



Chain of Custody Standard Public Stakeholder Consultation

Summary of feedback on the Better Cotton CoC
Standard v0.3

About this document

This document summarises feedback collected through public consultation on the draft Better Cotton Chain of Custody Standard v0.3, conducted from 26 September to 25 November 2022.

Consultation activities included a global online survey, online webinars and promotion, in-person interviews and site visits, and remote traceability governance groups.

The CoC Standard v1.0 was approved by the Better Cotton Council in February 2023. The new Standard comes into effect in May 2023 with a transition period until May 2025.

More information on the CoC Standard can be found on our website at: <https://bettercotton.org/what-we-do/connecting-supply-demand-chain-of-custody/>.

Our thanks to all who participated in the consultation for their valuable input.



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- 🌱 Public Stakeholder Consultation: Key Figures
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- 🌱 Guidance and Other Materials
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Revision Overview

Better Cotton Traceability Programme overview

Programme objective: Enable the tracing of physical Better Cotton through global supply chains

Delivery timeline: Aiming to go live with select supply chains and suppliers in Q4 2023, scaling in 2024 onwards

Key programme deliverables:



Strengthened Chain of Custody

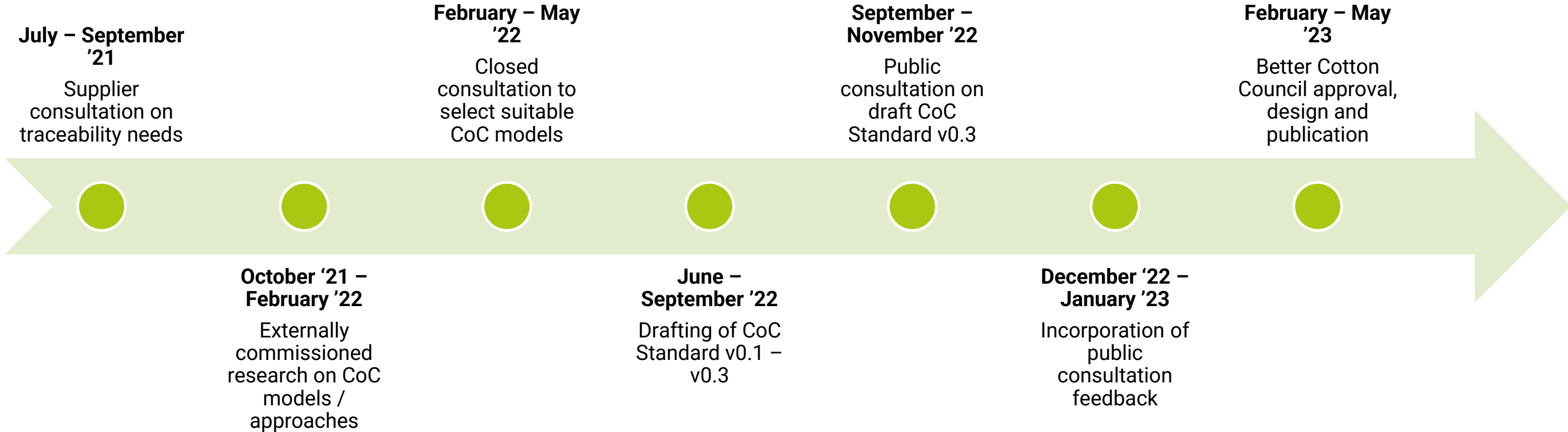


Enhanced digital traceability platform (BCP)



Strengthened assurance approach to underpin substantiated claims

Revision timeline



Entering a new phase for Better Cotton's Chain of Custody

In redrafting Better Cotton's Chain of Custody, we introduced the following:

- 1 Renamed and restructured the document – from CoC Guidelines v1.4 to CoC Standard v1.0
- 2 Addition of three new Chain of Custody models
- 3 Harmonised and expanded the management system requirements
- 4 Consistent requirements relating to documentation, purchasing, material receipt and sales
- 5 Focus on normative requirements for suppliers (implementation and monitoring guidance, BCP user manual and RB claims requirements will live in separate documents)



Public
Stakeholder
Consultation
Key figures

Chain of Custody public consultation process

26 September – 25 November 2022

Online survey and promotion

- Survey in 10 languages
- Promotion via BCP / Better Cotton media channels
- Public and member webinars

Direct engagement

- Deep engagement with suppliers in India, Pakistan, China, and Turkey
- Workshops, webinars, interviews, site visits
- Focus on ensuring inclusivity

