

# Measuring Cotton Consumption: Requirements & Guidance

Better Cotton Initiative

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# 1. Introduction

BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. BCI works collectively with multiple stakeholders, from farmers to retailers and brands, driving the cotton sector towards sustainability. Through BCI, retailers and brands contribute to transforming cotton production by funding farmer capacity building through fees generated by their sourcing of Better Cotton.

Effective business strategies for sourcing more sustainable cotton must be based on a detailed understanding of a company's cotton consumption. It is therefore important to measure consumption in a consistent, verifiable way. This will also drive uptake of more sustainable cotton and support credible claims that participating BCI Members can make.

## a. Purpose

These Requirements & Guidance are intended to support accurate, consistent and transparent reporting of cotton fibre consumption to BCI by providing a methodology for verifiable measurement by BCI Retail and Brand Members ('RB Members').

RB Members must annually measure their cotton consumption to:

- ▶ Calculate their financial commitment to BCI via Membership Fees and Volume-Based Fees ('VBF').
- ▶ Implement a Better Cotton sourcing programme using the Better Cotton Chain of Custody.
- ▶ Make credible claims (communications, marketing and public relations) using the Better Cotton Claims Framework.

Information for converting product and fabric weight to cotton fibre weight can be found in the document '*Measuring Cotton Consumption: BCI Conversion Factors and Multipliers*'.

For instructions on collecting, organising and allocating data to make cotton fibre calculations, see '*Measuring Cotton Consumption: Technical Supplement*'.



## 2. Definitions

For the purposes of this document, the following definitions are used.

**Cotton Fibres** include:

- Virgin cotton lint: Cotton fibres that are ready to be spun into yarn after being separated from cotton seeds through the ginning process; also referred to as 'virgin cotton'.
- Comber noil: A cotton-based by-product of the combed yarn spinning process mainly reused in the production of open-end yarns, non-woven fabrics, hygiene, healthcare and paper products.
- Recycled cotton: Cotton fibres regenerated from pre-consumer or post-consumer textile products and waste materials through a mechanical or chemical process.



Figure 1: Cotton consumption of a BCI RB Member involves measuring the weight of all cotton fibres, including comber noil, recycled cotton and cotton lint. The proportions shown in the diagram are not representative of actual distributions.

**Cotton fibre consumption:** The weight of cotton fibres consumed by spinners, fabric manufacturers, mills and end-product manufacturers for constructing end products.

**Products:** Goods destined for sale through retail or wholesale channels. For the purposes of this document, 'Products' should be understood as 'Cotton-containing products.'



# 3. Measurement Requirements

To be eligible for BCI Membership, RB Members must demonstrate ongoing conformity with the requirements in this section.

As cotton gets processed in the supply chain, there is some wastage of material. For this reason, the weight of cotton in end products is typically less than the weight of cotton fibre consumed for manufacturing those products.

RB Members are not expected to collect primary data to calculate their cotton fibre consumption. For guidance on converting product, fabric and yarn weight to cotton fibre, RB Members should refer to the document “*Measuring Cotton Consumption: BCI Conversion Factors and Multipliers*”.

## a. Scope

**Retailer & Brand Members shall ensure that their measurement includes all cotton fibre sources defined in Table 3.1. Submissions to BCI must document the weight of cotton fibre, separated by source.**

Cotton fibre source	Source included in calculations related to:	
	Membership Fees	Volume-based Fees
Conventionally grown	Yes	Yes
Cotton sourced as Better Cotton	Yes	Yes
Identity Cotton Programmes (Such as Fairtrade and organic)	Yes	No
Pre-consumer recycled (Including comber noils*)	Yes	No
Post-consumer recycled	Yes	No

Table 3.1. Cotton Sources

\* Detailed data allowing the exclusion of pre-consumer recycled cotton fibres (notably comber noils) in textile products are generally not available to RB Members. In this case, the weight of comber noil is automatically included in the RB Member’s cotton consumption data.

