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**better cotton
initiative**

Better Cotton Initiative Chain of Custody Standard Implementation Guidance

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Title

Better Cotton Initiative Chain of Custody Standard Implementation Guidance v.1.2

Translation Accuracy

The official language of this document is English. In case of any inconsistency between versions due to translation, please refer to the English version. While translations to other languages may be provided, BCI assumes no liability for errors or misunderstandings due to translation.

Disclaimer

Following this implementation guidance document does not ensure compliance with the Better Cotton Initiative Chain of Custody Standard.

The Better Cotton Initiative reserves the right to revise guidance based on implementation, learnings and emerging good practice. Please visit <https://bettercotton.org/document-library/> to verify that this document is the most recent version.

Any Questions or Inputs?

Contact us at helpdesk@bettercotton.org

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Previous Versions

Version Number	Issue Date	Amendments
Better Cotton Chain of Custody Standard: Implementation Guidance for Ginners Better Cotton Chain of Custody Standard: Implementation Guidance for Suppliers and Manufacturers Better Cotton Chain of Custody Standard: Implementation Guidance for Traders and Distributors	June 2023	Three guidance documents created to support consistent implementation of the Better Cotton Chain of Custody Standard v1.0. Each guidance document focussed on specific actors within the cotton supply chain: • Ginners • Suppliers and Manufacturers • Traders and Distributors
Better Cotton Chain of Custody Standard: Implementation Guidance v.1.2	June 2026	Consolidated guidance material documents to support consistent implementation of the of the Better Cotton Initiative Chain of Custody Standard v.1.2 for all stakeholders

About

The Better Cotton Initiative (BCI) Chain of Custody (CoC) Standard Implementation Guidance v.1.2 supports organisations following the Standard by providing a consistent understanding and application of the requirements in the standard. This document excludes certain elements of the BCI Chain of Custody Standard to maintain conciseness. For the complete BCI Chain of Custody Standard, visit the Better Cotton Initiative resource library at: <https://bettercotton.org/document-library/>.

How to Navigate the document:

- 1) **Requirement Number:** Identifies the specific section within the BCI Chain of Custody Standard.
- 2) **Requirement Detail:** Provides the exact wording of the requirement as stated in the BCI Chain of Custody Standard.
- 3) **Intent:** Describes the intent of the requirement.
- 4) **Implementation Guidance:** Offers practical advice and/or explanations to help understand and apply the requirement effectively.

(1) 1.4.4		
(2) Certification is required for brands who wish to make product-level claims.	(3) Organisations classified as retailers or brands by BCI understand that they should be certified to the BCI Chain of Custody Standard if they want to make product-level claims.	Retailer: An organisation that sells products from different brands directly to consumers. Brand: An organisation that is responsible for the design and development of finished goods. Brands may sell through their own channels or on a wholesale basis to other organisation. This includes: • Organisations who sell product they source themselves but carry a licensed brand • Organisations who rent end-products they are responsible for to other entities • Organisations who sell finished goods to other organisations but will sell under their brand name.

1. Introduction

1.1

The BCI CoC Standard requirements are applicable globally for all supply chain organisations that are buying or selling Physical BCI or fulfilling Mass Balance orders. ... Organisations shall include sub-contracted (outsourced) activities within their certification scope where applicable.

The BCI CoC Standard applies to products containing seed cotton produced in accordance with the BCI Principles and Criteria and benchmark partners, and cotton containing products sourced as Mass Balance orders. It is applied exclusively to virgin cotton and does not extend to pre-consumer or post-consumer recycled cotton materials. ...

BCI recognises that in some exceptional circumstances, a requirement may not be relevant or applicable in a specific context. In addition, ... To account for these

All organisations participating in the BCI supply chain understand who should comply with the BCI CoC Standard, which materials fall under scope, and how to manage exceptions.

BCI's Principles and Criteria are global requirements that farms are required to meet for their cotton to be sold under the BCI programme. For details on BCI's farm level Principles and Criteria, see [here](#).

BCI's Chain of Custody (CoC) is the system that tracks cotton from BCI certified/licensed farms through processing, manufacturing, and sale across all supply chain actors that take ownership of a BCI-associated product. The CoC system ensures that BCI Cotton is properly identified, recorded, and kept separate where required, so that any BCI claim made about consumer products is accurate and verifiable.

Organisations should identify any outsourced (sub-contracted) activities that involve the handling of BCI-associated products and clearly declare these when completing the certification assessment.

The CoC Standard does not cover pre-consumer or post-consumer recycled cotton, manufacturing by-products, or reusable cotton waste. Organisations handling these materials should ensure they are not misidentified as Physical BCI product.

situations, BCI has a derogation process. BCI maintains a list of derogations applicable to the CoC Standard...

1.2 CoC Model Definitions

BCI CoC Standard incorporates four CoC model options: Mass Balance, Controlled Blending, Segregation (Multi-Country), and Segregation (Single Country).

Organisations are encouraged to use the CoC models that most suit their business needs and operational context. The CoC Standard is designed to facilitate the use of multiple options at the same certified manufacturing site.

1.2.1 Mass Balance ...

1.2.2 Controlled Blending ...

1.2.3 Segregation (Multi-Country) ...

1.2.4 Segregation (Single-Country) ...

...

All organisations participating in the BCI supply chain understand who should comply with the BCI Chain of Custody Standard, which materials fall under scope, and how to manage exceptions.

Chain of Custody (CoC) is the documented path taken by products from the Better Cotton Initiative licensed/certified farm to the point where the product is sold with a Better Cotton claim. The Chain of Custody scope includes each stage of sourcing, processing, trading, and distribution where progress to the next stage in the supply chain involves a change of ownership or custody.

Controlled Blending, Segregation (Multi-Country) and Segregation (Single Country) are commonly referred to as the “Physical” Chain of Custody models which facilitate BCI’s Traceability system.

For the purposes of the BCI Chain of Custody Standard, Non-BCI Cotton refers to any cotton that was not produced by licensed/certified BCI farms according to the Better Cotton Initiative Principles and Criteria, or farms in adherence to standards recognised by Better Cotton Initiative.

1.3 CoC Model Supply Chain Application

Segregation (Single Country) is applicable at the farm and ginner level of the supply chain. Segregation (Single Country) and Mass Balance are applicable at the lint cotton trader level of the supply chain. For the rest of the supply chain all CoC supply chain models, or a combination of CoC supply chain models are possible, including the existing Mass Balance model.

Please refer to the Better Cotton Initiative Claims Framework for details on the claims that can be made when sourcing or selling products through these CoC supply chain models.

Organisations understand which Chain of Custody models they are allowed to use and recognise that choosing different models can affect the type of claims they can make in relation to Better Cotton.

Seed cotton harvested from BCI licensed/certified farms should always be kept separate from cotton from Non-BCI licensed/certified farms.

Lint traders may choose to keep BCI Cotton physically separate using the Segregation (Single Country) model, or they may allow it to enter the Mass Balance system. If a trader uses Mass Balance, they can only substitute BCI Cotton with Non-BCI Cotton when the substitute cotton comes from the *same country*.

All supply chain actors beyond lint trading may use any Chain of Custody model or a combination of models.

BCI Cotton originating from Uzbekistan must not enter the BCI Mass Balance system at any stage of the supply chain, regardless of the organisation handling it. Supply chain organisations operating inside Uzbekistan cannot blend BCI Cotton originating from Uzbekistan with Non-BCI Cotton.

1.4.1		
At each stage of the supply chain the organisation shall implement the applicable CoC supply chain model(s) at site level. The CoC requirements and data will be maintained at each site owned by the organisation, for all applicable CoC models, including Mass Balance.	Organisations implement the Chain of Custody Standard at a site level (defined as a single functional unit, or group of units in one location, where production or processing takes place) to ensure the CoC standard is applied consistently where activities related to BCI Cotton occur.	If organisations operate from more than one site, organisations should identify all sites where activities related to BCI Cotton take place and ensure that the Chain of Custody Standard is implemented at each of these locations. While corporate policies can support consistency, each site should have its own procedures, controls, and records that demonstrate how the CoC standard is applied in practice. BCI's Monitoring and Certification Requirements (current version) allows flexibility to facilitate multi-site assessments, where a Certification Body evaluates multiple sites through one assessment. However, this flexibility does not replace the requirement for site-level implementation: each site should still maintain accurate Chain of Custody records, train relevant staff, and demonstrate compliance independently.

1.4.2

Organisations operating within the supply chain who do not take physical possession of BCI Cotton are not required to be certified provided all of the following conditions are met:

- a. Their upstream supplier is certified to the CoC Standard.
- b. Information is provided to the organisation's customer as to the identity of the upstream supplier and the applicable CoC supply chain model.
- c. Materials are shipped directly from the organisation's upstream supplier to the organisation's customer and recorded on the BCP.
- d. The organisation is not using sub-contractors for any warehousing, storage, manufacturing or processing activity.
- e. In the case of Segregation (Single Country), transaction information regarding the Country of Origin is also provided to the organisation's customer.

Organisations understand whether they are not required to undergo certification against the BCI Chain of Custody Standard.

Organisations that only follow the Mass Balance Chain of Custody model do not need to obtain certification against the BCI Chain of Custody at this time.

It is the responsibility of both the organisation itself and the buyers engaging with the organisation to ensure that all conditions for this requirement are met. Practical questions organisations can ask to help assess compliance include:

- Is this related to Physical BCI Cotton orders?
- Can the organisation evidence that the direct supplier is Certified to the BCI Chain of Custody Standard?
- Can the organisation provide details on custody identity, BCI Chain of Custody model being followed, and country of origin for the BCI product?
- Does the organisation take physical possession of the BCI product?
- Does the organisation use any subcontractors for storage, processing, or handling of the BCI product?

If organisations find it difficult to assess whether the conditions of this requirement are met, they should contact helpdesk@bettercotton.org and provide context for further guidance.

1.4.3

Organisations may choose to become certified to the BCI CoC Standard even if they meet all the conditions in 1.4.2.

Organisations understand that they are still able to obtain certification to the BCI CoC Standard even if they meet all the conditions in 1.4.2.

For more information on BCI Certification scheme, see here: [Maintaining Impartiality and Credibility: Third-Party Certification - Better Cotton Initiative](#)

1.4.4

Certification is required for brands who wish to make product-level claims.

Organisations classified as retailers or brands by BCI understand that they should be certified to the BCI Chain of Custody Standard if they want to make product-level claims.

Retailer: An organisation that sells products from different brands directly to consumers.

Brand: An organisation that is responsible for the design and development of finished goods. Brands may sell through their own channels or on a wholesale basis to other organisation. This includes:

- Organisations who sell product they source themselves but carry a licensed brand
- Organisations who rent end-products they are responsible for to other entities
- Organisations who sell finished goods to other organisations but will sell under their brand name.

1.4.5

Brands that conduct their own manufacturing activities may also require an audit in line with the supplier and manufacturer audit criteria.

Organisations classified as brands by BCI understand that their own manufacturing sites may also require an audit in line with the supplier and manufacturer audit.

When starting the certification process, organisations should provide the Certification Body with a full list of all sites or facilities they operate. This allows the Certification Body to determine whether the organisation's own manufacturing activities need to be included in the audit scope.

Where possible, the Certification Body may audit both the brand and its manufacturing sites during the same visit. However, the Certification Body should still issue separate audit reports and scope certificates for each part of the organisation.

1.4.6

Organisations operating as retailers only are not required to become certified.

Organisations classified as retailers only by BCI understand that they are not required to become certified.

Retailer: An organisation that sells products from different brands directly to consumers.

If it is unclear whether your organisation falls under this definition, reach out to helpdesk@bettercotton.org and provide context to receive further guidance and clarity.

1.4.7

An organisation can determine the scope of their certification to exclude processes and products which do not meet the requirements of this CoC Standard. Claims shall not be made on products that involve excluded products or processes.

Organisations understand that they are responsible for defining the scope of their own certification and that excluding certain products or processes will limit their ability to make claims or sell those products as BCI.

Organisations should begin by mapping all products, processes, and facilities involved in receiving, handling, transforming, storing, selling, or otherwise managing cotton-containing materials. From this full map, the organisation may choose to exclude certain products or processes from the certification scope. Excluded elements should be explicitly identified, documented, and justified.

Examples may include a production line that does not process cotton products.