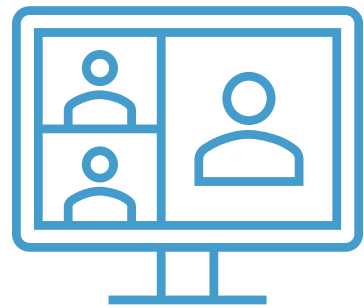
Traceability governance groups

- Representation from across the supply chain and manufacturing geographies
- Feedback on CoC through 7 interactive workshops
- Consultation sessions with Retailer and Brand governance groups

Chain of Custody Public Consultation

Reach overview

Total number of countries represented: **26**



496

Attended online webinars in English, Mandarin & Turkish



104

Participated in our online survey



91

Consulted through in-country interviews and small workshops



362

Individual comments collected through consultation activities



Summary of
Feedback and
Follow-up

Better Cotton Chain of Custody Standard structure

1. Introduction and Chain of Custody requirements

2. Management system requirements

3. Purchasing, material receipt, storage and production

4. Sales and goods out

5. Volume reconciliation of inputs and outputs

6. CoC Supply Chain Models



Section 1: Introduction and Chain of Custody requirements

Summary of Feedback

- 🌱 **Scope** of the Standard and **applicability** need clarifying (1.1) – applies to “all supply chain organisations that are buying or selling physical Better Cotton or fulfilling Better Cotton mass balance orders”, but also includes specifics for certain supply chain actors (e.g. gins).
- 🌱 Better Cotton **membership criteria** need clarifying (1.3)
- 🌱 Traders should have a minimum set of requirements to ensure that they are passing claims accurately (1.3.3) – e.g. Must use BCP for all Better Cotton transactions.

Better Cotton response

- 🌱 Section 1 was reworked for clarity. **Scope now includes virgin Better Cotton fibre**, with by-products out of scope at this stage. **Applicability criteria clarified** – document highlights where certain requirements are supply chain specific.
- 🌱 **Clarity provided on existing membership criteria** – “Better Cotton membership is obligatory for: a) Retailers and brands that want to purchase end-products with a Better Cotton claim and b) Suppliers sourcing bales of ginned lint (cotton traders and manufacturers with spinning capabilities)”.
- 🌱 Requirements for **raw cotton traders, agents and brokers** clarified.

Section 2: Management system requirements

Summary of Feedback

- 🔄 Request for **clarity on the scope of complaints procedure**: “The organisation shall establish and maintain a procedure for the handling and resolution of complaints” (2.6.1).
- 🔄 Guidance required on how to implement a mechanism to control **non-conforming products**: “The organisation shall ensure that a mechanism is in place for handling non-conforming products...” (2.7.1).
- 🔄 Concerns that requirements relating to an **internal audit** were not feasible for smaller enterprises: “The organisation shall conduct annual internal audits, covering all activities within the scope of verification...”.

Better Cotton response

- 🔄 **Additional wording** to 2.6.1: “The organisation shall establish and maintain a procedure for the handling and resolution of complaints *relating to the organisation’s implementation of the Better Cotton CoC Standard*” (emphasis added). Further clarification provided in guidance document(s).
- 🔄 **Further clarification and examples** on control and identification of non-conforming products provided in guidance material
- 🔄 Internal audit requirement has been changed to a **self-assessment**, which suppliers will share with Better Cotton annually.

Sections 3 & 4: Purchasing, material receipt and storage; Sales and goods out

Summary of Feedback

- 🔄 **Purchasing requirements** for ginners required further elaboration (3.1.2).
- 🔄 Guidance requested on the **types of documentation** that should be received on **material receipt** (3.2.1), further clarity required on terms (3.2.3).
- 🔄 Request for examples of segregation methods – physical separation / temporal / physical identification (3.3.1).

Better Cotton response

- 🔄 Additional wording added to **ginner purchasing requirements** – covering 1) Names and contact information of markets/middlemen, 2) Ensuring middlemen have appropriate segregation systems in place, and 3) Access to middlemen purchase records from licensed BCI farmers.
- 🔄 Additional information on material receipt with examples included in Implementation Guidance material – invoice, bill of lading, delivery notes. Also included definitions on key terms.
- 🔄 Further descriptions and examples of segregation methods added to Implementation Guidance material.

