

# Better Cotton Assurance Manual v4.2

March 2022



## About This Document

This document sets out the main requirements of the Better Cotton assurance model for key stakeholders. It is intended to be a reference manual for Implementing Partners, Producers, Better Cotton staff, and third-party verifiers, to ensure consistent implementation of assurance requirements across all Better Cotton projects. The assurance model is applicable with the *Better Cotton Principles and Criteria, Version 2.1*.

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Previous version	<p>This document replaces v4.1 published in February 2021. Changes include:</p> <ul style="list-style-type: none"> <li>• Introducing the option to carry out a sample of up to 20% of annual assessments remotely, based on risk factors</li> <li>• Revising the surveillance audit sampling to remove a fixed 5%, and instead allow flexibility at country level to determine a risk-based sample (against defined risk factors)</li> <li>• New sections added around: force majeure, claims for licensed Producers, assurance model changes and stakeholder input, contract requirements between verifiers and large farms, and translation processes during assessments</li> </ul>
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## Table of Contents

<b>Glossary of Key Terms</b> .....	<b>4</b>
<b>1 Introduction</b> .....	<b>6</b>
<b>2 Summary of Large Farm Requirements</b> .....	<b>12</b>
2.1 Initial Licensing .....	12
2.2 Active Licence Period .....	12
2.3 Licence renewal .....	12
2.4 Change in Large Farm Status or Contacts.....	13
<b>3 Summary of Producer Unit Requirements</b> .....	<b>13</b>
3.1 New PUs Entering the Better Cotton Programme .....	13
3.2 Readiness Check and Recommendation for Licensing.....	13
3.3 Initial licensing .....	14
3.4 Active Licence Period .....	14
3.5 Licence Renewal .....	15
3.6 Change in PU Status or Contacts .....	15
<b>4 Set-Up of New Producer Units</b> .....	<b>16</b>
4.1 Set-Up Phase .....	16
4.2 Timing of the Set-Up Phase.....	16
<b>5 Overview of Assessment Types</b> .....	<b>17</b>
<b>6 Self-Assessment and Internal Assessment</b> .....	<b>18</b>
6.1 Overview .....	18
6.2 Internal Assessment (PUs only).....	19
6.3 Self-Assessment Format and Timing.....	19
<b>7 Readiness Checks (PUs only)</b> .....	<b>20</b>
7.1 Overview .....	20
7.2 Format and timing .....	20
7.3 Readiness Check Outcomes .....	21
<b>8 Licensing Assessments</b> .....	<b>22</b>
8.1 Overview .....	22
8.2 Format and Timing .....	22
8.3 Outcome of Licensing Assessments.....	23
<b>9 PU Support Visits (PUs only)</b> .....	<b>24</b>
9.1 Overview .....	24
9.2 Format and timing .....	25
9.3 Outcomes of PU Support Visits .....	26
<b>10 Surveillance Assessments (PUs only)</b> .....	<b>26</b>

10.1	Overview .....	26
10.2	Sampling .....	26
10.3	Format and timing .....	27
10.4	Outcome of Surveillance Assessments.....	27
<b>11</b>	<b>Remote Assessments .....</b>	<b>28</b>
11.1	Force Majeure .....	28
11.2	Standard Remote Assessment Sample .....	28
<b>12</b>	<b>Use of Interpreters.....</b>	<b>28</b>
<b>13</b>	<b>Continuous Improvement .....</b>	<b>29</b>
<b>14</b>	<b>Additional Verification Activities.....</b>	<b>30</b>
<b>15</b>	<b>Licensing Decisions and Claims .....</b>	<b>30</b>
15.1	Licensing Decisions.....	30
15.2	Licensing Claims .....	31
<b>16</b>	<b>Active Licence Period .....</b>	<b>31</b>
<b>17</b>	<b>Annual Licensed Volumes .....</b>	<b>32</b>
<b>18</b>	<b>Licence Cancellation .....</b>	<b>32</b>
<b>19</b>	<b>Non-conformities and Corrective Actions.....</b>	<b>34</b>
19.1	Non-conformity Gradings and Consequences .....	34
19.2	Escalation of Incidental Non-conformity.....	35
19.3	Corrective Action Plans .....	35
<b>20</b>	<b>Variations and Extensions .....</b>	<b>36</b>
<b>21</b>	<b>Appeals Process.....</b>	<b>37</b>
<b>22</b>	<b>Assurance Updates and Oversight .....</b>	<b>37</b>
22.1	Assurance Changes and Stakeholder Engagement.....	37
22.2	Assurance System Oversight .....	38
	<b>Annex A. Timeline of Assurance Activities.....</b>	<b>39</b>
	<b>Annex B. Group Assurance Model .....</b>	<b>40</b>

## Glossary of Key Terms

### **Annual Authorised Volume (AAV) Code**

The AAV code is a unique number generated by Better Cotton for licensed Producers (Large Farms or Producer Units). AAV codes allow gins buying from licensed Better Cotton Farmers to enter purchases of seed Better Cotton into the Better Cotton Platform (BCP) and allocate the volumes back to the corresponding Producer.

### **Better Cotton**

Better Cotton is cotton that has been produced by licensed Better Cotton Farmers, or by farmers licensed under a recognised equivalent standard. Licensed Better Cotton farmers have been assessed as compliant with the Core Indicators of the Better Cotton Principles and Criteria (P&C) – Version 2.1 and have fulfilled the Licensing Requirements outlined in the Better Cotton assurance model. Farmers licensed to sell Better Cotton produce cotton in a way that cares for people and the environment, ensuring decent work conditions for workers and caring for water, soil health and natural habitats.

### **Better Cotton Platform (BCP)**

The Better Cotton Platform is the online system for tracking purchases/ sales of Better Cotton and associated Better Cotton Claim Units (BCCUs). BCCUs are designated units that correspond to 1 kg of Better Cotton lint produced from seed Better Cotton. The BCP is used by Better Cotton and registered supply chain organisations that are buying, selling, or sourcing Better Cotton products. It enables suppliers and manufacturers to report to their customers how much Better Cotton lint was sourced through the sale of a physical product.

### **Continuous Improvement Plan (CIP)**

The Continuous Improvement Plan is a plan completed by the Producer which identifies priority sustainability improvements, establishes targets, and sets out specific actions and interventions to meet these targets. Under Core Indicator 7.1.1, all Producers are required to develop and implement a CIP before they can be licensed to sell Better Cotton. The CIP is developed by the Producer Unit Manager or Large Farm Manager according to a specified process from Better Cotton.

### **Corrective Action Plan (CAP)**

A Corrective Action Plan is a document completed by the Producer outlining remediation steps for any incidental or systemic non-conformity identified during an assessment. The CAP is completed by the Large Farm Manager or Producer Unit Manager (with support from the Implementing Partner), using a standard template from Better Cotton.

### **Core Indicators**

Core Indicators are a subset of the Better Cotton P&C – v 2.1, which define a globally consistent baseline for more sustainable cotton production. Core Indicators provide the critical first steps in reducing the environmental impact of cotton and improving livelihoods among cotton farming communities. To receive a licence to sell Better Cotton, a Producer must meet all Core Indicators.

### **Field Facilitator (FF)**

Field Facilitators are field-based staff (typically employed by the IP or Local Partner) who engage directly with farmers in Producer Units. Field Facilitators work closely with farmers to assess baseline practices and deliver training, awareness-raising activities, and other interventions (i.e. demo plots). Field Facilitators also assist with collecting farm-level data and monitoring farmer awareness and practice adoption.

### **Implementing Partner (IP)**

Better Cotton's Implementing Partners are organisations with local expertise who oversee the set-up and management of Producer Units under the assurance model. Implementing Partners assume full responsibility for project delivery at the field level, including establishing the management structure of Producer Units, recruiting and training Producer Unit Managers/Field Facilitators, and

providing Producer Units with ongoing oversight and support, including regular field-level engagement.

### **Large Farm (LF)**

Under the Better Cotton assurance model, a Large Farm is defined as a farmer who has a farm size above 200 ha of cotton, and either uses mechanized production, or is structurally dependent on permanent hired labour. Some Large Farms participate with Better Cotton on an individual basis, while others are engaged through a Large Farm Group Assurance model (refer to [Annex B](#)).

### **Learning Group (LG)**

A Learning Group is a group of Better Cotton Farmers who gather together to participate in training and learning activities on more sustainable production practices. All smallholder Producer Units are divided into Learning Groups of approximately 35 farmers, managed by a Field Facilitator to help enable learning. Typically, each Field Facilitator in a smallholder Producer Unit will work with about 10 Learning Groups, or 350 farmers at a maximum.

### **Licensing Date**

The Licensing date is the seasonal date at which the administrative process of licensing is conducted for any Producer with an active licence. This includes issuing Annual Authorised Volume (AAV) codes or updating volume inventories in the Better Cotton Platform, so that buyers of Better Cotton can enter their purchases into the Better Cotton Platform and receive Better Cotton Claim Units (BCCUs) to pass through the supply chain. The Licensing date is determined on a country or regional basis and is typically around the start of harvest.

### **New Producer Unit (PU)**

A new Producer Unit (PU) refers to a group of farmers being organised to participate in the Better Cotton programme for the first time. New PUs are required to fulfil specific requirements under the set-up phase before they are eligible to be assessed for licensing. Existing PUs that undergo changes to the farmer composition or management system (i.e. new PU Manager, restructured PU, or change in IP management) are not considered new PUs under this definition<sup>1</sup>. Existing PUs where more than 33% of farmers are new for a given season are not considered new PUs; however, they receive a Surveillance Assessment to maintain the licence.

### **Producer**

The term Producer in the context of the Better Cotton Standard System refers to either an individual Large Farm or a Producer Unit (group) of Smallholders or Medium Farms. Licences to sell Better Cotton are administered at the Producer level.

### **Producer Unit (PU)**

A Producer Unit is a group of Smallholders or Medium Farms who participate in the Better Cotton programme through a group assurance model. Each PU is overseen by a dedicated PU Manager, who is responsible for implementing an internal management system to support, train, and monitor farmers across the PU. The size of a PU depends on local circumstances, although the optimal size is between 3,500 to 4,000 farmers for Smallholders and around 100 farmers for a Medium Farm PU. Farmers in a Smallholder PU are further divided into Learning Groups (LGs).

### **Results Indicator (RI) reporting**

Results Indicator (RI) reporting is the annual collection of environmental, economic, and social data from a representative sample of Smallholder farmers, and from all Medium and Large Farms. Results Indicators quantitatively measure differences between licensed Better Cotton Farmers and other farmers in the same geographic area who are not participating in the Better Cotton Programme. RI reporting is fully integrated into the assurance model as a licensing requirement to ensure that sustainability improvements are adequately measured everywhere Better Cotton is produced.

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<sup>1</sup> An IP can decide to voluntarily put an existing PU that undergoes structural changes into a set-up phase in order to focus on strengthening performance before being assessed (or reassessed) for licensing

## 1 Introduction

### About the Better Cotton Assurance Model

The assurance model is a critical component of the Better Cotton Standard System, which aims to improve livelihoods and economic development in cotton-producing areas and reduce the environmental impact of cotton production. The assurance model provides a roadmap for participating [Producers](#) to progress from baseline performance, to meeting the [Core Indicators](#), and eventually achieving long-term improvement goals.

The main objectives of the assurance model are to:

1. Verify that cotton Producers have met the Core Indicators of the Better Cotton Principles and Criteria before they are licensed to sell [Better Cotton](#)
2. Provide a framework to ensure that Better Cotton Producers – once licensed – continue to make progress against their continuous improvement priorities and receive adequate capacity building support
3. Create channels for ongoing learning, through sharing information back to Producers (and Implementing Partners, if applicable) to identify improvement opportunities or compliance gaps
4. Measure the sustainability performance of Better Cotton Producers, and overall programme impacts, through regular collection of field-level ([Results Indicator](#)) data

Better Cotton's approach to assurance is unique from many other standard systems in two regards. First, it aims to balance credibility with scalability and cost-effectiveness, through combining third-party verifier assessments with other types of assessments. Better Cotton's approach combines third-party visits with licensing assessments by Better Cotton Country Teams, support visits by [Implementing Partners](#) (IPs), and regular self-assessments by Producers themselves.

Second, the assurance model puts a strong emphasis on capacity building and continuous improvement. Producers are required to make ongoing sustainability improvements in order to maintain their licence, and assessments focus not only on compliance but also on identifying areas where further support or capacity building is needed.

### Producers Under the Better Cotton Assurance Model

Under the Better Cotton Standard System, farms are differentiated into three categories based on the production methods and workforces they use:

- Smallholders (SH): Farmers who are not structurally dependent on permanent hired labour, and whose farm size does not exceed 20 ha of cotton.
- Medium Farms (MF): Farmers who are structurally dependent on permanent hired labour, and whose farm size is between 20 to 200 ha of cotton
- Large Farms (LF): Farmers who have a farm size above 200 ha of cotton, and either have mechanised production, or are structurally dependent on permanent hired labour

Smallholders and Medium Farms are grouped into [Producer Units](#) (PUs) and are licensed to sell Better Cotton at the PU level.

**Maximum size:** for Smallholder PUs, a maximum of 7000 farmers<sup>2</sup> can be included in the PU; however, the optimal size (depending on local circumstances) is around 3,500 farmers.

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<sup>2</sup> This absolute maximum of farmers (twice the recommended guidance) was introduced in January 2021 and becomes effective for the 2021-22 season.