1.5.1

The following sections shall apply to all organisations, unless the requirement specifies otherwise:

- Section 2 – Management System Requirements
- Section 3 – Purchasing, Material Receipt, Storage and Production
- Section 4 – Sales and Goods Out

Organisations understand which requirements within the Chain of Custody Standard are applicable to them unless a requirement specifies otherwise.

Organisations should review all sections of the Chain of Custody Standard and assume that Sections 2, 3, and 4 apply to them in full unless a requirement clearly states an exemption.

This means every organisation should have management controls in place, follow the rules for receiving, storing, and producing materials, and meet the requirements for sales and shipment of products.

1.5.2

The following sections shall apply to all organisations except for brands, unless the requirement specifies otherwise:

- Section 5 – Volume Reconciliation
- Section 6 – Chain of Custody Supply Chain Models

Organisations understand that all requirements in Sections 5 and 6 apply to all organisations except brands.

Organisations should review Sections 5 and 6 of the Chain of Custody Standard to understand the requirements for volume reconciliation and the different Chain of Custody models. These sections apply to all organisations in the supply chain, except brands.

For Section 6, organisations only need to meet the requirements of the Chain of Custody models they operate. If an organisation does not use a particular model, this should be documented and clearly communicated to the certification body during the assessment, so the audit focuses only on the relevant models.

BCI recommends having systems in place to operate all Chain of Custody models (where feasible and permitted) to give organisations maximum flexibility to meet supply chain needs.

1.5.3

The following sections shall apply to brands only:

- Section 7 – Requirements for Brands

Organisations understand that all requirements in Section 7 only apply to brands.

Brands should ensure they have identified all operations/processes addressed in Section 7 and have the appropriate information, systems and controls in place to meet the requirements.

They should inform the Certification Body of their status as a brand when completing an assessment.

2. Management System Requirements

2.1 General Requirements

2.1.1		
The organisation shall implement and maintain a documented management system that ensures its continuous conformity to all applicable requirements of this CoC Standard.	This ensures that each organisation has a structured and reliable system that supports consistent, accurate, and ongoing implementation of the Chain of Custody Standard.	For a management system to be effective, it requires buy-in from the organisation's top (senior) management. Organisations should establish a documented management system that describes how they meet the Chain of Custody Standard. This may be part of an existing quality/compliance system, or a standalone set of procedures. The management system should include clear processes, responsibilities, and records that show how the organisation receives, handles, processes, and sells cotton products in line with the BCI Chain of Custody requirements. All documents should be kept up to date and reviewed regularly to ensure they reflect current practice.

2.1.2

The management system shall be appropriate to the scale and complexity of the organisation's certification scope.

This ensures that the management system is effective and practical for the organisation. By tailoring the system to the scale and complexity of operations, it reduces the risk of errors.

Organisations should design a management system that matches the scale of their operations. Smaller organisations can have simpler procedures and fewer documents, while larger or more complex operations may need more detailed processes, multiple roles to manage the Chain of Custody requirements, and additional records.

Regardless of the size of the organisation, the system should still cover all applicable Chain of Custody requirements.

Example:

A small gin operation may use a single document outlining procedures for purchasing, storage, and sales, with one person responsible for all Chain of Custody activities.

A large manufacturer with multiple facilities may need detailed procedures for each site, defined roles for purchasing, production, and digital records to track materials across locations.

2.2 Responsibilities and Authorities

2.2.1		
The organisation shall appoint a management representative who has overall responsibility and authority for the organisation's compliance with all applicable requirements of this Standard.	Having a designated management representative ensures clear accountability for BCI Chain of Custody Standard by providing a single point of oversight, it helps to improve consistent implementation of the CoC Standard across the organisation.	Organisations should appoint a competent person with sufficient authority to oversee the implementation and maintenance of the BCI Chain of Custody Standard. The representative should have a good knowledge of the site's processes. In a small organisation, this could be the operations manager who directly manages day-to-day Chain of Custody related activities. In larger organisations, it may be a dedicated compliance manager with authority to enforce procedures across multiple sites or departments. The representative should be able to make decisions, allocate resources, and coordinate training, audits, and reporting related to Chain of Custody compliance. Where an organisation has multiple facilities, the organisation may assign a member of staff from a central office to have overall responsibility for the organisation's compliance with the Chain of Custody Standard across all sites. A member of staff located at each site should be identified as responsible for implementation of the Chain of Custody Standard at their respective site.

2.2.2

The organisation shall identify and define the key personnel who are responsible for the implementation and management of each critical control point within the organisation's site.

Identifying key personnel for each critical control point ensures accountability and reduces the risk of errors in processes that could affect the integrity of the BCI Chain of Custody.

Organisations should map and document their operations to identify all critical control points. A critical control point is a step where control is essential to protect the integrity of the Chain of Custody system. Critical control points may vary depending on the organisation's activities but can include purchasing, warehousing, processing, internal transfers, and sales.

For each identified critical control point, assign a responsible person with the authority and competence to manage the activity, follow procedures, and maintain accurate records.

In a small organisation, one person may cover multiple control points. In larger organisations, each production line or warehouse area might have a dedicated person responsible for their respective control points.

Responsibilities should be documented and communicated to staff, mitigation measures should be defined to manage the critical control points, and all documented information should be reviewed periodically to ensure clarity and accountability.

Examples of critical control points may include:

Example 1: Goods receipt

Owner: Warehouse manager or another designated staff member.

Risk: BCI product received does not match the purchase or BCP record.

		Control: Check delivery documents, lot ID, volume and CoC model before acceptance. Evidence: Goods receipt checklist and inbound documents. Example 2: BCP entry Owner: Trained BCP user. Risk: Incorrect volume, site, product or CoC model entered. Control: Review the transaction before submission where feasible. Evidence: BCP transaction reference and uploaded documents.
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2.2.3		
The organisation shall formally communicate any changes in the management representative, or any other significant changes (such as organisation name change, change of ownership or contracting, change of address etc.) to their Certification Body by email within 15 calendar days of the change occurring.	This ensures the Certification Body has accurate contact information and can review the certificate's validity when significant changes occur.	Identify who is responsible for monitoring significant changes. This could be the management representative identified for 2.2.1. Document a simple process that outlines who is responsible for monitoring changes, what constitutes a significant change, and how the Certification Body will be notified (typically by email). Even a brief documented process as part of the management system demonstrates a consistent approach to communicate changes. Records of all communications with the Certification Body should be stored appropriately within the management system.

Potential examples of significant changes include:

- Change of management representative responsible for Chain of Custody compliance
- Change in organisation name
- Change of ownership or legal entity
- Change of address or facility location
- Changes to contracting arrangements affecting the scope of Chain of Custody activities
- Addition or removal of production lines, warehouses, or sites included in the certification
- Major changes to processes that impact how Chain of Custody requirements are applied

Organisations that have not been certified against the BCI Chain of Custody Standard, organisations should formally communicate relevant changes to BCI, rather than to a Certification Body.

2.3 Training

2.3.1		
The organisation shall implement a training plan, subject to annual review and supported by training records, which shall ensure that all relevant personnel are trained and competent in the applicable requirements of this Standard.	This ensures that organisational personnel have the knowledge and skills to apply the Chain of Custody Standard correctly. The organisation is responsible for identifying which employees require training.	A clear training plan is essential to ensure all personnel involved in the Chain of Custody can apply the CoC Standard effectively. Organisations should identify employees with Chain of Custody responsibilities and provide them with appropriate training. The plan should cover the organisation's applicable Chain of Custody requirements and how they are implemented, specify training frequency, maintain attendance records, and be reviewed at least annually. Training may be delivered internally, by an experienced third party, or through BCI. Staff should have access to Chain of Custody resources at all relevant sites, including procedures and manuals, to reference as needed and support consistent application. During certification assessments, staff competence may be evaluated through interviews to confirm they understand their responsibilities and have received effective training.

2.3.2

All staff responsible for entering data on the BCP shall complete training provided by BCI or BCI approved third party providers.

This ensures that all staff entering data into the Better Cotton Initiative Platform (BCP) are competent, reducing the risk of data entry errors

The Better Cotton Platform (BCP) is a centralised digital tracking system owned by BCI, and used by manufacturers, suppliers, retailers and brands to document and make claims about their BCI Cotton sourcing activities and sourced volumes. There are two formal ways organisations can complete training on the BCP.

For all supply chain organisations, except gins, BCP training should be completed before accessing the BCP when first joining the Better Cotton programme. The training is delivered through an online learning platform and is self-paced. Part of this training includes information on how to use the BCP. Training content on the BCP should be completed by the individuals responsible for entering data into the platform. After completing the training, a certificate of completion is issued, and access to the BCP should be granted within five working days. Organisations should save the certificate of completion as evidence of compliance for this requirement. This training only needs to be completed once to gain access to the BCP.

Although the online training only needs to be completed once, access to the online learning platform training can be requested at any time. This may be necessary when new staff take on responsibility for entering BCP data. Responsible individuals are encouraged to complete BCP training once a year. Requests should be sent to helpdesk@bettercotton.org, specifying online e-learning access and the organisation's role in the supply chain (for example, lint trader).

For organisations operating as gins that take ownership of BCI Cotton, BCI runs an annual Ginner Training Programme. These

sessions take place before the start of each harvest season in the gin's respective country and are organised by BCI. Attendance is mandatory each year and covers a range of topics, including how to use the BCP. Representatives responsible for entering data into the BCP are strongly encouraged to attend.

Attendance at the Ginner Training Programme is monitored by BCI. Gins that do not attend are not granted access to the BCP for the upcoming harvest unless a justified reason for non-attendance is provided to BCI. Gins should ensure that attendance is logged and saved as evidence. Gins do not need to complete the online learning platform training.

BCI also offers ad hoc training sessions during the year, either in person or online, which may include some BCP content. Any organisation (including gins) can attend. Information on upcoming sessions can be found [here](#). Attendance at these sessions is not typically monitored by BCI, so organisations are advised to record and retain their own attendance. These sessions are not considered official BCP training; however, BCI encourages attendance, as it can help organisations better understand how to use the BCP.

Training manuals and guidance on how to use the BCP are available directly within the platform under 'Help > How to use the BCP'. These materials are intended to support organisations in using the platform but are not considered formal training.

2.4 Record Keeping

2.4.1		
The organisation shall maintain accurate, complete, up-to-date, and accessible records covering all aspects of this Standard. The records shall be applicable to the scope of the organisation's certification. Records shall include but are not limited to: a. Purchase records b. Stock records (material inputs and outputs) c. Production records d. Sales and distribution records e. Stock reconciliation records f. Outsourcing records	This ensures the organisation maintains records that demonstrate how Chain of Custody requirements are implemented in practice. Accurate and accessible records allow Certification Bodies to assess compliance and confirm the integrity of material flow.	Records should cover purchase, stock, production, sales, distribution, and outsourcing activities, as well as any other processes where material associated with BCI is handled or transferred. Purchase records should document the quantities and types of material procured, stock records should track all inputs and outputs, and production records should capture the steps where material is transformed. Sales and distribution records should clearly show the volumes and types of material sold or transferred, while stock reconciliation records help verify that inputs and outputs align accurately. Records should be stored in a manner that allows staff and auditors to access them readily during certification assessments or internal reviews. Records may be kept in physical or digital form, provided they remain accessible and complete over the required retention period. Records should be organised logically such as by date, batches, or production cycles.

2.4.2	
The organisation shall maintain all applicable records for a minimum of three (3) years.	This ensures that sufficient historical information is available for Certification Bodies to verify past activities, investigate discrepancies, and assess long-term compliance with the Chain of Custody Standard. Storing and managing records effectively is essential for a functioning management system and provides key evidence during certification assessments. Organisations should retain all applicable Chain of Custody records including (but not limited to): purchase, stock, production, sales, distribution, and outsourcing documents, for at least three years. If local regulations or internal company policies require longer retention, those requirements should be followed. Records may be stored in paper or electronic form, provided they remain accurate, complete, and readily accessible. The chosen storage system should ensure that records are protected from loss, damage, and unauthorised modification. Organisations should file records in a logical manner so that they can be easily retrieved during a review or assessment.

