

# FAQs: Better Cotton Certification for Ginners, Suppliers, Manufacturers, Retailers and Brands

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### **Document Purpose**

This document is intended for all stakeholders of Better Cotton. The answers to these frequently asked questions (FAQs) are intended to complement the webinar that was held on 13 December 2024. A link to the recording of this webinar can be found <u>here</u>.

If you have any questions, please send them to <u>helpdesk@bettercotton.org</u>.

If you would like to receive a notification on 3 February 2025 when your organisation can begin taking steps towards becoming certified, share your contact information here.



### Context

### Do I need to become certified?

**Ginner:** Only if you wish to process and sell Physical (Traceable) Better Cotton. Mass Balance does not require certification at this point.

**Suppler/Manufacturer:** Only if you wish to source, process and sell Physical (Traceable) Better Cotton. Mass Balance does not require certification at this point.

**Retailer/Brand:** Only if you wish to source and sell products containing Physical (Traceable) Better Cotton <u>and</u> use the BCI Content Label. Mass Balance products do not require certification and are not eligible for a BCI Content Label.

### Why is Better Cotton becoming a Certification Scheme?

Better Cotton is making a transition from a Licencing Standard to a Certification Scheme to meet new and emerging legislative requirements while maintaining a robust and credible standard. This transition will culminate in the new BCI Content Label for products containing Physical (Traceable) Better Cotton sourced through a certified supply chain.

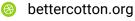
### Isn't Better Cotton already a Certification Scheme?

Currently, Better Cotton is a Licencing Standard, which means assessments and licencing decisions are made using a mix of second- (Better Cotton) and third-party verifiers (Certification Bodies). As a Certification Scheme, all assessments and certification decisions will be made by third-party Certification Bodies.

#### What is a Certification Body?

A Certification Body is a third-party organisation approved by Better Cotton to conduct impartial audits and grant certifications that prove an entity's conformance to either the Better Cotton Principles & Criteria for Farmers and Producers, and/or Chain of Custody for Ginners, the Supply Chain, and Retailers/Brands. Better Cotton will share specific details on Certification Bodies to contact to arrange an audit in February 2025.

Will the volume of Physical (Traceable) Better Cotton increase to meet demand with the transition to certification and introduction of the BCI Content Label for products containing Physical Better Cotton sourced through a certified supply chain?





In just over 12 months since Better Cotton launched Traceability and the opportunity to source Physical Better Cotton, over 1,000 supplier sites are able to source and uptake of Physical Better Cotton by Spinners has nearly doubled every 4 months since March 2024. Next season (2025-26) Physical Better Cotton will be available from even more countries.

As the 2024-25 season progresses and more Spinners are onboarded to/certified against the Chain of Custody (CoC) Standard v1.0, we expect a positive trend in terms of supply of Physical Better Cotton to continue. For supply to grow, the supply chain needs to see demand in the form of orders for products containing Physical Better Cotton and requirements to become certified against the CoC Standard v1.0.

### What is the main difference between the Chain of Custody v1.0 and v1.1?

The main difference is the requirements on Retails/Brands certification and requirements on third-party audits. More details can be found here.

### How do I find an approved Certification Body to conduct an audit?

There is a list of approved Certification Body's on the Better Cotton website. We will make this page easier to find with a website refresh in the new year.

#### Who will be responsible for covering the cost of certification?

Better Cotton will continue funding the costs of assessments and certification audits at a Producer level where this was previously the case. All Ginners, Suppliers/Manufacturers and Retailer and Brand Members will be responsible for covering the cost of certification.

### What support and training will be available from Better Cotton?

We have stakeholder specific training planned for the new year, dates will become available shortly and will be publicised on myBetterCotton for Members, and the Events and Webinars page of the Better Cotton website for non-members.

### What are the benefits of becoming a Certification Scheme?

Benefits include:

- Meeting the needs of our stakeholders to adhere to evolving regulations •
- Introducing new assured claims for products containing Physical Better Cotton, such ٠ as the BCI Content Label





- Further enhancing the rigour and credibility of our system encouraging further uptake
- Greater data collection to help us identify areas of non-conformity
- Consolidation of procedures across our Principles & Criteria (P&Cs) and Chain of Custody (CoC) Standard.

### Ginners

### What will Ginners be certified against?

Ginners will be certified against the CoC Standard v1.0 during the 2025-26 season, and then against the CoC Standard v1.1 from the 2026-27 season.

#### When will Ginners be certified?

Ginners who wish to be certified will have the opportunity to do so over the following three seasons: 2025-26, 2026-27, and 2027-28. The first Ginners to become certified will be in Mozambigue and Pakistan in mid-2025.

#### How long does Ginner certification last for?

Ginner certification lasts for three years.

### If an organisation/unit is both a Farm and a Ginner, will they be required to undergo two certifications?

Yes, the organisation/unit will be required to undergo two certification assessments. The Producer Unit will undergo a Producer level audit under the Principles & Criteria. The Ginner will undergo a Chain of Custody audit under the CoC Standard.

