 - 4.7.4.1 The list of associated sites;
 - 4.7.4.2 The rate of change of associated sites
 - 4.7.4.3 The capacity of the central function's management system to manage any change in scope of the certificate including any increase in size, number, or complexity of operational sites within the scope of the certificate;
 - 4.7.4.4 Records of the central function's internal audits;
 - 4.7.4.5 Records of any corrective action requests issued by the central function, including follow-up and close-out evidence.
- 4.7.5 At each audit, the CB shall evaluate the ability of the Central Function to manage the number of participating sites of the certificate and approve an annual growth rate.
- 4.7.6 The CB shall conduct remote reviews of a sample of sites during the audit.
 - 4.7.6.1 The remote review shall include, at a minimum:

- 4.7.6.1.1 Maintenance of records and BCP transactions;
- 4.7.6.1.2 Purchasing information
- 4.7.6.1.3 Traceability and volume reconciliation checks;
- 4.7.6.1.4 On-products claims (where applicable);
- 4.7.6.1.5 Training records
- 4.7.6.1.6 Responsibilities and authorities
- 4.7.7 The sample of sites to be audited shall be based on the square root of the number of associated sites, rounded up to the whole upper number.
- 4.7.8 The CB shall prioritise sites based on risk factors such as past performance, size, or operational complexity.
- 4.7.9 The CB shall avoid auditing the same associated site in subsequent audits unless there is clear justification to do so or based on risk factors as outlined in 4.8 and 4.9 of this document.
- 4.7.10 The CB may increase the sample size if they determine an increased risk to the validity of the central function's certificate.
- 4.7.11 In line with 2.5.4, warehousing and distribution sites shall only require an on-site audit when a risk has been identified that pertains to a specific site.

4.8 Audit Result and Non-Conformities (Scenario B only)

Applicable to Organisations/Sites and Certification Bodies

- 4.8.1 Any non-conformities raised at an audit shall be corrected as per Section 2.7 of this document.
- 4.8.2 Non-conformities shall be corrected prior to a certification decision being made by the CB.
- 4.8.3 Failure to correct a non-conformity as per the Better Cotton Chain of Custody Monitoring and Certification Requirements may result in the suspension or withdrawal of a central functions certificate.
 - 4.8.3.1 This applies to non-conformities raised either at the central function or at any associate site(s).

- 4.8.4 If the number of NCs raised at the central function exceeds the thresholds allowed in Table 1, or a critical NC is raised, the entire Multi-Site shall be impacted and a certificate shall not be issued.
 - 4.8.4.1 If it is an existing certified Multi-Site then the CB shall suspend the existing certificate.
- 4.8.5 If the number of NCs raised at an associated site exceeds the thresholds allowed in Table 1, or a critical NC is raised, the site shall not be included on the certificate.
 - 4.8.5.1 The CB shall consider if the NC raised was a systemic issue and if there are impacts on the certificate for the whole Multi-Site.
 - 4.8.5.2 The CB may increase the sample of associated sites audited to confirm if the issue is present at other associated sites.
- 4.8.6 The Central Function's certificate may also be suspended if any of the following issues are identified at either the central function and/or any associated sites:
 - 4.8.6.1 Failure to close out non-conformities from monitoring activities;
 - 4.8.6.2 Failure to cooperate with Better Cotton or approved CB auditors in monitoring activities;
 - 4.8.6.3 Demonstrable breakdown in the Chain of Custody;
 - 4.8.6.4 Evidence an Organisation/Site has sold products as Physical Better Cotton when they are shown to not be Better Cotton either by origin or another claim;
 - 4.8.6.5 Breaches in other Better Cotton processes including, but not limited to:
 - 4.8.6.5.1 Membership Requirements;
 - 4.8.6.5.2 Claims Requirements;
 - 4.8.6.5.3 BCP T&Cs and misuse of the BCP.
 - 4.8.6.5.4 Issues that may bring Better Cotton into disrepute;
 - 4.8.6.5.5 Unethical behaviour (bribery, corruption, etc.).

Applicable to Certification Bodies

- 4.8.7 The CB shall develop a single audit report to cover each site audited. This shall be done using the Better Cotton Chain of Custody Audit Report.
- 4.8.8 Where a positive result is reached, the CB shall issue a certificate to the Central Function.

- 4.8.9 The certificate shall be issued in the name of the Central Function and follow the details included in Section 2.7.3 of this document.
- 4.8.10 The certificate shall also include a list of associated sites.

4.9 Adding, Removing or Changing Associated Sites (Scenario B only)

Applicable to Organisations/Sites and Certification Bodies

- 4.9.1 The Central Function shall be allowed to increase the number of associated sites linked to their certificate by up to 50% of the existing number without the need for an audit.
- 4.9.2 The Central Function shall conduct an internal audit prior to any new associated sites being added to the certificate scope.
 - 4.9.2.1 The internal audit shall cover the requirements of the Better Cotton Chain of Custody audit and whether the associated site meets the requirements.
- 4.9.3 The Central Function shall inform the CB to add the new associated site to the certificate scope.
- 4.9.4 At the next annual surveillance audit the CB shall include the added sites as part of their sample size and consider whether to include the added site as part of their sample.
- 4.9.5 The Central Function shall notify the CB of any sites they wish to remove from their certificate scope.
- 4.9.6 The Central Function shall confirm the scope of the audit with the CB prior to a re-certification audit.

5. Protocol for Producers with Sub-Contracted Gins

5.1 Introduction

Typically, the Better Cotton Chain of Custody (CoC) Standard begins with any Organisation/Site that receives seed cotton, which in most cases is the gin. However, in some contexts, the gin acts as subcontractor, providing a ginning service to the farm; the gin does not take ownership of the seed cotton.

To manage the Chain of Custody in this context, the Protocol for Producers with Subcontracted Gins covers Chain of Custody requirements until Better Cotton is purchased from the farm and then managed under the Better Cotton Chain of Custody Standard.

These requirements are applicable to all Large Farms (LFs) or Producer Units (PUs), as defined within Better Cotton's Principles and Criteria and hereinafter referred to as 'Producer', that maintain ownership of Better Cotton as it is processed by a ginning facility prior to sale.

It should be noted that the 'Producer' can also mean the LF Group Manager depending on the setup at the specific producer.

Where this protocol is being applied, the requirements for sub-contractors in Annex 1 of this document do not apply.

5.1.1 Where the LF Group Manager has been certified to Better Cotton Chain of Custody Standard an audit of the Protocol for Producers with Subcontracted Gins shall not be required on the basis that:

5.1.1.1 The LF Group Manager can demonstrate that they have access to chain of custody information relating to the cotton produced under the Better Cotton Principles and Criteria Standard.

5.1.1.2 Ownership of the cotton does not change prior to sale from the LF Group Manager.

For the purposes of cross-referencing for the version of these requirements for benchmarked or equivalent Standards only Sections 5.2 - 5.4 shall apply.

5.2 General Requirements

Applicable to Producers

- 5.2.1 The Producer shall appoint a person responsible for implementing the Protocol for Producers with Subcontracted Gins requirements.
- 5.2.2 The Producer shall be certified according to the Better Cotton Principles and Criteria Standard.
- 5.2.3 The Producer shall provide Better Cotton with the names and locations of each ginning site when registering/ agreeing to sell their cotton as Better Cotton. During this process the Producer shall agree to follow all the requirements of this section.
- 5.2.4 The Producer shall ensure the identification of Better Cotton is maintained and is kept physically separate from conventional cotton at all stages of handling.
- 5.2.5 The Producer shall notify the CB and Better Cotton of any changes affecting where physical Better Cotton is processed or stored. This may include the addition of new subcontracted gins.
- 5.2.6 Where a site audit of a subcontracted gin occurs, the associated Producer that triggered the audit shall be responsible for the accompanying costs.
- 5.2.7 In situations where non-conformities are raised, a failure to provide and implement corrective actions and corrections shall impact the Producer's ability to trade Better Cotton.

5.3 Subcontracting

- 5.3.1 The Producer shall provide sufficient information and training to subcontractors to ensure that no mixing of Better Cotton and conventional cotton occurs.
- 5.3.2 Throughout all stages of outsourcing, the Producer shall maintain legal ownership of the Better Cotton.
- 5.3.3 The Producer shall establish an agreement with each subcontractor, defining the scope of the outsourced activity, and specifying that the subcontractor shall:
 - 5.3.3.1 Follow all applicable verification requirements covered by scope of this document.
 - 5.3.3.2 Ensure the segregation and identification of Better Cotton is maintained at all times.
 - 5.3.3.3 Maintain accurate records of Better Cotton product covered by the scope of this document.
 - 5.3.3.4 Utilise national, standardised, automated bale identification systems to maintain identity of the Better Cotton bales produced.

- 5.3.3.5 Allow Better Cotton, CBs, and/or an Accreditation Bodies full access to their operations to conduct audits in relation to Better Cotton.
- 5.3.3.6 Not further outsource the activity covered by the scope of the document.
- 5.3.4 The Producer shall maintain an up-to-date list of all subcontractors, which includes:
 - 5.3.4.1 Name, address, and contact details of each subcontractor.
 - 5.3.4.2 Outsourced activity being performed.
 - 5.3.4.3 Frequency of the outsourced activity being performed.

5.4 Documentation and Record Keeping

- 5.4.1 All transactions relating to the sale of Better Cotton by the Producer shall be recorded on the BCP. The transaction should be declared by the buyer and, where required, acknowledged by the Producer.
- 5.4.2 The Producer shall maintain records that quantify volumes of input (seed), production records, output material (lint) at each ginning site to ensure that the amount of Better Cotton produced is not oversold. The Producer shall investigate deviations from expected conversion factor ranges during lint production, when requested to do so by Better Cotton.
- 5.4.3 The Producer shall ensure that there is no double selling of lint volumes. Lint sold as conventional cotton or cotton sold under another initiative shall not also be sold as Better Cotton.
- 5.4.4 For every sale and delivery of Better Cotton, the Producer shall provide the customer with a document or set of documents that includes the following information:
 - 5.4.4.1 Buyer and seller identification.
 - 5.4.4.2 Product description or specification, including quality parameters.
 - 5.4.4.3 Quantity of product(s).
 - 5.4.4.4 Date of delivery/sale.
 - 5.4.4.5 Sales invoices and contracts.
 - 5.4.4.6 Transport/shipping documents.

5.5 Certification Body Requirements

Applicable to Certification Bodies

- 5.5.1 The audit of these requirements shall be done by the same CB that audited the producer against the Better Cotton Principles and Criteria.

- 5.5.2 The CB shall audit the Producer against Sections 5.2 – 5.4 of this document.
- 5.5.3 The CB shall include details of what was audited on the Better Cotton Principles and Criteria audit report.
- 5.5.4 Where a CB is approved for both Better Cotton Principles and Criteria and the Chain of Custody audits, an audit of the requirements within the Protocol for Producers with Subcontracted Gins should be done in combination with a Producer's Better Cotton Principles and Criteria assessment.
 - 5.5.4.1 Where the audit cannot be done in combination with a Better Cotton Principles and Criteria the CB shall conduct the audit as soon as is practicable following the Principles and Criteria audit.
- 5.5.5 Non-conformities shall be handled as per Section 2.7 of this document.
- 5.5.6 The CB shall include an addendum to the certificate issued for the Principles and Criteria which shall include, as a minimum:
 - 5.5.6.1 A reference to state that the Producer has been audited against and adheres to the Protocol for Producers with Subcontracted Gins
 - 5.5.6.2 The audit date when the requirements were audited.

6. Benchmark Partners

6.1 Benchmark Partner Requirements

Applicable to Certification Bodies

Better Cotton uses a process called 'benchmarking' to establish a one-way recognition of other credible cotton sustainability standard systems. Benchmarking is an effective way to ensure local applicability of our interventions and deepen impact while mainstreaming sustainability in cotton production, by building on existing knowledge and activities through meaningful partnerships. The benchmarking process is the comparison of all six components of the BCSS with the equivalent standard, a gap analysis to identify key differences, and an agreed action plan to resolve any gaps over a defined timeframe. Considering that each context is different, the analysis needs to focus on the intended outcome of each component of the standards system.

Better Cotton currently has benchmarking agreements with the following countries:

Country	Producer Standard
Australia	myBMP
Brazil	ABR
Greece	Agro 2.1 and 2.2
Israel	ICPSS
Spain	SPI+Better Cotton Addendum

The scope of approval in each of these countries differs as does the starting point for Chain of Custody due to the nature of the setup and responsibilities of ginning facilities in these countries.

- 6.1.1 CBs auditing Organisations/Sites based in these countries shall check with Better Cotton prior to commencing an audit to determine the applicability.

Annex A – Audit of Subcontractors



Annex B – Multi-Site Audit Comparison

Criteria	Scenario A: Single CoC audit and certificate for Multi-Sites	Scenario B: Multi-Site for Suppliers/Manufacturers	Scenario B: Multi-Site for Brands and Traders/Sourcing Agents
Same ownership/legal relationship	Yes	Yes	Yes
Same management system	Yes	Yes	Yes
Location of sites	Global	Global	Global
Production type	All sites form part a continuous production process	Site scope activity can be different to central function	Site scope activity is same as central function
Who is audited	1 audit to all sites overall, every 3 years	1 audit for Central Function annually. Sample of sites (square root of total sites) audited annually.	Central Function audited every three years along with a sample of sites (square root of total sites).
Who is the customer	Sites may only supply each other or on behalf of the central function	Each site may have their own external customers	Each site may have their own external customers
New sites	New site information shared with CB	Audited internally annually, new site info shared with CB	Audited internally annually, new site info shared with CB
Audit Report & Certificate	1 audit report and certificate. Certificate in the name of the main entity but including list of sites as an appendix	1 audit report but each site details to be reported. 1 certificate under the name of the central function but including list of sites as an appendix	1 audit report but each site details to be reported. 1 certificate under the name of the central function but including list of sites as an appendix
Internal Audits	No internal audit. Self-assessment to include each site	Central function to conduct annual internal audit of all associated sites	Central function to conduct annual internal audit of all associated sites
Subcontractors	Allowed and managed as per CoC Standard requirements but do not need to be included on the certificate	Allowed and managed as per CoC Standard requirements but do not need to be included on the certificate	Allowed and managed as per CoC Standard requirements but do not need to be included on the certificate
Sites listed on certificate	Central function listed. Sites listed as an appendix	Central function listed. Sites listed as an appendix	Central function listed. Sites listed as an appendix (warehousing and distribution sites for brands not required)
Non-conformities (NC)	NCs accumulated across sites	NCs raised at central function and site level. NCs at individual site can cause overall suspension	NCs raised at central function and site level. NCs at individual site can cause overall suspension
Self-assessment	One self-assessment by central function covering all sites	Each site needs to complete self-assessment	Each site needs to complete self-assessment
Surveillance Audits	Only completed if specific risk or NC threshold is reached	CB conducts annual surveillance audit of the central function, plus a sample of sites	Surveillance only if NC threshold is reached

End of document