2.5 Complaints

2.5.1		
The organisation shall establish and implement a procedure for the effective handling and resolution of complaints relating to the organisation's implementation of the BCI CoC Standard.	This ensures that concerns relating to Chain of Custody implementation are addressed consistently and transparently, and in a timely manner	The organisation should establish a documented procedure that outlines how complaints related to the implementation of the BCI Chain of Custody Standard will be received, reviewed, investigated, and resolved. The procedure should clearly define who is responsible for managing complaints, the steps involved in handling them, timelines for response, and how outcomes are documented. The scope of the procedure should cover any issues that could indicate a breakdown in the Chain of Custody. Examples include missing or incorrect documentation attached to outbound shipments, discrepancies between declared and actual quantities of BCI product, or incorrect labelling of Physical BCI product. Complaints may come from customers, suppliers or subcontractors. All complaints and their resolutions should be recorded and retained as part of the organisation's management system. These records allow the organisation to identify recurring issues, strengthen operational controls, and demonstrate transparency during certification assessments.

2.6 Control of Non-Conforming Products

2.6.1	
The organisation shall ensure that an effective mechanism is in place for handling non-conforming products to ensure they are not sold onwards as BCI until their status can be verified. This applies to products purchased or sold as Physical BCI, as well as those sourced as Mass Balance orders that fail to meet the requirements outlined in this Standard.	This ensures that any product that may not meet Chain of Custody requirements is identified, contained, and investigated before it can be sold with an association to BCI. This protects the integrity of the Chain of Custody system by preventing incorrect claims, mislabelled goods, or non-compliant material from moving through the supply chain. Non-conforming products are those that do not meet the requirements of the BCI Chain of Custody Standard. These issues often result from unintentional errors such as incomplete documentation, mislabelled goods, or mismatches between received and recorded quantities. They may also indicate more serious concerns, including potential fraud. Critical control points, as identified in requirement 2.2.2, are areas where such issues are most likely to arise and should be monitored closely. The organisation should maintain a documented mechanism that explains how non-conforming products are identified, contained, investigated (and by whom), and resolved. Any product suspected of being non-conforming should be immediately segregated so it cannot enter production or be sold with a BCI claim until its status is verified. For example, if BCI Cotton is received without the required supporting documents, the product should be segregated until the supplier can provide the relevant documented evidence. Based on the inspection of a non-conforming product, the responsible persons should decide whether the issue can be corrected, and the product can remain associated with BCI, or whether the BCI claim should be removed. Staff involved in warehouse operations, production, and BCP transaction acceptance should understand and follow these controls to ensure non-conforming products are managed appropriately.

Records of all non-conforming product cases, including the issue identified, actions taken, and final resolution, should be maintained. This demonstrates control during certification assessments and enables the organisation to identify and reduce the root causes of recurring issues.

2.7 Outsourcing

General Guidance

Before any outsourced activity starts, the organisation should complete a subcontractor approval check covering the scope of the outsourced activity, certification status where required, legal ownership of the goods, written agreement requirements, subcontractor training or briefing, Certification Body notification before first use, and returned-goods checks.

Recommended subcontractor agreement clauses should cover segregation and identification, record keeping, audit access, incident reporting, no further subcontracting without approval, and return or onward transfer of goods.

The organisation retaining legal ownership of the goods remains responsible for compliance with the relevant Chain of Custody requirements and should keep evidence that subcontractors understand the relevant Chain of Custody requirements.

2.7.1

Ginning and spinning activities for Physical BCI shall only be sub-contracted to organisations certified against the Chain of Custody Standard.

This ensures that primary processing stages with the highest risk of misidentification of cotton are only carried out by organisations that are certified against the Chain of Custody Standard.

The organisation should verify the certification status of any subcontractor before beginning the activity and periodically review this status to ensure it remains valid.

The organisation should maintain documented evidence of the subcontractor's certification, such as a copy of their certificate.

If the organisation becomes aware that a subcontractor's certification has expired or is suspended, outsourcing should cease immediately until compliance is restored.

Context-Specific Guidance:

- **Australia, Brazil, Israel, and the United States:**
BCI licensed/certified farms retains ownership of their BCI Cotton while using a subcontracted gin. In this context, the farm should follow the **Protocol for Producers with**

Subcontracted Gins . Farms should ensure the gins processing their BCI Cotton comply with the required segregation and documentation procedures.

- **Egypt:**
The location of cotton gin is determined by the Egyptian Government. These gins provide a subcontracting service for the organisation that owns the cotton (typically a lint trader). BCI recognises the challenges this presents in requiring Egyptian gins to be certified against the Chain of Custody Standard to complete ginning activities. In this context, organisations should demonstrate that gins can segregate and document BCI Cotton. Evidence can include written agreements and records of BCI Cotton handled.
- **Uzbekistan:**
Licensed/certified BCI farms in Uzbekistan are part of vertically integrated “clusters”, managing farming, ginning, and spinning. Ginning and spinning activities can only be subcontracted if the cluster has a valid CoC certificate covering these operations.

2.7.2

Throughout all stages of outsourcing the organisation shall maintain legal ownership of the goods.

This ensures that the organisation retains full control and accountability for BCI Cotton throughout any outsourced activities.

Organisations should maintain legal ownership of cotton associated with BCI whenever outsourcing processing, storage, or other activities. Legal ownership is generally established if the organisation issues invoices for the sale of products associated with BCI and collects payment for those sales, or can otherwise demonstrate financial ownership of the product.

Maintaining legal ownership ensures that the organisation remains responsible for compliance with the Chain of Custody Standard and can verify the integrity of the material at all stages, including during outsourcing.

2.7.3

The organisation shall provide sufficient information and training to the sub-contractor to ensure that no uncontrolled mixing of BCI and Non-BCI takes place.

This ensures that subcontractors handling cotton associated with BCI are provided with the knowledge necessary to prevent uncontrolled mixing of BCI and Non-BCI material.

The organisation retaining ownership of the cotton remains responsible for ensuring subcontractor compliance with the CoC Standard. Failure to manage this appropriately may result in non-conformities during audits.

For subcontractors that are already certified against the Chain of Custody Standard, the organisation should confirm the subcontractor's certification status, and the scope of their certified operations related to the BCI Chain of Custody Standard. This information, together with the specific outsourcing activities being requested, should determine the level of information and training the organisation provides.

		For subcontractors that are not certified, the organisation should provide sufficient information and training to ensure they understand the CoC requirements and can prevent uncontrolled mixing of BCI and Non-BCI material. The organisation should also assess the risk of substitution and mismanagement in the outsourced activity and implement controls to mitigate these risks. It is recommended that subcontractors maintain consistent batch identifiers for outsourced products. Where recoding is necessary, subcontractors should have systems in place to demonstrate that the Chain of Custody is not compromised.
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2.7.4		
The organisation shall maintain an up-to-date list of all subcontractors, which includes: a. Name, address, and contact details of each subcontractor b. Outsourced activity being performed c. Frequency of the outsourced activity being performed	This ensures the organisation has a clear and current understanding of all subcontractors involved in BCI Cotton related activities.	The organisation should maintain a formal, up-to-date list of all subcontractors involved in activities related to the BCI Chain of Custody Standard. The list can be maintained as a spreadsheet, database, or other controlled document within the organisation's management system. The list can also be used to meet requirement 2.7.3 by tracking additional information, such as whether the subcontractor holds BCI Chain of Custody certification, and whether and when they have received training on the relevant CoC Standard requirements. The list should be reviewed and updated regularly, particularly when subcontractors are added, removed, or when the scope

		or frequency of the activities performed changes. It should be readily accessible to personnel responsible for managing subcontractors, and copies should be available for auditors during certification assessments. Maintaining this information supports oversight, traceability, and compliance with the Chain of Custody requirements.
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2.7.5		
The organisation shall inform the Certification Body and provide details of any outsourced activities before commencing the activity for the first time.	This ensures that organisations understand their responsibility to notify their Certification Body before beginning any new outsourcing activity that was not included in the subcontractor list (2.7.4) reviewed during their certification assessment.	Notification should be provided before the outsourced activity begins, allowing the Certification Body to determine whether the new activity should be included within the organisation's certification scope. Communication should be made through the same channels typically used for interactions with the Certification Body, and the organisation should retain records of all correspondence for audit purposes. The notification should include the following information: • The name, address, and contact details of the subcontractor. • A clear description of the outsourced activity • The expected frequency or volume of the outsourced work. • Whether the subcontractor holds Chain of Custody certification, if relevant to the activity.

		For organisations not yet certified, they should keep records of all outsourcing activities. They should share this information with BCI when requested.
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2.7.6		
The sub-contractor shall be a separate legal entity and not share common ownership as the organisation.	This ensures that outsourced activities are carried out by an independent legal entity, so that outsourced activities are clearly distinguished from the organisation's own operations. This prevents organisations from treating related or commonly owned	Before engaging a subcontractor, the organisation should confirm legal independence. This can be done by reviewing company registration documents or ownership records to confirm that the subcontractor is an external entity and not part of the organisation's ownership structure. Evidence of the subcontractor's legal status should be documented and maintained as part of the management system, for example within the subcontractor list required under 2.7.4. This helps demonstrate clear compliance during assessments.

	entities as external subcontractors.	Organisations should also periodically review subcontractor arrangements to confirm that ownership structures have not changed in a way that would affect legal independence.
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2.7.7		
Except for brands who are outsourcing the warehousing and storage of finished goods, the organisation shall establish a signed agreement with each sub-contractor, defining the scope of the outsourced activity, and specifying that the sub-contractor shall: - Commit to following all applicable requirements covered by the terms of the agreement. - Maintain accurate records of all inputs, production records and	This ensures that organisations have formalised arrangements with subcontractors, clearly defining responsibilities and expectations for the handling the cotton associated with BCI.	The agreement can take the form of a formal contract, memorandum of understanding, or other controlled document that is signed by both parties. It should be stored within the organisation's management system documentation to demonstrate compliance during assessments. The subcontractor should understand and agree to comply with the Chain of Custody requirements that apply to the activity. This means following the same procedures, record-keeping, and segregation requirements as the organisation would for its own operations. The organisation may provide guidance, training, or written instructions to ensure the subcontractor knows what is expected. Organisations should ensure that relevant staff are aware of the agreement and understand its terms, particularly those responsible for managing subcontractors and monitoring outsourced activities. Periodic review of agreements is

outputs of BCI product covered by the scope of the agreement. c. Not further outsource the activity. d. Agree to allow full access to their site(s), to enable both 2nd and 3rd party audits of the activity within the scope of the agreement to take place, if appropriate.		recommended to ensure they remain up to date and continue to reflect the scope and responsibilities of the outsourced activity.
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2.7.8		
The organisation shall maintain sole responsibility for entering all purchase and sales transactions on the Better Cotton Platform.	This ensures that the organisation retains full control and accountability for data entry involving BCI Cotton.	Better Cotton Platform (BCP) refers to the centralised digital tracking system owned by BCI, and used by manufacturers, suppliers, retailers and brands to document and make claims about their BCI Cotton activities. If the subcontractor has a BCP account, the product should not be transferred to that account on the BCP. If a subcontractor is involved in purchasing, production, or sales processes for BCI Cotton, the organisation that owns the product remains fully responsible for entering the relevant data into the BCP. The organisation should declare whether a production or processing step has been outsourced when entering production data into the BCP.

Staff responsible for data entry should be trained to record information accurately. User manuals are available in the '*Help > How to use the BCP*' section of the platform. Additional training is also offered by BCI; for more information, contact helpdesk@bettercotton.org.

2.8 Self-Assessment

2.8.1		
The organisation shall conduct an annual self-assessment using a template provided by BCI, covering all activities within the scope of certification, including outsourced activities if applicable.	This ensures that organisations regularly review their own operations and outsourced activities to verify compliance with the Chain of Custody Standard.	The self-assessment is completed an organisation to evaluate its compliance with the requirements of the Chain of Custody Standard, identify gaps in processes or documentation, and define corrective actions where necessary. Organisations are not required to complete the self-assessment when joining the BCI Programme and following the Chain of Custody Standard. Organisations are not required to complete the self-assessment on the day they join the BCI Programme. They should complete their first self-assessment within 12 months of starting to follow the Chain of Custody Standard, and annually thereafter. The self-assessment should be treated as an implementation tool, not only as an audit preparation activity. Any gaps identified through the self-assessment should be added to a corrective action tracker, including the requirement number, finding, root cause, corrective action, owner, due date, status and evidence of closure. The organisation should complete a self-assessment for each site covered by the Chain of Custody Standard. Where an organisation manages more than one site under the Chain of Custody Standard, it is acceptable for individual sites to complete their own self-assessments where this is more practical, provided that all sites are reviewed as part of the organisation's overall self-assessment process.