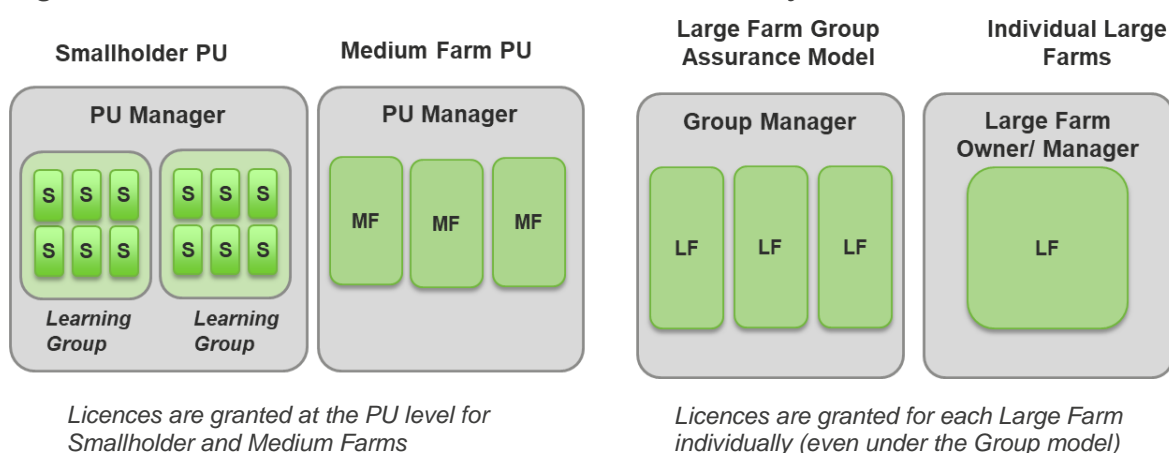
For Medium Farm PUs, there is no maximum size; however, the recommended number of farmers is around 100.

Farmers in a Smallholder PU are further divided into Learning Groups (LGs) of approximately 35 farmers (with a Lead Farmer in each one) managed by a Field Facilitator (FF) to help facilitate learning. Typically, each FF in a Smallholder PU will work with about 10 Learning Groups, or 350 farmers at a maximum. This helps to ensure the FF can have regular contact and visits with each farmer.

Some Large Farms participate with Better Cotton on an individual basis, while others are engaged through a Large Farm Group Assurance model.<sup>3</sup> Under the Group Assurance model, farms join together with other local farmers under the guidance of a designated Group Manager. In both cases, Large Farms are licensed to sell Better Cotton on an individual farm basis.

The term 'Producer' in the context of the Better Cotton Standard System therefore refers to either an individual Large Farm or a Producer Unit of Smallholders or Medium Farms.

**Figure 1: Producers under the Better Cotton Standard System**



## Supporting Documents

Supporting documents, including assessment field books and reporting templates, assessment guidance tools, approval procedures for verifiers, and the Better Cotton appeals process, are available on the [assurance page](#) of the Better Cotton website.

## Stakeholder Roles

The roles of key stakeholders in the assurance model are set out below.

Stakeholder	Role in Assurance Model
Farmer	Farmers categorised as Smallholders and Medium Farms participate in trainings and awareness-raising activities organised by the Producer Unit. Farmers are expected to apply learnings in order to adopt more sustainable farming

<sup>3</sup> This model was introduced formally in 2018 and is currently applicable only in the United States, although may be expanded to other regions in the future. More details around the Group Assurance Model can be found in [Annex B](#).

Stakeholder	Role in Assurance Model
	<p>practices. Farmers are also responsible for maintaining farm level data on inputs and outputs, to enable the PU to track progress and understand impacts.</p> <p>Farmers categorised as Large Farms are responsible for ensuring they meet the Core Indicators before achieving a licence to sell Better Cotton. This includes developing and implementing a continuous improvement plan that prioritises areas for sustainability improvements and submitting annual Results Indicator data.</p>
Field Facilitator (FF) <i>[PUs only]</i>	<p>Field Facilitators are field-based staff (typically employed by the IP or Local Partner) who engage directly with farmers in Producer Units. Field Facilitators work closely with farmers to assess baseline practices and deliver training, awareness-raising activities, and other interventions (i.e. demo plots). Field Facilitators also assist with collecting farm-level data and monitoring farmer awareness and practice adoption.</p>
Producer Unit (PU) Manager <i>[PUs only]</i>	<p>The Producer Unit (PU) Manager is the main individual responsible for the PU's overall organisation and performance. The PU Manager identifies areas where farmers require improvement or support and supports Field Facilitators in working with farmers and workers. The PU Manager is responsible for the following key areas (with support from the IP):</p> <ul style="list-style-type: none"> <li>• Development of training material and training plans</li> <li>• Building the capacity of Field Facilitators</li> <li>• Development and implementation of the <a href="#">Continuous Improvement Plan</a> (CIP) (with other stakeholder engagement, as per the CIP planning process)</li> <li>• Development and implementation of an internal management system (IMS); for monitoring training efficacy, practice adoption, and data collection</li> <li>• Completion of annual internal assessment and self-assessment</li> <li>• Development and implementation of Corrective Action Plans</li> </ul>
Implementing Partner (IP) <i>[PUs only]</i>	<p>Implementing Partners are organisations with local expertise who oversee the set-up and management of Producer Units under the Better Cotton assurance model. IPs assume full responsibility for project delivery at the field level, including establishing the management structure of Producer Units, recruiting and training PU Managers/Field Facilitators, and providing PUs with ongoing oversight and support through field-level engagement.</p> <p>IP representatives are also responsible for supporting and building the capacity of PU Managers and Field Facilitators, supporting PUs in the development of their Continuous Improvement Plan, and monitoring PU performance through Readiness Checks and Support Visits.</p>
Local Partner <i>[PUs only]</i>	<p>Some IPs may delegate specific field-level implementation activities to Local Partners. Local Partners are typically entities with a strong field presence and technical expertise relevant to the geographical area. Local Partners are overseen by the associated IP, and the IP is accountable for ensuring the efficacy of the Local Partner through ongoing monitoring and engagement.</p>
Better Cotton Country Team	<p>Each Better Cotton Country Team has Programme Officers and Coordinators responsible for the implementation of activities and protocols in the assurance model.<sup>4</sup> Better Cotton Country Teams conduct Licensing and Surveillance Assessments, maintain communication with Implementing Partners and PU</p>

<sup>4</sup> In countries where Better Cotton operates through a strategic partner, Programme Officers/Coordinators are employed by the strategic partner.



Stakeholder	Role in Assurance Model
	Managers, and support Better Cotton Assurance Manager(s) with licensing recommendations.
Third-party Verifiers (3PV)	Third-party verifiers (3PVs) are independent parties approved by Better Cotton to carry out Licensing and Surveillance Assessments in specific countries. 3PVs must complete training and approval requirements defined by Better Cotton; available on the <a href="#">assurance website</a> .
Assurance Managers	Better Cotton Assurance Managers are responsible for the planning, execution and reporting of the assurance model in all countries. They oversee the operational delivery of the Global Assurance Team, consisting of Programme Officers and Coordinators within Country Teams. Assurance Managers are responsible for all final Producer licensing decisions (based on recommendations and evidence provided by third-party verifiers or Country Teams). Assurance Managers also oversee the <i>Terms of Reference</i> and membership for the Appeals Committee and coordinate the process for any appeals against a licensing decision. Refer to the <a href="#">assurance website</a> .
Appeals Committee	The Appeals Committee is responsible for providing objective, consistent, and evidence-based decisions for Producers appealing a licensing decision. The Appeals Committee is composed of Better Cotton Country Managers and selected third-party verifiers or independent consultants. Members of the committee are selected based on local knowledge and availability. Refer to the <a href="#">Appeals Procedure</a> for more information.

## Overview of Licensing Requirements

To be licensed to sell Better Cotton, Producers must fulfil the following requirements:

1. Comply with all with Core Indicators of the [Better Cotton Principles & Criteria](#)
2. Submit an annual self-assessment survey on Producer practices
3. Submit annual [Results Indicators \(RI\) reporting](#) data on field-level practices
4. Demonstrate continuous improvement through achieving more sustainable practices over time

The fixed nature of the Core Indicators ensures that all licensed Producers reach a globally consistent baseline in sustainable cotton production. At the same time, the focus on continuous improvement ensures that all Producers, regardless of their initial level, commit to adopting even more sustainable practices over time. Regular RI reporting enables Better Cotton and its partners to monitor and learn from field-level results.

### Better Cotton Principles and Criteria- Core Indicators

The [Better Cotton Principles and Criteria](#) (P&C) include 7 Principles covering the most significant global sustainability issues associated with cotton production:

- Principle 1: Better Cotton Farmers minimise the harmful impact of crop protection practices
- Principle 2: Better Cotton Farmers promote water stewardship
- Principle 3: Better Cotton Farmers care for the health of soil
- Principle 4: Better Cotton Farmers enhance biodiversity and use land responsibly

- Principle 5: Better Cotton Farmers care for and preserve the quality of fibre
- Principle 6: Better Cotton Farmers promote decent work
- Principle 7: Better Cotton Farmers operate an effective management system

The 7 Better Cotton Principles are further defined through 42 criteria and a subset of 164 indicators. Criteria are applicable to all Producer categories, while indicators are differentiated for Smallholders, Medium Farms, and Large Farms, and designated as either Core or Improvement:

- **Core Indicators:** Producers must comply with all Core Indicators (applicable for their Producer category) to be licensed to sell Better Cotton.
- **Improvement Indicators:** Producers do not need to comply with Improvement Indicators to be licensed to sell Better Cotton. Improvement Indicators are designed to incentivise and measure continuous improvement across all areas of sustainable production.

The Core Indicators provide the critical first steps in reducing the environmental impact of cotton production and improving livelihoods among cotton farming communities. Improvement Indicators can be used by Producers to help guide and measure their sustainability improvements in key areas.

### Results Indicators (RI) Reporting

In addition to complying with the Core Indicators from the [Better Cotton Principles and Criteria](#), all Producers must report farm-level data on inputs, outputs and practices, as specified in the Results Indicators procedure available on the [M&E page](#) of the Better Cotton website. This ensures that sustainability improvements are measured everywhere Better Cotton projects are implemented. It is important to emphasise that this requirement focuses on the reporting of data, not the content of that data. The content of Results Indicator (RI) data and any trends/impacts revealed are used for learning processes only and are not a basis for disqualifying Producers or cancelling licences. RI data must be collected and reported every season in order to maintain a licence. Reporting is done at Producer Unit level in the case of smallholders or at individual farm level in the case of Medium and Large Farms.

**Table 1: Overview of Results Indicator Reporting**

Farmer category	Indicators to be reported	Sampling approach	Comparison data
Smallholders/ Medium Farms	<ol style="list-style-type: none"> <li>1. Pesticide use</li> <li>2. Fertiliser use</li> <li>3. Water use</li> <li>4. Yield</li> <li>5. Profitability</li> <li>6. Eliminating child labour through partnerships</li> <li>7. Improving understanding and awareness of child labour issues</li> <li>8. Inclusion of women farmers and workers in training</li> </ol>	<p><u>Smallholders:</u> Representative sampling-based approach at Producer Unit level</p> <p><u>Medium Farms:</u> 100% data collected from all farms</p>	Yes
Large Farms	<ol style="list-style-type: none"> <li>1. Pesticide use</li> <li>2. Fertiliser use</li> <li>3. Water use</li> <li>4. Yield</li> </ol>	100% data collected from all farms	No

## Continuous Improvement

The Better Cotton Standard System approaches more sustainable cotton production as a journey of continuous improvement. Producers are required under Core Indicator 7.1.1<sup>5</sup> to demonstrate ongoing sustainability improvements through the development and implementation of a Continuous Improvement Plan (CIP). The assurance model supports this process through providing Producers with regular assessment and feedback, ensuring that PUs and LFs demonstrate increasingly higher levels of sustainable cotton farming over time. Refer to [13 Continuous Improvement](#).

## Overview of Assurance Requirements

To verify that Producers meet the Core Indicators and continue to make continuous improvements in sustainability, the assurance model uses a combination of self-assessment, external (licensing) assessments, and support visits by Implementing Partners (for PUs only).

Table 2 below summarises the assurance requirements for each Producer type. Note that specific requirements for the Large Farm Group Assurance model are found in [Annex B](#).

**Table 2: Assurance Requirements by Producer Type**

Producer type	Requirements to receive a licence (for new PUs/ LFs)	Requirements during active licence period	Requirements for licence renewal
PU (Smallholder or Medium Farms)	<ul style="list-style-type: none"> <li>Complete all PU 'set-up' expectations (See <a href="#">4. Set-Up of New Producer Units</a>)</li> <li>Complete self-assessment</li> <li>Readiness Check carried out and IP decides the PU is 'recommended for licensing'</li> <li>Licensing Assessment by 3PV or Better Cotton team verifies compliance with all Core Indicators</li> </ul>	<ul style="list-style-type: none"> <li>Correct any incidental non-conformities from Licensing Assessment (if relevant)</li> <li>Complete annual self-assessment</li> <li>Submit annual Results Indicator data as required</li> <li>PU Support Visit in Year 2 or 3 of active licence</li> <li>[For sample of PUs only] receive Surveillance Assessment in Year 2 or 3</li> </ul>	<ul style="list-style-type: none"> <li>Licensing Assessment by 3PV or Better Cotton team verifies compliance with all Core Indicators, including progress against continuous improvement priorities</li> </ul>
Large Farm (individual)	<ul style="list-style-type: none"> <li>Complete self-assessment</li> <li>Licensing Assessment by 3PV verifies compliance with all Core Indicators</li> </ul>	<ul style="list-style-type: none"> <li>Correct any incidental non-conformities from Licensing Assessment (if relevant)</li> <li>Submit annual Results Indicator data</li> <li>Complete annual self-assessment</li> </ul>	<ul style="list-style-type: none"> <li>Licensing Assessment by 3PV verifies compliance with all Core Indicators, including progress against continuous improvement priorities</li> </ul>

<sup>5</sup> Core Indicator 7.1.1: A Continuous Improvement Plan is available, implemented and monitored according to the applicable Better Cotton Initiative Continuous Improvement planning process, and reviewed annually.