We are currently reviewing setups in countries where ginning is a service and ownership of the cotton remains with the farm. In these instances, it is likely we will place some Chain of Custody requirements on the Producers to ensure the integrity of the cotton is retained through the ginning process to the buyer.

#### Will all Ginners be required to be certified?





Not all Ginners are required to be certified immediately from next season (2025/2026). Ginner certification will be phased in across three seasons. For next season, only Ginners who intend for their Better Cotton lint to be considered as Physical Better Cotton are required to become certified. For Ginners who intend for their Better Cotton lint to be considered as Mass Balance Better Cotton Claim Units (BCCUs) only, there is no requirement to become certified at this time.

### Will annual registration and training for Ginners continue?

Yes. The annual registration and training of Ginners via the Ginner Training Programme (GTP) continues as normal. Ginners must attend training and re-register for each season.

### Suppliers and Manufacturers

### Who are Better Cotton referring to when we say "Suppliers and Manufacturers"?

Better Cotton refer to the following supply chain organisations as "suppliers and manufacturers":

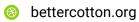
- Lint Traders, Non-Lint Traders and Sourcing Agents
- Spinners, including Integrated- and Vertically-Integrated Spinners
- Fabric Mills, Integrated Mills, and End-Product Manufacturers

### What will Suppliers and manufacturers be certified against?

Suppliers and manufacturers will be certified against the CoC Standard v1.0 from February 2025, and against the CoC Standard v1.1 from January 2026. The CoC Standard v1.1 will be communicated at least six months prior to being effective so that the supply chain has time to adjust to be assessed against it.

## Must every supplier and manufacturer be audited/certified in order for a BCI Content Label to be used?

Yes, every suppliers and manufacturer that handles Traceable Better Cotton must be audited/certified in order for a BCI Content Label to be used.





# If I do not own the product containing Physical Better Cotton (for example, fabric) that I am processing (as I am a subcontractor), do I still need to be audited/certified?

No, the organisation who retains ownership of the product will remain responsible for the product and is the organisation who need to be audited/certified.

#### When will suppliers and manufacturers be certified?

The earliest opportunity for suppliers and manufacturers to begin the process to become certified will be February 2025. Suppliers and manufacturers may choose to become certified at any time from this point onwards.

#### How long does Supplier/Manufacturer certification last for?

Supplier/Manufacturer certification lasts for three years.

### Will all Suppliers/Manufacturers be required to be certified? Can a Supplier/Manufacturer opt out of certification?

Only Suppliers/Manufacturers who intend to source and sell Better Cotton as Physical Better Cotton will be required to become certified. Those who intend to continue sourcing as Mass Balance BCCUs only are not required to become certified currently. This may change in the future.



### Will the Supply Chain need to become certified?

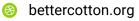


## When will Suppliers/Manufacturers who are already onboarded to the CoC Standard v1.0 to source Physical Better Cotton need to be certified by?

Suppliers/Manufacturers who are currently sourcing Physical Better Cotton or who are onboarding to the CoC Standard before 3 February 2025 as they have submitted a registration form will have until 30 September 2025 to become certified. Otherwise, we will pause their ability to receive/send Physical Better Cotton transactions in the BCP until they become certified.

### What is the process to become certified for Suppliers/Manufacturers?

The process for Suppliers/Manufacturers to become certified follows the following steps; find an approved Certification Body on the Better Cotton website, contact the Certification Body for an audit. Suppliers/Manufacturers will be required to complete and pass the third-party assessment and will then receive a certificate.





### How do I become certified?



### Do I still need an audit if I am certified under Textile Exchange/GOTS?

Yes, you will still require a Better Cotton audit even if you have a Textile Exchange or GOTS certificate.

### What is the difference between a Multi-Site and a Sub-Contractor?

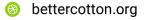
Subcontractor: Doesn't take ownership of a product and carry's out a service.

Multi-Site: Part of a larger organisation and must be within the same country as the head office. If the site is in a different country to the head office, then the site must have a separate BCP account and audit/certificate.

#### Will dyeing/printing suppliers be required to become certified?

Organisations that take ownership (and therefore custody) of the Physical Better Cotton are required to become certified.

If the dyeing/printing or other service organisation is a sub-contracted organisation instructed by the supplier/manufacturer who has and retains custody of the Physical Better Cotton, the sub-contracted organisation does not need to become certified. The responsibility to ensure the subcontracted organisation adheres to the CoC Standard v1.0 is the responsibility of the instructing supplier/manufacturer organisation.





# What is the CoC Standard Registration Form "Pause" and why do we have it in place?

The CoC Standard Registration Form is the form Suppliers/Manufacturers must complete to begin using the Physical CoC Models on offer in the CoC Standard v1.0. We are pausing the ability to access and complete the form from end of day 13 December 2024 to 3 February 2025. We have planned this pause to enable Better Cotton to update processes and systems to enable a smooth transition to certification ahead of certification beginning in February 2025.

Suppliers/Manufacturers who submit their CoC Standard Registration Form before end of day 13 December 2024 will be onboarded to source Physical Better Cotton without a mandatory third-party assessment (unless they are risk categorised as Category C by our Compliance Desk, in which case they will be advised individually).