		The self-assessment template is available in the “Help, Chain of Custody” section of the BCI Platform. The <u>BCI Chain of Custody – Self Assessment Guidance</u> provides additional guidance for Certified Suppliers, Certification Bodies, and Non-Certified Suppliers.
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2.8.2

Any non-conformities identified during the self-assessment process shall be addressed and resolved within 90 calendar days of the self-assessment taking place.	This ensures that issues identified during a self-assessment are addressed promptly, reducing the risk of non-compliance persisting.	Organisations should have a process in place to review the findings of their annual self-assessment and identify any non-conformities. Each non-conformity should be assigned to a responsible person to manage any corrective actions. Records should be maintained to document the non-conformity, the corrective actions taken, the person responsible, and the date of resolution.
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2.8.3

The results of the self-assessment process shall be shared with the organisation's Certification Body.

This ensures organisations evaluate their performance against the Chain of Custody Standard, identifying any potential gaps in their processes or documentation and taking corrective actions to address them.

The self-assessment form is considered completed once all cells within the “3. Self Assessment” tab have been appropriately populated.

After completing the annual self-assessment, organisations should provide the results to their Certification Body in a timely manner. This can include submitting the completed form along with any supporting documentation, such as records of corrective actions taken or plans to address identified non-conformities.

Evidence of the submitted self-assessment should be retained within the organisation's management system. **For example**, saving the email communication sent to the Certification Body.

Where the self-assessment is completed by organisations that are not certified against the BCI Chain of Custody Standard, the results do not need to be shared with a Certification Body. Instead, organisations should retain records of the completed self-assessment.

The BCI Chain of Custody – Self Assessment Guidance provides additional guidance for Certified Suppliers, Certification Bodies, and Non-Certified Suppliers.

2.9 Management Review

2.9.1

The organisation shall conduct management reviews annually. At a minimum, the review shall consider the following aspects:

- a. Follow up actions from previous management review meetings
- b. Result of the self-assessment, internal investigations, and third-party audits covering the applicable requirements of this standard
- c. Complaints received relating to the implementation of the CoC Standard, and the outcomes of any stakeholder complaints
- d. Status of preventative and corrective actions relating to the implementation of the CoC Standard
- e. Changes that could affect the management system
- f. Recommendations for how the management system and related processes can be improved

This ensures that the organisation's management is engaged in the implementation and maintenance of the CoC Standard. The review provides an opportunity for management to assess the implementation of the CoC and to determine if any changes or improvements are necessary.

Organisations should use the management review to evaluate performance across all applicable Chain of Custody requirements. Discussions should identify gaps, risks, or recurring issues in processes and determine actions to address them.

The organisation's management should meet on an annual basis, with their first review occurring no later than twelve (12) months after joining BCI.

Gins may choose to meet more regularly, such as at the start, middle, or end of ginning season.

Where the organisation is a small enterprise (less than 10 full-time employees), the management review may consist of an annual meeting between staff with responsibilities for maintaining the BCI Chain of Custody.

The organisation should maintain records of the following:

- Date and location of the meeting
- Meeting agenda
- Attendees
- Discussions and minutes
- Corrective actions and follow up actions

g. Review of resource requirements needed for effective management and control of management system and related processes.

3. Purchasing, Material Receipt, Storage and Production

3.1 Purchasing

3.1.1		
The organisation shall maintain up-to-date information about all suppliers that supply BCI products included in the scope of certification, including: - The name and contact details of each supplier - Product(s) supplied - Applicable CoC supply chain models (not applicable for ginners)	This ensures that organisations have full visibility and control over all suppliers providing BCI-associated products. By maintaining accurate, up-to-date supplier information, organisations can verify that incoming materials meet the appropriate Chain of Custody (CoC) requirements, prevent sourcing errors.	This information can be kept in a spreadsheet, database, ERP system, or any other controlled document and should be reviewed regularly to ensure it reflects current suppliers. The information should include: - The supplier's name, address, and key contact details such as their email and/or phone number. - The types of BCI products supplied, such as cotton seed, lint, yarn, fabrics, or finished goods. - The applicable Chain of Custody (CoC) supply chain model used by the supplier (for example, Controlled Blending), except for gins for whom this does not apply because all their product is handled under the Segregation (Single Country) Chain of Custody Model. Organisations operating as gins should maintain a list of all BCI farms they source cotton from. This list may be kept in soft or hard copy, as long as it is kept up to date and should be made available during assessments.

3.1.2

For ginner's purchasing BCI from intermediaries, the ginner shall in addition:

- a. Maintain an up-to-date list of the names and contact information for intermediaries from which BCI is purchased.
- b. Establish a signed agreement with each intermediary, stating that the intermediary will commit to segregating BCI from all other cotton types and partake in training sessions provided by the gin, or BCI, when required.
- c. Ensure that all intermediaries are aware of applicable CoC requirements relating to segregation and obtaining purchase information from farmers.
- d. Obtain records from each intermediary of their relevant purchases from BCI Farmers, including the farmer's name and/or code, date of purchase, farmer village name (where applicable) and volume.

This ensures that when gins buy BCI Cotton through intermediaries rather than directly from BCI farms, they still maintain full visibility and control over the Chain of Custody.

An intermediary is any person or organisation that buys seed cotton directly from BCI farms and sells it to gins.

Intermediaries are common in countries with smallholder farming systems, where farmers may rely on local traders or agents to collect and transport cotton to the gin. It is the responsibility of the gin to ensure that any intermediary supplying BCI Cotton complies with the Chain of Custody Standard.

Before signing a contract and purchasing from an intermediary, the gin should assess whether they have adequate systems in place to keep Physical BCI Cotton segregated from Non-BCI Cotton. To evaluate an intermediary's capabilities, the gin may ask questions such as:

- Do you know which of the farmers you purchase from are BCI farmers? Can you provide information about them.
- How do you keep Physical BCI Cotton separate from Non-BCI Cotton?
- How do you transport Physical BCI Cotton from farm to gin?
- Do you buy directly from farmers, or through other intermediaries?
- Can you provide receipts or documentation for your purchases from BCI farmers?

Gins should maintain an up-to-date list of all intermediaries they purchase BCI Cotton from. This list should include the intermediary's name, phone number, email address, and physical address. It may be kept in a spreadsheet, database, or paper file but should be updated whenever intermediary details change.

		A formal agreement should be signed between the gin and each intermediary before any BCI Cotton is purchased. The agreement should: • Confirm that BCI Cotton will be kept separate from Non-BCI Cotton at all stages of handling • Request intermediaries to issue proof of purchase with three copies – one copy to be provided to the farmer, one kept with the intermediary, and one provided to the gin • Require the intermediary to participate in training when needed The agreement should be kept on file as part of the gin's documentation. Gins are encouraged to engage with Better Cotton Initiative Programme Partners to understand where Better Cotton farmers are located, and how they can best source from them. Programme Partners may share farmer lists with gins to allow them to cross-check information shared by intermediaries.
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3.2 Material Receipt

3.2.1

For purchases of Physical BCI or Mass Balance orders the organisation shall receive from the supplier a document, or a range of documents that, at a minimum, provide the following information:

- a. Customer identification
- b. Farmer code or organisation's name as the supplier of the material
- c. Product description or specification
- d. Unique product identification or reference code/number (not applicable for ginners)
- e. Volume or quantity of product(s)
- f. Date of delivery or shipping
- g. Invoice number (not applicable for ginners)
- h. Transport or shipping information
- i. The applicable CoC supply chain model (not applicable for ginners)

Maintaining complete and accurate inbound documentation allows organisations to:

- Verify the CoC model and integrity of received material.
- Track batches from suppliers to site.
- Quarantine and manage non-conforming product if documentation is incomplete.

Organisations should receive and maintain documentation for every purchase of Physical BCI Cotton or Mass Balance orders.

Inbound documentation should clearly indicate the Chain of Custody model the BCI product follows, for both Physical and Mass Balance orders.

If a shipment is received without complete documentation, the product should be kept segregated and not sold or used as BCI until the documentation gap is resolved (see section 2.6).

Minimum receipt evidence should include supplier name, delivery date, product description, lot or batch ID, volume, CoC model, country of origin where required, and BCP transaction reference where applicable.

- **Product description** could include:

- For fibres: composition, fibre length, fibre fineness
- For yarns: composition, BCI % of composition, yarn count
- For fabrics: composition, BCI % of composition, fibre length, fibre fineness, GSM
- For end products: composition, BCI % of composition, GSM

- **Unique product identification** could include:

- Batch number
- Lot number
- Product number
- Article number

- **Transport or shipping information** could include:

- Name and contact details of the carrier or transport company
- Vehicle or container identification numbers
- Departure and arrival dates
- Route or origin and destination points
- Tracking numbers or references associated with the shipment

Examples of documentation that may contain the required information include purchase slips or farmer pay slips for gins, invoices, delivery notes, or bills of lading.

For Physical BCI orders, the organisation should also receive at least **one piece of documentation from the direct supplier on the Better Cotton Platform** that captures the data points outlined in 3.2.1.

3.2.2	The organisation shall implement a system to ensure all records on the BCP remain accurate and up-to-date. This ensures that the connection between physical products and digital records is maintained, reducing the risk in mixing or misidentifying BCI and Non-BCI products. All organisations should communicate any changes in user details and/or company details via email (helpdesk@bettercotton.org) within 15 calendar days of the change occurring. Staff responsible for data entry records should be trained to ensure accuracy and consistency in data entry. User manuals and step-by-step instructions are available in the Help > How to use the BCP section on the platform. Timelines for recording data on the BCP differ depending on the organisation type: Gins: • Purchase of Seed Better Cotton should be entered within 30 calendar days of receipt. • Lint production should be recorded within 30 calendar days of production completion. • Sales of lint Better Cotton should be entered within 30 calendar days of the shipment date. • Requests for transaction cancellations should be submitted within 30 calendar days of the sale being entered. Suppliers and Manufacturers: • Purchase transactions should be entered/acknowledged within 60 calendar days of entry into the BCP.
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- Production should be entered within 60 calendar days of production completion.
- Sale transactions should be entered within 60 calendar days of shipment.
- Requests for transaction cancellations should be submitted within 30 calendar days of the sale being entered.

Retailers and Brand Members:

- Sale transactions entered by suppliers should be reviewed and acknowledged within 30 calendar days if applicable.
- Requests for transaction cancellations should be submitted within 30 calendar days of the sale being entered.

3.2.3

Organisations operating as ginners shall maintain the following documents and records related to the purchase and handling of BCI (where applicable):

- a. Farmer/producer list
- b. Purchase slips, purchase records, or farmer pay slips
- c. Gate entry pass/slip
- d. Weighbridge slip (including seller information, date, time, and weight)
- e. Procurement or arrival register
- f. Heap registers
- g. Bale register/pressing register
- h. Processing records/confirmation of ginner outturn ratio
- i. Copy of outsourcing arrangement and sub-contractor declarations

This ensures that gins maintain clear, complete, and accurate documentation for every key step in the purchase, handling, processing, and sale of BCI Cotton.

Documentation should be able to show the movement of BCI Cotton through the gin so that an individual can follow the journey of the BCI cotton through a gin's facility. (e.g., when seed cotton was received, when it was the seed heap ginned, and when and to whom it was lint cotton sold). Using a referencing system that links different documents relating to the same BCI material is an effective practice.

Document records may be digital or paper-based but should be complete, organised, and available during audits.

Farmer/Producer List

Maintain an up-to-date list of all farmers (and intermediaries if applicable) supplying BCI Cotton to the gin.

For farmer/producer list: farmer name, farmer code, village/region.

For intermediaries: name, contact number, and role.

Note, gins should only source BCI within their own country of operation.

Purchase Slips/Purchase Records/Farmer Pay Slips

Purchase slips record the purchase of cotton by a gin from a farmer. This information should typically include farmer name and address, intermediary name (if applicable), date of purchase, quantity of cotton purchased, price.

Gate Entry Pass/Slip

A gate entry pass/slip records the arrival and delivery of cotton from farmer to gin. This is created at the

facility gate prior to storage or processing. Information should typically include date /time of entry, vehicle number and seller information (such as farmer/producer/intermediary details).

Weighbridge Slip

A weighbridge slip is generated based on the weight of cotton and associated transportation vehicles before and after delivery and is used to determine the quantity of cotton delivered to the gin. The gin should be responsible for producing the weighbridge slip and should maintain a copy at the site's facilities. Gins are encouraged to ensure their weighbridges are calibrated correctly.

Procurement/Arrival Register

A procurement or arrival register records cotton purchases at the point of arrival at the gin. It ensures that each truckload or delivery is properly tracked and accounted for. Information should typically include date of purchase, farmer name, weight, vehicle number, and associated purchase slip number.

Heap Register (or Module Register)

Heap registers record where seed cotton stored as a heap was sourced from, and the period over which cotton was added to the heap before processing. If gins receive and manage modules of seed cotton vs heaps of seed cotton, keep a module register with equivalent details.

Bale Register/ Pressing Register

Bale/press registers are used to track the pressing and packaging of cotton bales. Information should typically include weight, lot number, bale number, ID. This links processed output back to the input cotton.

		Processing Records/ Outturn Ratio Processing records (or outturn ratios) track production and indicate the efficiency of the gin's operations. These records should typically include processing dates, heap/module numbers processed, and the volumes of seed cotton used, and lint produced. Note, Gins provide BCI with their outturn ratio at the start of each ginning season during the annual Ginner Training Programme. This ratio is applied to each gin BCP account. Outsourcing Arrangements See requirements 2.7.4 and 2.7.7 for more detail.
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3.2.4		
Organisations operating as ginners shall provide receipts to farmers where BCI is purchased directly from BCI farmers. Receipts shall include buyer/ seller name, AAV code (where applicable) and/or farmer's code, village (where applicable), date, and quantity.	To create a reliable record of all Better Cotton bought directly from BCI farmers	Receipt books should have a unique identifier to support document tracking As well as providing receipts to farmers, the gin should also maintain a record of the sale. Receipts should be legible, consistently formatted. Digital receipt systems may be used where available, provided all required information is captured.

3.3 Product Storage and Production

3.3.1		
Organisations who operate Physical CoC models shall ensure that the identification of material supplied and sold as Physical BCI is maintained during storage and all stages of production and handling. The organisation shall implement one or more of the following segregation methods: - Physical separation of materials - Temporal separation of materials - Physical identification of materials	This ensures that, while under the ownership of an organisation, Physical BCI Cotton remains identified at all times. The options provided allow organisations to choose the methods that suit their operational and resource capabilities/needs.	Physical CoC models refer to: Controlled Blending, Segregation (Multi-Country), Segregation (Single Country). An organisation can follow one method or a combination method. The chosen methods should align with the organisation's operations and resource capacities. Using a combination of all three methods is recommended when handling BCI products during production. Physical separation - Keep Physical BCI Cotton and Non-BCI Cotton in separate piles, stacks, heaps, or warehouses. - Produce Physical BCI products on dedicated production lines if possible. - Use signage, floor markings, or barriers to reinforce separation. Temporal separation - Alternate processing between batches/heaps/lots of Physical BCI and Non-BCI Cotton. - Dedicate storage areas for Physical BCI Cotton for specific orders or time periods. - This ensures previous Non-BCI batches have left the production cycle before starting Physical BCI production. Cleaning of machines between batches is not required but is recommended to prevent contamination and support better volume reconciliation. Physical identification - Label or mark Physical BCI Cotton throughout purchasing, storage, handling, production, and sale.

- Use labelling systems such as alpha-numerical codes, colour coding, signs, chalkboards, barcodes, RFID, or digital inventory solutions.
- Maintain links between initial inputs and final outputs through records or IT systems.
- When converting Physical BCI Cotton to Mass Balance, remove identifiers referencing Physical BCI from the product and supporting records before sale.

Document the segregation and identification methods using a flowchart, wallchart, or site map to show how Physical BCI Cotton is tracked and kept separate throughout all stages of storage, processing, and handling. Staff should be familiar with the processes (methods) and able to demonstrate their understanding.

Example for Gins: Seed BCI Cotton and Non-BCI Cotton should arrive at the gin in separate truckloads and be stored in separate heaps clearly marked to maintain identification. The gin may alternate processing heaps of BCI and Non-BCI Cotton, ensuring Non-BCI Cotton has been fully processed before starting a BCI batch. Once processing begins, BCI Cotton should be tracked at batch-level. Lint bales should be stored separately, identified by signage or labelling, and outgoing bales should be documented as BCI on transaction records, with a physical copy accompanying the shipment.

Example for Spinners: Maintain the identification of BCI Cotton by marking each bale from a purchased lot with the lot number from the supplier invoice. This number should be linked, along with the quantity of bales, to batch(es) used in laydown chart. The batch can then be associated with a yarn lot number, which

		is referenced in invoices. In integrated operations, the yarn lot can be linked to a greige fabric batch and corresponding packing list, which in turn can be referenced in the fabric invoice, ensuring that BCI Cotton remains clearly identified throughout production.
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3.3.2		
Organisations operating as ginnerers shall ensure the following information is physically displayed on each BCI bale that is produced: - Identification of the ginning factory - A unique reference that links the bale to a specific production batch - Clear identification that the bale is BCI (or of an equivalent Benchmarked Standard)	This ensures that each BCI bale produced by a gin is clearly identifiable and can be traced to its production batch.	Gins should ensure that bale identification is durable, clearly visible, and maintained throughout storage and handling. This can be achieved by writing, stamping, or printing information directly on the bale or its wrapping, using tied tags, printed bags, or labels. Gins may colour code bales wraps/tags by batch or BCI status to clearly distinguish them from Non-BCI Cotton. Abbreviations or logos may be used to identify the gin factory. Staff handling the bales should be trained to check that all bales are correctly identified before they are stored or dispatched.

4. Sales and Goods Out

4.1.1

For every sale and delivery of Physical BCI or Mass Balance orders to another commercial entity, the organisation shall provide the customer with a document, or a range of documents, (for example sales invoices, delivery/ shipment documents, outward weigh slip), that includes the following information:

- a. Customer identification
- b. The organisation's name as the supplier of the material
- c. Product description or specification
- d. Unique product identification or reference code/number (e.g. lot number)
- e. Volume or quantity of product(s)
- f. Invoice number
- g. Transport or shipment information
- h. The applicable CoC supply chain model

This ensures that customers receive complete and accurate documentation for every sale or delivery of Physical BCI or Mass Balance Cotton, enabling them to verify the product, confirm the applicable Chain of Custody model, and maintain accurate records for their own compliance.

Organisations should provide and maintain documentation for every sale or delivery of Physical BCI Cotton or Mass Balance orders to another commercial entity. This documentation can be a single document or a combination of multiple documents.

Outbound documentation should clearly indicate the Chain of Custody model the BCI product follows, for both Physical and Mass Balance orders. If a shipment is sent without this information, the organisation should update the documentation before the product leaves the facility.

- Product description could include:
 - For fibres: composition, fibre length, fibre fineness
 - For yarns: composition, BCI % of composition, yarn count
 - For fabrics: composition, BCI % of composition, fibre length, fibre fineness, GSM
 - For end products: composition, BCI % of composition, GSM
- Unique product identification could include:
 - Batch number
 - Lot number
 - Product number
 - Article number
 - Stock Keeping Unit

- Transport or shipping information could include:
 - Name and contact details of the carrier or transport company
 - Vehicle or container identification numbers
 - Departure and arrival dates
 - Route or origin and destination points
 - Tracking numbers or references associated with the shipment
 - Invoice or sales reference number

Examples of documentation that may contain the relevant information include invoices, delivery notes, outward weigh slips, or bills of lading.

For Physical BCI orders, the organisation should also provide at least one piece of documentation to the customer on the Better Cotton Platform that captures the data points outlined in 4.1.1.

4.1.2

Except for brands, for each sale of Physical BCI, the organisation shall enter the transaction into the BCP and upload a corresponding commercial document(s) that includes the following information:

- a. Customer identification
- b. The organisation's name as the supplier of the material
- c. Product description or specification
- d. Unique product identification or reference code/number (e.g. lot number)
- e. Volume or quantity of product(s)
- f. Shipment date
- g. Applicable CoC supply chain model

This ensures that all sales of Physical BCI Cotton are accurately recorded in the Better Cotton Platform (BCP) and supported by corresponding commercial documentation.

The documentation supporting a Physical BCI transaction can be a single file or a combination of documents, such as invoices, delivery notes, outward weigh slips, or bills of lading. Documents can be uploaded in a variety of file types to suit the organisation's needs.

When entering a transaction in the BCP, the Transaction Reference should be linked in some way to the uploaded documents.

At minimum, one document should be uploaded when saving the transaction, with the option to add further documents afterward.

Timelines for entering sales transactions into the BCP:

- **Gins:** Sales of lint Better Cotton should be entered within 30 calendar days of the shipment date.
- **Suppliers and Manufacturers:** Sale transactions should be entered within 60 calendar days of shipment.
- **Retailers and Brand Members:** Sale transactions entered by suppliers should be reviewed and acknowledged within 30 calendar days, if applicable.

Transaction cancellations: Requests to cancel a transaction should be submitted within 30 calendar days of the sale being entered, for all organisations.

4.1.3

The organisation shall ensure BCI is not double-claimed with another certification or sustainability programme.

To prevent misleading claims by ensuring that BCI Cotton is not simultaneously claimed under BCI and any other Standards scheme focused on cotton production.

Organisations should have systems to ensure that any BCI Cotton they buy, process, or sell is not also claimed under another agricultural cotton production standard.

The same cotton volume must not be sold or claimed as both BCI Cotton and another agricultural cotton production standard volume. A product may carry separate factory, social or environmental compliance claims only where those claims do not double claim the same cotton production volume and where claims wording is accurate and approved where required.

Organisations should add a control point at purchase, production, sales and claims approval to check that BCI volumes have not also been allocated to another agricultural cotton production standard.

Example: A lint trader purchasing 100 tonnes of BCI Cotton from a gin should ensure that these 100 tonnes are not simultaneously claimed under another cotton production standard, even if the cotton is certified to multiple standards. Claiming the same 100 tonnes under multiple standards would misleadingly suggest that 200 tonnes of cotton were produced under agricultural cotton Standards. Because agricultural cotton production “standards are currently unable to communicate with each other, such double-claiming misleads downstream buyers, brands, and retailers about the true volume of cotton sourced under agricultural Standards.

Double counting is not relevant to Standards unrelated to cotton production, such as Standards focused on environmental or social compliance of companies in the supply chain.

4.1.4

The organisation shall ensure that all claims are made in line with the BCI Claims Framework.

This ensures all relevant stakeholders communicate about their involvement with BCI in a way that is transparent, meaningful, and protects the credibility of the programme.

The Claims Framework can be found in BCI's resource library: [Resource Library - Better Cotton Initiative](#).

4.1.5

Organisations applying BCI Labels to finished products (e.g. end-product manufacturers) shall establish and implement a process for verifying that the purchasing brand holds a valid CoC certification prior to the label being applied.

This ensures that BCI labels are only applied to products supplied by brands that hold a valid Chain of Custody certification.

Organisations applying BCI labels to finished products should verify that the purchasing brand holds a valid BCI Chain of Custody (CoC) certificate before any labels are applied. This can be done by requesting a copy of the brand's current CoC certificate and confirming that it is issued to the correct organisation and is within its validity period.

Verification of the purchasing brand's CoC certificate should be carried out as early as possible, ideally while production arrangements are being made rather than at the point of production.

Large end-product manufacturers may find it helpful to maintain a central spreadsheet to track verifications across brands and production lines. Periodic internal checks of this spreadsheet are recommended to ensure that all BCI-labelled products are supported by valid CoC certification.

5. Volume Reconciliation

5.1.1

The organisation shall maintain records that quantify volumes of input and output material at site level at all times.

This ensures organisations track inventories associated with BCI and prevent overselling of volumes of BCI associated products.

Organisations should maintain accurate, up-to-date records of all input, production, and output volumes of BCI material at the site level. Records, in whatever form they take, should be clearly associated with BCI and the relevant BCI CoC model.

Examples of documentation that can be used to track inventories include:

- **Gins:** purchase slips, bale registers, processing/outturn records, sales invoices.
- **Spinners:** inventory records, yarn production logs, sales invoices.
- **Fabric manufacturers:** fabric production logs, roll/batch identification sheets, cutting and processing reports.
- **End product manufacturers:** finished product inventory records, packing logs, batch or lot tracking sheets.

Maintaining these records will support organisations in meeting compliance with requirement 5.1.3.

Organisations should reconcile internally more often than annually, such as monthly or quarterly, where activity levels or risk justify it. Unresolved variances should be reviewed before self-assessment and management review.