## 2 Summary of Large Farm Requirements

*This section covers individually licensed Large Farms. Refer to [Annex B](#) for more information on Large Farms under the Group Assurance Model.*

### 2.1 Initial Licensing

- 2.1.1 Individual Large Farms that wish to participate in the Better Cotton programme register their participation with the local Better Cotton Country Team by the end of sowing deadline.<sup>6</sup>
- 2.1.2 The Large Farm first completes an online self-assessment survey evaluating its performance against the Core Indicators (including the Continuous Improvement Planning requirements).
- 2.1.3 After the self-assessment is complete, the Large Farm commissions a Licensing Assessment<sup>7</sup> directly with an approved third-party verifier.
  - a) The verifier must be included in up-to-date list of Better Cotton approved third-party verifiers, available on the assurance webpage
  - b) There must be a written contract between the farmer/ farm management or contracting party, and the third-party verifier. This should cover the scope and terms of the licensing assessment, and responsibilities and obligations, including data use and confidentiality
- 2.1.4 The outcome of the Licensing Assessment is reviewed by the Better Cotton Assurance Managers, together with supporting evidence.
  - a) If the Licensing Assessment and Assurance Manager review confirms the Large Farm meets all Core Indicators, the Large Farm receives a 3-year licence to sell Better Cotton
  - b) If any incidental non-conformities are identified, the Large Farm is required to complete a [Corrective Action Plan](#) (CAP) within ten working days and to close the incidental non-conformities within six months of the assessment date (see [19 Non-conformities and Corrective Actions](#)).
  - c) If any systemic non-conformities are identified, the licence is denied, and the Large Farm will be eligible for another Licensing Assessment the following season.

*The Large Farm is still required to complete a CAP to identify corrective actions for any systemic non-conformities, even if the licence is denied.*

### 2.2 Active Licence Period

- 2.2.1 During the 3-year active licence period, Large Farms are expected to fulfil annual requirements (see [16 Active Licence Period](#)) to maintain the licence.
- 2.2.2 If the Large Farm does not meet the annual requirements, the licence is cancelled (see [18.1 Licence Cancellation](#))

### 2.3 Licence renewal

- 2.3.1 At the end of the 3-year active licence period, the Large Farm is required to commission another Licensing Assessment with an approved third-party verifier.<sup>8</sup>

<sup>6</sup> These seasonal deadlines for assurance activities are set by country and harvest wave

<sup>7</sup> Third-party verification for Large Farms follows the same process outlined for Producer Units in section 8

<sup>8</sup> Typically, if a LF is licensed in its first year of participation, the assessment to renew the licence would be carried out in its fourth year of participation, before the [licensing date](#)

- a) The assessment evaluates whether the Large Farm continues to meet all Core Indicators and also assesses whether the Large Farm is progressing against the priorities outlined in its Continuous Improvement Plan.
- 2.3.2 The outcome of the Licensing Assessment is reviewed by the Assurance Managers (together with supporting evidence).
- 2.3.3 If the Licensing Assessment and Assurance Manager review confirms the Large Farm meets all Core Indicators, the licence is renewed for another 3 years.
- 2.3.4 If any incidental non-conformities are identified, the Large Farm is required to complete a corrective action plan within two weeks and to close the incidental non-conformities within six months of the assessment date (see [19. Non-conformities and Corrective Actions](#)).
- 2.3.5 If any systemic non-conformities are identified, the licence is denied, and the PU will be eligible for another Licensing Assessment the following season.

## 2.4 Change in Large Farm Status or Contacts

- 2.4.1 Any changes in the status of the Large Farm which might affect its participation with Better Cotton, or any changes in the contact details of the Large Farm Manager, should be communicated to the Better Cotton Team within 10 working days of the change occurring.

## 3 Summary of Producer Unit Requirements

*The assurance process for Producer Units (PUs) in the Better Cotton programme is similar to that for Large Farms; however, with a few key differences. PUs typically spend their first season in a set-up phase before being recommended for licensing. They also require a Readiness Check by the IP before receiving a Licensing Assessment (carried out by either Better Cotton or a third-party verifier). PUs also receive a Support Visit by the IP during the active licence period and may also receive a Surveillance Assessment (by Better Cotton assessors or a 3PV).*

*This section provides a summary of requirements at each stage of the assurance process; more detail can be found in later sections of the Assurance Manual*

### 3.1 New PUs Entering the Better Cotton Programme

- 3.1.1 A [new PU](#) generally spends its first season in a 'set-up phase' focused on building its internal management system, identifying baseline farming practices, and training farmers on key improvement areas (see [4.1 Set-Up Phase](#))
- 3.1.2 During the set-up phase, the PU completes an internal assessment and online self-assessment but does not yet receive a Licensing Assessment.

*Refer to [7 Readiness Checks](#) for more detail on the Readiness Check process*

### 3.2 Readiness Check and Recommendation for Licensing

- 3.2.1 Once a PU has established its internal management system, trained field staff and farmers, and has made progress to comply with all Core Indicators, the IP carries out a field-based Readiness Check.
- 3.2.2 If the IP determines that the PU is fully compliant with all Core Indicators by the end of sowing, the IP can recommend the PU to be assessed for licensing.

- 3.2.3 If more work is needed to close gaps against Core Indicators, the IP is responsible for following up with the PU Manager to ensure appropriate corrective actions are put in place before recommending the PU for licensing.

*Refer to [7 Readiness Checks](#) for more detail on the Readiness Check process*

### 3.3 Initial licensing

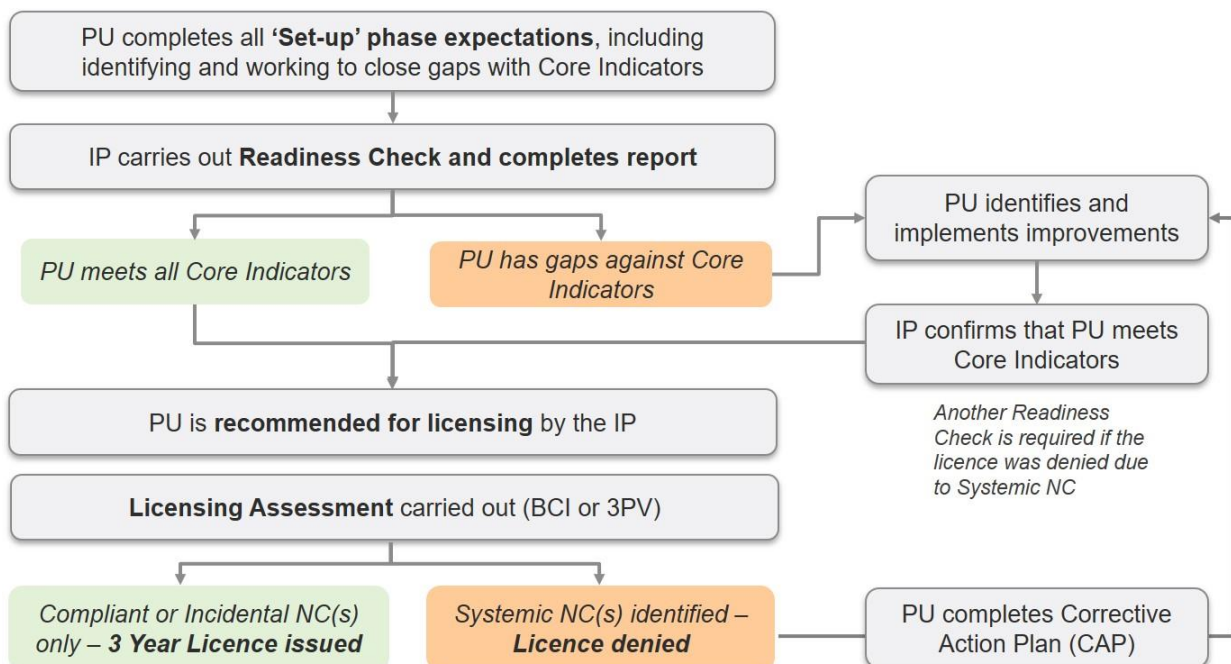
- 3.3.1 After a PU is recommended for licensing by the IP, the PU receives a Licensing Assessment by either an approved third-party verifier or a qualified Better Cotton staff member (see [8 Licensing Assessments](#)).

- 3.3.2 The Licensing Assessment evaluates conformity with the Core Indicators and forms the basis for the licensing decision, which is reviewed and confirmed by the Assurance Managers.

- 3.3.3 If the PU is found fully compliant with all Core Indicators or partially compliant (i.e. incidental non-conformities but no systemic non-conformities), then the PU receives a 3-year licence to sell Better Cotton.

*Refer to [19 Non-conformities and Corrective Actions](#) for more detail on non-conformity grading and follow-up.*

**Figure 2: Process to Receive Initial Licence (PUs only)**



### 3.4 Active Licence Period

- 3.4.1 During the 3-year active licence period, PUs are expected to fulfil annual requirements (see [16 Active Licence Period](#)) to maintain the licence.

- 3.4.2 If the PU does not meet the annual requirements, the licence is cancelled (see [18 Licence Cancellation](#))

3.4.3 During the second or third year of the active licence period, all PUs receive a PU Support Visit by the IP, and a sample of PUs also receive a Surveillance Assessment (by Better Cotton assessors or a 3PV) during the second or third year of their active licence.

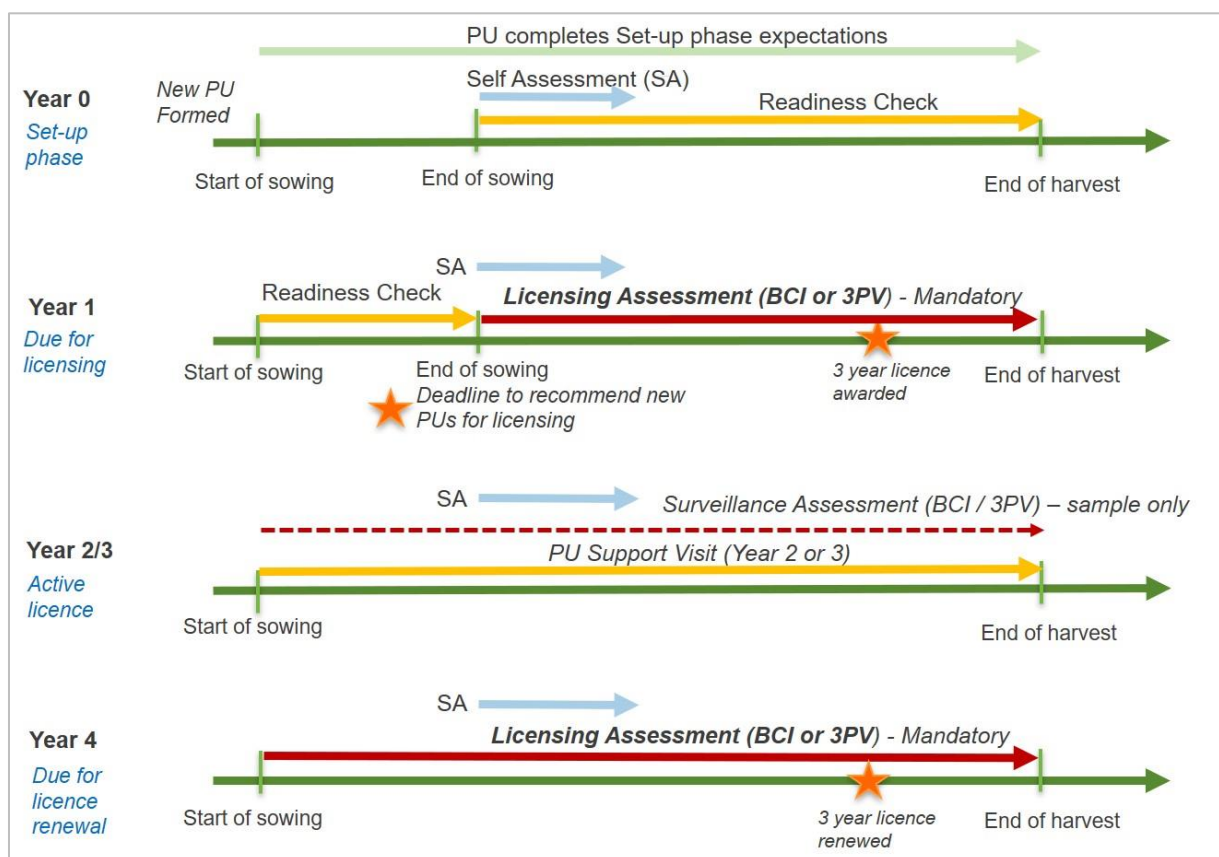
### 3.5 Licence Renewal

3.5.1 At the end of the licence period, when due for licensing again, PUs undergo an additional Licensing Assessment (by Better Cotton assessors or a 3PV) for the licence to be renewed.