These Suppliers/Manufacturers must be certified by 30 September 2025 to continue sourcing Physical Better Cotton uninterrupted. If they are not certified by this point, their ability to receive/send Physical Better Cotton transactions in the Better Cotton Platform will be blocked.

Suppliers/Manufacturers who did not submit a CoC Standard Registration Form will be required to become certified (complete and pass a third-party assessment) before they can source Physical Better Cotton. To be notified when to begin this process, <u>share your contact information here</u>.

### **Retailer and Brand Members**

### What is the difference between a "Retailer" and a "Brand"?

A "Brand" is responsible for the design and development of a product, including style, technical parameters, and production requirements. They may sell products through both business-to-business (B2B) and business-to-consumer (B2C) channels.

A "Retailer" is typically considered a third party and normally sells products from multiple different brands. A Retailer may own private-label brands. They sell products through business-to-consumer (B2C) channels only.

### Will Retailers be required to be certified?



Retailers will be required to become certified if they have designed and developed a product containing Physical Better Cotton, and they intend to use the BCI Content Label. See below:

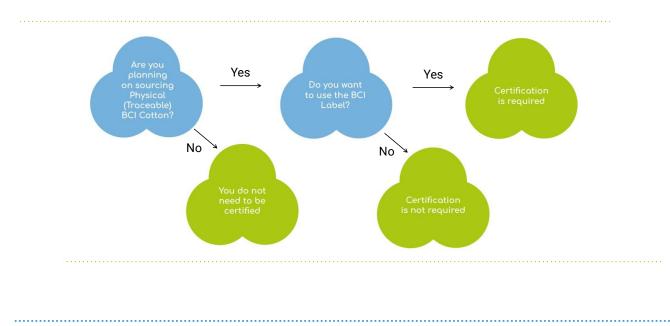


### Will Third-Party Retailers need to become certified?

### Will Brands be required to be certified?

Brands will be required to become certified if they source products containing Physical Better Cotton, and they intend to use the BCI Content Label. See below:

### Will **Brands** need to become certified?





# What is the difference between an Independent Assessment and a Chain of Custody Audit?

The Independent Assessment is a Membership requirement for Retailer and Brand Members and is separate to a Chain of Custody Certification Audit. The Independent Assessment is the process in which a Retailer and Brand Member's cotton fibre consumption measurement is verified by a 3rd party or Certification Body against the Better Cotton methodology.

The Chain of Custody Certification Audit is an assessment by a Certification Body against the requirements in the Chain of Custody Standard for Brands.

The Independent Assessment is required as part of a Retailer and Brand's Membership requirements, whereas a Chain of Custody Certification Audit is voluntary for Retailer and Brand Members and depends on whether an RB Member intends to use the BCI Content Label.

### What % of a product will need to be made of Physical Better Cotton to use a label?

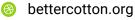
The Claims Framework v4.0 is yet to be published to provide these requirements in greater detail. Of the cotton within a product, 100% of the cotton must be Physical Better Cotton in order to be eligible for approval for the BCI Content Label.

This means that products sourced following the Controlled Blending Chain of Custody Model, where Physical Better Cotton is blended with conventional cotton, will not be eligible for the BCI Content Label. Blending is allowed with other fibres such as polyester, viscose etc.

# For current products that have the On-Product Mark (OPM), what is the deadline for removing these from the shelves, and what are the consequences if this is not carried out?

Eligible Members will still have the option to submit the Mass Balance OPM for approval until 1 January 2025. As of May 2026, the Mass Balance OPM should no longer be in stores or online.

Any OPMs on shelves by September 2026 will be treated by Better Cotton as a misleading claim and could result in action being taken by regulatory bodies.





# When are we publishing the CoC Standard v1.1 and the Claims Framework v4.0?

30 January 2025

When may a Brand begin taking the steps to become certified?

From 3 February 2025

How often will a Brand need to be certified?

Retailer/Brand certification lasts for three years.

### Will Volume Based Fees (VBF) be impacted by certification?

No, the Volume Based Fees (VBF) will not be impacted by certification as it is a fee paid related to the proportion of Better Cotton a Retailer/Brand Members sources compared to the Annual Cotton Consumption available that can be sourced as Better Cotton. When we say "Better Cotton", we are referring to the total sourced following all CoC Models, include Mass Balance and Physical models.

#### Will I still have to pay a Membership Fee?

Yes, the Membership Fee will remain the same for Members. For non-member BCP users, the annual BCP access fee also remains the same.

#### Do I need to be a member of Better Cotton to become certified?

Yes, only Better Cotton Retailer/Brand members can benefit from certification and use the BCI Content Label.

#### Is becoming certified a requirement for a Brand to apply for approval to use the BCI Content Label for products containing Physical Better Cotton?

Yes, the receiving Brand, the supply chain that sources Physical Better Cotton, and the Ginner(s) must be certified for the product containing Physical Better Cotton to be eligible for the BCI Content Label.

If you would like to receive a notification on 3 February 2025 when your organisation can begin taking steps towards becoming certified, share your contact information here.