## Membership Fees

RB Members must include all cotton fibre sources marked ‘Yes’ in Table 3.1. when establishing their Fee Level.

All cotton sources should be included, regardless of whether these are from exclusively cotton or whether they are blended with another material (e.g. polyester).

BCI Membership fees are based on annual cotton consumption for Retailers and Brands, and RB Members are categorised accordingly.

## Volume Based Fees

The cost per metric tonne of Volume-Based Fees (VBF) depends on two factors:

- Absolute procurement** – the RB Member’s total uptake of Better Cotton per year, in metric tons.
- Relative procurement** – how much the absolute procurement represents as a percentage of the RB Member’s cotton fibre consumption.



# 3. Measurement Requirements

## b. Product Components

Retailer & Brand Members shall, as a minimum, include all main components of all products intended for resale. Submissions to BCI must record excluded components.

'Main components' include the major structural and aesthetic components of a product. Minor components, include (but are not limited to) those listed below:

- Badges
- Logos
- Belt loops
- Neck tapes
- Candle wicks
- Packaging
- Draw cords
- Pocketing
- Embellishments
- Shoe liners
- Fillings\*
- Threads
- Interlinings
- Trims
- Laces
- Waistbands

*\*Except where these are a major product component, e.g. fillings in bedding.*

RB Members are encouraged to include all components of products in scope where data is available.

## c. Third Party Brands

Retailer & Brand Members shall exclude products belonging to brands that are not under their ownership or direct control.

Third party brands are brands that are not owned or directly controlled by the RB Member, but whose products may be sold via its sales channels.

### Example 1:

RB Member "Galaxy Group" owns three brands and controls their sourcing practices: "Star", "Sun" and "Moon".

Galaxy Group also sells products of brand "Earth". It does not own Earth or control the brand's sourcing practices.

Galaxy Group should therefore **not** include Earth's products in its measurement.

## d. Licensed Products

Due to the complexity of licensing agreements and the associated implications for measuring cotton consumption, communications and BCI Fees, RB Members should not include licensed products by default.

Brands considering including Licensed production in their measurement should contact BCI at [membership@bettercotton.org](mailto:membership@bettercotton.org) to discuss the relevance and application of BCI's Licensee Policy.

## e. Data Collection

Retailer & Brand Members shall measure cotton consumption, in order of preference, based on either (i) products purchased by the RB Member or (ii) products sold to customers.

Submissions to BCI must record which option is used. When measuring cotton consumption, it is preferable to use data that accurately reflects all cotton-containing products sourced by the RB Member.

Unsold products, such as returns or those donated to charities should be included when measuring cotton consumption, as these are part of the RB Member's procurement.

RB Members may use product sales data where product purchase data is unsuitable, or where other concerns exist (for example, data quality) that prevent the use of product purchase data.



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## 3. Measurement Requirements

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### f. Timeframe

**Retailer & Brand Members shall measure cotton consumption using data that covers a continuous 12-month period. Submissions to BCI must record the timeframe.**

Product styles, seasonality and product development cycles all affect the total cotton consumption of an RB Member. Capturing data over a continuous 12-month period helps to ensure that data collected is representative of the RB Member's consumption over a year.

RB Members should select a period that facilitates consistent data collection and supports their own reporting requirements. Examples include (but are not limited to) fiscal years, a complete set of product seasons or a calendar year.

### g. Exclusions

**Retailer & Brand Members may exclude goods not for resale when measuring cotton consumption. Submissions to BCI must record whether these goods are included or excluded.**

Goods not for resale include any operational overheads that do not fall under the definition of a product. Examples include staff uniforms, fabric swatches and samples.

### h. Voluntary Exclusions

**Retailer & Brand Members shall include all sources of cotton consumption and all products that are likely to exceed 1% of their total cotton consumption. The total of all exclusions shall not exceed 1% of the total cotton consumption. Submissions to BCI must record and justify all voluntary exclusions.**

Voluntary exclusions are permitted to avoid complex calculations or data collection for sources of cotton consumption or products that do not significantly affect the overall result.

Estimations and approximations are acceptable methods of testing whether a source is likely to exceed 1% of an RB Member's cotton consumption before deciding whether to include or exclude it.

### i. Record Keeping

**Retailer & Brand Members shall establish a written protocol for measuring cotton consumption and maintain this protocol in a format suitable for analysis and verification. Records shall be kept for a minimum of five years.**

Records may include any documents (calculations, databases, diagrams, typed or handwritten notes, presentations) directly or indirectly related to the RB Member's measurement of cotton consumption.

Typical examples of records that should be kept include:

- Raw data used for calculations, its source and storage location
- Data cleansing processes and all calculations used to generate results (such as Excel workbooks or database queries)
- Secondary data used for calculations (such as industry average product weights) and their source
- Notes or methodology documents that detail choices made by RB Members (such as the basis for exclusions and other important decisions)
- Documents illustrating sign-off of complete results (such as e-mails or internal auditors' notes).



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## 4. Third Party Verification

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Third party verification is the process whereby an individual or organisation, independent of the RB Member (and, if applicable, the individual or organisation carrying out the measurement), assesses whether the RB Member's measurement meets the requirements of Section 3.

### a. Verification Frequency

The frequency over which RB Members must undertake these activities is detailed in table 4.1:

Requirement / Membership size category	Very Small	Small	Medium	Large	Very Large
Frequency of third-party Verification	None	Every other year	Every year	Every year	Every year

Table 4.1 Third-party verification requirements

### b. Types of Verifiers

Acceptable verifiers include financial auditors and consultancies, standards-based auditors and consultancies, and general environmental sustainability consultancies.

BCI will publish additional guidance for verifiers in 2021, before verification becomes a requirement.





## 5. Reporting

RB Members must report their cotton consumption calculations to BCI, including evidence of third-party verification (where applicable), each year.

Cotton consumption calculations can be submitted from 01 April and must be received no later than 15 November each year. Accordingly, cotton consumption calculations will not be adjusted during the annual VBF invoicing period of Q1.

Membership, Volume-based Fees and related claims will be based on the most recent verified cotton consumption calculation that BCI has received.

### a. Implementation Timeline

In 2020 and 2021, RB Members are required to submit updated cotton consumption calculations only. As of 2022, RB Members must also submit evidence of third-party verification in accordance with the requirements listed in Table 4.1. While the requirement for submitting evidence of third-party verification only becomes applicable in 2022, RB Members are encouraged to include this in earlier submissions.

Due date	Submission year*		
	2020	2021	2022 and beyond
Cotton consumption calculation	Yes	Yes	Yes
Third-party verification evidence	No	No	Yes**

Table 5.1 Reporting requirements & deadlines

\* Your submission year is not likely to be the same as the timeframe covered by your cotton consumption calculation. RB Members can measure their cotton consumption over any timeframe (e.g. fiscal year, calendar year). Please see Section 3f (Timeframe).

\*\*RB Members in the “Small” membership fee category should submit the third-party verification in 2022, and then every other year in accordance with Table 4.1.

RB Members must submit electronically using the Excel sheet “*Measuring Cotton Consumption: BCI Annual Cotton Consumption Submission Form*” (see Annexe 1).