### 3.6 Change in PU Status or Contacts

3.6.1 Any changes in the status of a Producer Unit that might affect its participation with Better Cotton, or any changes in the contact details of the PU Manager or relevant IP contact, should be communicated to the Better Cotton Team within 10 working days of the change occurring.

Figure 3: Assurance Cycle for PUs (Years 0-4)<sup>9</sup>



<sup>9</sup> In cases where a new PU applies for a variation to be recommended for licensing in the first season (see 4.2 Timing of the Set-Up Phase) the PU is expected to have completed all set-up phase activities before the end of sowing deadline when the variation is requested.

## 4 Set-Up of New Producer Units

*When new Producer Units (PUs) are formed under the assurance model, they are generally expected to spend their first season<sup>10</sup> focusing on recruiting and training field staff, engaging with farmers, and implementing the internal management system. This 'set-up' phase helps new PUs build a strong foundation and ensures that future efforts can deliver training and support to farmers in the most relevant areas. During the set-up phase, the focus should be on working closely with farmers to identify baseline practices and gaps in meeting the Core Indicators, developing training materials and demonstration plots, and carrying out farmer training/support visits.*

### 4.1 Set-Up Phase

4.1.1 Before being assessed for licensing, **new PUs** are expected to carry out the following activities as part of their initial set-up phase:

- a) Complete an internal assessment to understand current baseline farming practices within the PU (see [6.2 Internal Assessment](#))
- b) Complete the self-assessment (version for new PUs)
- c) Identify gaps in meeting the Core Indicators and develop/implement [Corrective Action Plans](#)
- d) Develop training materials and carry out cascade training to Field Facilitators and farmers/workers
- e) Based on a participatory approach with field staff and farmers, develop the natural resource plans and time-bound plans required under the Better Cotton Principles and Criteria (i.e. water stewardship plan, biodiversity plan and mapping, child labour prevention, etc.)
- f) Develop the Continuous Improvement Plan (CIP), according to the CIP Process
- g) Submit Results Indicator (RI) reporting data for the specified sample of farmers
- h) Undergo a Readiness Check carried out by the Implementing Partner (IP) and fully address any corrective actions identified during this visit (see [7.3 Readiness Check Outcomes](#))

*Additional guidance on expectations for new PUs and preparation for licensing can be found on the [assurance page](#) of the Better Cotton website.*

### 4.2 Timing of the Set-Up Phase

4.2.1 **New PUs** are generally expected to spend their first season in a set-up phase, without being assessed for licensing.

4.2.2 In specific cases, a new PU can apply for a variation to have a Licensing Assessment in its first season. A variation can be requested in the following cases:

- a) The participating farmers are already covered by an effective internal management system such as that of another standard or certification system, or
- b) The PU has been established well in advance of the current crop season; at the very latest:
  - i. The PU Manager and all Field Facilitators have been hired and trained by the start of sowing, and
  - ii. The internal assessment on the PU has been completed by the PU Manager, by two weeks after start of sowing (at the latest).

<sup>10</sup> Defined for the purposes of the Better Cotton assurance model as pre-sowing activities (i.e. soil preparation) through to end of harvest for one crop season



New PUs that are recommended for licensing in their first season are expected to have completed all set-up phase expectations and to be fully compliant with Core Indicators before being recommended for licensing. The starting point for determining whether the PU is prepared for licensing in the first season is the internal assessment conducted by the PU Manager (see [6.2 Internal Assessment](#)) The internal assessment is a requirement for all PUs, but it is expected to be completed early in the season in cases where a new PU submits a request for variation.

These variations can apply for example where PUs have been established well in advance of the growing season; e.g. during the end of the previous cotton season.

- 4.2.3 A variation to have a PU assessed for licensing in its first season must be submitted by the end of sowing deadline to the Better Cotton Assurance Managers (see [20.1 Variations and Extensions Process](#)):
- PU that are recommended for licensing in the first season must still have a Readiness Check completed by the end of sowing deadline;
  - The completed Readiness Check report is submitted to Better Cotton as part of the variation request.

## 5 Overview of Assessment Types

The assurance model includes different forms of assessment to support Producers in making improvements and to verify their compliance with Core Indicators.

**Table 3: Overview of Assessment Types**

Assessment Type	Conducted by	Key Objective	Frequency and Timing
Self-assessment (based on internal assessment findings for PUs only)	PU/LF Manager	<i>New Producers (first season):</i> Assess baseline performance/ current practices; identify improvement priorities  <i>Existing Producers:</i> Monitor continued compliance with Core Indicators; track progress on continuous improvement	Annually by each PU and LF  <i>Timing:</i> Issued 2 weeks after the End of Sowing Deadline to submit: 6 weeks after the End of Sowing
Readiness Check <i>[PUs only]</i>	Trained IP Staff Member	Assess whether the PU is compliant with Core Indicators and for licensing; identify areas for further support/capacity building	Before a new PU is assessed for licensing; typically, in the first or second season  <i>Timing:</i> from start of sowing to end of harvest during the initial set-up season or during the sowing period of the second season.
Licensing Assessment	Better Cotton/ Third-party verifier (for PUs)  Third-party verifier (for LFs)	<i>For new licences:</i> confirm the Producer meets all Core Indicators, including development of an initial Continuous Improvement Plan  <i>For licence renewal:</i> confirm the Producer continues to meet the Core Indicators and verify	Prior to initial licence and at point of licence renewal; at least every 3-years  <i>Timing:</i> from start of sowing to end of harvest

Assessment Type	Conducted by	Key Objective	Frequency and Timing
		that Continuous Improvement Plan is being implemented	
PU Support Visit <i>[PUs only]</i>	Trained IP Staff Member	Monitor continuous improvement and identify areas where the PU needs additional support/capacity building	At least once during the second or third year of an active licence <i>Timing:</i> from start of sowing to end of harvest
Surveillance Assessment <i>[PUs only]</i>	Better Cotton/ Third-party Verifier	Ensure ongoing compliance with Core Indicators, including demonstrated progress against the Continuous Improvement Plan	Once per licence period if applicable- minimum 5% licence holders covered annually based on risk <i>Timing:</i> from start of sowing to end of harvest

## 6 Self-Assessment and Internal Assessment

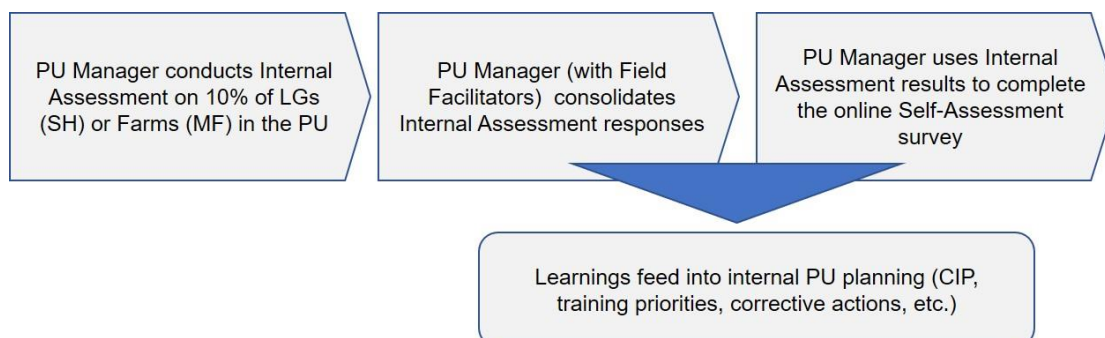
### 6.1 Overview

- 6.1.1 All Producers are required to complete an annual self-assessment survey in order to receive or maintain a licence:
- Self-assessment is completed individually for each Large Farm.
  - Self-assessment is completed at the Producer Unit (PU) level for each Smallholder and Medium Farm PU, based on the results of an internal assessment.
- 6.1.2 The objectives of the self-assessment are to:
- Document baseline performance/ current farming practices (for new PUs only)
  - Highlight critical gaps where more work is needed to fully comply with Core Indicators
  - Measure progress against the Continuous Improvement Plan (CIP) and identify any adjustments or changes needed
  - Identify year-over-year improvements in farmer understanding and adoption of more sustainable practices, along with barriers or challenges
  - Assess areas where farmer training or interventions need to be revised to improve effectiveness
- 6.1.3 The results of the self-assessment are not directly linked to licensing; they are used instead to help the PU or Large Farm (LF) Manager identify improvement areas.
- Self-assessment results may also be used by third-party verifiers (3PVs), Implementing Partners (IPs), or Better Cotton teams to help prepare for an assessment or monitoring visit.

*PUs in their first season complete a separate self-assessment version with a greater focus on baseline practices and setting up the internal management system.*

## 6.2 Internal Assessment (PUs only)

- 6.2.1 Before completing the self-assessment at PU level, the PU Manager and Field Facilitators carry out an internal assessment to gather feedback from a representative sample of farmers each season:



- 6.2.2 The internal assessment should cover (via surveys, focus groups, or consultation) at least 10% of the LGs (for a Smallholder PU) or 10% of Farms (for a Medium Farm PU).

*PUs are recommended to include even more LGs or Farms where possible—10% of LGs (Smallholders) or Medium Farms is a minimum expectation.*

- 6.2.3 The internal assessment helps to identify current practices used by farmers and assesses various elements of training and practice adoption:
- During the set-up phase, internal assessment focuses on baseline (existing) farmer practices, which helps identify improvement priorities.
  - After a PU is licensed, the focus of internal assessment shifts to assessing levels of farmer understanding and adoption of the practices promoted through training.
- 6.2.4 A standard reporting format for internal assessment reporting can be found on the [assurance website](#)— this format is optional for PUs.
- 6.2.5 Internal assessment reports are maintained by the PU Manager and do not need to be submitted to Better Cotton; however, they may be reviewed by verifiers during assessments.

## 6.3 Self-Assessment Format and Timing

- 6.3.1 The self-assessment is completed by the PU Manager or LF Manager via an online survey tool distributed by the Better Cotton Country Team.
- 6.3.2 For PUs, the PU Manager should use the results of the internal assessment as a main source to complete the self-assessment; however, he/she can also use other information from the previous season, such as records on farmer awareness or practice adoption.
- 6.3.3 Although self-assessment can be a useful reference during assurance checks, Licensing or Surveillance Assessments can still be carried out on a Producer even if the self-assessment has not yet been submitted.
- 6.3.4 Deadlines for self-assessment are generally set by country and harvest wave as follows:
- Self-assessment issued: 2 weeks after end of sowing

- b) Deadline to submit completed self-assessment: 6 weeks after end of sowing
- 6.3.5 If a Producer does not submit a completed self-assessment admissible quality by the deadline, the Producer's active licence will be cancelled for one season (or if unlicensed, the Producer will remain unlicensed for that season).

*See [18.1 Licence Cancellation](#) for more information on cancelled licences. In extenuating circumstances an extension request for more time to complete the self-assessment can be requested, please refer to [20. Variations and Extensions](#)*

## 7 Readiness Checks (PUs only)

### 7.1 Overview

- 7.1.1 The Readiness Check uses the unique role of Implementing Partners (IPs) as expert organisations with an ongoing field presence to ensure [new PUs](#) meet the Core Indicators prior to being assessed for licensing.
- 7.1.2 The objectives of the Readiness Check are to:
- a) Assess whether a new PU fully meets the Core Indicators;
  - b) Identify any gaps against Core Indicators and develop corrective actions (together with the PU Manager); monitor the PU to ensure these corrective actions are implemented and effective;
  - c) Evaluate the strength of the PU's capacity building programme and identify improvement areas (e.g., related to quality of training, knowledge of Field Facilitators, etc.).

*Together, the outcome of these points will inform the IP's decision on whether a PU is ready to be 'recommended for licensing.'*

- 7.1.3 Readiness Checks can be conducted by any experienced member of the IP organisation who has completed relevant training.

*The job title of the specific individual(s) within an IP organisation who meet these requirements may vary. Better Cotton provides training to IP representatives on how to conduct the Readiness Check. IP representatives who have experience with the Better Cotton programme and have undergone training on the Readiness Check process can train other IP staff members in order to build up a pool of eligible assessors within the organisation.*

- 7.1.4 Readiness Checks cannot be conducted by the PU Manager (or another staff member) of the same PU that is being assessed.

### 7.2 Format and timing

- 7.2.1 Readiness Checks are field-based visits, in which the IP Representative spends significant time visiting farmers and observing the Field Facilitators and PU Manager in their daily roles.
- 7.2.2 Readiness Checks should typically last at least two full days for a Smallholder PU and 1.5 days for a Medium Farm PU.
- 7.2.3 Readiness Checks include the following elements:
- a) A meeting with the PU Manager and Field Facilitators to understand progress and identify key challenges and action plans;
  - b) Individual interviews with at least 5 farmers from 3 different Learning Groups for Smallholders (15 farmers minimum), or 3 farmers for Medium Farms;

- c) Field observations at individual farms (minimum of 5 farms, but more farm visits are recommended);
  - d) Worker interviews (whenever possible);
  - e) Observing the PU Manager and Field Facilitators in their daily roles; for example, watching training sessions, farmer focus groups, or shadowing Field Facilitators on individual farmer visits;
  - f) Individual interviews with the PU Manager and Field Facilitators to understand knowledge strengths and areas for improvement;
  - g) A review of essential PU documents, including internal assessments, management plans, the continuous improvement plan, and training schedules and materials (for PU staff and LGs/farmers); and
  - h) A closing meeting with the PU Manager and Field Facilitators to discuss findings, corrective actions, and any next steps.
- 7.2.4 Readiness Checks can be carried out any time from sowing to harvest during the initial set-up season or any time during the sowing period of the PU's second season.
- 7.2.5 IPs must submit a list of all PUs that are recommended for licensing to Better Cotton Country Teams at the latest by the end of sowing deadline.

*If a PU applies for a variation to be assessed for licensing in its initial season, the Readiness Check would have to occur during sowing of this initial season (see [4.2 Timing of the Set-Up Phase](#)).*

### 7.3 Readiness Check Outcomes

- 7.3.1 The findings of the Readiness Check are documented and shared back to the PU Manager in the Readiness Check report
- a) If the PU does not yet fully meet all Core Indicators, the IP Representative (together with the PU Manager) completes a corrective action plan, as specified in the Readiness Check Reporting Template (available on the [assurance website](#)).
  - b) The Readiness Check report (and corrective action plan, if applicable) are to be shared with the PU Manager within 3 weeks of the visit taking place.
- 7.3.2 The IP is responsible for monitoring progress and verifying implementation of corrective actions if applicable.

*This is ideally completed through an additional Readiness Check, or if necessary, through the remote verification of evidence. Evidence supporting non-conformity closure does not need to be submitted to Better Cotton but should be available at IP level and may be requested as part of external assessment activities.*

- 7.3.3 Based on the outcome of the Readiness Check and any follow-up monitoring activities, the IP determines whether the PU is ready to be assessed for licensing.
- 7.3.4 By the end of sowing deadline, the IP is required to submit a list of all new PUs which are 'recommended for licensing' to the Better Cotton Country Team.

*The Readiness Check reports for all PUs recommended for licensing can be submitted to Better Cotton on a rolling basis, with all reports received by the End of Sowing deadline. It is the responsibility of the IP to ensure the quality and completeness of Readiness Check reports before they are submitted to Better Cotton.*

- 7.3.5 Better Cotton Country Teams may request improvements or additional information if Readiness Check reports lack enough detail to assess PU performance.

*Better Cotton will not formally approve each Readiness Check report. A sample of reports may be reviewed as part of the routine annual assurance review and periodic external oversight activities (see [22.2 Assurance System Oversight](#)).*

- 7.3.6 If the IP determines that a PU is not ready for licensing by the end of sowing deadline, the PU can spend the season in set-up phase and will not receive a Licensing Assessment that season.<sup>11</sup>

## 8 Licensing Assessments

*This section applies to both Producer Units and Large Farms. Licensing assessments for PUs can be carried out by either Better Cotton Country Teams or third-party verifiers, while Licensing Assessments for Large Farms are always carried out by third-party verifiers.*

### 8.1 Overview

- 8.1.1 All Producers must undergo a field-based Licensing Assessment in order to receive or renew a licence. This happens at least every 3 years as the standard license duration is three years. PUs can only undergo Licensing Assessments after they have completed the set-up phase requirements.
- 8.1.2 The purpose of a Licensing Assessment is to:
- Verify whether the Producer is in conformity with the Core Indicators to inform the final licensing decision made by Better Cotton Assurance Managers;
  - Check progress against the Continuous Improvement Plan (CIP) and provide improvement recommendations to the Producer Unit (PU) to support further sustainability improvements;
  - If incidental non-conformities are identified, provide the Producer with a non-conformity report to enable the PU/LF Manager to develop a Corrective Action Plan (CAP).
- 8.1.3 Licensing Assessments for Large Farms (LFs) are conducted by an approved third-party verifier (list of approved verifiers is available on the Better Cotton [assurance website](#))
- 8.1.4 Licensing Assessments for PUs are conducted by either a trained Better Cotton assessor or an approved third-party verifier.<sup>12</sup>
- third-party verification constitutes a minimum of 20% of the licensing and surveillance assessments for PUs conducted in a given country per year.

*Using a combination of qualified Better Cotton staff and approved third-party verifiers for PUs allows assurance resources to be allocated efficiently and ensures each country has a wide pool of assessors eligible to perform visits. The distribution of assessments between Better Cotton and third-party verifiers is determined on a country basis depending on resource availability and Better Cotton team capacity.*

### 8.2 Format and Timing

*A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#)*

<sup>11</sup> PUs can spend 1-2 seasons in set-up phase; if additional time is required before they are ready for licensing, a written variation must be requested.

<sup>12</sup> Refer to the [Stakeholder roles](#) section for more information on the role of country-level Assurance staff and third-party verifiers in the assurance model.

8.2.1 Licensing Assessments are field-based visits that include a review of the Producer's internal management system as well as field observations and interviews.

8.2.2 Each assessment includes the following elements:<sup>13</sup>

- a) Gathering information from local sources (for third-party verification only)
- b) Management interview
- c) Farmer interviews
- d) Worker interviews
- e) Documentation review
- f) Visual (field) inspection
- g) Analysis and reporting

*A guidance document for assessments provides more detail on each of these elements, and can be found on the [assurance website](#).*

8.2.3 During the assessment process for PUs, a sample of farmers are visited:

- a) For Smallholder PUs, a minimum of 3 Learning Groups are visited and 5 farmers per Learning Group (total of 15 farmers) receive farm visits.
- b) For Medium Farm PUs, a minimum of 3 farmers receive farm visits.

*These are minimum expectations. A greater sample of farmers should be visited whenever possible in order to have better representation of the PU's performance. Additional farmers may also be visited at the assessor's discretion; for example, in order to determine the extent of a potential non-conformity.*

8.2.4 During the assessment process for LFs, the individual LF receives a site visit from a third-party verifier.

8.2.5 Licensing Assessments can take place anytime during the cotton season from start of sowing to end of harvest:

- a) For new PUs, a Licensing Assessment can only occur after the completion of set-up phase expectations, and after the PU has received a Readiness Check and been 'recommended for licensing' by the IP.
- b) For licensed Producers, a Licensing Assessment to renew the licence is carried out the same season the licence is expiring.

8.2.6 In general Licensing Assessments take place before the [licensing date](#) in each country; however, in extenuating cases, a Licensing Assessment for an active PU may take place after the licensing date (e.g. due to scheduling issues or timing of the crop season).

- a) In this case, the licence will be renewed and if systemic non-conformities are identified during the assessment, the licence would be cancelled for the following season

### 8.3 Outcome of Licensing Assessments

8.3.1 During the closing meeting at the end of a Licensing Assessment, the Better Cotton assessor or third-party verifier will discuss and share a short, written summary of key findings with the PU Manager or LF Manager.

- a) This will include both positive elements of the Producer's performance as well as areas where there are potential gaps against Core Indicators or further improvements could be made.

*This summary of findings should be used as the basis to guide the closing meeting discussion, and a copy will be left with the PU Manager or LF Manager to ensure there is*

<sup>13</sup> In the case of self-assessment, the 'Assessment Process' is applicable to the Internal Assessment visits that inform the completion of the self-assessment survey. See [6.2 Internal Assessment](#).

*clear communication of assessment findings. No non-conformity gradings should be communicated at this point (as these are subject to Assurance Manager oversight); only fact-based descriptions of potential issues identified.*

8.3.2 After the visit, the full set of findings are documented using the Assessment Report template, available on the [assurance website](#).

8.3.3 The Licensing Assessment report, summary of key findings, and supporting evidence are shared with the Better Cotton Assurance Managers to review and confirm a final licensing decision.

a) If compliant with all Core Indicators, the Producer will receive a 3-year licence

b) If only incidental non-conformities are identified, the Producer will receive a 3-year licence and is required to carry out the following to maintain the licence:

i. Complete and submit a Corrective Action Plan (CAP) within ten working days

ii. Demonstrate that corrective actions have been implemented within six months

*If either of these requirements are not met, the licence will be cancelled for the following season*

c) If any systemic non-conformities are identified, the licence will be denied

8.3.4 Once a final licensing decision has been made, the Assessment Report (available on the [assurance website](#)) is shared with the PU Manager or Large Farm.

*Reports are generally expected to be completed and shared with the Producer within three weeks of the visit taking place. The Assessment Report also includes a section outlining Improvement Recommendations. These advise the Producer on potential risks or weaknesses observed during the visit as well as opportunities for further development.*

*The PU or LF Manager is responsible for integrating the feedback provided in the Improvement Recommendations report into the Continuous Improvement Plan*

8.3.5 If any non-conformities (incidental or systemic) are identified during the assessment, Better Cotton will also share a CAP template with the PU or LF Manager

a) The PU or LF Manager must complete the CAP and return the Better Cotton Country team within ten working days

*Refer to [19 Non-conformities and Corrective Actions](#) for more information on non-conformities and licensing.*

8.3.6 For new PUs only, if a systemic non-conformity is identified during the first Licensing Assessment, the IP must conduct a Readiness Check to confirm that corrective actions have been effective (and the PU complies with all Core Indicators, before the PU can be recommended again for licensing.

## 9 PU Support Visits (PUs only)

### 9.1 Overview

9.1.1 All licensed PUs are required to receive a field-based PU Support Visit by the Implementing Partner (IP) in either the second or third year of the active licence period.

*These visits are designed to complement – not replace – regular monitoring and field visits by the IP to all the PUs under their management.*



9.1.2 IPs are responsible for scheduling PU Support Visits and tracking to ensure that each PU receives a visit during the second or third year of the active licence period.

9.1.3 The aim of the PU Support Visit is to:

- a) Evaluate the PU's progress against its Continuous Improvement Plan (CIP), identify challenges, and develop solutions (together with the PU Manager and Field Facilitators)
- b) Review the effectiveness of the PU's internal management system and training/awareness raising efforts, and determine if any changes are needed
- c) Verify whether the PU is still fully compliant with the Core Indicators; identify any gaps and agree on corrective actions to address these
- d) Understand where the PU needs additional capacity building support and training (including skills development or training of PU staff as well as for farmers)

9.1.4 PU Support Visits can be conducted by any experienced member of the IP organisation who has completed relevant training.

*The job title of the specific individual(s) within an IP organisation who meet these requirements may vary. Better Cotton provides training to IP representatives on how to conduct the PU Support Visits. IP Representatives who have experience with the Better Cotton programme and have undergone training on the PU Support Visit process can train other IP staff members in order to build up a pool of eligible assessors within the organisation.*

9.1.5 PU Support Visits cannot be conducted by the PU Manager (or another staff member) of the same PU that is being assessed.

## 9.2 Format and timing

9.2.1 PU Support Visits are field-based checks that should typically last at least two full days for a Smallholder PU and 1.5 days for a Medium Farm PU.

9.2.2 The PU Support Visit should include at a minimum the following elements (others may be included based on the judgement of the IP representative):

- a) A meeting with the PU Manager and Field Facilitators to understand progress and identify key challenges and action plans;
- b) Individual interviews with at least 5 farmers from 3 different Learning Groups for Smallholders (15 farmers minimum), or 3 farmers for Medium Farms;
- c) Field observations at individual farms (minimum of 5 farms, but more farm visits are recommended);
- d) Worker interviews (whenever possible);
- e) A detailed review of PU documents, including the CIP, training records, adoption records, etc.;
- f) Cross-checking PU level documents (e.g., training and adoption records) with farmer interviews on a sample basis;
- g) Observing the PU Manager and Field Facilitators in their daily work, for example, observing training sessions, farmer focus groups, or shadowing Field Facilitators on individual farmer visits;
- h) Individual interviews with the PU Manager and Field Facilitators to understand knowledge strengths and areas for improvement;

- i) An assessment of year-on-year progress in achieving CIP goals and identification of any areas of challenge that require support;
- j) A closing meeting with the PU Manager and Field Facilitators to discuss findings, corrective actions, and any next steps.

### 9.3 Outcomes of PU Support Visits

- 9.3.1 After the visit, findings are reported using the PU Support Visit template, available on the [assurance website](#).
- 9.3.2 The IP Representative carrying out the PU Support Visit should complete the report and the detailed Action Plan and share back with the PU Manager within 3 weeks of the visit.
- 9.3.3 Copies of the PU Support Visit reports are to be shared with the Better Cotton Country Teams at least once per year, or when requested.
- 9.3.4 If an IP determines at any time (including through a PU Support Visit) that a PU has significant gaps in meeting any of the Core Indicators, the IP is expected to notify the Better Cotton Country team in writing of the issue
  - a) This information will not lead to an automatic licence cancellation but may result in an additional Surveillance Assessment being carried out.

## 10 Surveillance Assessments (PUs only)

### 10.1 Overview

- 10.1.1 Surveillance Assessments are carried out on a sample of licensed PUs in the second or third year of an active licence.
- 10.1.2 Surveillance Assessments are conducted by either qualified Better Cotton Programme Officers/Coordinators or approved third-party verifiers.
- 10.1.3 The objectives of Surveillance Assessments are to:
  - a) Confirm that the PU continues to comply with all Core Indicators;
  - b) Check that any non-conformities from previous assessments have been fully closed;
  - c) Ensure the PU is making progress against priority areas in the Continuous Improvement Plan (CIP);
  - d) Provide feedback to the PU on any compliance gaps or improvement recommendations.

### 10.2 Sampling

- 10.2.1 Surveillance Assessments are carried out on a sample of licensed PUs globally each year<sup>14</sup>.
- 10.2.2 The sample of PUs to receive a Surveillance Assessment is calculated by the Better Cotton Assurance Managers based on the following factors:

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<sup>14</sup> The total sample of surveillance assessments is expected to be around 5% of licensed Producers globally each year, but this varies depending on risk factors. Total surveillance assessments completed by country and outcomes of these visits are published annually on the Better Cotton assurance website

- a) All PUs with over 33% new farmers will receive a mandatory surveillance assessment
- b) PUs with a high rate of non-conformities during previous assessments
- c) Balanced distribution across IPs, Local Partners, and regions
- d) Third-party information on risk factors (i.e. known sustainability issues or labour violations in a specific region)

10.2.3 The list of any PUs to receive a Surveillance Assessment will be shared with the relevant IP by Better Cotton Country Teams at least five working days ahead of the visit.

### 10.3 Format and timing

10.3.1 Surveillance Assessments follow the same general format and timing as a Licensing Assessment (see [8.2 Format and Timing](#)).

10.3.2 Surveillance Assessments can be carried out any time during the crop season from start of sowing to end of harvest.

*A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#)*

### 10.4 Outcome of Surveillance Assessments

10.4.1 During the closing meeting at the end of a Surveillance Assessment, the Better Cotton assessor or third-party verifier will discuss and share a short, written summary of key findings with the PU Manager.

- a) This will include both positive elements of the PU's performance as well as areas where there are potential gaps against the Core Indicators or further improvements could be made.

*This summary of findings should be used as the basis to guide the closing meeting discussion, and a copy will be left with the PU Manager to ensure there is clear communication of assessment findings. No non-conformity gradings should be communicated at this point (as these are subject to Assurance Manager oversight); only fact-based descriptions of potential issues identified.*

10.4.2 After the visit, the full set of findings are documented using the Assessment Report template, available on the [assurance page](#) of the Better Cotton website.

10.4.3 The Assessment Report, summary of key findings, and supporting evidence are shared with the Assurance Managers for a final review and decision:

10.4.4 If compliant with all Core Indicators, or if only incidental non-conformities are identified, the PU will retain its current licence.

- a) If systemic non-conformities are identified, the active licence will be cancelled and another Licencing Assessment will be required before the licence can be reinstated

10.4.5 Once reviewed by Assurance Managers, the final report is shared with the PU Manager.

*Reports are generally expected to be completed and shared with the PU Manager within 3 weeks of the visit. The report also includes a section outlining improvement recommendations. These advise the PU on potential risks or weaknesses observed during the visit as well as opportunities for further development. Improvement recommendations should be incorporated into the PU's continuous improvement planning process.*

10.4.6 If any non-conformities (incidental or systemic) are identified during the assessment, Better Cotton will also share a Corrective Action Plan (CAP) template with the PU Manager

- a) The PU Manager must complete the CAP and return the Better Cotton Country Team within 10 working days.

*Refer to [19. Non-conformities and Corrective Actions](#) for more information on non-conformities and licensing.*

## 11 Remote Assessments

### 11.1 Force Majeure

11.1.1 Where political events, natural disasters, or other force majeure events make it not possible or not safe to carry out standard assurance activities; remote or partially remote assessments may be carried out instead with prior written approval from the Better Cotton Director of Standards & Assurance.

### 11.2 Standard Remote Assessment Sample

11.2.1 Outside of a force majeure response, up to 20% of assessments in each season may take place remotely. The selection of assessments to be done remotely is based on the following factors:

- a) Producer is not being assessed for their first/initial licence
- b) Producer has a good record of conformity in previous assessments, self-assessments, and monitoring visits
- c) Previous assessment for the Producer was on-site (e.g., consecutive assessments should not be remote)
- d) The Producer has not had a significant composition change of farmers i.e., more than 33%.
- e) Consideration of locality – e.g., within a region, assessments should not be fully remote

11.2.2 Remote assessments should follow guidelines on the Better Cotton remote assessment process, available on the [assurance website](#).

## 12 Use of Interpreters

### 12.1 Interpreters During Assessments

12.1.1 Interpreters<sup>15</sup> are to be contracted as part of the assessment process in cases where the local language is not spoken by the assessor.

12.1.2 Interpreters must be independent and impartial from the Producer being assessed.

12.1.3 Translations must be a direct translation to maintain accuracy and completeness of the interviewee's statement.

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<sup>15</sup> Term 'interpreters' incorporates the term "translator" within this document where mentioned

## 13 Continuous Improvement

### 13.1 Continuous Improvement for Producers

13.1.1 As required under Core Indicator 7.1.1, all Producers must develop and implement a Continuous Improvement Plan (CIP) before they can be licensed to sell Better Cotton

- a) The CIP is to be developed according to a specified process that supports Producers to identify their greatest areas for improvement, define and prioritise interventions, and monitor and record progress in achieving their goals.

*This process allows Producers to tailor the CIP plan to their performance level and commit to improvement goals that are relevant, achievable, and measurable.*

13.1.2 During the active licence period, Producers are expected to focus on the implementation and achievement of the CIP.

- a) Producers (with the support of Implementing Partners for PUs) should shape their capacity building programme around the priorities identified in the CIP.
- b) PUs are expected to regularly monitor the effectiveness of training and other interventions, through tracking levels of farmer understanding and awareness and (eventually) adoption of more sustainable practices.

13.1.3 Both PUs and LFs are required to demonstrate year-on-year progress in achieving their CIP goals, and to engage in an annual review process to ensure they build on successes and address any areas of challenge.

13.1.4 The assurance process provides a framework of both accountability and support to ensure Producers make continued progress against the priorities identified in the CIP.

13.1.5 The Readiness Check (for PUs) and initial licensing assessment (for all Producers) reviews the initial CIP and checks whether the priorities and timeframes are appropriate and realistic; they also assess the level of competence and understanding of the PU/LF Manager and Field Facilitators (for PUs).

13.1.6 For licensed Producers, the annual self-assessment tracks year on year progress against targets in the CIP and identifies key challenges or areas where further support is needed.

13.1.7 For PUs, the PU Support Visits and Surveillance Assessments also have a strong focus on continuous improvement. These visits are designed to help measure progress against the CIP and identify areas where additional support or expertise is needed to help the PU achieve its targets.

13.1.8 The Licensing Assessment to renew a licence also evaluates whether the Producer has made progress against the initial CIP; based on cross-checking farming practices and levels of farmer awareness/understanding.

*If the Licensing Assessment to renew a licence finds that a Producer has not demonstrated clear progress against priority areas identified in the CIP, a systemic non-conformity can be raised against 7.1.1 and the licence will not be renewed.*

## 14 Additional Verification Activities

*If significant environmental, social, or economic threats are identified in an area where licensed Producers are operating, Better Cotton may request additional verification activities to help safeguard the credibility of the Better Cotton Standard System. This could be applicable for example if third-party reports show high uses of child labour, or a credible research study suggests continued use of banned pesticides in a specific region.*

### 14.1 Additional Verification Activities

- 14.1.1 In specific cases where risk areas have been identified (e.g. through credible third-party information or monitoring of external data), Better Cotton may commission additional verification activities to assess Producer compliance with specific Core Indicators.
- 14.1.2 Additional verification activities:
- a) Can consist of either field-based visits or remote interviews/ document checks;
  - b) Are carried out by designated technical experts approved and commissioned directly by Better Cotton Assurance Managers.
- 14.1.3 If additional verification activities are commissioned by Better Cotton, the Producer (either Large Farm Manager or PU Manager and IP representative) will be notified in writing with a minimum of 24 hours' notice.
- 14.1.4 All findings of additional verification activities are shared, in writing, with the Assurance Managers, who will review any outcomes and make final decisions on licensing impacts:
- a) Identification of systemic non-conformities will result in the licence being cancelled and a Corrective Action Plan (CAP) being developed.
  - b) Identification of incidental non-conformities will not affect the licence but will require development of a CAP within ten working days of being informed of the findings.
- 14.1.5 Failure to comply with a request for additional verification activities (such as refusing access to assessors, or non-submission of requested information) can lead to a licence cancellation

## 15 Licensing Decisions and Claims

### 15.1 Licensing Decisions

- 15.1.1 All final licensing decisions are made by Better Cotton Assurance Managers based on a review of the outcome of a Licensing Assessment, including the report itself and any supporting evidence where appropriate.
- 15.1.2 All licences to sell Better Cotton are issued for a standard duration of 3 years.
- 15.1.3 Large Farms receive licences on an individual basis, and a Producer Unit (PU) is awarded a single licence covering all farmers within the PU.
- 15.1.4 All licensing decisions (such as licences being awarded or cancelled) for any given season are communicated to IPs and PU or LF Managers by Better Cotton Country Teams.
- a) A full list of active licensed Producers by country and season are also published on the Better Cotton website

*The licensing communication also identifies the conditions associated with individual licences. In the context of PUs, the IP representative is responsible for sharing licensing information with individual PU Managers.*

## 15.2 Licensing Claims

15.1.1 Producers who hold active licenses to sell Better Cotton can make claims about their licensed status, provided they:

- a) Reflect the accurate and current status of the license for the given cotton season, as indicated via the public list of active licenses (available on the Better Cotton website) and/or as indicated via the latest license communication from Better Cotton
- b) Clearly indicate the duration of the license and/or the season for which the Producer is licensed to sell Better Cotton

*The use of authorised annual volume (AAV) codes helps to ensure that even if unlicensed Producers make false claims about their license status, their cotton cannot be sold and recorded into the Better Cotton Platform as 'Better Cotton'*

## 16 Active Licence Period

### 16.1 Active Licence Period

16.1.1 During the 3-year active licence period, Producers are expected to fulfil annual requirements to maintain the licence:

- a) Submit annual Producer data to Better Cotton by specified deadlines;<sup>16</sup>
- b) Complete an annual self-assessment survey (and internal assessment, for PUs only);
- c) Implement corrective actions and fully address any incidental non-conformities identified through a Licensing or Surveillance Assessment, or PU Support Visit;
- d) Demonstrate progress in achieving the goals identified in the CIP;
- e) Submit [Results Indicator](#) (RI) reporting 12 weeks after the end of harvest (see [Results Indicators Reporting](#)).

*It is the IP's responsibility to submit accurate PU-level farmer lists each season to Better Cotton to maintain an active licence. If wide-scale inaccuracies in this data, or falsified farmer information is suspected, Better Cotton has the right to investigate further. Better Cotton may cancel the PU's licence if these inaccuracies are systemic in nature.*

16.1.2 During the licence period PUs are also required to participate in at least one PU Support Visit, and if applicable, a Surveillance Assessment.

16.1.3 If changes in farmer composition result in the percentage of new farmers in the PU exceeding 33% at any point during the active licence period, the PU must undergo a Surveillance Assessment in order to maintain the licence.<sup>17</sup>

<sup>16</sup> PU data includes (but is not limited to) name and contact information of Producer Unit Manager; list of farmers organised into Learning Groups (for smallholder Producer Units); age, gender, education level of farmers; expected seed cotton production per farmer and area under cultivation; geo-location of Producer Units; names of gins. For LFs, Producer data includes (but is not limited to) name of LF Manager; expected seed cotton production and area under cultivation; geo-location of farm; name of gin(s).

<sup>17</sup> The 'percentage of new farmers' is calculated as the number of new farmers/total farmers in the PU for the current season \* 100.

## 17 Annual Licensed Volumes

### 17.1 Annual Licensed Volumes

- 17.1.1 All Producers with an active licence to sell Better Cotton will receive an annual licensed volume allocation – this enables their cotton to be sold into the supply chain as ‘Better Cotton.’

*The licensed volume is based on projected cotton production (typically captured through the self-assessment reporting) and is an estimate of the volume each Producer can sell into the supply chain as ‘Better Cotton’*

- 17.1.2 Producers in most countries where Better Cotton operates will receive an [Annual Authorised Volume \(AAV\) code](#) once a year at the licensing date:
- The AAV code is a unique code, specific to each Producer, that is linked to the volume of licensed cotton produced by that PU or LF.
  - The AAV code is to be passed on to buyers of the cotton (i.e. ginners) so that purchases of Better Cotton can be entered into the [Better Cotton Platform](#).
  - A new, unique AAV code is generated each year for every Producer with an active licence; and is valid for the duration of the season
- 17.1.3 AAV codes are communicated out to IP representatives (or Large Farm managers) by Better Cotton Country Teams during the annual licensing deadline.
- 17.1.4 In countries where combined gin inventories are used (rather than individual AAV codes), the total volume of licensed cotton will be updated in the Better Cotton Platform on an annual basis.

## 18 Licence Cancellation

*New Producers remain ‘unlicensed’ until a Licensing Assessment has been carried out with no systemic non-conformities identified (following the set-up phase and a Readiness Check for PUs). Once a licence is issued, it remains valid for the 3-year period unless the Producer fails to meet a specific requirement (such as submitting RI data), there is a change in the Producer’s overall status (i.e. the PU is dissolved), or a systemic non-conformity is raised during an assessment. In some cases, a Licensing Assessment is required before a cancelled licence can be reinstated – refer to the table below. All changes to licensing status are approved by an Assurance Manager.*

### 18.1 Licence Cancellation

- 18.1.1 A licence cancellation is when a Producer’s active licence becomes invalid for a specified period due to a failure to comply with at least one of the licensing requirements (see [Overview of Licensing Requirements](#)) or due to an administrative reason.
- 18.1.2 Licences can be cancelled for the current season or for the following season, depending on the timing of the issue (i.e. whether it occurred before or after the [licensing date](#) - refer to [Table 4: Licence Cancellations](#)).
- 18.1.3 Producers with a cancelled licence are not permitted to sell cotton as ‘Better Cotton’ during the cancellation period; however, the Producer can continue participating with Better Cotton, with farmers receiving training and support from the IP and PU staff.
- 18.1.4 Active licences are cancelled in the following cases:
- Self-assessment is not submitted on time;
  - Results Indicator (RI) reporting data is either not submitted on time, incomplete, systematically erroneous (e.g. fertilizer data in place of



pesticide data), or falsified or fabricated (or cannot be verified through cross-checking)

- c) Corrective actions to address incidental non-conformities have not been implemented within the six-month timeframe;
- d) Systemic non-conformity is found during a Licensing or Surveillance Assessment (or additional verification activity as in Section 11);
- e) Scheduled assessments are not carried out (for example, the Producer refuses access);
- f) Corrective Action Plan (CAP) for incidental non-conformity is not submitted by the required deadline or is incomplete or insufficient quality.

18.1.5 For non-submission of self-assessment or RI reporting, the existing licence is reactivated following the one season cancellation period.

- a) In all other cases of cancellation, a Licensing Assessment is required before the licence can be reactivated.

18.1.6 Licences can also be cancelled due to a change in the status of the Producer, for example:

- a) The PU stops growing cotton [*PU only*]<sup>18</sup>
- b) The PU is dissolved, e.g., due to the IP contract being terminated [*PU only*]
- c) The Producer stops participating with Better Cotton

**Table 4: Licence Cancellations**

*In the table below, the current season refers to 2020/21 to help provide an example*

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
Before Licensing Date	a. Self-assessment not submitted on time b. RI reporting <u>from the previous season</u> not submitted, or insufficient quality data (N/A for new Producers)	Licence cancelled for the season (or if new Producer, not eligible for licensing)	<ul style="list-style-type: none"> <li>• Existing licence reactivated, or</li> <li>• Eligible for licensing (if new Producer or licence has expired)</li> </ul>	N/A
	c. Incidental non-conformities (NCs) from previous season not fully closed within the six-month timeline d. Systemic NC on Licensing or Surveillance Assessment <sup>19</sup> e. Failure to carry out scheduled assessment f. CAP not submitted or is incomplete or insufficient quality	Licence cancelled (or if new Producer, no licence granted)	Licensing Assessment required before the licence can be issued (or reactivated)	N/A

<sup>18</sup> In the case of LFs, the licence remains valid for the remainder of the licence period

<sup>19</sup> Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
After Licensing Date	<ul style="list-style-type: none"> <li>a. Systemic NC on Licensing or Surveillance Assessment<sup>20</sup></li> <li>b. Failure to carry out scheduled assessment</li> <li>c. CAP not submitted or is incomplete or insufficient quality</li> </ul>	No impact (production can be sold as Better Cotton)	Licence cancelled	Licensing Assessment required before the licence can be reactivated

## 19 Non-conformities and Corrective Actions

### 19.1 Non-conformity Gradings and Consequences

19.1.1 Non-conformities (NCs) identified during Licensing Assessments and Surveillance Assessments are graded as either incidental or systemic, as set out in Table 5.

**Table 5: Incidental and Systemic Non-Conformities**

NC Grading	Description of Finding	Consequences	Follow-Up
Incidental	<p><b>For Producer Units:</b></p> <ul style="list-style-type: none"> <li>a) Non-conformity on a Core Indicator is observed as an isolated event, limited in temporal and spatial scale, and</li> <li>b) Producer Unit has provided sufficient evidence that the internal management system (IMS) should prevent such practices</li> </ul>	<p>Corrective action plan to be completed within ten working days of being notified of assessment findings</p> <p>The Producer has six months to implement corrective actions to prevent the identified non-conformity from re-occurring in future.</p>	Better Cotton verifies the implementation of corrective actions, either through a remote evidence review and/or through a site visit
	<p><b>For Large Farms:</b></p> <ul style="list-style-type: none"> <li>a) The impacts of the non-conformity are limited in temporal or spatial scale, and/or</li> <li>b) It does not result in a fundamental failure to achieve the objective of the indicator.</li> </ul>	<p>Note –the Group Assurance Manual (refer to <a href="#">Annex B</a>) the timeline for closing an incidental non-conformity is two weeks</p>	
Systemic	<p><b>For Producer Units:</b></p> <ul style="list-style-type: none"> <li>a) Corroborative evidence demonstrates that a Core Indicator is not respected, and</li> <li>b) Producer Unit cannot provide sufficient evidence that the internal management system (IMS) prevents such practices</li> </ul>	The Producer is denied a licence (for a Surveillance Assessment, the PU's active licence is cancelled).	Implementation of corrective actions is checked during the subsequent Licensing Assessment

<sup>20</sup> Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

NC Grading	Description of Finding	Consequences	Follow-Up
	<p><b>For Large Farms:</b></p> <p>a) Non-conformity occurs repeatedly, or</p> <p>b) Results in a fundamental failure to achieve the objective of the indicator</p>	<p>Corrective action plan to be completed within ten working days of being notified of assessment findings</p>	<p>For PUs, IPs should support the PU in implementing corrective actions and verify their effectiveness before another Licensing Assessment</p>

## 19.2 Escalation of Incidental Non-conformity

19.2.1 An Incidental non-conformity is automatically escalated to a systemic non-conformity in the following circumstances:

- a) The Producer fails to close the incidental non-conformity within the six-month timeframe,
- b) The Producer fails to submit adequate evidence of non-conformity closure,
- c) The assessor’s follow-up visit finds that corrective actions have not been implemented and/or effective.
- d) The incidental non-conformity is recurrent – the same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments).

19.2.2 In specific circumstances, Assurance Managers may decide not to escalate a recurrent incidental non-conformity. This is the case only if:

- a) There is clear evidence that the Producer has made significant progress in addressing the root cause of the non-conformity, and exceptional circumstances have prevented full closure of the non-conformity, or
- b) The incidental raised in the second assessment relates to a different issue compared to the initial non-conformity.

## 19.3 Corrective Action Plans

19.3.1 If a Licensing Assessment identifies incidental and/or systemic non-conformities, the PU/LF Manager must complete a Corrective Action Plan (CAP) for all non-conformities.

- a) The assessor shares the CAP template with the PU Manager/LF Manager after the assessment, with the non-conformities populated.
- b) The PU Manager or LF Manager is responsible for identifying the root cause and outlining remediation steps and owners for all non-conformities identified.

19.3.2 The CAP is submitted by the PU/LF Manager to Better Cotton country team within ten working days of receiving the assessment outcome:

- a) If the CAP is incomplete or poor quality, Better Cotton may request corrections before the CAP is considered acceptable.

19.3.3 In case of incidental non-conformity, failure to submit an acceptable CAP by the required deadline results in licence denial (for new Producers), or the licence being cancelled for one season (for licence holders):

- a) If the required CAP deadline occurs before the licensing deadline, the current season licence is cancelled.
  - b) If the required CAP deadline occurs after the licensing deadline, the licence is cancelled for the following season.
- 19.3.4 For PUs, the IP is responsible for supporting the PU Manager to develop an appropriate CAP and for monitoring the PU to ensure that the agreed corrective actions are implemented
- 19.3.5 The implementation of the CAP may be verified by Better Cotton approximately six months after the licence was issued
- a) This can take the form of an on-site visit or a remote documentation review and phone/video/email communication.
- 19.3.6 If sufficient evidence is not submitted to confirm that root causes are identified and corrective actions implemented (to the extent possible given seasonal timing), the licence will be cancelled for one season, subject to Assurance Manager review

## 20 Variations and Extensions

*The assurance model allows for variations or time extensions on certain requirements, as outlined below.*

### 20.1 Variations and Extensions Process

20.1.1 Variations can be requested in the following cases:

Variation type	Deadline for request
Recommend a new PU for licensing in its first season of participation, provided the relevant criteria are met (see <a href="#">4.2 Timing of the Set-Up Phase</a> )	End of sowing <i>[Note that the Readiness check must also have been completed by the IP by this deadline, before submitting a variations request, demonstrating the PU is fully compliant and ready for licensing]</i>
Request an additional (third) season in set-up phase for a PU that is not yet ready for licensing	End of sowing
Request an extension for additional time to meet a required assurance deadline, such as farmer lists, self-assessment, Results Indicator (RI) reporting, or closure of incidental non-conformities	At least ten working days <u>ahead</u> of the original deadline

20.1.2 All requests for variation and extension are to be submitted through the process found on the Better Cotton [assurance website](#).

- a) Requests are to be submitted by the PU Manager or LF Manager, in English, and must cover all information required in the form.
- b) Requests must include a clear rationale and supporting evidence where required.

20.1.3 Variation/ extension requests are decided on by Better Cotton Assurance Manager(s):

- a) Decisions will be communicated back to the Producer within 5 working days of receiving a complete variation/ extension request (with evidence).

- b) Extension requests are generally granted for two weeks unless the Producer requests additional timing and provides a clear rationale.

## 21 Appeals Process

### 21.1 Appeals Process

21.1.1 Under the Better Cotton assurance model, Producers can appeal against a licensing decision within 10 working days of being informed of the licensing decision.

21.1.2 The appeals procedure is designed to be used in cases where the Producer has clear evidence of professional misconduct or negligence on the part of the assessor

*The Appeals Procedure should not be triggered due to the fact that a Producer disagrees with the evidence-based findings of a Licensing Assessment.*

21.1.3 Appeals must be filed using the form on the Better Cotton [assurance website](#).

21.1.4 Appeals received are first reviewed for eligibility. Appeals are considered ineligible for processing if they are received after the deadline, the appeals form is incomplete, or it does not contain sufficient evidence of professional misconduct or negligence on the part of the assessor.

21.1.5 Decisions on eligible appeals are made by a subset of members from Better Cotton Appeals Committee, which comprises country-level assurance Coordinators or Managers and third-party verifiers.

21.1.6 Within 14 days of receiving an eligible appeal, the Assurance Managers will designate a specific panel composed of 1-3 members of the Appeals Committee, who will review and decide on the appeal in question.

21.1.7 Members of the panel are selected based on impartiality, technical knowledge of the relevant Better Cotton principles, understanding of local context, and availability.

21.1.8 The panel will exclude any members with conflicts of interest – for example, a third-party verifier who carried out the verification visit against which the Producer is appealing

21.1.9 The dedicated appeals panel will review and decide on an appeal within 35 calendar days of receipt of the appeal

- a) The appellant will be notified in writing of the decision and the rationale
- b) All appeal decisions are final.

## 22 Assurance Updates and Oversight

### 22.1 Assurance Changes and Stakeholder Engagement

22.1.1 Better Cotton periodically reviews the assurance model to ensure it continues to deliver on its objectives (as outlined in Section 1 – Introduction); driving opportunities for continuous improvement and maintaining credibility.

- a) Where significant assurance updates are proposed there will be proactive communication and dedicated consultation opportunities with key stakeholders including Producers, IPs, verifiers, and others
- b) A schedule of any proposed major changes and opportunities for stakeholder consultation will be made public on the Better Cotton assurance website
- c) Minor changes to the assurance model (which do not fundamentally change the assurance mechanisms and do not have notable implications on cost,

credibility, licensing, or accessibility) can be made by the Better Cotton assurance team, after consultation with affected stakeholders; these require approval of the Director of Standards & Assurance

- d) Final approval for major changes to the assurance model rests with the Better Cotton Council, which is a multi-stakeholder body elected from the Better Cotton Membership

22.1.2 Feedback or suggestions relating to the Better Cotton assurance programme can be submitted at any time to [assurance@bettercotton.org](mailto:assurance@bettercotton.org) – these will receive written responses and will inform the schedule of future updates

## 22.2 Assurance System Oversight

*Better Cotton is committed to ensuring the continued effectiveness and integrity of its assurance model through external oversight.*

22.2.1 External oversight activities are conducted as part of periodic system reviews and are performed at least every 3-years.

22.2.2 External oversight activities are conducted by independent consultants. Better Cotton will request any conflict of interests to be disclosed before proceeding with the selected independent consultant /body.

22.2.3 Further details of Better Cotton's oversight mechanism is outlined in the *Assurance Programme System Review* document; available on the Better Cotton [assurance website](https://www.bettercotton.org/assurance).

## Annex A. Timeline of Assurance Activities

The specific dates associated with the timelines below are set by country/sub-region at the beginning of the season based on the expected timing of the crop season. All dates will be communicated to Implementing Partners and Large Farms at the beginning of the season.

**Table 6: Timeline of Assurance Activities**

Activity	Start timing	End timing (deadline)
IPs or LFs confirm Producer data <sup>21</sup>	4 weeks before start of sowing	End of Sowing
IPs Submit farmer lists	4 weeks before start of sowing	End of Sowing (final confirmed farmer lists)
Internal Assessment (recommended timing)	Start of sowing (recommended timing)	End of sowing (recommended timing)
Self-Assessments	2 weeks after end of sowing	6 weeks after end of sowing
IPs submit Early Season Reporting	Start of sowing	End of sowing
Readiness checks	Start of sowing	End of harvest <sup>22</sup>
IPs submit 'recommended for licensing' list of new PUs	N/A	End of sowing
Licensing or Surveillance Assessments	Start of sowing	End of harvest <sup>23</sup>
PU Support visits (on licensed PUs)	Start of sowing	End of harvest
Deadline to complete Corrective Action Plan (CAP) template	N/A	10 working days after findings are communicated back to the Producer
IPs or LFs submit Results Indicator (RIR) reporting	Start of sowing	12 weeks after end of harvest (final confirmed RI reporting submitted)
Deadline to implement corrective actions for Incidental non-conformities	N/A	6 months after findings are communicated back to the Producer

<sup>21</sup> PU data includes for example the name and contact information of the PU Manager; list of farmers organised into Learning Groups (for smallholders); age, gender, and education level of farmers; expected seed cotton production per farmer and area under cultivation; geo-location of PUs; names of gins. LF data includes for example the name of LF Manager; expected seed cotton production and area under cultivation; geo-location of farm; and name of gin(s). Note: It is the IP's responsibility to submit accurate PU-level farmer lists to Better Cotton. If wide-scale inaccuracies in data or falsified farmer information is suspected, Better Cotton has the right to investigate further. Better Cotton may either deny or cancel licences if the inaccuracies are systemic in nature.