Example of volume reconciliation:

Opening stock: **1,000 kg**

+ Purchases: **5,000 kg**

		= Total available: 6,000 kg - Volume used in production: 4,500 kg = Closing stock: 1,500 kg The 4,500 kg used in production is accounted for as follows: Sold as Physical BCI Cotton: 3,800 kg + Converted to Mass Balance: 400 kg + Waste: 300 kg = Total accounted for: 4,500 kg Unexplained variance: 0 kg
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5.1.2

It is the organisation's responsibility to ensure that their site(s) are accurately listed in the BCP.	This ensures organisations are accurately listed on the Better Cotton Platform.	All organisations should communicate any changes to company details related to their BCP accounts via email (helpdesk@bettercotton.org) within 15 calendar days of the change occurring.
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5.1.3

The organisation shall prepare aggregate annual volume summary reports of all Physical BCI and Mass Balance order inputs and outputs, demonstrating that quantities of output material are compatible with the corresponding volumes of inputs at site level. The summary shall take into account inventory levels, conversion (waste) factors, waste usage, outsourcing where applicable, and the conversion of Physical BCI to Mass Balance orders.

This ensures organisations maintain accurate, site-level annual summaries of all inputs and outputs of BCI-associated material. This helps demonstrate that the volume of BCI material sold or shipped is compatible with the volume purchased and processed.

Organisations should prepare an aggregate annual volume summary report that captures all inputs and outputs of Physical BCI and Mass Balance orders handled at the site. This summary may be generated from an existing inventory or ERP system or compiled from multiple internal records.

The report should summarise volumes by product type (e.g., lint, yarn, fabric, end-product) and by CoC model claimed. It should also reflect inventory at the start and end of the reporting year.

Gins are recommended to complete this process within 60 days after production has finished for the harvest season. Other organisations are recommended to complete the annual volume summary within 60 days after the end of their financial year, or an equivalent point in time when they normally reconcile their annual operational records.

5.1.4

The organisation shall record actual production input and output volumes of all Physical BCI product on the BCP.

This ensures that production data for Physical BCI Cotton is accurately reflected on the Better Cotton Platform (BCP) and prevents over-allocation of BCI volumes.

Organisations should record all input and output volumes to the nearest kilogram.

Organisations should record all actual production inputs and outputs of Physical BCI material on the BCP in line with the required timelines: within 30 calendar days of production completion for gins, and within 60 calendar days for all other organisation types.

A gin's outturn ratio, which determines the volume of lint that can be declared from seed cotton on the BCP, is based on the

		information provided by the gin to BCI during the annual Ginner Training Program. When entering production data, organisations should indicate whether any part of the production process was outsourced. This ensures transparency and accurate tracking of where BCI material was processed. All inputs used in production should be recorded on the BCP, including both BCI and Non-BCI inputs, so that the BCP can automatically reflect the material composition of the output product. The material is based on the ratio of inputs declared. BCI recognises that differences in material losses (e.g., fibre loss rates) during processing may cause slight deviations from the automatically declared composition. BCI also recognises that weight fluctuations can occur before, during, and after production. Once production inputs and outputs are declared on the BCP, the volumes cannot be adjusted. Organisations should therefore record inventory and production volumes as accurately as possible on the BCP. Where variations or discrepancies occur, the organisation should be able to justify these if requested by BCI or a certification body. Organisations should maintain production records as evidence that data entered into the BCP accurately reflects real production activity.
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5.1.5

The organisation shall investigate deviations from expected conversion factor ranges when requested to do so by BCI or the Certification Body.

This ensures that organisations identify and explain causes of unusual production losses or gains, maintain accuracy in reported BCI output, and prevent misrepresentation of BCI volumes.

Conversion factor refers to the output volume of a product expressed as a percentage of the input volumes. For example, if 1000 kg of cotton lint produced 700 kg of open-end cotton yarn, the conversion factor would be 70%.

For data entry into the BCP, the system monitors input and output volumes for Physical BCI production to ensure the conversion factor falls within a reasonable range (determined by BCI). If a conversion factor falls outside the expected range, the BCP may either prevent the data entry from being saved or prompt the organisation to review and verify the data entered.

If the BCP prevents entry due to a conversion factor that is accurate, the organisation should contact helpdesk@bettercotton.org with supporting documentation to justify any request to adjust the allowed range.

BCI or the organisation's Certification Body may request an investigation for any deviations from the expected conversion factor range. In such cases, the organisation should provide a clear justification, supported by relevant records. These records should include input volumes, output volumes, and any associated waste or loss.

6. Chain of Custody Supply Chain Models

6.1

In the case of manufacturing where Physical BCI input sourced through different CoC models is mixed, the BCP will automatically assign the appropriate CoC model to the output as follows:

Segregation (Single Country)
> Segregation (Multi-Country) –
when segregated Physical BCI from
multiple origins is mixed.

Segregation (either Single or Multi-
Country) > Controlled Blending –
when segregated Physical BCI of
any origin is mixed with Non-BCI or
with Physical BCI produced under
the Controlled Blending model.

Note: Organisations may convert
Physical BCI Cotton product to
Mass Balance BCCUs via the BCP.
The conversion of Physical BCI
Cotton product to BCCUs is
irreversible and final.

This ensures
organisations
understand that Physical
BCI products do not
have to remain in the
same Chain of Custody
(CoC) model as they
were received.
Organisations can mix
and blend Physical BCI
and Non-BCI product to
suit their organisation's
needs.

Organisations
understand that they
may convert Physical BCI
Cotton product to Mass
Balance BCCUs via the
BCP and the process is
irreversible.

BCI designed the Chain of Custody (CoC) models to be flexible, allowing organisations in the supply chain to follow the models that best suit their operational needs. Organisations are encouraged to select the options that work most effectively for them.

The BCP will automatically assign the appropriate CoC model to Physical BCI products based on the production information declared by the organisation on the BCP.

Products can only move through CoC models in one direction (i.e. products cannot move through the CoC models in reverse order to that explained below).

Examples:

Segregation (Single Country) inputs → Segregation (Multi-Country) output:

A spinner blends a yarn made from 50% Indian Physical BCI Cotton (Segregation Single Country) and 50% Brazilian Physical BCI Cotton (Segregation Single Country). The output is a 100% Physical Better Cotton yarn (Segregation (Multi-Country), comprised of 50% Indian Physical BCI Cotton and 50% Brazilian Physical BCI Cotton.

Segregation (either Single Country or Multi-Country) inputs → Controlled Blending output:

A spinner blends a yarn made from 50% Indian Physical BCI Cotton (Segregation Single Country) and 50% Non-BCI Cotton. The output is a Physical BCI yarn (Controlled Blending) comprised of 50% Indian Physical BCI Cotton and 50% Non-BCI Cotton.

Controlled Blending inputs → A Controlled Blending output:

No change in CoC model occurs as controlled blending inputs can only produce controlled blending output, irrespective of BCI inputs.

Conversion to Mass Balance:

Organisations can convert Physical BCI inventory into the BCI Mass Balance system if there is no demand for their Physical BCI product. This is done by selecting the relevant Physical inventory on the organisation's BCP account, choosing 'Convert to Mass Balance,' and entering the required details. Gins are not permitted to convert inventory to Mass Balance.

For lint traders converting Physical BCI inventory to Mass Balance, the resulting inventory will retain the country of origin associated with the original Physical BCI product. Lint traders may not associate those BCCUs with any cotton from different a country.

6.2 Mass Balance

6.2.1		
The organisation shall have procedures in place to identify Mass Balance orders at material receipt.	This ensures organisations can accurately identify BCI Mass Balance orders upon receipt, so that incoming materials are correctly recorded and managed, and the total volume of cotton claimed as BCI does not exceed the volumes grown by licensed/certified BCI farms.	Mass Balance is a volume-tracking system that allows BCI Cotton to be substituted or blended with Non-BCI Cotton while ensuring that the total volume of cotton claimed as BCI does not exceed the amount of BCI Cotton grown by licensed/certified BCI farms. To monitor volumes in the supply chain, each kilogram of BCI Cotton lint produced by a gin from BCI licensed/certified farms is assigned one BCI Cotton Claim Unit (BCCU) when it enters the Mass Balance system. Gins cannot follow the Mass Balance Chain of Custody model. BCI seed cotton and lint bales should always be segregated from other cotton types to ensure that all BCI Cotton bales produced are 100% BCI before being sold into the BCI Mass Balance system or being sold as Physical BCI product. For organisations sourcing BCI Mass Balance orders, they should have a procedure for identifying materials entering the site facilities as a Mass Balance order. For mass balance product, inbound materials should be accompanied by documentation that clearly indicates the order as Mass Balance. Documentation such as an invoice or bill of lading may denote that the inbound BCI order has followed BCI Mass Balance CoC model. A list of data points that should be captured upon inbound material receipt of Mass Balance BCI order can be found in requirement 3.2.1. For organisations operating the BCI Mass Balance model, once the inbound material has been identified as a Mass Balance order, the associated product may be incorporated into the

organisation's inventory as required. The products association with BCI does not need to be maintained according to the BCI Chain of Custody Standard Requirements.

Where an organisation sources Physical BCI product and receives/sends Mass Balance orders, the organisations inventory management system should have the functionality to differentiate between Physical BCI inventory and Mass Balance inventory to track them accurately. The system should also include functionality that allows physical Better Cotton to be converted to a Mass Balance claim.

6.2.2

Organisations operating as traders shall not substitute BCI bales or any associated BCCUs with any cotton bales from different countries.

This ensures traders understand the specific rule they should follow when implementing BCI's Mass Balance Chain of Custody model.

Lint Traders are defined by BCI as organisations that buy and sell lint cotton. This requirement applies exclusively to organisations operating in this role.

Lint traders implementing the BCI Mass Balance Chain of Custody model should do so at the country level. This means that traders may substitute equivalent volumes of Non-BCI Cotton with a Mass Balance claim, but only when the cotton shares the same country of origin.

For example, if a lint trader receives a Mass Balance order with a country of origin of China, the BCCUs associated with that order are linked to China. Those BCCUs may only be used for a sale of cotton that also has a country of origin of China.

Where a lint trader converts Physical BCI inventory into Mass Balance, the resulting BCCUs retain the country of origin of the original Physical BCI product. Those BCCUs may only be used for a sale of cotton that also has the same country of origin.

This requirement was introduced to promote engagement across BCI country programmes. If traders were permitted to associate BCCUs with cotton bales from any country of origin, sourcing could become concentrated to a limited number of countries. Over time, this could lead to uneven uptake of BCI Cotton across different BCI country programmes. By prohibiting country substitution, this requirement ensures that uptake of BCI remains aligned with the countries where cotton is produced, supporting engagement across all BCI programmes.

6.3 Controlled Blending

6.3.1	
The organisation shall have procedures in place that control the identification of Physical BCI and Non-BCI inputs at material receipt and raw material storage.	This ensures organisations correctly identify, and separate Physical BCI and Non-BCI inputs from the point of receipt through storage to avoid the misidentification of Physical BCI product. Non-BCI refers to any cotton input that is not BCI Cotton. If a product is made entirely from BCI Cotton fibres but contains non-cotton components (e.g., polyester), it still follows a Physical BCI Chain of Custody model (Segregation Single or Multi-Country), depending on the country of origins of the Physical BCI Cotton. Non-lint traders (organisations that buy and sell yarn, fabric, or finished products without transforming them) and sourcing agents may purchase and sell Physical BCI Cotton under the Controlled Blending Chain of Custody model. In these cases, BCI product stored under the Controlled Blending model should be clearly identified from inbound and during storage and sale. At material receipt, organisations should have a procedure to identify whether incoming products are Physical BCI products and to determine which Chain of Custody model they are categorised under. This identification should be based on the documentation received such as packing lists and related BCP transaction data received and any associated identification on the product e.g. material composition. Once confirmed, the BCI product should be moved into an appropriate storage area where the identification is maintained. This ensures that BCI and Non-BCI inputs, as well as BCI materials under different CoC models, remain distinguishable until they are used in production or sold. For further information on how the identity of Controlled Blending product should be maintained, see 6.3.3.

Example (cotton-only blend): An organisation receives 700 kg of Physical BCI Cotton from India and 300 kg of Non-BCI Cotton for use in a Controlled Blending production batch. At material receipt, the organisation checks the delivery documents, product identification and BCP transaction information to confirm which input is Physical BCI Cotton and which input is Non-BCI Cotton. The inputs are clearly identified and stored in a way that prevents misidentification before production.