Section 5: Volume reconciliation of inputs and outputs

Summary of Feedback

- 🕒 Reference to “Better Cotton inputs and outputs” do not specify which CoC models they are referring to – further clarification requested here (5.1.2).
- 🕒 Further clarification and guidance required on conversion factors and volume reconciliation – conversion factors can vary depending on process step and product characteristics (5.1.3).
- 🕒 “The organisation shall... maintain a process for investigating deviations from the expected conversion factor by more than five per cent (5%)” (5.15) – feedback from suppliers was that this lower threshold was unrealistic for certain supply chain stages.

Better Cotton response

- 🕒 Section reworded for clarity: “The organisation shall prepare aggregate annual volume summary reports of *all physical Better Cotton and mass balance order inputs and outputs*” (emphasis added).
- 🕒 Guidance on calculating conversion factors added to the guidance document(s), and how this relates to the BCP: “Batch level conversion factors are determined by the BCP based on the total input and output weights”.
- 🕒 Reference to a specific % **target removed** from the CoC Standard: “The organisation shall investigate deviations from expected conversion factor ranges, when requested to do so by Better Cotton”.

Section 6: CoC supply chain models

Summary of Feedback

- 🌱 Mass Balance: 1) Request for trader restrictions on Mass Balance to be included, 2) Questions around the relationship between BCCUs and physical Better Cotton, and 3) Request for a diagram explaining Mass Balance (to align with other CoC model diagrams).
- 🌱 Controlled Blending: 1) Request for clarification on interaction with non-cotton fibres, and 2) For the 50% minimum Better Cotton content, questions over how incorporation of non-cotton fibres affects the overall % and whether the 50% minimum is compulsory.
- 🌱 Segregation (Multi-Country) and Segregation (Single Country) – some responses questioned whether two distinct segregation models added material value.

Better Cotton response

- 🌱 Additional wording on trader restrictions added, clarification on BCCUs as Mass Balance specific, and addition of diagram to explain Mass Balance (and all diagrams moved to Section 1).
- 🌱 Clarification on non-cotton fibre: “Where non-cotton fibre is used as input during the manufacturing / processing activity, the percentage claim may also include this content”, removal of the 50% minimum requirement (this will be covered in the Claims Guidance)
- 🌱 Two distinct segregation models have been maintained, as they underpin traceability to Country of Origin.

Feedback that was not incorporated into the CoC Standard

Not all feedback received through consultation could be incorporated directly into the CoC Standard. A large portion of input related to strategic direction, the need for more guidance on CoC requirements, and approaches to monitoring and verification. This valuable feedback will be used to inform implementation guidance and our integrity approach, but will not be incorporated into the CoC Standard itself.

There was also feedback that related directly to the CoC Standard, which was not incorporated. This includes feedback relating to:

- 🕒 **Mass Balance:** We received feedback from a number of stakeholders requesting we commit to a phase-out date for Mass Balance, after which all suppliers would be required to adopt physical CoC models. Removing the Mass Balance CoC model is out of the scope for this revision process. Mass Balance remains a credible sourcing option for many members, and is a key source of funding for Better Cotton's capacity building programmes in the field. Adoption of physical CoC models will be optional. Scaling will be driven by market demand.
 - 🕒 **Pricing and commercially sensitive information:** We received a number of requests to mandate suppliers to share pricing information via the BCP, and for this information to be shared with end-buyers. Capturing and sharing this information is outside this revision's scope and will not be incorporated into future BCP functionality.
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Guidance and
Other Materials

Guidance and other materials

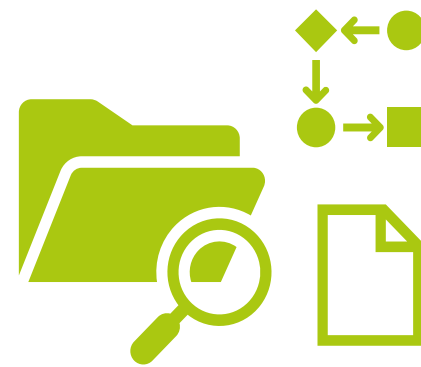
Chain of Custody Standard



Normative document including CoC requirements



Chain of Custody Guidance



Additional implementation guidance, terminology and definitions, templates and tools.



Training Resources



In-person and online training materials and support tools



Monitoring & Verification (M&V)



Adapted M&V procedure, including a risk-based site assessment approach



Contacts and
more
information

Contacts

As per ISEAL recommendations, original comments submitted via the online survey will be made available upon request in an anonymised form.

Should you wish to receive the full list of comments or had any questions about the Revision process, please contact Josh Taylor, Traceability Manager – josh.taylor@bettercotton.org

For further updates on the Chain of Custody and other Better Cotton activities, sign up to our newsletter via our website and follow our social media channels.



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Thank you!