## 6. Summary of Requirements

Type of requirement	Section Number	Requirements	Membership Size Category				
			Very Small (0 – 5,000 MT)	Small (5,000 – 20,000 MT)	Medium (20,000 – 50,000 MT)	Large (50,000 – 125,000 MT)	Very Large (Greater than 125,000 MT)
Cotton Consumption Measurement Requirements	5	Frequency of measurement	Every year, signed by authorised person				
	5	Cotton consumption submission deadline	15 November each year, via electronic form				
	5	Due date of first cotton consumption submission	15 November 2020, and every year thereafter				
	1a	Scope	All cotton fibre sources, separated by source				
	1b	Product components	Main components of all products intended for resale (minimum)				
	1c	Third party products	Excluded				
	1d	Licensed products	Excluded, unless agreed with BCI				
	1e	Data collection (products included)	Preferably purchased products, alternatively sold products				
	1f	Timeframe	Any continuous 12-month period				
	1g, 1h	Exclusions permitted	1. Goods not for resale; 2. Other products whose total does not exceed 1% of your total cotton consumption.				
	1i	Record keeping	Written protocol required				
Third-party Verification Requirements	4a	Verification needed	None	Third-party	Third-party	Third-party	Third-party
	4a	Verification frequency	None	Every other year	Every year	Every year	Every year
	5	Verification submission deadline	None	15 November each year			
	5	Due date of first verification submission	None	15 November 2022			

Table 6.1: Summary of RB Member requirements for the annual cotton consumption calculation



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## 7. Additional Resources

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### BCI sources

- *Measuring Cotton Consumption: BCI Conversion Factors and Multipliers.*
- *Measuring Cotton Consumption: Technical Supplement.*

### Further reading

- Textile Exchange: *Corporate Fiber and Materials Benchmark (CFMB) “Fiber Uptake Calculations & Reporting Best Practices Guide, 2019.”*




# Annexe I: Measuring Cotton Consumption: BCI Annual Cotton Consumption Submission Form

RB Members must submit a completed copy of this form when submitting data to BCI in accordance with the requirements of Section 3 and the reporting deadlines listed in Section 5.

Editable copies are available [here](#).

Completed submission forms should be uploaded for submission to BCI [here](#).

**Retailer & Brand Member Reporting Submission Form**  
v. 1.0 October 2020



Retailer & Brand Members submitting data to BCI will be asked to complete and submit the following Submission Form for further details refer to the Global version of the BCI Livelihood, Measuring Cotton Consumption Requirements & Guidance.

**Section 1: Retailer & Brand Member details**

Reference	Question	Your Answer	Additional Details
1.1	Retailer & Brand Member name		
1.2	Date submitted to BCI		month DD/ Month /YY
1.3	Date launched & type		Include the actual date and/or date, the type of retail unit, retail channel, and, if relevant, the new brand and whether compared to previous submissions.
1.4	Responsible person & role		Person who is responsible for collecting, measuring & submitting data, and how this role is managed by your brand. Please detail needs.
1.5	Date launched		E.g. Purchase Order, Customer Receipt, Shipping, Production Receipt, Management dashboard
1.6	Product code type		Select as necessary (see Requirement 16.2) (e.g. using Cotton Consumption Capabilities & Address)
1.7	Total product units		e.g. 1,000,000 units/year and 200,000 units/month for 12 months period only
1.8	Unit of measure in stock		Unit as defined in your cotton consumption. If not available, please use the Metric tonnage
1.9	List of divisions/brands for business areas included		e.g. Apparel, footwear, home accessories, footwear, accessories
1.10	Divisions/products		Select as necessary (see Requirement 16.1). If relevant, please add further details in section 1
1.11	Stock location code		Select as necessary (see Requirement 16.1). If relevant, please add further details in section 1
1.12	Business changes influencing cotton consumption		e.g. internal relocations, etc.

**Section 2: Measurement details: Cotton weight**

Please list the total weight of each source of cotton fibre used in your measurement. If the weight of a source is unknown, enter 'unknown'. If a source is not used, enter '0'.

Reference	Cotton Type	Weight (metric tonnes of cotton fibre)	Additional Details
2.1	Better Cotton		See requirements
2.2	Conventional cotton		

Please direct your questions  
about this document to:  
[Membership@bettercotton.org](mailto:Membership@bettercotton.org)