If these inputs are used in the same production batch, the batch supports the statement: “70% Physical BCI Cotton (India), 30% Non-BCI Cotton.”

Example (cotton and non-cotton fibre): An organisation receives 600 kg of Physical BCI Cotton from Brazil, 300 kg of Non-BCI Cotton and 100 kg of polyester for use in a Controlled Blending production batch. At material receipt, the organisation checks the delivery documents, product identification and BCP transaction information to confirm which input is Physical BCI Cotton, which input is Non-BCI Cotton and which input is non-cotton fibre. Each input is clearly identified and stored in a way that prevents misidentification before production.

If these inputs are used in the same production batch, the batch supports the statement: “60% Physical BCI Cotton (Brazil), 30% Non-BCI Cotton, 10% polyester.”

Records should trace each percentage statement back to the production batch, input volumes, conversion factor and BCP production entry.

6.3.2

The organisation shall have a methodology for calculating the percentage of Physical BCI relative to the total volume of cotton within the production batch, which uses the following formula:

BCI Cotton % = (Quantity of BCI input / Total quantity of cotton input (BCI + Non-BCI) x 100

This ensures organisations applying the Controlled Blending Chain of Custody model calculate the percentage of Physical BCI Cotton in a product in a consistent way.

The percentage blend for Controlled Blending products is calculated using the volumes of cotton inputs used in production. It expresses the proportion of Physical Better Cotton relative to the total cotton content. When a Controlled Blending product also contains non-cotton fibres (e.g., viscose or polyester), an additional calculation is required to determine the percentage of Physical Better Cotton relative to the total fibre weight of the product.

The Better Cotton Platform (BCP) automatically calculates percentage blends using the input volumes entered by the organisation. Production records, such as batch cards, recipes, or production orders, should match these input volumes as accurately as possible and serve as evidence supporting all data recorded on the BCP.

6.3.3

Identification and accounting of material shall be maintained at production batch level.

This ensures organisations can track and account for Physical BCI product at the batch level, enabling Physical BCI outputs and/or sales to be traced back to their inbound BCI products.

Batch level identification is a method whereby a group of products with the same characteristics are processed, stored, or handled together as a single unit. It is up to the organisation to decide how big a batch is.

Batch-level identification and accounting should be established at material receipt and maintained throughout storage and sale, even for organisations that do not carry out production processes. This ensures that all BCI products can be traced back to their original source. The organisation can define the size of the batch based on material receipt, but all items within the batch should share consistent characteristics, such as material composition and the source from which they were received.

Each batch goes through the separate stages of the manufacturing process together. This means that a new batch cannot enter a production process until the previous batch of inputs has finished.

Each batch should be associated with a unique (alpha-numeric) coding system which allows output products to be tracked back to a production order, corresponding material inputs (for BCI inputs, Non-BCI inputs and non-cotton inputs) and associated purchase records for Physical BCI Cotton. Organisations are encouraged to use digital systems to track batch records. This may include spreadsheet software, databases, or more sophisticated inventory management systems.

Identification and accounting should always be performed at the production batch level, not at the level of the wider chain of

		custody model. This means that even if multiple products follow the same Chain of Custody model, they are not automatically considered part of the same production batch. For example, a spinning mill produces two yarn batches in the same week. Both batches follow the Controlled Blending CoC model. However: • Batch A uses 800 kg of BCI Cotton and 200 kg of Non-BCI Cotton. • Batch B uses 500 kg of BCI Cotton and 500 kg of Non-BCI Cotton. Even though both products follow the same CoC model, they cannot be treated as the same batch because they have different input compositions and were produced separately.
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6.3.4

The organisation shall maintain records of all production batches of Controlled Blended material, including the following: - Date of production - Physical BCI input product - Non-BCI and non-cotton fibre input products (where applicable) - Output product, including Country(s) of Origin of Physical BCI - Quantities and characteristics of inputs and outputs - Applicable conversion factors	This ensures organisations demonstrate the correct accounting of all inputs and outputs for products following the Controlled Blending Chain of Custody model.	Maintaining batch-level records ensures that organisations can verify the correct use of Physical BCI and Non-BCI inputs and enables traceability of output products back to their source materials. Organisations can use spreadsheets, databases, or inventory management systems to capture these details. For example, a spinner producing a batch of yarn using 50 kg of BCI Cotton from Brazil, 30 kg of Non-BCI Cotton, and 20 kg of viscose would record all inputs, output quantities, and relevant conversion factors under a single batch identifier. This ensures that the yarn output can be traced back to the exact mix of inputs. For organisations that do not carry out production processes e.g., non-lint traders or sourcing agents, this requirement does
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		not apply in the context of production. However, these organisation types should still maintain documentation that allows them to identify and track products from the point of material receipt through to their sale.
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6.3.5

The organisation shall ensure that all sales and shipping documentation for the supply of Physical BCI produced under the Controlled Blending CoC model includes accurate percentage statement(s) as to the content and origin of Physical BCI input.	This ensures organisations document the content and country of origin Physical BCI Controlled Blending products, enabling customers to understand the proportion and origin of Physical BCI Cotton contained in the product.	This may include a percentage claim stating the proportion of Physical BCI inputs and different origins. Example: 70% Physical BCI (Mozambique, Pakistan), 30% Non-BCI. Where non-cotton fibre is used as input during the manufacturing/ processing activity, the percentage claim may also include this content. Example: 65% Physical BCI (India, Brazil), 20% Non-BCI, 15% polyester. Organisations are encouraged to use ISO 3166-1 Alpha-2 and Alpha-3 Country Codes. The country of origin of Non-BCI material does not need to be declared.
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6.4 Segregation (Multi-Country)

6.4.1		
The organisation shall have procedures in place that control the identification of Segregated inputs at all stages of purchasing, raw material storage, production/processing, shipment, and sales.	This ensures organisations correctly identify, and separate Physical BCI from the point of receipt through to sale to prevent the misidentification of Physical BCI product.	Segregated inputs refer to any Physical BCI Cotton following the Segregation (Multi-Country) CoC model (in this context). At material receipt, organisations should have a procedure to identify whether incoming products are Physical BCI products and to determine which Chain of Custody model they are categorised under. This identification should be based on the documentation received such as packing lists and related BCP transaction data received and any associated identification on the product e.g. material composition. Once confirmed, the BCI product should be moved into an appropriate storage area where the identification is maintained. This ensures that BCI and Non-BCI inputs, as well as BCI materials under different CoC models, remain distinguishable until they are used in production or sold. For further information on how the identity of Segregation (Multi-Country) product should be maintained, see 6.4.2.

6.4.2

Identification and accounting of material shall be maintained at production batch level.

This ensures organisations can track and account for Physical BCI product at the batch level, enabling Physical BCI outputs and/or sales to be traced back to their inbound BCI products.

Batch level identification is a method whereby a group of products with the same characteristics are processed, stored, or handled together as a single unit. It is up to the organisation to decide how big a batch is.

Batch-level identification and accounting should be established at material receipt and maintained throughout storage and sale, even for organisations that do not carry out production processes. This ensures that all BCI products can be traced back to their original source. The organisation can define the size of the batch based on material receipt, but all items within the batch should share consistent characteristics, such as material composition and the source from which they were received.

Each batch goes through the separate stages of the manufacturing process together. This means that a new batch cannot enter a production process until the previous batch of inputs has finished.

Each batch should be associated with a unique (alpha-numeric) coding system which allows output products to be tracked back to production order, corresponding material inputs (for BCI inputs, non-cotton inputs) and associated purchase records for Physical BCI Cotton. Organisations are encouraged to use digital systems to track batch records. This may include spreadsheet software, databases, or more sophisticated inventory management systems.

Identification and accounting should always be performed at the production batch level, not at the level of the wider chain of custody model. This means that even if multiple products follow

the same Chain of Custody model, they are not automatically considered part of the same production batch. **For example**, A spinning mill produces two yarn batches in the same week. Both batches follow the Segregation (Multi-Country) BCI CoC model. However:

- Batch A uses 500 kg of Physical India BCI Cotton and 500 kg Physical Pakistan BCI Cotton.
- Batch B uses 600 kg of Physical India BCI Cotton and 400 kg Physical Pakistan BCI Cotton.

Even though both products follow the same CoC model, they cannot be treated as the same batch because they have different input compositions and were produced separately.

6.4.3

The organisation shall maintain records of all production batches of Segregated material, including the following:

- a. Date of production
- b. Identification of production batch
- c. Physical BCI input product
- d. Non-cotton fibre input products (where applicable)
- e. Output product
- f. Quantities and characteristics of inputs and outputs
- g. Applicable conversion factors

This ensures organisations demonstrate the correct accounting of all inputs and outputs for products following the Segregation (Multi-Country) Chain of Custody model.

Maintaining batch-level records ensures that organisations can verify the correct use of Physical BCI and Non-BCI inputs and enables traceability of output products back to their source materials.

Organisations can use spreadsheets, databases, or inventory management systems to capture these details. **For example**, a spinner producing a batch of yarn using 50 kg of BCI Cotton from Brazil, 30 kg of BCI Cotton from Mozambique, and 20 kg of viscose would record all inputs, output quantities, and relevant conversion factors under a single batch identifier. This ensures that the yarn output can be traced back to the exact mix of inputs.

For organisations that do not carry out production processes e.g. non-lint traders or sourcing agents, this requirement does not apply in the context of production. However, these organisation types should still maintain documentation that allows them to identify and track products from the point of material receipt through to their sale.

6.4.4	
The organisation shall have a system to ensure that all sales and shipping documentation for the supply of Physical BCI material includes a statement(s) as to the content and origin of Physical BCI input.	This ensures organisations document the content and country of origin Physical BCI Segregation (Multi-Country) products, enabling customers to understand the proportion and origin of Physical BCI Cotton contained in the product. This should include a percentage claim stating the proportion of Physical BCI inputs and different origins. Example: 70% Physical BCI (Mozambique), 30% Physical BCI (Cote D'Ivoire) Where non-cotton fibre is used as input during the manufacturing/processing activity, a percentage claim may also include this content. Example: 85% Physical BCI (India, Brazil), 15% polyester. Organisations are encouraged to use ISO 3166-1 Alpha-2 and Alpha-3 Country Codes. The country of origin of Non-BCI material does not need to be declared.

6.5 Segregation (Single Country)

6.5.1	
The organisation shall have procedures in place that control the identification of Segregated (Single Country) inputs at all stages of purchasing, raw material storage, production / processing, shipment and sales.	This ensures organisations correctly identify, and separate Physical BCI from the point of receipt through to sale to prevent the misidentification of Physical BCI product. Segregated inputs refer to any Physical BCI Cotton following the Segregation (Single-Country) CoC model (in this context). Refer to requirement 3.3.1 for further guidance on segregation. At material receipt, organisations should have a procedure to identify whether incoming products are Physical BCI products and to determine which Chain of Custody model they are categorised under. This identification should be based on the documentation received such as packing lists and related BCP transaction data received and any associated identification on the product e.g. material composition. Once confirmed, the BCI product should be moved into an appropriate storage area where the identification is maintained. This ensures that BCI and Non-BCI inputs, as well as BCI materials under different CoC models, remain distinguishable until they are used in production or sold. For further information on how the identity of Segregation (Single-Country) product should be maintained, see 6.5.2.

6.5.2		
Identification of material shall be maintained at batch level, with an exception for ginners where segregated seed cotton is stored in heaps.	This ensures organisations can track and account for Physical BCI product at the batch level, enabling Physical BCI outputs and/or sales to be traced back to their inbound BCI products. This ensures gins are aware of the exception which applies to them.	Batch level identification is a method whereby a group of products with the same characteristics are processed, stored, or handled together as a single unit. It is up to the organisation to decide how big a batch is. Batch-level identification and accounting should be established at material receipt and maintained throughout storage and sale, even for organisations that do not carry out production processes. This ensures that all BCI products can be traced back to their original source. The organisation can define the size of the batch based on material receipt, but all items within the batch should share consistent characteristics, such as material composition and the source from which they were received. Each batch goes through the separate stages of the manufacturing process together. This means that a new batch cannot enter a production process until the previous batch of inputs has finished. Each batch should be associated with a unique (alpha-numeric) coding system which allows output products to be tracked back to production order, corresponding material inputs (for BCI inputs, non-cotton inputs) and associated purchase records for Physical BCI Cotton. Organisations are encouraged to use digital systems to track batch records. This may include spreadsheet software, databases, or more sophisticated inventory management systems.

Identification and accounting should always be performed at the production batch level, not at the level of the wider chain of custody model. This means that even if multiple products follow the same Chain of Custody model, they are not automatically considered part of the same production batch. **For example,** A spinning mill produces two yarn batches in the same week. Both batches follow the Segregation (Single-Country) BCI CoC model. However:

- Batch A uses 900 kg of Physical India BCI Cotton and 100 kg of polyester.
- Batch B uses 800 kg of Physical India BCI Cotton and 200 kg of polyester.

Even though both products follow the same CoC model, they cannot be treated as the same batch because they have different input compositions and were produced separately.

Organisations are encouraged to use digital systems to track batch records. This may include spreadsheet software, databases, or more sophisticated inventory management systems.

For organisations operating as gins, they are not required to segregate inbound seed cotton from BCI licensed/certified farm by batch. Gins should segregate BCI seed cotton by BCI and Non-BCI heaps, ensuring that seed BCI is clearly identifiable using signboards, markings on the floor or permanent/temporary space designated for heaping of BCI only. The gin should maintain heap registers, which should be used as a tool to keep track of when BCI seed cotton is being processed. For gins that manage seed cotton in modules rather than heaps, which is common for gins associated with in larger farmer operations, the same principles apply. Modules originating from BCI licensed/certified farms should be kept

separate from Non-BCI modules from collection, during storage and during processing (modules from different BCI licensed/certified farms may be blended without issues of non-conformity against the BCI Chain of Custody Standard).

6.5.3

The organisation shall maintain records of all production batches of Segregated (Single Country) material, including the following:

- a. Date of production
- b. Identification of production batch / heap
- c. Physical BCI input product
- d. Non-cotton fibre input products (where applicable)
- e. Output product
- f. Quantities and characteristics of inputs and outputs
- g. Applicable conversion factors

This ensures organisations demonstrate the correct accounting of all inputs and outputs for products following the Segregation (Single Country) Chain of Custody model.

Maintaining batch-level records ensures that organisations can verify the correct use of Physical BCI and Non-BCI inputs and enables traceability of output products back to their source materials.

Organisations can use spreadsheets, databases, or inventory management systems to capture these details. **For example**, a spinner producing a batch of yarn using 50 kg of BCI Cotton from Brazil, and 20 kg of polyester would record all inputs, output quantities, and relevant conversion factors under a single batch identifier. This ensures that the yarn output can be traced back to the exact mix of inputs.

For organisations that do not carry out production processes e.g. lint traders, non-lint traders or sourcing agents, this requirement does not apply in the context of production. However, these organisation types should still maintain documentation that allows them to identify and track products from the point of material receipt through to their sale.

For organisations operating as gins, the records of inputs used to produce a batch of BCI lint bales should identify the specific seed cotton heaps or modules from which the lint derived.

6.5.4

Documented information as to the Country of Origin of such material shall be maintained by the organisation and, if requested, shall be made available to customers, to maintain the Segregation (Single Country) status of the material along the supply chain.

This ensures that organisations can reliably demonstrate the Country of Origin of Physical BCI material following the Segregation (Single Country) Chain of Custody model.

Depending on the point in the supply chain, this may be evidenced through objective sales and transport documentation (e.g. Bill of Lading, Phytosanitary Certificates, government-issued country of origin certificates, commercial invoice/contracts/purchase orders that display gin names, freight/port records or tax records). This information should be identifiable to the relevant batch.

6.5.5

The organisation shall ensure that all sales and shipping documentation for the supply of Physical BCI material includes a statement(s) as to the content and origin of Physical BCI input.

This ensures organisations document the content and country of origin Physical BCI Segregation (Single-Country) products, enabling customers to understand the proportion and origin of Physical BCI Cotton contained in the product.

This should include a percentage claim stating the proportion of Physical BCI input. **Example:** 100% Physical BCI (Mozambique).

Where non-cotton fibre is used as input during the manufacturing/processing activity, a percentage claim may also include this content. **Example:** 85% Physical BCI (Uzbekistan), 15% polyester.

Organisations are encouraged to use ISO 3166-1 Alpha-2 and Alpha-3 Country Codes.

The country of origin of Non-BCI material does not need to be declared.

7. Requirements for Brands

7.1 Management of Warehousing and Distribution Sites

7.1.1		
The brand shall maintain a list of all warehousing and distribution sites that take possession of Physical BCI.	This ensures visibility over where Physical BCI products are stored while the Physical BCI product is under the brand's ownership.	Physical BCI refers to products managed under one of the following Chain of Custody models: Controlled Blending, Segregation (Multi-Country), or Segregation (Single Country). Brands should maintain an up-to-date list of all warehouses and distribution sites that take possession of Physical BCI products, including key details such as address, contact person, and whether the site is owned or third-party. The list should be updated whenever sites are added or removed and used to monitor inventory movements, support volume reconciliation, and facilitate audits.

7.1.2	
The brand shall have a system to ensure warehousing and distribution sites maintain identification and traceability of Physical BCI products.	This ensures that, building on requirement 7.1.1, brands maintain identification of Physical BCI products as they move through any warehousing or distribution site, in a way that allows the product's journey to be traced. Physical BCI refers to products managed under one of the following Chain of Custody models: Controlled Blending, Segregation (Multi-Country), or Segregation (Single Country). Brands receiving and selling Physical BCI products should implement a system to ensure Physical BCI products are clearly identified and traceable throughout all warehousing and distribution sites. The system should reflect the brand's operational context. Brands should clearly label or mark all Physical BCI products upon receipt, using methods such as alpha-numerical codes, barcodes, (RF)ID tags, or colour-coded labels. This ensures products are easily distinguishable from Non-BCI stock throughout storage and distribution. BCI and Non-BCI stock may be stored in the same warehouse or distribution site, but they should be clearly separated and easily identifiable. Maintain records linking received volumes to outgoing volumes. This can be done through digital inventory systems, spreadsheets, or warehouse management software, enabling full traceability from receipt to sale. Staff should be trained on identification and traceability procedures. They should understand how to handle, store, and dispatch Physical BCI products correctly.

7.1.3

Where required, the brand shall ensure that the Certification Body is granted access to warehousing and distribution sites.

This ensures brands understand their obligation (and follow the requirement when required) to provide the Certification Body with access to any warehousing or distribution site so that the auditor can verify that Physical BCI products are properly identified and traceable while under the brand's ownership.

Brands should provide a complete list of all warehouses and distribution sites that handle Physical BCI products. The list maintained for requirement 7.1.1 can be used to share this information with the Certification Body.

Inspections may be conducted in person or remotely, depending on the context.

In-person inspections typically involve the Certification Body physically walking through storage areas, observing how Physical BCI products are separated and identified, checking labels and signage directly, and speaking with staff on site.

Remote inspections, by contrast, may involve virtual walkthroughs via video call, sharing photos or videos of storage areas, and providing digital copies of inventory records and documentation.

Relevant staff at the relevant sites should be informed in advance about any inspections and understand the purpose and scope of the review.

7.2 Claims

7.2.1		
Brands shall only make product-level claims where a valid scope certificate is in place and where a trademark licensing agreement has been signed.	This ensures that product-level BCI claims can only be made when the brand is authorised to do so.	Product-level claims can only be made for products managed under one of the following Chain of Custody models: Segregation (Multi-Country), or Segregation (Single Country). For both Segregation models, the final product or component should contain at least 30% Physical BCI Cotton, and if cotton is not the majority fibre, the exact Physical BCI Cotton percentage should be shown on the label. A valid Scope Certificate (awarded after a successful certification assessment by a Certification Body) is a prerequisite for signing a Trademark Licensing Agreement. Certified brands should request from their Certification Body they wish to make product level claims. Once signed, the Certification Body will provide access to the claims content. Before printing or publishing any claims, see requirement 7.2.2.

7.2.2

All new BCI Label artworks with accompanying texts shall be submitted to the BCI Claims Team for review prior to sale, unless stated otherwise.

This ensures that claims are accurate and compliant with the Better Cotton Claims Framework.

All new BCI label artworks and accompanying text should be submitted (via email) to the brand's Certification Body for Review against BCI's Claims Framework. Once reviewed (and approved), the content should be submitted to the BCI Claims Team for final approval via [myBetterCotton portal](#).

For all subsequent BCI label artwork and accompanying text, submit them directly to the BCI Claims Team for approval via [myBetterCotton portal](#). They do not need to be sent to the brand's Certification Body first.

All documents related to BCI Claims (including logo use guidelines) are available in the Claims section of the [BCI Resource Library](#).

For any questions, contact the BCI Claims Team at claims@bettercotton.org.

7.2.3

The brand shall implement controls to ensure only Physical BCI products are sold with the BCI Content Label. These controls shall be consistently applied, with particular attention to scenarios where the brand purchases both Physical BCI and Non-BCI products of the same or similar style.

This ensures that the BCI Content Label is only applied to products that contain Physical BCI Cotton.

Product-level claims can only be made for products managed under one of the following Chain of Custody models: Segregation (Multi-Country), or Segregation (Single Country). For both Segregation models, the final product or component should contain at least 30% Physical BCI Cotton, and if cotton is not the majority fibre, the exact Physical BCI Cotton percentage should be shown on the label.

Before making product-level claims, brands should verify the product's eligibility against inventory records.

Where brands handle both Physical BCI and Non-BCI versions of the same or similar styles, safeguards should be in place to prevent mix-ups. These can include separate storage areas, colour-coded labels, or system-based SKU differentiation. Inventory records should link

Physical BCI products from receipt to sale across all relevant sites. Digital inventory systems, spreadsheets, or warehouse management software can be used to maintain this information.

Staff responsible for managing product level claims should be trained to follow controls consistently.

7.2.4

The brand shall ensure that any retailers purchasing Physical BCI products from them are informed of BCI's claims requirements for retailers, as specified in the BCI Claims Framework.

This ensures that retailers receiving Physical BCI products understand and follow the BCI Claims Framework, and that brands understand their responsibility to communicate these requirements.

This can include providing retailers with written guidance, links to the BCI Claims Framework, or training materials that explain how BCI claims may be used on products, marketing, and communications.

Brands should document that this information has been shared with each retailer, for example through email confirmations, signed acknowledgements, or portal records.

Staff responsible for sales or account management should understand the brand's role in communicating these requirements and be able to provide retailers with accurate guidance on using BCI claims correctly

7.3 Volume Reconciliation for Brands

7.3.1

The brand shall carry out and maintain up-to-date volume reconciliation to ensure that labelled products purchased, held in inventory, and sold are balanced.

This ensures the brand monitors and can demonstrate that the volume of products carrying BCI labels is consistent with the volume of Physical BCI products purchased and held in their inventory.

Inventory records should be updated regularly and should include details on BCI labelled products such as product type, batch or SKU, quantity received, quantity in stock, and quantity sold or dispatched.

Digital inventory systems, spreadsheets, or warehouse management software can be used to maintain this information.

Reconciliation should be performed at regular intervals (e.g., weekly or monthly) to identify any discrepancies early. Any differences between purchased, held, and sold volumes should be investigated and resolved promptly.

Staff responsible for inventory management and sales should be trained on reconciliation procedures.

7.3.2	
The brand shall prepare annual volume summary reports, demonstrating that quantities of sold BCI products are compatible with the corresponding inbound volumes.	Building on 7.3.1, this ensures brands provide a clear, annual overview of inbound BCI related material and BCI related products sold, demonstrating that sold volumes are compatible with purchased volumes. This applies to all the BCI chain of custody models. Physical BCI Sourcing: Brands should prepare an annual report showing volumes of Physical BCI products purchased, held in inventory, and sold. The report should link inbound volumes to sold volumes, demonstrating that the quantity of products sold with a BCI Claim matches the Physical BCI Cotton purchased. Data can be taken from inventory systems, spreadsheets, or warehouse records. Reports should be reviewed for accuracy and consistency with volume reconciliations under 7.3.1. Reports should be retained for audit purposes. Mass Balance Sourcing: Brands should prepare an annual report showing volumes of cotton sourced under the BCI Mass Balance system. Since product-level claims cannot be made for cotton sourced through the Mass Balance system, the report should only be focused on volumes sourced through the BCI Mass Balance system. Data can be drawn from purchase records, invoices, or inventory systems and should be reviewed for accuracy. Reports should be retained for audit purposes.