

Key Better Cotton Platform Changes 2019 | FAQ

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Introduction

As part of BCI's commitment to continual improvement, we are making some changes to how Better Cotton Claims Units (BCCUs) can be transferred through the supply chain, via the Better Cotton Platform (BCP). The changes are designed to protect the credibility of BCI's chain of custody system and to simplify the transfer of BCCUs.

The [table](#) at the end of the document outlines the difference between BCI membership and BCP non-member access.

How is Better Cotton Platform (BCP) access changing?

The following key changes will be actioned in the coming months.

- As of 1 January 2020, companies wishing to transfer Better Cotton Claim Units (BCCUs) must do so electronically through the Better Cotton Platform (BCP) only. Starting on this date, BCI Members or BCP non-member suppliers¹ will no longer be able to transfer BCCUs using the manual entry option that is currently available in the BCP.
- If a company is already a member of BCI or a BCP non-member supplier, no action is required.
- Paper/hard copy Output Declaration Forms (ODFs) will no longer be accepted as a transaction entry method in the Better Cotton Platform.
- BCI Retailer and Brands Members will have until 31 March 2020 to manually add BCCUs to their accounts (for ODFs generated before 31 Dec 2019).
- The annual BCP access fee will be reduced from €750 to €500 on 1 June 2019.
- There will be a 20% promotional discount available for those who sign up for a new BCP account between 1 June – 30 September 2019.

¹ A BCP non-member supplier is a company that is not a BCI Member but has access to the BCP and can transfer BCCUs electronically using a supplier, end-product manufacturer, non-lint trader or sourcing agent account type.

What is the Better Cotton Platform (BCP)?

The BCP is an online system owned by BCI, and used by ginners, traders, spinners, other textile supply chain actors, and retailers and brands to document their Better Cotton sourcing volumes.

The BCP enables suppliers and manufacturers to report to their customers how much Better Cotton lint was sourced through the sale of cotton containing products and allows BCI to verify the volumes of Better Cotton Claim Units (BCCUs) allotted or received as sourcing orders are fulfilled across the supply chain. As a result of this verification, and BCI's mass balance chain of custody, retailers and brands at the end of the supply chain can make credible claims about their annual Better Cotton sourcing achievements.

What are Better Cotton Claim Units (BCCUs)?

A BCCU is the designated unit that corresponds to 1 kg of Better Cotton lint sold by a participating ginner.

After the gin, BCI uses a mass-balance chain of custody system in which each supplier is only required to document the volume of their purchases and sales relating to Better Cotton but are not required to physically segregate Better Cotton.

BCCUs are allotted to each sale transaction entered into the Better Cotton Platform (BCP) by suppliers and manufacturers. As the BCCUs move through the cotton supply chain, conversion rates are applied to account for the losses through the supply chain (from cutting, etc), so the weight of the final garment is not the same as the number of BCCUs allocated to it. For example, a finished t-shirt weighing 200 grams will have been made from lint weighing up to 300 grams because there are losses in the yarn spinning process, in preparing the fabric, and when cutting from the fabric to make the t-shirt.

Why are Better Cotton Claims Units (BCCUs) so important?

Collecting BCCUs is important for BCI Retailer and Brand Members, as it provides them with visibility into how much Better Cotton was sourced by their suppliers for the orders they placed. It also provides BCI with a consistent and transparent mechanism on which to charge BCI Retailer and Brand Members volume-based fees, which are invested into farmer training and capacity building on more sustainable agricultural practices. Investment in these field-level activities secures a future supply of Better Cotton.

What are Output Declaration Forms (ODFs)?

For every entry made into the Better Cotton Platform (BCP), an ODF is automatically generated by the BCP. ODFs can be exported out of the BCP in a PDF format for record keeping or documentation purposes.

Each ODF has a 14-digit unique number which is assigned to it automatically by the BCP. The first 8 digits of this number shows the entry date of the transaction in a year/month/day format. The remaining digits are unique to each ODF.

Until the end of 2019, they can also be used to transfer Better Cotton Claim Units (BCCUs) from a supplier account to different retailers' and brands' accounts if the fabric mill and/or the garment manufacturer in this particular supply chain is not using the BCP.

Where all suppliers and manufacturers of a retailer or brand use the BCP, BCCUs are electronically transferred to the company's account without the need of manual entry or an ODF.

To whom does this apply?

All companies wishing to transfer Better Cotton Claim Units (BCCUs) must use the Better Cotton Platform (BCP) from 01 January 2020 onward. For some types of companies BCI membership is obligatory in order to access the BCP, for others BCI membership is optional and they may apply for access to the BCP without becoming a BCI Member.

Companies requiring BCI membership to access the BCP are those:

- Buying cotton lint and selling cotton lint
- Buying cotton lint and selling yarns
- Buying cotton lint and selling fabrics
- Buying cotton lint and selling end-products

Companies for whom BCI membership is optional and they may apply for access to the BCP without becoming a BCI Member are those:

- Buying yarns and selling fabrics
- Buying yarns and selling end-products
- Buying fabrics and selling fabrics (dye houses and fabric traders)
- