

BCI Chain of Custody (CoC) Guidelines: comparison of V1.3 with V1.4

Date: 2 September 2020

1. Introduction

BCI released a revised version of the Better Cotton Chain of Custody Guidelines (V1.4) on 21 July 2020, which replaces the previous V1.3. Implementation is applicable from the beginning of the ICAC harvest season that begins 1 August 2020. The revision focused mainly on minor changes, including removing outdated content, clarifying existing requirements, and restructuring the layout. Note that no additional requirements were added in the new version. BCI's basic Chain of Custody model remains the same: product segregation between farm and gin level, and mass balance after gin level. The objectives of the review were as follows:

- To improve clarity, completeness and accuracy of the CoC Guidelines;
- To improve the implementation of CoC requirements by BCI members and Better Cotton Platform (BCP) suppliers;
- To improve the consistency of interpretation of CoC requirements by all users.

The updated CoC Guidelines provide clearer requirements which help companies distinguish between those which are mandatory and those which are best practice or guidance. BCI is confident that the new version will address any potential grey areas or ambiguities from the previous version, which will ultimately improve the understanding and implementation of the CoC Guidelines.

In order to help companies familiarise themselves with the updated CoC Guidelines V1.4, BCI produced this document comparing the previous version (V1.3) with the new version (V1.4) for easy reference, indicating the major changes for each requirement. This document would be useful to those organisations who are interested in examining the detailed changes.

We also produced a FAQs and a document outlining the summary of key changes. These documents would be of interest to all stakeholders who would like an overview of the key changes. Please visit our website for details: <https://bettercotton.org/better-cotton-standard-system/chain-of-custody/>

2. Comparison of V1.3 with V1.4

This section provides a detailed comparison of all sections in V1.3 with V1.4. The comparison follows the document layout of V1.3, which is outlined as follows:

- Section 1 Introduction
- Section 2 Terminology and Definitions
- Section 3 Chain of Custody for Implementing Partners (IP)
- Section 4 Chain of Custody for Gins
- Section 5 Chain of Custody for Other Supply Chain Organisations

In each sub-section (e.g. 2.1 Introduction) you will find all the requirements outlined in V1.3 in the left hand-side of the column. In the middle column, you will find the corresponding requirements in V1.4 and their new numbering for easy reference. In the right hand-side columns, you will find the major changes made in V1.4.

2.1 Introduction (section 1 in V1.3)

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>The Better Cotton Initiative (BCI), a global not for-profit organisation, is the largest cotton sustainability programme in the world. BCI is a joint effort, working together with organisations from farms to suppliers, manufacturers, and brands, in order to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.</p> <p>The <i>Better Cotton Principles & Criteria (P&C)</i> provide a global definition of Better Cotton and include social and environmental criteria that are applicable to farmers around the world.</p> <p>These <i>Better Cotton Chain of Custody (CoC) Guidelines</i> set out requirements for organisations in the supply chain who are buying or selling Better Cotton or Better Cotton products. Between the farm and gin level, this includes cotton produced</p>	<p>The Better Cotton Initiative (BCI), a global not-for-profit organisation, is the largest cotton sustainability programme in the world. BCI is a joint effort, working together with organisations from farms to suppliers, manufacturers, and brands, in order to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.</p> <p>The <i>Better Cotton Principles & Criteria (P&C)</i>¹ provide a global definition of Better Cotton and include social and environmental criteria that are applicable to farmers around the world.</p> <p>The <i>Better Cotton Chain of Custody (CoC) Guidelines</i> set out requirements for organisations in the supply chain that are buying or selling Better Cotton or cotton-containing products as BCI Orders. Between the farm and gin level, this includes</p>	<p>Replaced 'Better Cotton products' with 'BCI Orders'</p>

¹ <https://bettercotton.org/better-cotton-standard-system/production-principles-and-criteria/>

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<p>from licensed BCI Farmers in accordance with the BCI P&C (i.e. 100% seed Better Cotton or 100% Better Cotton bales) which must be kept segregated from conventional cotton. After gin level, Better Cotton products refers to cotton /cotton-containing products that are bought or sold together with a 'Better Cotton' claim.</p> <p>The CoC Guidelines are the key framework that connects demand with supply of Better Cotton and helps to support and incentivise farmers to adopt more sustainable practices.</p>	<p>cotton produced by licensed BCI Farmers in accordance with the Better Cotton P&C (i.e. 100% seed Better Cotton or 100% Better Cotton bales) which must be kept segregated from conventional cotton. After the ginner level, BCI Orders are bought or sold together with 'Better Cotton' claims.</p> <p>The CoC Guidelines is the key framework that connects demand with supply of Better Cotton and helps to support and incentivise farmers to adopt more sustainable practices.</p>	
<p>1.1 Better Cotton Chain of Custody model</p>	<p>1.2 Better Cotton Chain of Custody (CoC) model requirements</p>	
<p>The Better Cotton CoC Guidelines incorporate two different CoC models: product segregation and mass balance. Each model is applicable at a different stage in the supply chain (refer to Figure 1):</p> <p>Between the farm and the gin, BCI requires a product segregation CoC model. This means that farmers and gins need to store, transport and process Better Cotton (seed cotton and lint cotton bales) separately from any conventional cotton. This ensures that all Better Cotton bales produced by participating gins are 100% Better Cotton and can be traced back to licensed BCI Farmers.</p> <p>After gin level, BCI requires a mass balance CoC model. Mass balance is a volume tracking system that allows Better Cotton to be substituted or mixed with conventional cotton. However, it ensures that the quantity of physical cotton sold with a Better Cotton claim cannot exceed the quantity of cotton purchased with a Better Cotton claim (accounting for relevant conversion rates).</p>	<p>The Better Cotton CoC Guidelines incorporates two different CoC models: product segregation and mass balance. Each model is applicable at a different stage in the supply chain (refer to Figure 1):</p> <p>Between the farm and the ginner, BCI requires a <u>product segregation CoC model</u>. This means that farmers and ginners are required to store, transport and process Better Cotton (seed cotton and lint cotton bales) separately from any conventional cotton. No mixing or substitution between conventional cotton and Better Cotton is permitted. This ensures that all Better Cotton bales produced by registered BCI gins are 100% Better Cotton and can be traced back to licensed BCI Farmers. The actual physical volumes of Better Cotton sold by ginners must match the volume of Better Cotton purchased, accounting for the turnout ratio.</p> <p>After ginner level, BCI requires a <u>mass balance CoC model</u>. Mass balance is a volume-tracking system that allows Better Cotton to be substituted or mixed with conventional cotton. However, it ensures that the quantity of physical cotton sold with a Better Cotton claim cannot exceed the quantity of</p>	<p>Simplified the language by removing duplicative information of BCCUs as it is already included in the terminology section.</p>

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<p>BCI's mass balance model uses Better Cotton Claim Units (BCCUs) as a designated unit to track the volumes of physical cotton or cotton containing products associated with a Better Cotton claim. 1 BCCU represents 1 KG of physical Better Cotton lint procured from a gin processing Better Cotton by a merchant or a spinning mill, as a result of an order for Better Cotton products.</p> <p>Importantly, the post-gin mass balance system does not require that the BCCUs remain associated with the original physical Better Cotton from licensed BCI farmers. This means that cotton products can be sold with a Better Cotton claim (and BCCUs associated) but may not contain any physical Better Cotton. Please refer to the <i>Better Cotton Claims Framework</i> (available on the BCI website) for more detail on the claims that can be made when sourcing or selling products associated with Better Cotton.</p>	<p>cotton purchased with a Better Cotton claim (accounting for relevant conversion rates).²</p> <p>Please refer to the <i>Better Cotton Claims Framework</i>³ for more detail on the claims that can be made when sourcing or selling products associated with Better Cotton claims.</p>	
<p>1.2 Applicability</p>	<p>1.1 Applicability</p>	
<p>The Better Cotton CoC Guidelines are applicable for Implementing Partners and supply chain organisations that are buying or selling Better Cotton or Better Cotton products. These include ginners, traders/merchants, spinners, garment manufacturers, fabric mills, retailers and brands, and sourcing agents.</p> <p>In specific cases where physical segregation already takes place at field-to-gin level, according to existing and well-established practices, gins may not be required (at BCI's discretion) to use BCI's online system (the Better Cotton Platform, or BCP). These scenarios include, but are not</p>	<p>The Better Cotton CoC Guidelines are applicable for all supply chain organisations that are buying or selling Better Cotton or BCI Orders. These include ginners, traders/merchants, mills with spinning capabilities, suppliers without spinning capabilities (including fabric mills, dyeing mills, yarn and/or fabric traders, vertical mills), end-product manufacturers, sourcing agents, retailers and brands.</p> <p>The Guidelines are divided into four additional sections: Chain of Custody for Ginners, Chain of Custody for Other Supply Chain Organisations, Rules for Retailers and Brands, and Requirements for monitoring compliance. Additional</p>	<p>Simplified the language, moved some information to 1.3 scope of application.</p>

² Additional guidance on conversion rates can be found at <https://bettercotton.org/better-cotton-standard-system/chain-of-custody/>

³ <https://bettercotton.org/better-cotton-standard-system/claims-framework/>

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<p>limited to, those where seed-cotton is harvested mechanically into modules (i.e. large farms in the US and Israel), and those where ginners are verified to be processing 100% Better Cotton (or 100% certified cotton from a standard which has been benchmarked against the Better Cotton Standard System and recognised as equivalent. In the case of recognised equivalent standards, ensuring physical segregation between the farms and the gins, as well as at the ginning factories themselves, is the responsibility of BCI's partner.</p> <p>Different chain of custody requirements may apply to different types of supply chain organisations. These Guidelines are therefore divided into three main sections: Chain of custody for Implementing Partners, for gins, and for other supply chain organisations.</p>	<p>mandatory requirements are outlined in the Annex for Implementing Partners.</p>	
<p>1.3 Scope of CoC implementation</p>	<p>1.3 Scope of CoC implementation</p>	
<p>Farmers/Producer Units (PUs) will implement the product segregation CoC model at Product Level, and the Better Cotton CoC requirements and data will be maintained at each large farm, PU or project level.</p> <p>Ginners will implement the segregation CoC model at site level. This means purchases/ sales and ginning of Better Cotton, use of the Better Cotton Platform, and record-keeping shall be maintained for each gin site individually.</p> <p>Cotton traders will implement the mass balance CoC model at country level – this means they can substitute equivalent amounts of conventional and Better Cotton products, but only provided those products have the same country of origin. For example: if a trader buys Brazilian Better Cotton, the claim associated with this purchase may be allocated to any conventional cotton from Brazil, as long as it is owned by the</p>	<p>The CoC Guidelines specify the requirements which apply to all registered BCI organisations operating in the Better Cotton supply chain. The supply chain begins at the licensed BCI farm where CoC requirements are covered in the Better Cotton P&C. These guidelines begin with the next link in the supply chain (i.e. ginners or middlemen).</p> <p>Suppliers/ manufacturers shall implement the mass balance CoC model at site level. The CoC requirements and data will be maintained at each site owned by a supplier/ manufacturer. For example: if a spinner buys Brazilian Better Cotton, then the claim from this purchase may be allocated to an equal quantity of conventional cotton from any country of origin, provided it is owned by the spinner and located at the same site.</p> <p>In some instances, there are regional differences between implementation of a CoC model. Cotton traders, which</p>	<p>Simplified the language and removed duplicated information about CoC model, as it is covered in 1.2</p>

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<p>trader. The trader cannot allocate claims from Brazilian Better Cotton to cotton from a different country of origin (e.g. Mali).</p> <p>Suppliers/ manufacturers will implement the mass balance CoC model at site level. The CoC requirements and data will be maintained at each site owned by a supplier/ manufacturer. For example: if a spinner buys Brazilian Better Cotton, then the claim from this purchase may be allocated to an equal quantity of conventional cotton from any country of origin, provided it is owned by the spinner and located at the same site.</p>	<p>implement the mass balance CoC model, shall do so at the country level – this means they can substitute equivalent amounts of conventional and physical Better Cotton, but only provided those products have the same country of origin. For example: if a trader buys Brazilian Better Cotton, the claim associated with this purchase may be allocated to any conventional cotton from Brazil, as long as it is owned by the trader. The trader cannot allocate claims from Brazilian Better Cotton to cotton from a different country of origin (e.g. Mali).</p>	
<p>1.4 BCI Membership requirements</p>	<p>1.4 BCI Membership requirements</p>	
<p>Some organisations handling or sourcing Better Cotton and Better Cotton products are required to be BCI Members. More information on the membership process can be found on the BCI website at: https://bettercotton.org/getinvolved/membership-offer/</p> <p>Ginning factories:</p> <p>Gins can buy and gin seed Better Cotton from licensed farmers and sell Better Cotton bales without formal membership of the BCI. However, all gins processing Better Cotton need to be listed with and trained by local BCI staff or partners and must use BCI’s online Better Cotton Platform (BCP) to enter their purchases and sales relating to Better Cotton. Gins processing Better Cotton are subject to the requirements of the <i>BCI Ginner Agreement</i> and relevant Annexes (available on the BCI website).</p> <p>Cotton Traders and Spinning Mills:</p> <p>Membership of BCI is obligatory for commodities traders dealing in cotton (cotton traders or merchants) and mills with spinning capability (e.g. mills buying bales and selling yarns</p>	<p>Some organisations handling or sourcing Better Cotton and BCI Orders are required to be BCI Members. All others are considered non-member BCP Suppliers. More information on the membership process can be found on the BCI website at: https://bettercotton.org/get-involved/membership-offer/</p> <p>Cotton Traders and Spinning Mills:</p> <p>BCI Membership is obligatory for commodities traders dealing in cotton (cotton traders or merchants) and mills with spinning capability (e.g. mills buying cotton bales and selling cotton yarns and/or fabrics) that want to sell cotton or cotton-containing products associated with a Better Cotton claim.</p> <p>Ginning factories and Other Supply Chain Organisations without Spinning Capabilities:</p> <p>Ginners and all other supply chain organisations, such as fabric mills (buying yarns and selling fabrics), end-product manufacturers, sourcing agents, are eligible for BCI Membership but it is not obligatory.</p>	<p>Simplified the language, removed the information on gins as their BCI membership is optional; Added information on retailers and brands.</p>

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<p>and/or fabrics) that want to sell cotton or cotton-containing products associated with a Better Cotton claim.</p> <p>Suppliers without Spinning Capabilities:</p> <p>All other supply chain organisations without spinning capability will be required to use the Better Cotton Platform (BCP) by 1st January 2020 to enter or acknowledge all purchases and sales of Better Cotton products. To do this, they can be either a BCI Member or they can register as a BCP system user. This includes fabric mills (buying yarns and selling fabrics), end-product manufacturers, sourcing agents, import-export companies, waste traders, waste processors, paper mills and nonwoven fabric manufacturers.</p>	<p>Retailers and Brands:</p> <p>BCI Membership is obligatory for retailers and brands that want to purchase end-products with a Better Cotton claim.</p>	
<p>1.5 Chain of Custody documents</p>	<p>1.6 Chain of Custody documents</p>	
<p>The following documents form a suite of tools to support organisations in implementing the Better Cotton CoC. These include:</p> <ul style="list-style-type: none"> • Better Cotton Chain of Custody Guidelines v1.3 • BCI Ginner Agreement (for ginner only) • Better Cotton Platform – Training modules (available to BCI Members and registered BCP system users) • Better Cotton Claims Framework • BCI Member Code of Practice (applicable to BCI Members only) • Additional guidance and FAQs available on the BCI website <p>Figure 1: Better Cotton Chain of Custody models in the supply chain</p> <p>Product segregation Chain of Custody model:</p>	<p>The following documents form a suite of tools to support organisations in implementing the Better Cotton CoC. These include:</p> <ul style="list-style-type: none"> • Better Cotton Chain of Custody Guidelines v1.4 • BCI Ginner Agreement (for ginner only) • Better Cotton Platform – Training modules (available to BCI Members and registered non-member BCP suppliers) • Better Cotton Claims Framework • BCI Member Code of Practice (applicable to BCI Members only) <p>Additional guidance and FAQs available on the BCI website</p>	<p>Removed duplicated information on Better Cotton CoC model as it is already explained.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<ul style="list-style-type: none"> • Better Cotton and conventional cotton must be kept segregated at all stages of harvest, storage, transport and processing at the farm and gin level • No mixing or substitution between conventional cotton and Better Cotton is permitted • Better Cotton must be clearly identified (e.g. with signage and documentation) • All bales of Better Cotton sold by gins must be composed of 100% cotton from licensed BCI farmers (produced in compliance with the Better Cotton Principles and Criteria), and must be traceable back to BCI licensed farmers • The claims about, and actual physical volumes of Better Cotton sold by ginners must match the volume of Better Cotton purchased, accounting for the turnout ratio. • This is a system of physical traceability. Actual amounts of physical Better Cotton must accompany any claims. <p>Mass balance Chain of Custody model:</p> <ul style="list-style-type: none"> • Better Cotton and conventional cotton may be substituted with each other. BCI applies this CoC model to all supply chain organisations after the gin up to (and including) retailers. • For any organisation, the volume of cotton in any cotton-containing product sold with a Better Cotton claim must not exceed the amount purchased with a Better Cotton claim (accounting for relevant conversion rates) 		

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<ul style="list-style-type: none"> This is a system of administrative traceability. An actual amount of physical Better Cotton does not need to accompany claims about Better Cotton 		
	1.5 Use of the Better Cotton Platform	
No associated section in V1.3	<p>To enter purchases, production (where applicable) and sales of Better Cotton and BCI Orders, ginners and supply chain organisations are required to use BCI's online Better Cotton Platform (BCP). Only sourcing agents and garment manufacturers may be exempt from using the BCP in specific situations.</p> <p>In specific cases where physical segregation already takes place at field-to-ginner level, according to existing and well-established practices, ginners may not be required (at BCI's discretion) to use the BCP directly. These scenarios include, but are not limited to, those where seed-cotton is harvested mechanically into modules (i.e. large farms in the US and Israel), and those where ginners are verified to be processing 100% Better Cotton (or 100% certified cotton from a standard which has been benchmarked against the Better Cotton Standard System and recognised as equivalent).⁴</p> <p>BCI assigns account types based on the organisation's buying and selling activities. Account types include: ginner, spinner, integrated spinner, non-lint trader, fabric mill, vertical mill, end-product manufacturer, sourcing agent, and retailer/ brand.</p>	Additional information on the use of BCP, moved the guidance information in section 4 of V1.3.
	Information box: Verbal forms for the expression of provisions	

⁴ More detail on recognised equivalent standards can be found at <https://bettercotton.org/where-is-better-cotton-grown/>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
No associated section in V1.3	<p>(Adapted from ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards)</p> <p>“shall” indicates requirements strictly to be followed in order to conform to the requirements.</p> <p>“should” indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required</p> <p>“may” indicates a course of action permissible within the limits of the document</p>	Additional information of verbal forms for expression of ‘shall’, ‘should’ and ‘may’

2.2 Terminology and Definitions (section 2 in V1.3)

Note: This section has now moved to Annex A in V1.4, only new definitions and changes to existing definitions are included in the table below.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>Definition: Better Cotton products’</p> <p>Any cotton or cotton-containing product (after gin level) which is bought or sold with a ‘Better Cotton’ claim and for which Better Cotton Claim Units (BCCUs) are transferred between two parties via the Better Cotton Platform (BCP) or via Output Declaration Forms.</p> <p>Note 1: Under the mass balance CoC model used after gin level in the supply chain, ‘Better Cotton products’ may refer to a product that does not contain any physical cotton from licensed BCI farmers</p> <p>Note 2: For example, a sale of yarn from a BCI Spinning Mill Member is considered a Better Cotton product if it is sold with a Better Cotton claim (i.e. to fill an order for ‘BCI yarn’), and if</p>	<p>Definition: BCI Orders</p> <p>Any cotton or cotton-containing product (after ginner level) which is bought or sold with a ‘Better Cotton’ claim and for which Better Cotton Claim Units (BCCUs) are transferred between two parties via the Better Cotton Platform (BCP).</p> <p><i>Examples of cotton-containing products are yarn, fabric, etc.</i></p> <p><i>Note 1: Under the mass balance CoC model used after ginner level in the supply chain, BCI Orders may refer to a product that does not contain any physical cotton from licensed BCI farmers.</i></p> <p><i>Note 2: For example, a sale of yarn from a BCI Spinning Mill Member is considered a BCI Order if it is sold with a Better Cotton claim (i.e. to fulfill a BCI order), and if the sale</i></p>	Replaced ‘Better Cotton products’ with ‘BCI Orders’

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the sale is entered into the BCP and corresponding BCCUs are allocated to the buyer.	<i>is entered into the BCP and corresponding BCCUs are allocated to the buyer.</i>	
<p>Definition: BCCUs</p> <p>The designated unit that corresponds to 1 KG of Better Cotton lint produced from seed Better Cotton and procured from a participating BCI ginner by a cotton merchant or a spinning mill.</p> <p>After the gin level, any purchases or sales of Better Cotton products must have a corresponding transfer of BCCUs (from supplier to buyer/ recipient) through the Better Cotton Platform (BCP). The allocation of BCCUs enable supply chain organisations to report how much Better Cotton was sourced as a result of customer orders for Better Cotton products.</p> <p>Note 1: Once received by a supply chain organisation (any type of supplier and manufacturer other than a ginner), BCCUs do not expire. BCCUs are not attached to a specific crop season or calendar year.</p> <p>Note 2: BCCUs cannot be purchased or sold as separate credit units and can only be transferred in the BCP if they correspond to a genuine physical sale or purchase of Better Cotton products.</p>	<p>Definition: BCCUs</p> <p>The designated unit that corresponds to 1 KG of Better Cotton lint produced from seed Better Cotton and procured from a participating BCI ginner by a cotton merchant or a spinning mill.</p> <p>After the ginner level, any purchases or sales of BCI Orders must have a corresponding transfer of BCCUs (from supplier to buyer/ recipient) through the Better Cotton Platform (BCP). The allocation of BCCUs enable supply chain organisations to report how much Better Cotton was sourced as a result of customer BCI Orders.</p> <p><i>Note 1: Once received by a supply chain organisation (any type of supplier and manufacturer other than a ginner), BCCUs do not expire. BCCUs are not attached to a specific crop season or calendar year.</i></p> <p><i>Note 2: BCCUs cannot be purchased or sold as separate credit units and can only be transferred in the BCP if they correspond to a genuine physical sale or purchase of a BCI Order.</i></p> <p><i>Note 3: BCCUs continue to be valid if the BCI Member and Non-Member BCP Supplier continue to renew their BCP account access. If validity expires and the company does not renew for more than 6 months past the validity end date, then they need to apply for a new account and the BCCUs will become invalid in the inactive account.</i></p>	<p>Additional information on what happens to the BCCUs when companies are no longer members (see Note 3)</p>
No associated definition in V1.3	<p>Definition: Benchmarked partners</p> <p>Other Cotton growing standards which are similar in nature and are aligned with the Better Cotton Principles and Criteria.</p>	<p>New definition: Benchmarked partners</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p>Farmers growing cotton in accordance with these standards can sell their cotton as Better Cotton.</p> <p><i>Note: More detail on recognised equivalent standards can be found at https://bettercotton.org/about-better-cotton/where-is-better-cotton-grown/</i></p>	
No associated definition in V1.3	<p>Definition: gin turnout ratio</p> <p>Amount of lint produced on an average from 100 kgs of seed cotton during the ginning process.</p> <p><i>Note: a gin turnout ratio may vary throughout the year based on the quality parameters of cotton however it is fixed as a certain average in the BCP for a whole year at the beginning of season when the gin registers.</i></p>	<p>New definition:</p> <p>Gin turnout ratio</p>
No associated definition in V1.3	<p>Definition: short position</p> <p>The negative inventory or amount of BCCUs/ mass (Kgs) an organisation has overdrawn by.</p>	<p>New definition:</p> <p>Short position</p>
<p>Definition: middlemen (seed cotton trader)</p> <p>An individual or organisation buying seed cotton from farmers and selling it to gins</p> <p>Note 1: Middlemen can be independent or can work on behalf of farmers, Producer Units, or gins</p>	<p>Definition: middlemen (seed cotton trader)</p> <p>An individual or organisation buying seed cotton from farmers and selling it to gins.</p>	<p>Simplified definition as the note does not add extra information.</p>
No associated definition in V1.3	<p>Definition: non-conforming products</p> <p>Non-conforming product means any BCCU transactions between two parties on the BCP which cannot fully comply with corresponding CoC guidelines requirements.</p>	<p>New definition:</p> <p>Non-conforming products</p>
No associated definition in V1.3	<p>Definition: brokers</p> <p>Persons or organisations involved in arranging deals between buyers and sellers of BCI Orders, but do not take</p>	<p>New definition:</p> <p>Brokers</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	physical ownership of the products. This definition excludes middlemen, who buy Better Cotton from farmers and sell to ginners.	
No associated definition in V1.3	Definition: BCI members A company that has applied for and been approved as a member of BCI. A full list of members is available at: https://bettercotton.org/find-members/ BCI requires membership of cotton traders, suppliers with spinning capabilities, and retailers/brands. More details on membership can be found at: https://bettercotton.org/get-involved/membership-offer/	New definition: BCI members
No associated definition in V1.3	Definition: fabric mills Processors of textile yarn and/or filaments and making them into fabric. Fabric Mills buy yarn and sell fabric.	New definition: Fabric mills.
No associated definition in V1.3	Definition: End-product manufacturers/ garment manufacturers Processors of textile fabrics and making them into end-products. End-product manufacturers buy fabric and sell end-products.	New definition: End-product manufacturers/ garment manufacturers
No associated definition in V1.3	Definition: Integrated spinner Processors of textile fibres and/or filaments and making them into yarn, fabric and end-product. Integrated spinners buy fibres and sell yarn/fabric/end products.	New definition: Integrated spinner
No associated definition in V1.3	Definition: spinner Processors of textile fibres and/or filaments and making them into yarn. Spinners buy fibres and sell yarn.	New definition: spinner
No associated definition in V1.3	Definition: retailers and brands	New definition:

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	Any for-profit organisation selling goods or services directly to consumers or, intended for direct use of consumers.	Retailers and brands
<p>Definition: site</p> <p>A geographical location (within precise boundaries) where a supply chain organisation carries out production or processing procedures.</p>	<p>Definition: site</p> <p>A single functional unit of an organisation or a combination of units situated at one locality, where a supply chain organisation carries out production or processing. Organisation may have multiple sites. All sites involved in the CoC for Better Cotton or BCI Orders shall be registered with BCI.</p>	Additional information added.
No associated definition in V1.3	<p>Definition: subcontracting</p> <p>The act of employing an outside company to complete internal business activities or tasks.</p>	New definition: Subcontracting
No associated definition in V1.3	<p>Definition: vertical mill</p> <p>Processors of textile yarn and/or filaments and making them into fabric and end-product. Vertical mills buy yarn and sell fabric/ end-products.</p>	New definition: Vertical mill
No associated definition in V1.3	<p>Definition: producer unit</p> <p>A number of Learning Groups (LG) and/or large farm employers (depending on their size) form a Producer Unit (PU). The size of a PU will depend on local circumstances (e.g. farm size, the volume of Better Cotton needed by the ginner for a gin run). For individual large farms, the PU may be the national organisation representing producers. Ideally the PU consists of 4000 farmers, but this may vary based on number of LGs.</p>	New definition: Producer Unit
No associated definition in V1.3	<p>Definition: non-member BCP suppliers</p> <p>Organisations required to use the Better Cotton Platform (BCP) for purchase and sale of BCI Orders with BCCUs,</p>	New definition: Non-member BCP Suppliers

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p>such as fabric mills, non-lint traders (yarn/ fabric traders), vertical mills, end-product manufacturers, or sourcing agents, that are not members of the Better Cotton Initiative. More information on membership can be found at: https://bettercotton.org/better-cotton-platform/</p>	
<p>Definition: Product segregation chain of custody model</p> <p>A chain of custody model that requires physical segregation of certified and non-certified inputs and does not allow mixing or substitution between certified and non-certified inputs. In the context of the Better Cotton CoC, product segregation is required between the farm and the gin level – this means that Better Cotton from licensed BCI farmers must be harvested, stored, transported, and ginned separately from conventional cotton, and cannot be mixed or substituted at any point.</p>	<p>Definition: Product segregation chain of custody model</p> <p>A chain of custody model that requires physical segregation of Better Cotton and conventional cotton at ginner level and does not allow mixing or substitution between Better Cotton and conventional cotton. In the context of the Better Cotton CoC, product segregation is required between the farm and the gin level – this means that Better Cotton from licensed BCI farmers must be harvested, stored, transported, and ginned separately from conventional cotton, and cannot be mixed or substituted at any point.</p>	<p>Clarified the language by removing the term ‘certified’ as BCI does not use this terminology in our CoC.</p>
<p>Definition: Mass balance chain of custody model</p> <p>A chain of custody model based on volume reconciliation, which allows mixing of certified and non-certified inputs, provided the total volumes are controlled and the amount of certified outputs does not exceed inputs (accounting for conversion rates). The Better Cotton Chain of Custody uses a mass balance model for all purchases of Better Cotton products after gin level. This allows suppliers and manufacturers to mix equivalent amounts of conventional cotton and Better Cotton, as long as the volumes are controlled and the total amount of cotton in products sold with a Better Cotton claim is less than or equal to the amount purchased (accounting for conversion rates). In addition, all purchases and sales of Better Cotton products must be recorded in the Better Cotton Platform (with a corresponding number of BCCUs allocated).</p>	<p>Definition: Mass balance chain of custody model</p> <p>A chain of custody model based on volume reconciliation, which allows mixing of cotton-containing products sourced as BCI orders and conventional cotton, provided the total volumes are controlled and the amount of certified outputs does not exceed inputs (accounting for conversion rates). This allows suppliers and manufacturers to mix equivalent amounts of conventional cotton and Better Cotton, as long as the volumes are controlled and the total amount of cotton in products sold with a Better Cotton claim is less than or equal to the amount purchased (accounting for conversion rates).</p> <p>Note 1: Under the Better Cotton CoC Guidelines, cotton traders are only permitted to mix conventional and Better Cotton if the cotton comes from the same country of origin.</p>	<p>Shortened the definition by removing repetitive information, also clarified the language by removing the term ‘certified’ as BCI does not use this terminology in our CoC.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
Note 1: Under the Better Cotton CoC Guidelines, cotton traders are only permitted to mix conventional and Better Cotton if the cotton comes from the same country of origin		