<sup>22</sup> Note that if a PU is recommended for licensing in its first season, the Readiness Check needs to be carried out and report documented by the end of sowing deadline for a variation to be requested

<sup>23</sup> Most Licensing Assessments for new Producers will be carried out before the designated licensing date (usually towards the start of harvest). However, in some cases Licensing Assessments may be scheduled after licensing date; in these cases, a conditional licence will be issued and if a systemic non-conformity is identified, the Producer's licence would be cancelled for the following season (see [18.1 Licence cancellation](#))

## Annex B. Group Assurance Model

Some Large Farms participate in the Better Cotton Standard System through a Large Farm Group Assurance model.<sup>24</sup> In the Group Assurance model, farms join together under the guidance of a designated Group Manager, who is typically from an Implementing Partner (e.g., coop or Merchant), and may work with local gins or farmers' associations as Local Partners. The Group Manager (and local partner representatives, where relevant) are responsible for organising a group of participating farmers and providing them with farm-level support. This includes helping farmers understand licensing requirements, gathering data, conducting farm visits and assessments, and helping to coordinate assessments conducted by third-party verifiers. The organisation employing a Group Manager is required to be (or become) a member of Better Cotton and is considered an Implementing Partner (IP), although their responsibilities differ slightly from IPs that work with Producer Units.

The Group Assurance model was revised in 2020 following a period of consultation with Better Cotton country teams and partners in the US, in order to streamline requirements and reduce unnecessary administration.

### B.1 Group Model organisation

B.1.1 Large Farms that wish to participate in the Better Cotton Group Assurance model are organised into a group under the oversight of a designated Group Manager.

*In some cases, Group Managers may be employees of an Implementing Partner. Implementing Partners may also delegate responsibilities to Local Partners (such as gins) that conduct assurance activities and work closely with farmers. Delegation of roles to Local Partners should be documented at the beginning of each season through the LP Task Delegation Checklist*

B.1.2 Group Managers are responsible for the following activities:

- a) Regular engagement and outreach to participating farmers in the group
- b) Supporting participating farmers to complete an orientation on the Better Cotton programme led by the Better Cotton Country Team
- c) Ensuring information from Better Cotton, such as updates on the programme and its requirements or information on Better Cotton events, is shared with farmers as required
- d) Ensuring timely submission of data from participating farms, including participating Producers' contact information, seasonal data, and end-of-season Results Indicator (RI) Reporting
- e) Supporting farmers through information and knowledge sharing, to help ensure that farmers comply with Better Cotton Core Indicators and develop/implement continuous improvement priorities
- f) Supporting farmers to complete the self-assessment, including gathering additional evidence to cross check responses where necessary
- g) Coordinating with Better Cotton and farmers to confirm assessment schedules
- h) Contracting with third-party verifiers to complete required assessments
- i) Carrying out IP assessments directly (or supporting the designated IP/ Local Partner representative in carrying these out)

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<sup>24</sup> This model was introduced formally in 2018 and is currently applicable only in the United States, due to the presence of a number of preconditions, including: (i) comprehensive government regulations, (ii) existing support systems of technical assistance, and (iii) demonstrated low risk of non-compliance based on analysis of licensing data. The Group Assurance Model may be expanded to other regions in the future.



- j) Finalising reports for IP assessments, including working with Better Cotton Country Teams or Assurance Managers to provide additional evidence or clarification when requested
- k) Supporting farmers to ensure they follow-up on any non-conformities identified during a Licensing Assessment

B.1.3 Group Managers (and Local Partners as applicable) are required to participate in regular trainings and meetings led by Better Cotton Country Teams.

## B.2 Self-Assessment under the Group Model

B.2.1 All farmers within a group must complete an annual self-assessment survey at the individual farm level, as follows:

- a) In the first year of participation, farmers complete a full self-assessment survey covering all Core Indicators
- b) During years two and three of the active licence period, farmers complete a shorter, streamlined version of self-assessment
- c) At the point of licence renewal (fourth year of participation) farmers complete the full self-assessment survey again, covering all Core Indicators

B.2.2 The self-assessment survey outcome is either compliant or non-compliant (if the farmer may not fully comply with a Core Indicator).

- a) If the self-assessment survey results in a non-compliant outcome, the farmer's licence can be denied or cancelled.
- b) Large Farms may submit evidence to correct a self-assessment response by specified deadline; the evidence will be reviewed by the Better Cotton Country Team and Assurance Manager to determine if the self-assessment outcome will be modified

B.2.3 The self-assessment survey should be completed by the farmer directly; but if necessary, the farmer can be supported by the Group Manager.

## B.3 Group Model Licensing Assessments

*A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to [11.2 Standard Remote Assessment Sample](#)*

B.3.1 Each year, a sample of farms within each group receive a Licensing Assessment, according to the following sampling requirements:

- a) Assessments conducted by third-party verifiers - 10% of group members
- b) Assessments conducted by Better Cotton – 10% of group members
- c) Assessments conducted by the Group Manager or designated IP/LP representative – 10% of group members

B.3.2 Assessment sampling occurs on an annual basis according to the current number of members in the group any given year

*The number of assessments to be done in any given year is based on the number of confirmed farmers participating in a group at the start of the season. Sampling is conducted annually, therefore any LF could potentially receive an assessment in any year of the licence. Sampling is based on ensuring that visits are equally divided across members. New farms and those with any compliance risks are prioritised for assessment.*

*Licensing Assessments conducted by third-party verifiers and Better Cotton assessors consist of a comprehensive evaluation of the farm's performance against the Core Indicators.*

Assessments conducted by IP/ LP representatives follow a more streamlined format and focus on key Core Indicators, conformity risks, and sustainability improvements.

B.3.3 The designated LP/IP representative is responsible for commissioning third-party assessments directly:

- a) The verifier must be included in up-to-date list of Better Cotton approved third-party verifiers, available on the assurance webpage
- b) There must be a written contract between the farmer/ farm management or contracting party, and the third-party verifier. This should cover the scope and terms of the licensing assessment, and responsibilities and obligations, including data use and confidentiality
- c) The same verification organisation is not able to carry out assessments on more than 50% of the sample size (i.e. farms receiving third-party assessments within the same group) in two consecutive years.<sup>25</sup>

*This requirement ensures that Group Managers have some rotation of third-party verifiers, in order to maintain credibility and objectivity. For example, if a Group Manager has 10 farms requiring third-party verifier visits in 2020/21 and they use Organisation A for 8 of these visits, the group would have to allocate fewer than 5 visits (less than 50%) to Organisation A in the following year, 2021/22. However, if the group uses Organisation A and Organisation B to each carry out 5 visits (50% of the total), they could continue using both verifier organisations (at the same ratio) in perpetuity.*

B.3.4 The assessment process for Large Farms under the Group Model follows the process requirements outlined under Licensing Assessments (see [8.2 Format and Timing](#)) with IP/LP assessments meeting these requirements through a more consolidated format and approach.

B.3.5 To be considered valid, all assessments must follow the guidelines set out in the relevant Better Cotton Assessment Checklist and complete all required information in the designated reporting templates; this includes:

- a) Clear and specific written evidence is provided by the assessor, sufficient to fully answer a question and/or demonstrate conformity with a given indicator
- b) All required components of the assessment are completed, including mandatory worker interviews, documentation review, farmer interviews, and field visit (or photo/ video evidence in case of remote assessment)

*Note that in some cases, and only with prior authorisation from Better Cotton Assurance Managers, assessments may be carried out remotely rather than on-site. Worker interviews are required as a mandatory part of the assessment for any farm where workers are used in cotton production. These interviews may be done via phone up to two weeks after the assessment if there are challenges with availability.*

## B.4 Assessment outcomes and licensing

B.4.1 Findings from all assessments must be reported using the relevant Better Cotton Assessment Report template, available from the Better Cotton local country team.

B.4.2 If an incidental non-conformity is identified during an assessment, that individual farm must address the non-conformity and provide evidence of this within two weeks of receiving the assessment outcome.

<sup>25</sup> This rotational requirement became effective from the 2020/21 season

- a) If sufficient evidence is submitted within two weeks confirming the non-conformity is closed, the licence can be issued or maintained
- b) If sufficient evidence is not submitted within two weeks, the licence may be denied or cancelled after review by the Better Cotton Assurance Manager

*In the context of the Group Assurance model, an incidental non-conformity relates to a minor or administrative non-conformity, which does not threaten the ability of the farm to meet the key intent of a Core Indicator.*

- B.4.3 The outcome of all assessments are reviewed, and final licensing decisions are made by Assurance Managers
- B.4.4 If a systemic non-conformity is identified during an assessment, that individual farm will have its licence denied or cancelled and must complete a Corrective Action Plan in order to continue participating with Better Cotton.
- B.4.5 If all annual assessments are completed as per the sampling criteria in B.3.1 above:
  - a) 3-year licences to sell Better Cotton will be issued to all farms in their first year of participation, provided they completed a self-assessment with compliant outcome and did not receive any systemic non-conformities on a Licensing Assessment (if relevant)
  - b) At the close of each season, annual licensing communications are shared with Group Managers confirming that all farms with an active licence for that season are permitted to sell their cotton as 'Better Cotton'
- B.4.6. If all annual assessments are not completed as per the sampling criteria in B.3.1, assessments are not completed by the communicated deadline, and/or they are incomplete, Better Cotton reserves the right to cancel or deny licences:
  - a) Depending on the extent of issues, licences will be cancelled/ denied for either those specific Large Farms that did not receive assessments (or where assessments were late, incomplete, or poor quality); or
  - b) If there is evidence that the group has not met basic requirements of the Group Assurance Model, licences may be also cancelled for all farms in the group

*All cancellations of licences will be subject to review by the Better Cotton Assurance Managers. Expectations for IPs/ LPs are clearly set out in the Implementing Partner agreement.*

- B.4.7 To continue participating in the Group Model and to receive or renew a licence, each Large Farm within a group is required to:
  - a) Complete the annual self-assessment by the required deadline, in line with the requirements set out under B.2.1
  - a) Maintain conformity with all Core Indicators, including demonstrating year-over-year continuous improvement in sustainable farming practices (as evaluated through annual self-assessment and any potential assessments)
  - b) Comply with any scheduled assessments during the active licence period
  - c) Submit annual Results Indicator (RI) reporting data by the deadline, typically 12 weeks after harvest
- B.4.8 If a Large Farm does not meet the requirements above, the individual licence can be cancelled (refer to [18.1 Licence Cancellation](#))

*During the licence period, Large Farms under the Group Model are expected to demonstrate achievement of their individual Continuous Improvement Plans, in line with the requirements under [13. Continuous Improvement](#). Section [18 Licence Cancellation](#) is also applicable to Large Farms operating under the Group Model.*

## B.5 Summary of Group Assurance Model Expectations

B.5.1 Farmers participating in the Group Assurance Model fulfil an annual cycle of expectations, as set out in the table below.

**Table 7: Annual Expectations under the Group Assurance Model**

Year of participation	Expectations for Farmers	Assessments								
Year 1 (3-year licence cycle starts)	<ul style="list-style-type: none"> <li>Farmer Enrolment</li> <li>Orientation by Better Cotton for new farmers</li> <li>Full Self-Assessment (SA)</li> <li>Licensing Assessments for those farms selected in annual sample group</li> <li>Results Indicator (RI) reporting</li> </ul>	Licensing Assessments are conducted annually according to the following sample rates (sampling is done on an annual basis; therefore, a Large Farm could receive an assessment in any year):								
Year 2	<ul style="list-style-type: none"> <li>Streamlined SA</li> <li>Licensing Assessments for those farms selected in annual sample group</li> <li>RI reporting</li> </ul>	<table border="1"> <thead> <tr> <th>Type of Licensing Assessment</th> <th>Sample</th> </tr> </thead> <tbody> <tr> <td>LP/IP representative</td> <td>10%</td> </tr> <tr> <td>Better Cotton assessor</td> <td>10%</td> </tr> <tr> <td>3<sup>rd</sup> party verifier</td> <td>10%</td> </tr> </tbody> </table>	Type of Licensing Assessment	Sample	LP/IP representative	10%	Better Cotton assessor	10%	3 <sup>rd</sup> party verifier	10%
Type of Licensing Assessment	Sample									
LP/IP representative	10%									
Better Cotton assessor	10%									
3 <sup>rd</sup> party verifier	10%									
Year 3	<ul style="list-style-type: none"> <li>Streamlined SA</li> <li>Licensing Assessments for those farms selected in annual sample group</li> <li>RI reporting</li> </ul>									
Year 4 (start of new licence)	<ul style="list-style-type: none"> <li>Full SA review and update</li> <li>Licensing Assessments for those farms selected in annual sample group</li> <li>RI reporting</li> </ul>									