2.3 Chain of Custody for Implementing Partners (section 3 in V1.3)

Note: This section has now moved to Annex B in V1.4

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>Guidance: This section outlines requirements for Implementing Partners (IPs) related to working with farmers and ginners. The term Implementing Partner (IP) in this section can refer to either IP representatives or staff (e.g. Producer Unit Manager), depending on how roles are divided within a specific IP.</i>	<i>Guidance: This section outlines requirements for Implementing Partners (IPs) related to working with farmers and ginners. The term Implementing Partner (IP) in this section can refer to either IP representatives or staff (e.g. Producer Unit Manager), depending on how roles are divided within a specific IP.</i>	No change
3.1 Connecting farmers and ginners	B1.1 Connecting farmers and ginners	
3.1.1 Implementing Partners (IPs) shall identify a sufficient number of local ginners to gin the seed Better Cotton produced by participating farmers.	B1.1 Implementing Partners (IPs) shall identify a sufficient number of local ginners to gin the seed Better Cotton produced by participating farmers.	No change
3.1.2 IPs shall provide the BCI Supply Chain team with the details of these ginners on an annual basis at least three months ahead of the start of the harvest season.	B1.2 IPs shall provide the BCI Supply Chain team with the details of these ginners on an annual basis at least three months ahead of the start of the harvest season.	No change
<i>Guidance: IPs are responsible for helping to connect licensed BCI farmers with participating ginners, through providing ginners with information on licensed farmers and providing farmers with the details of participating gins well ahead of the harvest season. Gins can be identified based on their proximity to licensed BCI farmers, whether they are currently sourcing from BCI project areas, and their interest/</i>	<i>Guidance: IPs are responsible for helping to connect licensed BCI farmers with participating ginners, through providing ginners with information on licensed farmers and providing farmers with the details of participating gins well ahead of the harvest season. Gins can be identified based on their proximity to licensed BCI farmers, whether they are currently sourcing from BCI project areas, and their interest/</i>	No change

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>enthusiasm to engage with BCI IPs should provide ginners only with contact details such as farmer names, villages, and mobile numbers – IPs should not share sensitive information such as estimated yield with the ginners ahead of the season.</i>	<i>enthusiasm to engage with BCI IPs should provide ginners only with contact details such as farmer names, villages, and mobile numbers – IPs should not share sensitive information such as estimated yield with the ginners ahead of the season.</i>	
3.2 Segregation and documentation of Better Cotton between farm and gin	B2 Segregation and documentation of Better Cotton between farm and gin	
<p>3.2.1 IPs shall ensure that all IP staff and farmers under the IP's control understand and comply with the relevant Chain of Custody requirements. This includes the farmer's responsibility to:</p> <p>a) keep Better Cotton segregated from conventional cotton at all points of harvest, storage, sale and transport</p> <p>b) where relevant, keep AAV/ farmer codes secure and only share these codes with buyers purchasing Better Cotton (such as a gin or middleman)</p> <p>c) maintain records of their sales of seed Better Cotton (as required by the BCI Principles and Criteria, indicator 7.3.5/ 7.3.6)</p>	<p>B2.1 IPs shall ensure that all IP staff and farmers associated with the IPs understand and comply with the relevant Chain of Custody requirements. This includes the farmer's responsibility to:</p> <p>a) keep Better Cotton segregated from conventional cotton at all points of harvest, storage, sale and transport</p> <p>b) where relevant, keep AAV/ farmer codes secure and only share these codes with buyers purchasing Better Cotton (such as a gin or middleman)</p> <p>c) maintain records of their sales of seed Better Cotton (as required by the BCI Principles and Criteria, indicator 7.3.5/ 7.3.6)</p>	Changed wording of 'under the IP's control' to 'associated with the IPs'
<p>3.2.2 IPs shall maintain records demonstrating that all participating farmers have been trained on the relevant Chain of Custody requirements as set out in clause 3.2.1.</p>	<p>B2.2 IPs shall maintain records demonstrating that all participating farmers have been trained on the relevant Chain of Custody requirements as set out in clause B2.1.</p>	No change
<p><i>Guidance: Records can include training logs and training materials. As per 3.2.1 c), sales records of seed Better Cotton should be maintained by farmers (not IPs or gins) – this is important so that cross-reconciliation of records can take place between farmers and gins. Note that in the revised BCI P&C v2.0, indicators</i></p>	<p><i>Guidance: Records can include training logs and training materials. As per B.2.1 c), sales records of seed Better Cotton should be maintained by farmers (not IPs or gins) – this is important so that cross-reconciliation of records can take place between farmers and gins. Note that in the revised BCI P&C v2.0, indicators 7.3.5/7.3.6 are designated</i></p>	No change

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
7.3.5/7.3.6 are designated as 'transition indicators' – this means they will be effective from the 2019/2020 season.	as 'transition indicators' – this means they will be effective from the 2019/2020 season.	
3.3 Distribution of Annual Authorised Volume (AAV) codes	B3 Distribution of Annual Authorised Volume (AAV) codes	
<p>3.3.1 Where relevant, IPs are responsible for sharing AAV codes with all Producers under their control and ensuring that Producer Units distribute AAV codes to farmers within two weeks of the IP receiving these codes.</p> <p>a) If Producer Units do not distribute AAV codes to farmers, the IP shall ensure there is a system in place for gins to verify that they are purchasing Better Cotton from licensed BCI Farmers</p>	<p>B3.1 Where relevant, IPs are responsible for sharing AAV codes with all Producers associated with the IPs and ensuring that Producer Units distribute AAV codes to farmers within two weeks of the IP receiving these codes.</p> <p>a) If Producer Units do not distribute AAV codes to farmers, the IP shall ensure there is a system in place for gins to verify that they are purchasing Better Cotton from licensed BCI Farmers</p>	Changed wording of 'under the IP's control' to 'associated with the IPs'
<p><i>Guidance: In general, Producer Units distribute AAV codes to Farmers, who then provide these codes to a gin at the time of selling seed Better Cotton. However, in specific cases or regions, codes may not be distributed directly to farmers. If this is the case, an alternate system must be in place (e.g. unique farmer codes and farmer lists) to ensure gins can cross-check that they are buying from licensed BCI Farmers. In any case it is the responsibility of the IP to ensure that gins have an effective system in place to verify the authenticity of purchases of seed Better Cotton.</i></p>	<p><i>Guidance: In general, Producer Units distribute AAV codes to Farmers, who then provide these codes to a gin at the time of selling seed Better Cotton. However, in specific cases or regions, codes may not be distributed directly to farmers. If this is the case, an alternate system must be in place (e.g. unique farmer codes and farmer lists) to ensure gins can cross-check that they are buying from licensed BCI Farmers. In any case it is the responsibility of the IP to ensure that gins have an effective system in place to verify the authenticity of purchases of seed Better Cotton.</i></p>	No change
<p>3.3.2 If the IP becomes aware of any potential misuse of AAV codes, it shall notify BCI within 3 days of learning about the issue and shall support BCI in taking necessary action to ensure the credible flow of Better Cotton between farm and gin.</p>	<p>B3.2 If the IP becomes aware of any potential misuse of AAV codes, it shall notify BCI within 3 days of learning about the issue and shall support BCI in taking necessary action to ensure the credible flow of Better Cotton between farm and gin.</p>	No change
<p><i>Guidance: IPs play a critical role in helping ensure that all Better Cotton entering the supply chain can be traced back to licensed BCI Farmers. If IPs are informed about, or</i></p>	<p><i>Guidance: IPs play a critical role in helping ensure that all Better Cotton entering the supply chain can be traced back to licensed BCI Farmers. If IPs are informed about, or</i></p>	No change

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>observe, a misuse or potential misuse of AAV codes (e.g. an individual buying or selling AAV codes without associated purchases of Better Cotton or entering purchases into the Better Cotton Platform based on licensed volumes without purchase documentation), the IP must notify BCI so that it can be further investigated.</i>	<i>observe, a misuse or potential misuse of AAV codes (e.g. an individual buying or selling AAV codes without associated purchases of Better Cotton or entering purchases into the Better Cotton Platform based on licensed volumes without purchase documentation), the IP must notify BCI so that it can be further investigated.</i>	

2.4 Chain of Custody for Ginners (section 4 in V1.3)

Note: This section has now moved to section 2 in V1.4. Please also note that we changed the use of term of ‘gin’ to ‘ginner’. Gin refers to the ginning machine while ginner refers to the ginning factory owner and responsible person for activities.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>Guidance: This section sets out requirements for gins buying and ginning seed Better Cotton and selling lint Better Cotton. In specific cases where physical segregation and record keeping already takes place at field-to-gin level, according to existing and well-established practices, gins may not be required (at BCI’s discretion) to use the Better Cotton Platform (BCP). These scenarios include, but are not limited to, those where seed-cotton is harvested mechanically into modules (i.e. large farms in the US and Israel), and those where ginners are verified to be processing 100% Better Cotton, or 100% certified cotton from a recognised equivalent standard.⁶ In the case of other recognised standards, ensuring physical segregation between the farms and the gins, as well as at the ginning factories themselves, is the responsibility of BCI’s partner</i>	This section sets out requirements for gins buying and ginning seed Better Cotton and selling lint Better Cotton.	Removed repetitive information which is already covered in the Introduction section
4.1 Purchasing of Better Cotton	2.2 Purchasing of Better Cotton	

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
4.1.1 The gin shall be responsible for ensuring that all Better Cotton purchased can be traced back to licensed BCI Farmers	2.2.1 The ginner shall verify that seed cotton purchased as Better Cotton is traceable back to licensed BCI farmers.	Clarified language
No associated guidance in V1.3	<i>Guidance: The ginner shall demonstrate how they verify seed cotton purchased as Better Cotton and keep relevant verification records. Acceptable verification may vary in different countries, please contact the BCI supply chain team in your country for further guidance.</i>	Additional guidance
4.1.2 The gin shall accurately document its process for procuring Better Cotton and the flow of Better Cotton from farmers to the gin (including the role of middlemen, markets, storage, transport, etc.)	2.2.2 The ginner shall maintain accurate and complete documentation of its process for procuring Better Cotton and the flow of Better Cotton from farmers to the gin (including the role of middlemen, markets, storage, transport, etc.).	Clarified language
No associated guidance in V1.3	<i>Guidance: The process for procuring Better Cotton can be presented in a wallchart at the gin or maintained in an electronic or hard copy. Staff and workers should be familiar with the wallchart/ flowchart and be able to demonstrate an understanding of the process flow. The gin shall make this information available to BCI staff and third-party auditors.</i>	Additional guidance
4.1.3 The gin shall keep accurate records of all purchases of Better Cotton, including name of the seller, purchase date, volume, and AAV or farmer code (if purchasing directly from a farmer)	2.2.3 The ginner shall keep accurate records of all purchases of Better Cotton, including name of the direct seller, purchase date, volume, and Annual Authorised Volume (AAV) code or farmer code.	Clarified language
<i>Guidance: The gin should keep a record of each individual purchase of seed Better Cotton, even if purchases are aggregated together for entry into the Better Cotton Platform (BCP). Purchase records should also include farmer ID, village, and contact information where relevant. The Annex of the BCI Ginner Agreement includes an</i>	<i>Guidance: Relevant records are outlined in requirement 2.1.4. Additionally, the Annex of the BCI Ginner Agreement includes an example template which ginner may use to record purchases and sales.</i>	Clarified language

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>example template which gins may use to record purchases and sales.</i></p>		
<p>4.1.4 If the gin purchases Better Cotton from a market or middleman (rather than a farmer), the gin shall in addition:</p> <ul style="list-style-type: none"> a) Maintain an up-to-date list of the names and contact information for all markets or middlemen from which Better Cotton is purchased b) Ensure that all middlemen have systems in place to keep Better Cotton segregated from conventional cotton and can trace Better Cotton back to licensed farmers c) Obtain from each middleman records of their relevant purchases from licensed BCI Farmers, including the farmer name or code, date of purchase, and volume. 	<p>2.2.4 If the ginner purchases Better Cotton from a market or middleman (rather than a farmer), the ginner shall in addition:</p> <ul style="list-style-type: none"> a) Maintain an up-to-date list of the names and contact information for all markets or middlemen from which Better Cotton is purchased. b) Ensure that all middlemen have systems in place to keep Better Cotton segregated from conventional cotton during purchase, handling, storage, transport between farm to gin and can trace Better Cotton back to licensed farmers through objective documentation such as purchase vouchers, weighbridge slips. c) Obtain records from each middleman of their relevant purchases from licensed BCI Farmers, including the farmer name and/or code, date of purchase, and volume. 	<p>No change</p>
<p><i>Guidance: Ginners may also ask middlemen selling Better Cotton to sign a declaration stating that they have purchased Better Cotton only from licensed BCI farmers and that they have kept Better Cotton segregated from conventional cotton at every stage of handling.</i></p> <p><i>It is recommended that middlemen should issue a proof of purchase with three copies – one copy to be provided to the farmer, one kept with the middleman, and one provided to the ginner.</i></p>	<p><i>Guidance: Ginners may also ask middlemen selling Better Cotton to sign a declaration stating that they have purchased Better Cotton only from licensed BCI farmers and that they have kept Better Cotton segregated from conventional cotton at every stage of handling. It is recommended that middlemen should issue a proof of purchase with three copies – one copy to be provided to the farmer, one kept with the middleman, and one provided to the ginner.</i></p> <p><i>Ginners can contact BCI to get a support package on how to engage with middlemen to ensure that they comply with the CoC requirements. The support package includes training approach for ginner staff, sale/purchase data keeping format, information about staff trained etc. Please contact BCI local supply chain team for further information.</i></p>	<p>Additional guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
4.1.5 The gin shall provide receipts to farmers where Better Cotton is purchased directly from licensed BCI farmers.	2.2.5 The ginner shall provide receipts to farmers where Better Cotton is purchased directly from licensed BCI farmers. Receipts shall include buyer/ seller name, AAV code and/or farmer's code, village, date and quantity.	Additional guidance
4.2 Segregation and identification of Better Cotton	2.3 Segregation and identification of Better Cotton	
4.2.1 The gin shall have a system in place to ensure that Better Cotton is segregated from other (conventional) cotton and is clearly identified at every stage of purchase, storage, processing, transport, and handling.	2.3.1 The ginner shall have a system in place to ensure that Better Cotton is segregated from other (conventional) cotton by physical separation and/ or temporal separation.	Split into two criteria – see 2.3.2
<i>Guidance: If the gin handles both Better Cotton and conventional cotton, it must have systems in place to maintain segregation if both types of cotton are on site at the same time It is not sufficient to have only 'temporal' segregation – i.e. handling only Better Cotton or conventional cotton at any given time. If a gin does not have adequate space to store Better Cotton separate from conventional cotton, it must either handle only 100% Better Cotton (for the entire season) or it cannot be a participating gin with BCI.</i>	<i>Guidance: If the ginner handles both Better Cotton and conventional cotton, it must have systems in place to maintain segregation if both types of cotton are on site at the same time. Examples: Temporal separation – where the gin processes seed Better Cotton for a distinct period of time, e.g. two weeks. Physical separation – where the gin segregates Better Cotton and conventional cotton bales in separate areas of the warehouse.</i>	Additional guidance
Split from 4.2.1 in V1.3	2.3.2 The ginner shall maintain visual identification of Better Cotton at every stage of purchase, storage, processing, transport, and handling.	Split from original 4.2.1
Moved from guidance of 4.2.2 in V1.3	<i>Guidance: Better Cotton cannot be mixed with conventional cotton at any point during storage, processing, transport and handling by the gin. It is not required to clean down a gin prior to commencing ginning of Better Cotton. Identification can be done through signs, labels, tags, etc. For example, clearly demarcated area/ platform on which Better Cotton will be heaped or bales will be stocked. The designated areas for heaping or storage should be clearly</i>	Moved from guidance of 4.2.2, also with example added.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<i>identifiable using sign boards or labels mentioning BCI in the case of Better Cotton bales. Staff/ workers involved in physical handling of Better Cotton should be aware of the requirement of separation. The gin should have clear lay down process mentioning how they maintain segregation.</i>	
4.2.2 The gin shall ensure that all staff or workers handling Better Cotton are aware of the system for segregating and identifying Better Cotton	This is merged with guidance in 2.3.2 and 2.1.2 on training and competency of staff	Merged with existing requirements
<i>Guidance: Better Cotton cannot be mixed with conventional cotton at any point during storage, processing, transport and handling by the gin. It is not required to clean down a gin prior to commencing ginning of Better Cotton. Identification can be done through signs, labels, tags, etc.</i>	Moved to guidance of 2.3.2	Moved to guidance of 2.3.2
4.2.3 The gin shall ensure that all Better Cotton bales sold can be clearly identified as Better Cotton	2.3.3 The ginner shall ensure that all Better Cotton bales sold is clearly physically identifiable as Better Cotton and should be mentioned in invoices and shipping documents.	Moved from guidance regarding Better Cotton bales mentioned in invoices/ shipping documents.
<i>Guidance: The gin must have a system in place so that 100% Better Cotton bales can be identified as such. This can be done through lot numbers, labelling on invoices and delivery notes, and/or physical identification on the bales (such as labels or colour-coded tape). Note, that whilst the Better Cotton CoC requires physical segregation at gin level, Better Cotton can be mixed with conventional cotton at other stages in the supply chain, and therefore, after the gin level, no absolute guarantee can be made that there is Better Cotton physically present in products and in what quantity.</i>	<i>Guidance: The ginner must have a system in place so that 100% Better Cotton bales can be identified as such. This can be done through lot numbers, labelling on invoices and delivery notes, and/or visual identification on the bales (such as labels or colour-coded tape). Visual identification must be attached well.</i>	Simplified guidance
4.3 Responsibilities, training and record-keeping	2.1 Responsibilities, training and record-keeping	

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>4.3.1 The gin shall appoint a designated representative(s) responsible for ensuring compliance with the relevant Better Cotton CoC requirements and recording relevant data on the Better Cotton Platform (BCP)</p>	<p>2.1.1 The ginner shall identify a designated representative(s) who has overall responsibility for ensuring compliance with the relevant Better Cotton CoC Guidelines requirements. The representative shall also be the primary contact on the BCI ginner registration form.</p>	<p>Split into two criteria, the other is related to using the BCP (2.4.1)</p>
<p><i>Guidance: These can be the same individual or different individuals. Gins should have access to the BCI Ginner Agreement (which includes Chain of Custody requirements for ginner) and/or Better Cotton CoC Guidelines at each premise where they are handling Better Cotton.</i></p>	<p><i>Guidance: As a good practice, ginner should have access to the BCI Ginner Agreement and/or Better Cotton CoC Guidelines at each premise where they are handling Better Cotton. Ginner can also keep other documents such as training materials or user manuals on-site. The intent is to ensure staff involved in maintaining the chain of custody can always refer to the documents.</i></p>	<p>Additional guidance</p>
<p>4.3.2 The gin shall ensure that all individuals responsible for handling Better Cotton, using the BCP, and maintaining associated records are trained and competent to fulfil BCI requirements</p> <p>a) All individuals responsible for using the BCP shall complete the mandatory BCI training on the BCP</p>	<p>2.1.2 The ginner shall ensure that all existing and new staff responsible for implementation of procedures are trained and competent. At minimum, the following trainings are required:</p> <p>a) The ginner’s designated representative(s) shall participate in training provided by BCI</p> <p>b) All staff responsible for using the BCP shall complete the BCI training on the BCP</p>	<p>Added a) on participation in training provided by BCI country team, which is a pre-requisite for gins who intend to register with BCI.</p>
<p><i>Guidance: Training will typically include workers responsible for recording the weight of Better Cotton received, unloading and storing Better Cotton, labelling seed and lint Better Cotton, managing the ginning process, and completing/ storing records related to the purchase, receipt, processing, and sale of Better Cotton. BCI has developed mandatory online training modules for users of the BCP. Access to these training modules will be given by BCI once a company’s membership or usership application is accepted by BCI.</i></p>	<p><i>Guidance: If new staff members take on responsibility for compliance with Better Cotton CoC requirements or using the BCP, these individuals need to be trained.</i></p> <p><i>The ginner should develop a training plan that includes all staff with responsibilities in maintaining Chain of Custody (CoC) of Better Cotton. The plan should specify frequency of training. Records and training resources should be maintained. Training will typically include workers responsible for recording the weight of Better Cotton received, unloading and storing Better Cotton, labelling seed and lint Better Cotton, managing the ginning process,</i></p>	<p>Additional guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<i>and completing/ storing records related to the purchase, receipt, processing, and sale of Better Cotton. BCI provides bespoke trainings to ginners on the CoC Guidelines, please contact the country offices for details.</i>	
<p>4.3.3 The gin shall maintain all documents and records related to the purchase, handling, and sale of Better Cotton for a minimum period of two years a) The gin shall ensure that all documents are available for review by BCI or third-party auditors upon request</p> <p><i>Guidance: Documents can be maintained in paper form or electronic format. These include at a minimum the relevant documents listed in the annex of the BCI Ginner Agreement, available on the BCI website.</i></p>	<p>The ginner shall maintain the following relevant documents and records related to the purchase, handling, and sale of Better Cotton (where applicable):</p> <ul style="list-style-type: none"> • Supplier list • Purchase slips, purchase records, or farmer pay slips • Gate entry pass/slip • Weighbridge slip (including seller information, date, time, and weight) • Procurement or arrival register • Heap registers • Bale register/ pressing register • Processing records/ confirmation of ginner outturn ratio • Sales invoices and contracts • Transport/ shipping documents • Records of tax paid, or excise and taxation register • For outsourced gins or those using subcontractors: copy of outsourcing arrangement and subcontractor declarations 	<p>Split into two criteria – (retention time is in 2.1.4), also moved information from guidance to the criterion on the list of relevant documents ‘These include at a minimum the relevant documents listed in the annex of the BCI Ginner Agreement, available on the BCI website’</p>
<p>Guidance: Documents can be maintained in paper form or electronic format. These include at a minimum the relevant</p>	<p><i>Guidance: Documents can be maintained in paper form or electronic format.</i></p>	<p>Moved the information from guidance to the criterion.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
documents listed in the annex of the BCI Ginner Agreement, available on the BCI website		
Split from 4.3.3 in V1.3	2.1.4 Retention times for records relevant in demonstrating the organisation's conformity with all applicable CoC requirements shall be a minimum of two (2) years or two (2) full cotton seasons, whichever is greater. The ginner shall ensure that all documents are available for review by BCI and third-party auditors upon request.	Split from 4.3.3 on retention time.
No associated guidance in V1.3	<i>Guidance: The record retention requirement extends outside of the ginner to include any subcontractors (currently active or inactive) that were used during this time.</i>	Additional guidance
4.3.4 The gin shall communicate any changes in BCI contact names, procurement processes, or outsourcing arrangements to BCI in writing or email within 15 days of the change occurring	2.1.5 The ginner shall communicate any changes in primary contact names, procurement processes, or outsourcing arrangements to BCI via email within 15 calendar days of the change occurring.	Clarified it is calendar days
<i>Guidance: If new staff members take on responsibility for compliance with Better Cotton CoC requirements or using the BCP, these individuals need to be trained</i>	<i>Guidance: Other changes may include: gin activity or inactivity. Please contact the BCI supply chain team in your country to communicate any changes.</i>	Added to guidance in 2.1.2 on training
4.4 Use of the Better Cotton Platform (BCP)	2.4 Use of the Better Cotton Platform (BCP)	
From guidance of 4.4.3 in V1.3	2.4.1 BCCUs shall not be transferred unless there is a corresponding purchase / sale of physical cotton products that are linked with these BCCUs.	Moved from guidance of 4.4.3
Split from 4.3.1 in V1.3	2.4.2 The ginner shall identify a designated representative for recording relevant data on the Better Cotton Platform (BCP). The ginner shall not give access to the BCP to other third parties under any circumstances (e.g. including Implementing Partners or consultants hired by the ginner).	Split from 4.3.1 (V1.3) on designated representative on using the BCP.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>4.4.1 The gin shall enter all purchases and lint production, and enter (or acknowledge) all sale transactions for Better Cotton into the BCP, within 30 calendar days of the transaction date</p> <p>This is based on the date of receiving seed Better Cotton or shipping lint Better Cotton</p>	<p>2.4.3 The ginner shall enter all purchases, lint production and sale of Better Cotton into the BCP, in a timely manner indicated as follows:</p> <ul style="list-style-type: none"> • Better Cotton purchases are entered within 30 calendar days of receiving seed Better Cotton. • Lint productions are entered within 30 calendar days of lint Better Cotton being produced. • Sales of lint Better Cotton are entered within 30 calendar days of shipment date. 	<p>Further information added to avoid confusion</p>
<p><i>Guidance: In the case of ginner's who are also traders, two separate accounts are maintained on the BCP with different functionalities. A transaction entered into the BCP with a status "awaiting acknowledgement" can be withdrawn within 30 days of entering it into the BCP. Likewise, transactions with a status "acknowledged" can be canceled within 30 days after the date of acknowledgement.</i></p> <p><i>The volume of seed cotton in the ginner's BCP account will remain valid until the ginner enters production of lint cotton into the BCP or BCI zeros all seed cotton inventories at the end of the current cotton season. Lint cotton inventories in the BCP will remain valid until the corresponding lint quantity is claimed by or transferred to a spinner or a merchant account on the BCP or zeroed out by BCI at the end of the season.</i></p>	<p><i>Guidance: In the case of ginner's who are also traders, two BCP accounts with different functionalities shall be maintained.</i></p> <p><i>The volume of seed Better Cotton in the ginner's BCP account will remain valid until the ginner enters production of lint cotton into the BCP or BCI zeros all seed Better Cotton inventories at the end of the current cotton season. Lint cotton inventories in the BCP will remain valid until the corresponding lint quantity is claimed by or transferred to a spinner or a merchant account on the BCP or zeroed out by BCI at the end of the season.</i></p>	<p>Simplified language by moving the information about cancellation (see 2.4.3).</p>
<p>Moved from 4.4.1 in V1.3</p>	<p>2.4.4 Requests of transaction cancellations should be submitted within 30 calendar days of the sale being entered in the BCP.</p>	<p>Moved information from guidance in 4.4.1 about cancellation</p>
<p>Guidance of 4.4.1 in V1.3</p>	<p><i>Guidance: Under exceptional and justified circumstances, BCI may process a cancellation request received after 30 days of the sale being entered in the BCP. A transaction</i></p>	<p>Additional guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p><i>entered into the BCP with a status “awaiting acknowledgement” can be withdrawn within 30 days of entering it into the BCP. Transactions with a status “acknowledged” can be cancelled within 30 days after the date of acknowledgement.</i></p> <p><i>In order to cancel a transaction with "acknowledged" status, the supplier needs to write an email to the BCI team with transaction details, copy this mail to their buyer/seller and ask the buyer/seller to provide no objection on cancellation. Only after receiving confirmation from the buyer/seller of no objection will BCI cancel the transaction.</i></p>	
<p>4.4.2 The gin shall only enter or acknowledge transactions in the BCP if they correspond to a genuine purchase or sale of physical Better Cotton</p>	<p>Deleted as it duplicated with 4.4.3, we use the term 'genuine' in 2.4.4.</p>	<p>Deleted as it is repetitive with 2.4.4</p>
<p>4.4.3 The gin shall ensure that all data entered into the BCP is accurate and can be verified against corresponding documentation (i.e. purchase receipt, invoice, production records):</p> <p>a) For each purchase of Better Cotton, the gin shall enter the corresponding purchase date or date range into the BCP</p> <p>b) For each sale of Better Cotton, the gin shall enter a valid transaction reference number(s) corresponding to either the invoice or shipping documents</p>	<p>The ginner shall ensure that all data entered into the BCP is genuine and can be verified against corresponding documentation (i.e. purchase receipt, invoice, production records):</p> <p>a) For each purchase of Better Cotton, the ginner shall enter the corresponding purchase date or date range, and transaction reference (such as gate pass number, purchase vouchers/ receipts or any unique document number) into the BCP.</p> <p>b) For each sale of Better Cotton, the ginner shall enter a valid transaction reference number(s) corresponding to the contract, invoice or shipping document that corresponds to each sale entered in the BCP. If one entry in the BCP relates to multiple sales, a reference number or range must be entered for each separate sale.</p>	<p>Replaced 'accurate' with 'genuine' (taken from 4.4.2).</p> <p>Added information from guidance.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>Guidance: BCCUs cannot be transferred between companies unless there is a corresponding purchase/ sale of physical cotton products that are linked with these BCCUs. Gins must enter a unique transaction reference number (such as invoice or delivery slip number) that corresponds to each sale entered in the BCP. If one entry in the BCP relates to multiple sales, a reference number or range must be entered for each separate sale</i></p>	<p>2.4.1 BCCUs shall not be transferred unless there is a corresponding purchase / sale of physical cotton products that are linked with these BCCUs.</p>	<p>The first sentence is now a criterion.</p> <p>Moved information to the criterion 2.4.4 ('If one entry in the BCP relates to multiple sales, a reference number or range must be entered for each separate sale.')</p>
<p>4.4.4 If requested to provide an average ginner turnout ratio, the gin shall ensure that this ratio (volume of lint produced for a given volume of seed cotton processed, expressed in percentage) is accurately calculated and can be verified through documentation</p>	<p>2.4.6 If requested to provide an average ginner turnout ratio, the ginner shall ensure that this ratio (volume of lint produced for a given volume of seed cotton processed, expressed in percentage) is accurately calculated and can be verified through documentation.</p>	<p>No change</p>
<p>Guidance: Annual 'zeroing out' of gin inventories in the BCP</p>	<p>Guidance: Annual 'zeroing out' of gin inventories in the BCP</p>	
<p>All ginner inventories are 'zeroed out' in the BCP at the end of the season. Ginners' lint cotton inventories increase as they enter their production of Better Cotton lint into the BCP. As they enter their sales of physical Better Cotton bales into the system, 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. To eliminate the discrepancy between a ginner's actual (physical) Better Cotton lint inventory and its cotton lint inventory in the BCP, BCI resets all ginner inventories back to zero prior to the beginning of a new cotton crop season. The timing of this 'zeroing out' differs by country, depending on the cotton</p>	<p>All ginner inventories are 'zeroed out' in the BCP at the end of the season. Ginners' 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. To eliminate the discrepancy between a ginner's actual (physical) Better Cotton lint inventory and its cotton lint inventory in the BCP, BCI resets all ginner inventories back to zero prior to the beginning of a new cotton crop season. The timing of this 'zeroing out' differs by country,</p>	<p>Shortened the information.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>crop season. Each year, BCI informs ginners, by e-mail, two weeks prior to actual zeroing of their cotton lint inventories from the BCP. Ahead of this deadline, ginners are expected to enter all Better Cotton sales into the BCP.</p> <p>Gins who fail to enter their Better Cotton sales into the BCP prior to account zeroing out can do so on an exception basis, provided they make a written request to BCI within 30 days of the account zeroing. Gins must still have the physical Better Cotton inventory on site and must provide sufficient evidence to BCI to verify this physical inventory. Gins can contact their local BCI supply chain team for further information or can email at compliance@bettercotton.org</p>	<p>depending on the cotton crop season. Each year, BCI informs ginners, by e-mail, one month prior to actual zeroing of their cotton lint inventories from the BCP. Ahead of this deadline, ginners are expected to enter all Better Cotton sales into the BCP.</p>	
<p>4.5 Better Cotton claims</p>	<p>Deleted</p>	<p>Deleted as the current framework is not applicable to gins</p>
<p>4.5.1 Gins shall only make claims about Better Cotton in compliance with the Better Cotton Claims Framework</p>	<p>Deleted</p>	<p>Deleted as the current framework is not applicable to gins</p>
<p><i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/resources/better-cotton-claims-framework/</i></p>	<p>Deleted</p>	<p>Deleted as the current framework is not applicable to gins</p>
<p>4.6 Subcontractors</p>	<p>2.5 Subcontractors</p>	
<p>4.6.1 If the gin outsources any handling of Better Cotton (excluding transportation) to a subcontractor or independent organisation, the gin shall:</p>	<p>If the ginner subcontracts any handling of Better Cotton (excluding transportation) to a subcontractor, the ginner shall:</p> <p>a) Document the nature of the subcontracting agreement, including the name, address, and contact details of the</p>	<p>Removed 'independent organisation'</p> <p>Clarified when the gins need to communicate subcontracting to BCI.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>a) Document the nature of this outsourcing agreement, including the names, addresses, and contact details of any subcontractors, and share with BCI in writing</p> <p>b) Ensure that only the gin (not subcontractors) have access to the Better Cotton Platform and are responsible for entering data into the system</p> <p>c) Require all subcontractors buying, selling, or handling Better Cotton to sign a declaration agreeing to comply with relevant Better Cotton CoC requirements and to provide access to their premises and records for any BCI staff or third-party auditors.</p> <p>d) Ensure that all subcontractors are trained and competent to comply with relevant Better Cotton CoC requirements</p>	<p>subcontractor, and share with BCI in writing prior to outsourcing.</p> <p>b) Ensure that only the ginner (not subcontractors) have access to the Better Cotton Platform and are responsible for entering data into the system.</p> <p>c) Require all subcontractors buying, selling, or handling Better Cotton to sign a declaration agreeing to comply with relevant Better Cotton CoC requirements and to provide access to their premises and records for any BCI staff or third-party auditors.</p> <p>d) Ensure that all subcontractors are trained and competent to comply with relevant Better Cotton CoC requirements.</p>	
<p>4.7 Supply chain monitoring and penalties</p>	<p>The whole section is moved to Section 5 'Requirements' related to compliance monitoring and audits</p>	
<p><i>Guidance: BCI carries out regular monitoring of Better Cotton supply chains, through a combination of remote audits (document verification requests), BCI second-party monitoring visits, and third-party audits. These measures are designed to help ensure the overall compliance of Better Cotton supply chains and to protect the credibility of Better Cotton claims made by BCI stakeholders. Monitoring visits and audits of gins may include cross-checking purchase records with licensed BCI Farmers in the local area. Guidance for gin audits/ monitoring visits, and farmer interviews will be available on the BCI website</i></p>	<p><i>Guidance: BCI carries out regular monitoring of Better Cotton supply chains, through a combination of remote audits (e.g. document verification requests) and on-site verification through BCI second-party monitoring visits, and third-party audits. These measures are designed to help ensure the overall compliance of Better Cotton supply chains and to protect the credibility of Better Cotton claims made by BCI stakeholders.</i></p> <p><i>This section applies to all organisations implementing the Better Cotton Chain of Custody Guidelines, including ginner and other supply chain organisations. Unless otherwise specified, requirements and guidance are applicable to all organisations. Note the term organisation is used throughout this section and includes both ginner and other supply chain organisations.</i></p>	<p>Specified the applicability as we merged the two sections of supply chain monitoring and penalties into one as much of the information is repetitive.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<i>See the BCI website for information regarding BCI monitoring and third-party audit procedures.</i>	
4.7 Supply chain monitoring and penalties	5.1 Monitoring and Audit procedures	
<p>4.7.1 The gin shall provide BCI staff and appointed third-party auditors access to all sites handling or selling Better Cotton, and access to any records or documentation related to purchasing, handling or sales of Better Cotton</p> <p>a) Documents requested remotely by BCI or third-party auditors shall be provided within 10 calendar days of the written request</p> <p>b) Within 24 hours of being notified of a short-notice audit, the ginner shall provide access to the site for BCI or designated third-party auditors</p>	<p>5.1.1 The organisation shall provide BCI staff and appointed third-party auditors access to all sites handling or selling Better Cotton, and access to any records or documentation related to purchasing, handling, or sales of Better Cotton and BCI Orders.</p> <p>a) Documents requested remotely by BCI or third-party auditors shall be provided within two weeks of the written request.</p> <p>b) Within 3 business days of being notified of a short-notice audit, the organisation shall provide access to the site for BCI or designated third-party auditors.</p>	<p>Updated timeline to provide information and respond to audit:</p> <p>a. from 10 calendar days to two weeks</p> <p>b. from 24 hours to 3 business days</p>
<p><i>Guidance: In some cases, BCI or third-party auditors may request documents (e.g. invoices and delivery slips) associated with purchases or sales of Better Cotton, in order to monitor the integrity of the Chain of Custody and ensure correct use of the BCP. If documents or site access is not provided within the specified timelines, BCI will issue a written warning, and reserves the right to suspend the organisation's use of the BCP</i></p>	<p><i>Guidance: In some cases, BCI or third-party auditors may request documents (e.g. invoices and delivery slips) associated with purchases or sales of Better Cotton and BCI Orders, in order to monitor the integrity of the Chain of Custody and ensure correct use of the BCP. If documents or site access is not provided within the specified timelines, BCI will issue a written warning, and reserves the right to suspend the organisation's use of the BCP. If there is still no action after issuance of a warning letter, the account should be suspended within 10 calendar days of letter sent.</i></p> <p><i>Regarding audit scheduling, if the organisation does not respond to BCI or third-party auditors after 3 email reminders and 1 phone call, then the BCP user access shall be temporarily blocked until the auditee responds to the audit request.</i></p>	<p>Additional guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p><i>Note for ginner: If a ginner has been outsourced for one season and then in the next season the outsourcing agreement is nullified, the ginner is still required to provide access for a site visit for ginner monitoring or third-party audit. This should be part of the contract clauses.</i></p>	
<p>4.7.2 If during gin monitoring visits or gin audits, BCI staff or third-party auditors identify non-conformities (NCs) with Chain of Custody requirements, the gin shall correct these NCs within the specified timeframe and provide relevant evidence to the BCI staff or third-party auditor as below:</p> <p>a) For Minor NCs: the gin shall correct the NC within 12 months and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 12 months, a Minor NC shall escalate to a Major NC.</p> <p>b) For Major NCs: the gin shall correct the NC within 30 days and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 30 days, a Major NC shall lead to the suspension of the Better Cotton Platform (BCP) account.</p>	<p>5.1.2 If during monitoring visits or audits, BCI staff or third-party auditors identify non-conformities (NCs) with Chain of Custody requirements, the organisation shall submit their Corrective Action Plan (CAP) within two weeks after receipt of final audit reports. The organisation shall correct these NCs within the specified timeframe below.</p> <p>Guidance: If the organisation fails to submit their CAP within the timeline, BCI will temporarily suspend their BCP account until it provides a valid reason for delay, or submits the CAP.</p> <p>Applicable to ginner:</p> <p>a) For Minor NCs: the ginner shall correct the NC within 6 months or before the start of the next ginning season (whichever is shorter) and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 6 months or before new season, a Minor NC shall escalate to a Major NC.</p> <p>b) For Major NCs: the ginner shall correct the NC within 30 calendar days and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 30 calendar days, a Major NC shall lead to the suspension of the Better Cotton Platform (BCP) account. The Duration of a suspension period will be a minimum of 3 months, and is defined by BCI considering the NC's situation.</p> <p>Guidance for ginner: When the new season starts, ginner with pending NCs should be denied access to BCP until they have taken corrective action. They can be invited to</p>	<p>Additional information on submission of CAP, changed the timeline of closing major NCs from 12 months to 6 months to acknowledge that ginning is a seasonal activity, added further guidance on closing NCs.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	Ginner training and submit required documents, but access to BCP is provided only once evidence of corrective action taken is provided.	
<p><i>Guidance: A non-conformity (NC) is graded as Minor if it is 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. An example of a Minor NC could be a case where a ginner entered some transactions into the BCP after the specified deadline; however, the majority of data was entered on time, and a detailed internal procedure was in place around data entry.</i></p> <p><i>A non-conformity (NC) is graded as Major 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. An example of a Major NC would be a case where a ginner enters the majority of its transactions into the BCP well after the deadline; the individuals entering data are not trained on the relevant requirements, and an effective internal procedure has not been defined</i></p>	<p><i>Guidance: Non-conformity Grading</i></p> <p><i>A non-conformity (NC) is graded as Minor if it is 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. An example of a Minor NC could be a case where an organisation entered some transactions into the BCP after the specified deadline; however, the majority of data was entered on time, and a detailed internal procedure was in place around data entry.</i></p> <p><i>A non-conformity (NC) is graded as Major 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. An example of a Major NC would be a case where an organisation enters the majority of its transactions into the BCP well after the deadline; the individuals entering data are not trained on the relevant requirements, and an effective internal procedure has not been defined.</i></p>	No change
<p>4.7.3 BCI retains the right to cancel the ginner agreement and suspend use of the BCP at any time due to the following cases:</p> <p>a) A Major NC has not been corrected within the specified timeframe</p>	<p>BCI retains the right to cancel the ginner agreement and/or suspend use of the BCP (for ginner and other supply chain organisations) at any time due to the following cases:</p> <p>a) A Major NC has not been corrected within the specified timeframe.</p>	Added d) on submission of CAP for clarification

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>b) Multiple Major NCs were identified, suggesting a fundamental lack of compliance with the Better Cotton CoC Guidelines</p> <p>c) BCI or a designated 3rd party auditor has evidence of a NC that was induced purposefully, grossly negligent, systematic, and/or which imposes a severe reputational risk to BCI stakeholders.</p>	<p>b) Multiple Major NCs were identified, suggesting a fundamental lack of compliance with the Better Cotton CoC Guidelines.</p> <p>b) BCI 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 BCI stakeholders. The NC can be identified through second party monitoring visits, third-party audits or any random checks.</p> <p>d) No response to submit a Corrective Action Plan (CAP) within two weeks of receiving the final audit report and CAP template.</p>	
<p>No associated guidance in V1.3</p>	<p><i>Guidance: The minimum period of suspension for cases a)-c) above is 3 months, the maximum is 12 months. In the case of c), or in the case of continued non-compliance, BCI membership may also be suspended if the organisation is also a BCI member. Use of the BCP can also be suspended due to non-payment of membership or system fees. For case d), BCI will re-activate the account once CAP template is submitted.</i></p>	<p>Additional guidance on suspension period</p>
<p>4.7.4 If the ginner agreement is cancelled and/or use of the BCP is suspended, the gin shall not sell any cotton as 'Better Cotton' or enter any transactions into the BCP until the agreement is reinstated. BCI retains the right to zero out existing account inventories (both seed and lint) under the gin's account as a result of this suspension.</p>	<p>5.1.4 If the ginner agreement is cancelled and/or use of the BCP is suspended (for ginner or other supply chain organisations), the gin or other supply chain organisation shall not sell any cotton as 'Better Cotton' or BCI Orders or enter any transactions into the BCP until it is reinstated.</p>	<p>Moved the zeroing of inventories to guidance</p>
<p><i>Guidance: BCI will ensure that written notice is provided to the ginner (including the terms of the suspension and any impacts on account inventories in the BCP).</i></p>	<p><i>Guidance: BCI will ensure that written notice is provided to the ginner and supply chain organisation (including the terms of the suspension and any impacts on account inventories in the BCP).</i></p>	<p>Additional guidance on different scenarios (also including for supply chain organisations using a mass balance approach).</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p><i>In the specific case that BCP access is suspended due to non-payment of membership or system fees, the user's account will be zeroed out before system use can be reinstated.</i></p> <p><i>If the user's account inventory is negative, the negative inventory will be added if company ever decides to reapply in the future.</i></p> <p><i>Note for ginners: BCI retains the right to zero out existing account inventories (both seed and lint) under the ginner's account as a result of this suspension.</i></p> <p><i>Note for other supply chain organisations: BCI retains the right to reduce the organisation's BCP account inventory as a result of the suspension.</i></p>	
<p>4.7.5 If a gin cannot verify their purchases or sales of Better Cotton products, or if there is evidence of fraudulent use of the BCP, BCI retains the right to reduce the organisation's BCP account inventory (seed and/or lint inventory) up to the total volume of unverified or fraudulent transactions.</p>	<p>5.1.5 If purchases or sales of Better Cotton and/or BCI Orders cannot be verified through supporting documentation (or documents are not authentic or accurate), or if there is evidence of fraudulent use of the BCP, BCI retains the right to reduce the organisation's BCP account inventory up to the total volume of unverified or fraudulent transactions.</p>	<p>Updated so it is applicable to supply chain organisations using a mass balance approach.</p>
<p><i>Guidance: If an organisation cannot verify the status of Better Cotton purchases/ sales through supporting documentation (or documents are not authentic or accurate), BCI can deduct these corresponding volumes from the BCP account. The organisation will be informed in writing of the volume deduction. If the deduction exceeds the current quantity of BCCUs in the organisation's BCP account, the inventory will become negative.</i></p>	<p><i>Guidance: The ginner or supply chain organisation will be informed of the volume deduction in writing. If the deduction exceeds the current quantity of BCCUs in the BCP account, the inventory will become negative.</i></p> <p><i>Note for ginners: BCP account inventory adjustments may be made to seed and/or lint inventory, where applicable.</i></p>	<p>Removed duplicative information (the first sentence).</p>
<p>No associated section in V1.3</p>	<p>5.1.6 Upon notification of changes to gin activity, the use of the BCP may be deactivated.</p>	<p>Additional information added to cover scenarios</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
		that were not clearly stated.
No associated section in V1.3	<i>Guidance: Notifications such as that a gin stops processing Better Cotton in the middle of the season temporarily or permanently for the remainder of the cotton season and has leased out the site to another ginner for processing conventional cotton, shall result in the deactivation of the BCP.</i>	Additional guidance
4.8 Appeals	5.2 Appeals	
4.8.1 If a gin wishes to file an appeal against the outcome of a BCI or third-party monitoring or audit process, the organisation shall send a full description of the appeal (including supporting evidence) to compliance@bettercotton.org with the subject line clearly marked 'Appeal'. The appeal must be filed within 10 calendar days of receiving notice of the outcome of the audit or monitoring process.	5.2.1 If an organisation wishes to file an appeal against the outcome of a BCI or third-party monitoring or audit process, the organisation shall send a full description of the appeal (including supporting evidence) to compliance@bettercotton.org with the subject line clearly marked 'Appeal'. The appeal must be filed within 10 calendar days of receiving notice of the outcome of the audit or monitoring process.	No change
<i>Guidance: Appeals will be reviewed and decided by BCI's Membership Director, Senior Supply Chain Manager, or Senior Assurance Manager. To be considered valid, appeals must include objective evidence supporting the appeal, such as documentation, photo evidence, etc. The outcome of the appeal will be provided in writing to the appellant within 30 days of receipt.</i>	<i>Guidance: Appeals will be reviewed and decided by BCI's Membership and Supply Chain Director. To be considered valid, appeals must include objective evidence supporting the appeal, such as documentation, photo evidence, etc. The outcome of the appeal will be provided in writing to the appellant within 30 days of receipt.</i>	Updated authority on decision of appeals.

2.5 Chain of Custody for Other Supply Chain Organisations (section 5 in V1.3)

Note: this is now in section 3 in V1.4

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>Guidance: This section applies to all supply chain organisations after gin level who are buying or selling cotton or cotton-containing products to fulfil an order for Better Cotton products. This includes BCI Members and system users of the Better Cotton Platform, and encompasses suppliers/ manufacturers, traders/ merchants, sourcing agents, and brands/ retailers.</i></p> <p><i>Note that the term Better Cotton products refers to any cotton or cotton-containing product (after gin level) which is bought or sold with a 'Better Cotton' claim and for which Better Cotton Claim Units (BCCUs) are transferred between two parties via the Better Cotton Platform (BCP) or Output Declaration Forms. Under BCI's mass-balance CoC model used after gin level, 'Better Cotton products' may refer to a product that does not contain any physical cotton from licensed BCI Farmers.</i></p>	<p><i>This section applies to all supply chain organisations after ginner level who are buying or selling cotton or cotton-containing products to fulfil BCI Orders. This includes cotton traders/ merchants, mills with spinning capabilities, organisations without spinning capabilities (including fabric mills, dyeing mills, yarn and/or fabric traders and vertical mills), sourcing agents, and end-product manufacturers. Note that the term BCI Orders refers to any cotton or cotton-containing product (after ginner level) which is bought or sold with Better Cotton Claim Units (BCCUs) and for which BCCUs are transferred between two parties via the Better Cotton Platform (BCP).</i></p>	<p>Simplified language and removed reference to Output Declaration Forms which are outdated.</p>
5.1 Responsibilities, training, and record-keeping	3.1 Responsibilities, training, and record-keeping	
<p>5.1.1 The organisation shall appoint a designated representative(s) responsible for ensuring compliance with the relevant Better Cotton CoC requirements and recording data in the Better Cotton Platform (BCP)</p>	<p>The organisation shall identify a designated representative(s) who has overall responsibility for ensuring compliance with the relevant Better Cotton CoC Guidelines requirements.</p>	<p>Split into two criteria – BCP related is included in 3.2.1</p>
<p><i>Guidance: These can be the same individual or different individuals</i></p>	<p>Deleted</p>	<p>Removed as it is not relevant</p>
<p>5.1.2 The organisation shall ensure that all individuals responsible for ensuring compliance with the Better Cotton CoC, using the BCP, and maintaining associated records</p>	<p>3.1.2 The organisation shall ensure that all existing and new staff responsible for implementation of procedures are trained and competent. At minimum, the following trainings are required:</p>	<p>Added b) on Supplier Training Programme.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>are trained and competent to fulfil relevant Chain of Custody requirements</p> <p>a) All individuals responsible for using the BCP shall complete the mandatory BCI training on the BCP</p>	<p>a) All staff responsible for using the BCP shall complete BCI training on the BCP.</p> <p>b) All staff buying and/or selling BCI Orders should attend BCI's Supplier Training Programme annually (face-to-face, online or recordings, or internal training organized by BCI representatives) provided by BCI local team</p>	
<p><i>Guidance: BCI has developed mandatory online training modules for users of the BCP. Access to these training modules will be given by BCI once a company's membership or usership application is accepted by BCI.</i></p>	<p><i>Guidance: BCI has developed mandatory online training modules, using the Mindflash platform, for users of the BCP. Access to these training modules will be given by BCI once a company's membership or usership application is accepted by BCI. If there is any change in BCP users, the organisation shall request access for a new BCP user. The new user is required to complete mandatory training modules for use of the BCP. Documented records of training may include a training certificate, email correspondence, register with date, time, and presenter, and/or training resources (i.e. slides, videos, etc.).</i></p>	<p>Additional guidance on change of BCP users.</p>
<p>5.1.3 The organisation shall maintain records related to the purchase and sale of Better Cotton products for a minimum period of two years</p> <p>a) The organisation shall ensure that all documents are available for review by BCI or third-party auditors upon request.</p>	<p>3.1.3 The organisation shall maintain records related to the purchase and sale of BCI Orders. Every purchase or sale of BCI Orders shall be supported by documentation including purchase orders, invoices, delivery and shipping documents.</p>	<p>Split into two criteria, retention time is in 3.1.4</p>
<p><i>Guidance: Every purchase or sale of Better Cotton products must be supported by documentation including invoices, delivery and shipping documents, etc. Records can be maintained in paper or electronic format. Records may be requested by BCI or designated third-party auditors either remotely or during an on-site audit.</i></p>	<p>Records can be maintained in paper or electronic format.</p>	<p>Moved guidance on access of records to 3.1.4; moved information of supporting documents to criterion 3.1.3</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	3.1.4 Retention times for records relevant in demonstrating the organisation's conformity with all applicable CoC requirements shall be a minimum of two (2) full years. The organisation shall ensure that all documents are available for review by BCI and third-party auditors upon request.	Split from 5.1.3 (V1.3), also information added from guidance of 5.1.3
Guidance of 5.1.3 in V1.3	<i>Guidance: Records can be maintained in paper or electronic format. Years may be calendar or fiscal, as long as they are full and consistent.</i>	Moved from 5.1.3. Also added guidance on years.
5.1.4 The organisation shall communicate any changes in BCI contact names/details, or any other significant changes related to trading Better Cotton products, to BCI by email within 15 days of the change occurring	3.1.5 The organisation shall communicate any changes in primary contact names/ details, or any other significant changes related to BCI Orders, to BCI by email within 15 calendar days of the change occurring.	Clarified it is calendar days.
<i>Guidance: This can include new staff members taking over BCI responsibilities, or mergers or acquisitions that affect company set-up in the BCP. Changes can be communicated to local BCI supply chain staff through email or at compliance@bettercotton.org. If new staff members take on responsibility for compliance with Better Cotton CoC requirements or using the BCP, these individuals need to be trained in line with clause 5.1.2.</i>	<i>Guidance: Changes may include the organisation name, address, new staff members taking over BCI responsibilities, or mergers or acquisitions that affect company set-up in the BCP. Changes can be communicated to local BCI supply chain staff through email or at support@bettercotton.org</i>	Added examples of the types of changes.
Moved from 5.3 in V1.3	3.1.6 The organisation shall ensure that a mechanism is in place for handling non-conforming products to ensure they are not sold onward with a Better Cotton claim until their status can be verified. This includes any transfers of BCCUs and any cotton/ cotton-containing products bought or sold with a Better Cotton claim, which cannot be verified as legitimate.	Moved from 5.3
Moved from guidance of 5.3 in V1.3	<i>Guidance: For example, an organisation might receive an order for Better Cotton products, however the transfer of BCCUs allocated to the order doesn't match the volume</i>	Moved from Guidance of 5.3

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<i>delivered. Or, in some cases BCCUs might be transferred without a corresponding purchase/ sale of physical Better Cotton products. In these cases, the organisation must verify the legitimate status of the transactions with the supplier/ customer directly before accepting the BCCUs.</i>	
5.2 Use of the Better Cotton Platform (BCP)	3.2 Use of the Better Cotton Platform (BCP)	
Split from 5.1 in V1.3	3.2.1 Organisations shall identify a designated representative for recording relevant data on the Better Cotton Platform (BCP). Organisations shall not give access to the BCP to other third parties.	Split from 5.1
Moved from guidance of 5.2.3 in V1.3	3.2.2 No entries shall be made in the BCP to transfer BCCUs without a corresponding transfer of physical cotton-containing products.	Moved from guidance of 5.2.3
5.2.1 All cotton traders, spinners, vertical mills with spinning capabilities, retailers and brands who are buying or selling Better Cotton products are required to enter or acknowledge all purchase/ sales of Better Cotton products in the Better Cotton Platform (BCP) a) All other supply chain organisations buying or selling Better Cotton products will be required to use the BCP to enter or acknowledge purchases/ sales of Better Cotton products by 1 January 2020. This includes fabric mills (buying yarns and selling fabrics), end-product manufacturers, sourcing agents, import-export companies, waste traders, waste processors, paper mills and nonwoven fabric manufacturers	3.2.3 Supply chain organisations who are buying or selling BCI Orders are required to enter or acknowledge all purchases and sales in the BCP. Organisations who are lint traders as well as carrying out other core activities (i.e. trader and spinner) shall maintain two separate accounts on the BCP, one for trader activities specifically.	Removed information on getting access to BCP by 1 January 2020 timeline as it is outdated. Also moved information from guidance in 4.4.1 about organisations that are also lint traders to keep two separate accounts.
<i>Guidance: All supply chain organisations buying or selling Better Cotton products are strongly advised to begin using the BCP ahead of the required deadline of 1 January 2020. Organisations should enter transactions into the BCP in line with instructions in the relevant BCP training modules.</i>	<i>Guidance: Sourcing agents and garment manufacturers may be exempt from using the BCP in specific situations where the end buyer (Retailers/Brands) accepts BCCUs from indirect fabric suppliers.</i>	Updated guidance and removed information that is outdated.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>Organisations who are traders as well as carrying out other core activities (i.e. traders and spinners) should maintain two separate accounts on the BCP, one for trader activities specifically.</i>		
Moved from guidance of 5.2.6 in V1.3	3.2.4 Organisations shall only enter transactions and transfer BCCUs via the BCP to either the invoicing/billing organisation or consignee organisation (recipient of a shipment) mentioned on the sale invoice, with the exception of cases stated in 3.2.3.	Additional information to clarify who needs to be using BCP as it was not explicitly mentioned in V1.3 Also moved from guidance 5.2.6 'Other types of suppliers cannot transfer BCCUs via the BCP to recipients that are different from the direct buyer.'
5.2.2 Organisations using the BCP shall enter or acknowledge purchase/ sale transactions within 60 calendar days of the shipment date a) Retailer/ brands only may acknowledge sales entered by suppliers within 30 days of the sale being entered in the BCP	3.2.5 Organisations using the BCP shall acknowledge purchase transactions and enter sale transactions in a timely manner as follows: a) Purchase transactions shall be acknowledged within 60 calendar days of data being entered into BCP. b) Sale transactions shall be entered within 60 calendar days of the shipment date.	Further elaboration to avoid confusion. Moved the information about retailer/brands to Annex A rules for retailer/brands
<i>Guidance: Organisations can enter data into the BCP up to 60 days after the shipment date of the Better Cotton products. Retailers/ brands are permitted 30 days after a supplier enters a sale transaction to acknowledge this in the BCP. Note however that all Retailer/ brands must reconcile all data in the BCP by 1st January each calendar year (see section 5.7) Timely data entry is important to enable</i>	<i>Guidance: Organisations can enter sale transactions after final order confirmation (i.e. when they know the final order quantity) until 60 days after the shipment date. Example 1: a supplier can enter sale transactions and transfer BCCUs when the purchase order is being confirmed by the buyer. Example 2: a supplier can enter a sale transaction on 3 May 2020 for a shipment of a BCI order dated 12 March 2020.</i>	Shortened the guidance by moving retailer/ brands information to Annex A, and new criterion on cancellation (3.2.5)

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>reconciliation of purchases/ sales, and to allow verification of the data in the BCP.</p> <p><i>A transaction entered into the BCP with a status “awaiting acknowledgement” can be withdrawn within 30 days of entering it into the BCP. Transactions with a status “acknowledged” can be cancelled within 30 days after the date of acknowledgement.</i></p>		
Moved from guidance of 5.2.2 in V1.3	3.2.6 Requests of transaction cancellations should be submitted within 30 calendar days of sale being entered in the BCP.	Moved from guidance on 5.2.2 (V1.3)
No associated guidance in V1.3	<p><i>Guidance: Under exceptional and justified circumstances, BCI may process a cancellation request received after 30 days of the sale being entered in the BCP. A transaction entered into the BCP with a status “awaiting acknowledgement” can be withdrawn within 30 days of entering it into the BCP. Transactions with a status “acknowledged” can be cancelled within 30 days after the date of acknowledgement.</i></p> <p><i>In order to cancel transaction with "acknowledged" status, the supplier needs to write an email to BCI with transaction details, copy this email to their buyer/seller and ask the buyer/seller to provide no objection on cancellation. Only after receiving confirmation from the buyer/seller of no objection will BCI cancel the transaction.</i></p>	Further guidance on the process of cancellation
5.2.3 The organisation shall only enter or acknowledge transactions in the BCP if they correspond to a genuine purchase or sale of physical Better Cotton products (i.e. products sold with a Better Cotton claim to fulfil a BCI order)	Deleted, as this is duplicative with 5.2.4	Deleted, as this is duplicated with 5.2.4

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>Guidance: No entries can be made in the BCP to transfer BCCUs without a corresponding transfer of physical cotton-containing products.</i>	3.2.2 No entries shall be made in the BCP to transfer BCCUs without a corresponding transfer of physical cotton-containing products.	Moved to criterion 3.2.2
Moved from introduction section in V1.3	3.2.7 Lint traders shall only enter sale transactions and transfer BCCUs with the correct country of origin, corresponding to purchase of Better Cotton bales. Lint traders shall not substitute Better Cotton bales and their associated BCCUs with conventional cotton bales from different countries.	This information was in the introduction section, it has moved to here to be more explicit on the rules for traders.
5.2.4 The organisation shall ensure that all data entered into the BCP is accurate and can be verified against corresponding documentation (i.e. purchase receipt, invoice, production records), including: a) Purchase and sale volumes b) Weight of raw materials used to make Better Cotton products (e.g. total net weight of carded yarn used to make a specific fabric) c) Type of raw materials used	3.2.8 The organisation shall ensure that all data entered into the BCP is genuine and can be verified against corresponding documentation (i.e. purchase receipt, invoice, production records), including: a) Purchase and sale volumes b) Weight of raw materials used to make the BCI Order (e.g. total net weight of carded yarn used to make a specific fabric) c) Type of raw materials used	Small change: 'accurate' to 'genuine' (taken from 5.2.3)
<i>Guidance: It is recommended to use net weights of Better Cotton products when entering purchase and sales transactions into the BCP. Actual net weights should match the weight that customers have been invoiced for and should be reflected in related documentation (i.e. invoices, shipping documents). However, if contract weights are entered into the BCP, the organisation should be consistent in entering contract weights for both purchases and sales.</i>	<i>Guidance: The organisation should ensure that purchase and sale of BCI Orders are clearly indicated as such through contracts, purchase orders, invoices and/or delivery notes. It is recommended to use net weights of cotton-containing yarn weight and yarn cotton percentage when entering sales transactions into the BCP for fabric suppliers and vertical mills.</i>	Moved guidance of 5.2.3 (V1.3), additional guidance on ensuring purchase and sales of BCI orders clearly indicated in documentation.
5.2.5 The organisation shall enter a unique transaction reference number (e.g. invoice or delivery slip number) into	3.2.9 The organisation shall enter a unique transaction reference number (e.g. purchase order, contract, invoice or delivery slip number) into the BCP for each individual purchase or sale of the BCI Order. If one BCP entry relates	Moved information from guidance of 5.2.5

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>the BCP for each individual purchase or sale of Better Cotton products</p>	<p>to multiple purchases or sales, a reference number or range shall be entered for each separate purchase or sale.</p>	
<p><i>Guidance: Organisations must enter a unique transaction reference number (such as invoice or delivery slip number) that corresponds to each purchase/sale of Better Cotton products. If one BCP entry relates to multiple purchases or sales, a reference number or range must be entered for each separate purchase/ sale.</i></p>	<p><i>Guidance: A unique reference number can be a number indicated in contracts, purchase orders, invoices, delivery slips, shipping documents, file name of data management system like ERP, Oracle or internal Excel systems. Based on the transaction reference number, both buyer and seller can verify the authenticity of transaction and accuracy of the number of BCCUs, providing all documents (contracts, invoices, delivery slips, production records for auditors or BCI verification).</i></p>	<p>Additional guidance</p>
<p>5.2.6 If a fabric mill or end-product manufacturer fulfils an order for Better Cotton products from a customer but needs to transfer BCCUs directly to the end buyer (e.g. retailer), the names of both the actual customer and the end buyer must be entered into the BCP. A unique document reference (e.g. purchase order number) for the shipment must also be included in the entry.</p>	<p>3.2.10 If a fabric mill or end-product manufacturer needs to transfer BCCUs directly to its indirect client—the end buyer, retailer or brand – at the retailer and brand’s request, the organisation shall ensure that it includes the name and contract number of the direct customer in the transaction reference and other unique transaction reference requested by the retailer and brand.</p> <p>a) If a fabric mill fulfils a BCI Order from an end-product manufacturer, the names of the end-product manufacturer/ direct buyer shall be entered into the transaction reference box in the BCP. A unique document reference requested by the retailer/ brand (e.g. purchase order, contract or invoice number) for the shipment shall also be included in the entry.</p> <p>b) If an end-product manufacturer fulfils a BCI Order from a sourcing agent, the names of the sourcing agent/ direct buyer shall be entered into the transaction reference box in the BCP. A unique document reference requested by the retailer/ brand (e.g. purchase order, contract or invoice number) for the shipment shall also be included in the entry.</p>	<p>Further elaboration to avoid confusion, moved information from guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>Guidance: Fabric mills and end-product manufacturers are permitted to transfer BCCUs directly to retailer/ brands within the BCP even though they may be selling and shipping products to a garment manufacturer or to a sourcing agent that is not yet using the BCP. In such cases, they must include the name of the customer (i.e. end-product manufacturer or sourcing agent) as well as a transaction reference number (such as invoice, or delivery slip number) in the reference section of the BCP. This ability applies only to fabric mills and end-product manufacturers. Other types of suppliers cannot transfer BCCUs via the BCP to recipients that are different from the direct buyer.</i></p>	<p>Deleted</p>	<p>Deleted, information moved to criterion 3.2.3 and 3.2.10</p>
<p>5.2.7 In case of blending with non-cotton fibre, the organisation shall use the <i>volume of lint cotton</i> as the basis for declaring their purchase and sales entries in the BCP.</p>	<p>3.2.11 In case of blended products</p> <p>a) The spinners shall use the total weight of yarn, percentage of cotton in the yarn, and the percentage of Better Cotton indicated in the order as the basis for declaring their purchase and sales entries in the BCP.</p> <p>b) The fabric mill or vertically integrated mill shall use the total weight of yarn used to make fabric, percentage of cotton in the yarn used, and the percentage of Better Cotton indicated in the order as the basis for declaring their purchase and sales entries in the BCP.</p>	<p>Further elaboration to avoid confusion.</p>
<p><i>Guidance: for example, if a spinner is selling 100 KGs of 50% cotton 50% viscose yarn then the spinner should indicate that the total net weight of the yarn sold is 100 KGs and the % of Better Cotton allocated to the yarn is 50% (if the order indicates 100% BCI order); if the order indicates 25% BCI, then the spinner should enter 12.5% as the % of Better Cotton allocated to the yarn.</i></p>	<p><i>Guidance example: A spinner sells 100 Kgs of 50% cotton 50% viscose yarn. The total net weight of the yarn sold is 100 Kgs. For a 100% BCI order, the percentage of Better Cotton allocated to the yarn is 50%. For a 30% BCI order, the percentage of Better Cotton allocated to the yarn is 15%. The 'percentage of Better Cotton allocated to the yarn' as indicated in BCP equals to the yarn cotton percentage multiplied by the percentage of Better Cotton indicated in the order by the buyer.</i></p>	<p>Further examples provided.</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
	<p><i>Example 1: A fabric mill sells 900 Kgs Cotton/Elastane knitted fabric made from 950 Kgs of 100% cotton-combed yarn and 50 Kgs Elastane. The total net weight of the cotton-containing combed yarn used is 950 KGs and the percentage of cotton in the yarn used is 100%. For a 100% BCI order, the percentage of Better Cotton allocated to the fabric is 100%. For a 30% BCI order, the percentage of Better Cotton allocated to the fabric is 30%. Example 2: A fabric mill sells 900 Kgs of 50% cotton 50% polyester fabric made from 1000 Kgs of 50% cotton 50% polyester combed yarn. The total net weight of the combed yarn used is 1000 KGs and the percentage of cotton in the yarn used is 50%. For a 100% BCI order, the fabric mill shall allocate 100% of Better Cotton to the fabric. For a 30% BCI order, the fabric mill shall allocate 30% Better Cotton to the fabric.</i></p>	
<p>Guidance: Overdraft facility and conversion rates in the BCP</p>	<p>Guidance: Overdraft facility and conversion rates in the BCP</p>	
<p>Overdraft facility</p>	<p>Overdraft facility</p>	
<p><i>All suppliers/manufacturers (excluding ginners, end-product manufacturers and sourcing agents) that have accounts in the BCP have a 500 MT overdraft facility. This allows a company to fulfil orders of Better Cotton products that require up to 500,000 BCCUs, even if the company doesn't have sufficient BCCUs in their BCP account inventory. When a company overdraws its BCP account, its inventory will show a negative figure to reflect the volume by which its account is overdrawn by. Companies have up to 4 months to source enough Better Cotton raw materials to cover their 'short positions' (negative inventory). Companies that do not recover a positive inventory within 4 months can be issued with a non-conformity or may have their BCP account suspended.</i></p>	<p><i>3.2.12 All suppliers/ manufacturers that have negative inventory of BCCUs shall recover their 'short positions' within 120 calendar days of when their account became negative.</i></p> <p><i>Guidance: This option is available to traders, spinners, integrated spinners, fabric mills, non-lint traders, and vertical mills only. The overdraft facility allows a company to fulfil BCI Orders up to a maximum of 500,000 BCCUs, even if the organisation does not have sufficient BCCUs in their BCP account inventory. When an organisation overdraws its BCP account, its inventory will show a negative figure to reflect the volume by which its account is overdrawn by. Organisations have up to 120 days to purchase cotton or</i></p>	<p>Moved to criterion 3.2.12</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>For example, your company just became a BCI member and gained access to the BCP. You have outstanding BCI orders from customers, however, you have not yet sourced any Better Cotton products. You can still fulfil BCI orders that require the allocation of up to 500,000 BCCUs right away by entering these sales transactions into the BCP. By doing so, you will have overdrawn your account. You will now have 4 months to source enough Better Cotton raw materials to bring your account balance to a positive balance.</i></p>	<p><i>cotton-containing products as BCI Orders to cover their 'short positions' (negative inventory).</i></p> <p><i>For example, your company just became a BCI member and gained access to the BCP. You have outstanding BCI Orders from customers; however, you have not yet sourced any cotton-containing products as BCI Orders. You can still fulfil BCI Orders that require the maximum allocation of up to 500,000 BCCUs right away by entering these sales transactions into the BCP. By doing so, you will have overdrawn your account. You will now have 120 days to purchase cotton or cotton-containing products as BCI Orders to bring your account balance to a positive balance.</i></p>	
<p>Conversion rates</p>	<p>Conversion rates</p>	
<p><i>One of the primary functions of the BCP is to allow retailers and brands to make credible claims about the volume of Better Cotton sourced into their supply chains as a percentage of their total cotton footprint.⁹ To calculate the cotton footprint for each sale entry made in the BCP and to allow suppliers and manufacturers to report this volume accurately to their customers, BCI uses two average rates to calculate the volume of cotton lint required for each product: one rate if combed yarn is used, and one rate if carded yarn is used. For more detail on conversion rates and examples, please refer to the BCI website at: https://bettercotton.org/about-better-cotton/better-cotton-standard-system/chain-of-custody/</i></p>	<p><i>Guidance: Conversion rates in the BCP</i></p> <p><i>One of the functions of the BCP is to allow retailers and brands to make credible claims about the volume of Better Cotton sourced into their supply chains as a percentage of their total cotton footprint.⁷ To calculate the cotton footprint for each sale entry made in the BCP and to allow suppliers and manufacturers to report this volume accurately to their customers, BCI uses two average rates to calculate the volume of cotton lint required for each product: one rate if combed yarn is used, and one rate if carded yarn is used. For more detail on conversion rates and examples, please refer to the BCI website at: https://bettercotton.org/better-cotton-standard-system/chain-of-custody/</i></p> <p><i>Please note that BCI is in the process of developing new conversion rates and will update this information on the website once</i></p>	<p>Added a note on BCI developing new conversion rates</p>
<p>5.3 Non-conforming product</p>	<p>5.3 Non-conforming product</p>	

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
5.3.1 The organisation shall ensure that a mechanism is in place for handling non-conforming products to ensure they are not sold onward with a Better Cotton claim until their status can be verified. This includes any transfers of BCCUs and any cotton/ cotton-containing products bought or sold with a Better Cotton claim, which cannot be verified as legitimate.	Moved to 3.1.6	Moved to 3.1.6
<i>Guidance: For example, an organisation might receive an order for Better Cotton products, however the transfer of BCCUs allocated to the order doesn't match the volume delivered. Or, in some cases BCCUs might be transferred without a corresponding purchase/ sale of physical Better Cotton products. In these cases, the organisation must verify the legitimate status of the transactions with the supplier/ customer directly before accepting the BCCUs.</i>	<i>Guidance: For example, an organisation might receive an order for Better Cotton products, however the transfer of BCCUs allocated to the order doesn't match the volume delivered. Or, in some cases BCCUs might be transferred without a corresponding purchase/ sale of physical Better Cotton products. In these cases, the organisation must verify the legitimate status of the transactions with the supplier/ customer directly before accepting the BCCUs.</i>	No change
Guidance: Substitution of Better Cotton and conventional cotton	Deleted	Removed, as it is repetitive information that is covered in Introduction section.
<p>Under BCI's Chain of Custody model, supply chain organisations downstream from ginners (e.g. spinners, fabric mills, traders, garment manufacturers) may substitute physical Better Cotton products with any other (conventional) cotton products to fulfil an order for BCI/ Better Cotton.</p> <p>Cotton traders can only substitute Better Cotton bales with conventional cotton bales provided they originate from the same country (see 'Scope of CoC Implementation' on page 3).</p>	Deleted	Removed, as it is repetitive information that is covered in Introduction section.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>Other supply chain organisations may substitute physical Better Cotton products (lint, yarn, etc) with any conventional cotton products regardless of the country of origin. For example, a spinner who has procured ten kilos Better Cotton lint from gins/ traders and sold them without making a Better Cotton claim, may later apply the ten BCCUs to any yarn to fulfil an order for Better Cotton products. BCI does not check the country of origin of the conventional cotton/cotton products that were substituted with physical Better Cotton.</p> <p>Supply chain organisations may receive products (yarn, fabric etc.) that are allocated BCCUs but contain no Better Cotton. They may pass on the corresponding lint equivalent claim; e.g. a fabric manufacturer that has procured yarn using ten BCCUs and substituted it for a non-Better Cotton order, may at a later date apply the ten BCCUs to any fabric to fulfil an order for Better Cotton products.</p>		
<p>5.4 Output Declarations</p>	Deleted	Removed, as it is outdated
<p><i>Guidance: Output Declaration Forms (ODF) are used to transfer BCCUs between suppliers, manufacturers and retailers when one or more of the suppliers in the chain is not using the Better Cotton Platform (BCP).</i></p> <p><i>For every entry made into the BCP, an ODF is automatically generated by the BCP and can be exported and sent (i.e. via e-mail) to customers at any time. Doing so is not necessary for transactions where the buyer and the seller are both using the BCP. However, it is required to generate and pass along an ODF if the buyer is not using the BCP.</i></p>	Deleted	Removed, as it is outdated

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>5.4.1 If a supply chain organisation (other than a cotton trader) sells Better Cotton products to a buyer who is not using the BCP:</p> <p>a) The seller shall use the ‘manual entry option’ to enter the sale into the BCP, generate the Output Declaration Form (ODF) for the entry, and ensure the buyer receives the ODF</p> <p>b) The seller shall indicate in the BCP as the buyer the name of the company invoiced for the sale of Better Cotton products (rather than the name of the end-user, such as a retailer or brand)</p> <p>c) Any buyer who is not using the BCP shall ensure they receive an ODF for every purchase of Better Cotton products and shall forward this ODF to their customer who placed the order for Better Cotton products.</p> <p>d) The buyer shall have a mechanism in place to keep track of incoming and outgoing BCCUs (e.g. related to purchases and sales of Better Cotton products) and is responsible for reporting the correct number of BCCUs to its customers for each shipment or bundle of orders.</p>	Deleted	Removed, as it is outdated
<p><i>Guidance: Refer to the Annex for examples of ODFs. Entering sales transactions of Better Cotton products is possible even if the buyer is not using the BCP. In this case, the seller should use the “manual entry option” to enter the name of the buyer, generate an ODF for the entry and send this document to the buyer as proof of Better Cotton claim allocation. This ODF must then be transferred all the way to the retailer/brand that placed the associated order. Retailers and brands are the final recipients of BCCUs transferred between suppliers and manufacturers via ODFs. If Better Cotton products are sold to one company (i.e. a trader) but shipped directly to a garment</i></p>	Deleted	Removed, as it is outdated

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<i>manufacturer, the seller would enter the trader (i.e. the company invoiced) into the BCP as the buyer.</i>		
5.4.2 Retailer/ brands, upon receiving an ODF number and associated BCCUs from a supplier, shall add the correct number of BCCUs to their BCP account inventory. Instruction manuals on how to do this can be downloaded from the BCP once logged in.	Deleted	Removed, as it is outdated
5.5 Better Cotton claims	3.3 Better Cotton claims	
5.5.1 Organisations shall only make claims about Better Cotton in compliance with the Better Cotton Claims Framework.	3.3.1 Organisations shall only make claims about Better Cotton in compliance with the Better Cotton Claims Framework.	No change
<i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/resources/better-cotton-claims-framework/</i>	<i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/resources/better-cotton-claims-framework/</i>	No change
5.6 Subcontractors	3.4 Subcontractors	
5.6.1 Organisations shall not outsource or subcontract core activities relevant to the handling, purchase, or sale of Better Cotton products	Deleted	Removed as this information is incorrect
<i>Guidance: For example, a spinning mill buying and selling Better Cotton cannot outsource the spinning of Better Cotton products to other organisations</i>	Deleted	Removed as this information is incorrect
5.6.2 If an organisation outsources non-core activities (other than transport) related to the handling, purchase, or sale of Better Cotton products, the organisation shall:	3.4.1 If an organisation subcontracts an activity (other than transport) related to the handling and/or processing of BCI Orders, the organisation shall: a) Maintain an up-to-date list of all subcontractors (excluding transport subcontractors), including their contact	Added information on organisations informing BCI on the nature of subcontracting, to be consistent with gins.

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>a) Maintain an up-to-date list of all subcontractors (excluding transport subcontractors), including their contact details</p> <p>b) Ensure that all subcontractors comply with relevant Chain of Custody requirements</p> <p>c) Ensure that all subcontractors will provide BCI or designated third-party auditors with access to their premises or documentation for the purposes of supply chain monitoring</p> <p>d) Maintain sole responsibility for entering all purchase and sale transactions on the Better Cotton Platform (this cannot be outsourced to subcontractors)</p>	<p>details and the scope of their responsibilities related to the handling and/ or processing of BCI Orders.</p> <p>b) Ensure that all subcontractors comply with relevant Chain of Custody requirements.</p> <p>c) Ensure that all subcontractors will provide BCI or designated third-party auditors with access to their premises or documentation for the purposes of supply chain.</p> <p>d) Maintain sole responsibility for entering all purchase and sale transactions on the Better Cotton Platform</p>	
5.7 Annual reconciliation for Retailers/ Brands	4.2 Annual reconciliation for Retailers/ Brands	Moved to Section 4.2
5.7.1 Retailers and brands shall carry out an annual reconciliation of Better Cotton products purchased with data entered into the Better Cotton Platform (BCP). This reconciliation shall be completed by the 31st December, so that BCP accounts are up-to-date by 1 January for each year.	4.2.1 Retailers/ brands shall ensure that all “awaiting acknowledgement” transactions and their associated BCCUs are acknowledged via the BCP by 31st December.	Simplified the language, and moved to a new section 4 for retailers and brands
<i>Guidance: Retailers and brands are invoiced once a year based on the volumes of Better Cotton they declare. This is determined by the sum of all BCCUs added to and accumulated in their account inventories between January 1st and December 31st (inclusive) of each year. Ensuring that all data is up-to-date in the BCP by 1st January is essential to enable timely and accurate invoicing</i>	<i>Guidance: Retailers/ brands are invoiced once a year based on the volumes of Better Cotton they declare. This is determined by the sum of all BCCUs added to and accumulated in their account inventories between January 1st and December 31st (inclusive) of each year. Ensuring that all data is up-to-date in the BCP by 1st January is essential to enable timely and accurate invoicing. In general, BCI does not help cancel any valid transactions from the previous year.</i>	Additional guidance
5.1 Use of the Better Cotton Platform	4.1 Use of the Better Cotton Platform	

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>5.2.2 Organisations using the BCP shall enter or acknowledge purchase/ sale transactions within 60 calendar days of the shipment date</p> <p>a) Retailer/ brands only may acknowledge sales entered by suppliers within 30 days of the sale being entered in the BCP</p>	<p>4.1.1 Retailer/ brands shall review the accuracy of the transaction details and acknowledge sales entered by suppliers within 30 calendar days of the sale being entered in the BCP.</p>	Split from 5.2.2
No associated guidance in V1.3	<p><i>Guidance: Retailer/ brands do not need to acknowledge transactions if they correspond to end product sale by suppliers, e.g. from sourcing agents or end-product manufacturers. BCCUs are directly transferred from their direct suppliers to the accounts of Retailer/ brands, with no need for acknowledgement. Please note that Retailer/ brands are still required to check transaction details, and if they are incorrect, request an amendment within 30 days of the sale being entered in the BCP.</i></p>	Additional guidance
Split from 5.2.2 in V1.3	<p>4.1.2 Requests of transaction cancellations should be submitted within 30 calendar days of the sale being entered in the BCP</p>	Split from guidance of 5.2.2
No associated guidance in V1.3	<p><i>Guidance: BCI may grant an exception for requests received later than 30 days from date of sale entry.</i></p>	Additional guidance
5.5 Better Cotton claims	4.3 Better Cotton claims	
<p>5.5.1 Organisations shall only make claims about Better Cotton in compliance with the Better Cotton Claims Framework</p>	<p>4.3.1 Retailer/brands shall only make claims about BCI in compliance with the Better Cotton Claims Framework.</p>	No change
<p><i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/better-cotton-standard-system/claims-framework/</i></p>	<p><i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/better-cotton-standard-system/claims-framework/</i></p>	No change

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>5.8 Supply chain monitoring and penalties</p>	<p>Section 5.0 Requirements related to compliance monitoring and audits</p>	<p>Moved to Section 5</p>
<p><i>Guidance: BCI carries out regular monitoring of Better Cotton supply chains, through a combination of remote audits (document verification requests), BCI second party monitoring visits, and third-party audits. These measures are designed to help ensure the overall compliance of Better Cotton supply chains and to protect the credibility of the Better Cotton claims made by BCI stakeholders.</i></p>	<p><i>Guidance: BCI carries out regular monitoring of Better Cotton supply chains, through a combination of remote audits (e.g. document verification requests) and on-site verification through BCI second-party monitoring visits, and third-party audits. These measures are designed to help ensure the overall compliance of Better Cotton supply chains and to protect the credibility of Better Cotton claims made by BCI stakeholders. This section applies to all organisations implementing the Better Cotton Chain of Custody Guidelines, including ginners and other supply chain organisations. Unless otherwise specified, requirements and guidance are applicable to all organisations. Note the term organisation is used throughout this section and includes both ginners and other supply chain organisations. See the BCI website for information regarding BCI monitoring and third-party audit procedures.</i></p>	<p>Specified the applicability as we merged the two sections of supply chain monitoring and penalties into one as much of the information is repetitive.</p>
	<p>5.1 Monitoring and Audit Procedures</p>	
<p>5.8.1 The organisation shall provide BCI staff and appointed third-party auditors access to all sites handling or selling Better Cotton, and access to any records or documentation related to purchasing, handling, or sales of Better Cotton</p> <p>a) Documents requested remotely by BCI or third-party auditors shall be provided within 10 calendar days of the written request</p> <p>b) Within 24 hours of being notified of a short-notice audit, the organisation shall provide access to the site for BCI or designated third-party auditors</p>	<p>5.1.1 The organisation shall provide BCI staff and appointed third-party auditors access to all sites handling or selling Better Cotton, and access to any records or documentation related to purchasing, handling, or sales of Better Cotton and BCI Orders.</p> <p>a) Documents requested remotely by BCI or third-party auditors shall be provided within two weeks of the written request.</p> <p>b) Within 3 business days of being notified of a short-notice audit, the organisation shall provide access to the site for BCI or designated third-party auditors.</p>	<p>Updated timeline to provide information and respond to audit:</p> <p>a. from 10 calendar days to two weeks</p> <p>b. from 24 hours to 3 business days</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>Guidance: In some cases, BCI or third-party auditors may request documents (e.g. invoices and delivery slips) associated with purchases or sales of Better Cotton products, in order to monitor the integrity of the Chain of Custody and ensure correct use of the BCP. If documents or site access is not provided within the specified timelines, BCI will issue a written warning, and reserves the right to suspend the organisation's use of the BCP.</i></p>	<p><i>Guidance: In some cases, BCI or third-party auditors may request documents (e.g. invoices and delivery slips) associated with purchases or sales of Better Cotton and BCI Orders, in order to monitor the integrity of the Chain of Custody and ensure correct use of the BCP. If documents or site access is not provided within the specified timelines, BCI will issue a written warning, and reserves the right to suspend the organisation's use of the BCP. If there is still no action after issuance of a warning letter, the account should be suspended within 10 calendar days of letter sent. Regarding audit scheduling, if the organisation does not respond to BCI or third-party auditors after 3 email reminders and 1 phone call, then the BCP user access shall be temporarily blocked until the auditee responds to the audit request. Note for ginners: If a ginner has been outsourced for one season and then in the next season the outsourcing agreement is nullified, the ginner is still required to provide access for a site visit for ginner monitoring or third-party audit. This should be part of the contract clauses.</i></p>	<p>Additional information added, particularly related to gins</p>
<p>5.8.2 If during monitoring requests or audits, BCI staff or third-party auditors identify non-conformities (NCs) with the Better Cotton CoC Guidelines, the organisation shall correct these NCs within the specified timeframe and provide relevant evidence to the BCI staff or third-party auditor as below:</p> <p>a) For Minor NCs: the organisation shall correct the NC within 12 months and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 12 months, a Minor NC shall escalate to a Major NC.</p> <p>b) For Major NCs: the organisation shall correct the NC within 30 days and provide evidence to BCI or the third-party auditor demonstrating how the issue has been</p>	<p>5.1.2 If during monitoring visits or audits, BCI staff or third-party auditors identify non-conformities (NCs) with Chain of Custody requirements, the organisation shall submit their Corrective Action Plan (CAP) within two weeks after receipt of final audit reports. The organisation shall correct these NCs within the specified timeframe below.</p> <p>Guidance: If the organisation fails to submit their CAP within the timeline, BCI will temporarily suspend their BCP account until it provides a valid reason for delay, or submits the CAP.</p> <p>Applicable to other supply chain organisations:</p> <p>a) For Minor NCs: the supply chain organisation shall correct the NC within 12 months and provide evidence to</p>	<p>Added information on the suspension period which is in line with 5.8.3 (V1.3)</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>addressed. If not addressed within 30 days, a Major NC shall lead to the suspension of the Better Cotton Platform (BCP) account.</p>	<p>BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 12 months, a Minor NC shall escalate to a Major NC.</p> <p>b) For Major NCs: the supply chain organisation shall correct the NC within 30 calendar days and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed. If not addressed within 30 calendar days, a Major NC shall lead to the suspension of the Better Cotton Platform (BCP) account. The Duration of a suspension period will be a minimum of 3 months, and is defined by BCI considering the NC's situation.</p>	
<p><i>Guidance: A non-conformity (NC) is graded as Minor if it is 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. An example of a Minor NC could be a case where an organisation entered some transactions into the BCP after the specified deadline; however, the majority of data was entered on time, and a detailed internal procedure was in place around data entry.</i></p> <p><i>A NC is graded as Major 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. An example of a Major NC would be a case where an organisation enters all data into the BCP well after the deadline; the individuals entering data are not trained on the relevant CoC requirements, and an effective internal procedure has not been defined.</i></p>	<p><i>Guidance: Non-conformity Grading</i></p> <p><i>A non-conformity (NC) is graded as Minor if it is 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. An example of a Minor NC could be a case where an organisation entered some transactions into the BCP after the specified deadline; however, the majority of data was entered on time, and a detailed internal procedure was in place around data entry.</i></p> <p><i>A non-conformity (NC) is graded as Major 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. An example of a Major NC would be a case where an organisation enters the majority of its transactions into the BCP well after the deadline; the individuals entering data are not trained on the relevant requirements, and an effective internal procedure has not been defined.</i></p>	<p>No change</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>5.8.3 BCI retains the right to suspend the organisation’s use of the Better Cotton Platform (BCP) for a minimum period of 3 months due to the following cases:</p> <p>a) A Major NC has not been corrected within the specified timeframe</p> <p>b) Multiple Major NCs were identified, suggesting a fundamental lack of compliance with the Better Cotton CoC Guidelines</p> <p>c) BCI or a designated 3rd-party auditor has evidence of a NC that was induced purposefully, grossly negligent, systematic, and/or which imposes a severe reputational risk to BCI stakeholders.</p>	<p>5.1.3 BCI retains the right to cancel the ginner agreement and/or suspend use of the BCP (for ginners and other supply chain organisations) at any time due to the following cases:</p> <p>a) A Major NC has not been corrected within the specified timeframe.</p> <p>b) Multiple Major NCs were identified, suggesting a fundamental lack of compliance with the Better Cotton CoC Guidelines.</p> <p>c) BCI 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 BCI stakeholders. The NC can be identified through second party monitoring visits, third-party audits or any random checks.</p> <p>d) No response to submit a Corrective Action Plan (CAP) within two weeks of receiving the final audit report and CAP template.</p>	<p>Added d) on submission of CAP for clarification</p>
	<p><i>Guidance: The minimum period of suspension for cases a)-c) above is 3 months, the maximum is 12 months. In the case of c), or in the case of continued non-compliance, BCI membership may also be suspended if the organisation is also a BCI member. Use of the BCP can also be suspended due to non-payment of membership or system fees. For case d), BCI will re-activate the account once CAP template is submitted.</i></p>	<p>Additional guidance on suspension period (which is in line with 5.8.3 V1.3)</p>
<p>5.8.4 If the organisation’s use of the BCP is suspended, the organisation shall not sell any cotton as ‘Better Cotton’ until the agreement is reinstated. BCI retains the right to reduce the organisation’s BCP account inventory as a result of the suspension</p>	<p>5.1.4 If the ginner agreement is cancelled and/or use of the BCP is suspended (for ginners or other supply chain organisations), the gin or other supply chain organisation shall not sell any cotton as ‘Better Cotton’ or BCI Orders or enter any transactions into the BCP until it is reinstated.</p>	<p>Moved information to guidance</p>

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p><i>Guidance: BCI will ensure that written notice is provided to the organisation (including the terms of the suspension and any impacts on the inventory in the BCP. Use of the BCP can also be suspended due to non-payment of membership or system fees. In this case the user's account inventory will be zeroed out before system use can be reinstated.</i></p>	<p><i>Guidance: BCI will ensure that written notice is provided to the ginner and supply chain organisation (including the terms of the suspension and any impacts on account inventories in the BCP). In the specific case that BCP access is suspended due to non-payment of membership or system fees, the user's account will be zeroed out before system use can be reinstated.</i></p>	Additional guidance on different scenarios (also including for supply chain organisations using mass balance).
<p>5.8.5 If an organisation cannot verify their purchases or sales of Better Cotton products, or if there is evidence of fraudulent use of the BCP, BCI retains the right to reduce the organisation's BCP account inventory up to the total volume of unverified or fraudulent transactions</p>	<p>5.1.5 If purchases or sales of Better Cotton and/or BCI Orders cannot be verified through supporting documentation (or documents are not authentic or accurate), or if there is evidence of fraudulent use of the BCP, BCI retains the right to reduce the organisation's BCP account inventory up to the total volume of unverified or fraudulent transactions.</p>	Clarified language
<p><i>Guidance: If an organisation cannot verify the status of Better Cotton purchases/ sales through supporting documentation (or documents are not authentic or accurate), BCI can deduct these corresponding volumes from the BCP account. The organisation will be informed in writing of the volumes deduction. If the deduction exceeds the current quantity of BCCUs in the organisation's BCP account, the inventory will become negative.</i></p>	<p><i>Guidance: The ginner or supply chain organisation will be informed of the volume deduction in writing. If the deduction exceeds the current quantity of BCCUs in the BCP account, the inventory will become negative.</i></p> <p><i>Note for ginners: BCP account inventory adjustments may be made to seed and/or lint inventory, where applicable.</i></p>	Removed repetitive information and added information for gins
	<p>5.1.7 If a supplier/manufacturer has a negative inventory of BCCUs for more than 120 calendar days, BCI reserves the right to issue a major non-conformity or suspend their BCP account.</p>	Moved from guidance on overdraft facility.
<p>5.9 Appeals</p>	<p>5.2 Appeals</p>	
<p>5.9.1 If a supply chain organisation wishes to file an appeal against the outcome of a BCI or third-party monitoring or audit process, the organisation shall send a full description</p>	<p>5.2.1 If an organisation wishes to file an appeal against the outcome of a BCI or third-party monitoring or audit process, the organisation shall send a full description of the appeal</p>	No change

CoC Guidelines V1.3	CoC Guidelines V1.4	Major changes
<p>of the appeal (including supporting evidence) to compliance@bettercotton.org with the subject line clearly marked 'Appeal'. The appeal must be filed within 10 calendar days of receiving notice of the outcome of the audit or monitoring process.</p>	<p>(including supporting evidence) to compliance@bettercotton.org with the subject line clearly marked 'Appeal'. The appeal must be filed within 10 calendar days of receiving notice of the outcome of the audit or monitoring process.</p>	
<p><i>Guidance: Appeals will be reviewed and decided by BCI's Membership Director, Senior Supply Chain Manager, or Senior Assurance Manager. To be considered valid, appeals must include objective evidence supporting the appeal, such as documentation, photo evidence, etc. The outcome of the appeal will be provided in writing to the appellant within 30 days of receipt.</i></p>	<p><i>Guidance: Appeals will be reviewed and decided by BCI's Membership and Supply Chain Director. To be considered valid, appeals must include objective evidence supporting the appeal, such as documentation, photo evidence, etc. The outcome of the appeal will be provided in writing to the appellant within 30 days of receipt.</i></p>	<p>Updated authority on decision of appeals.</p>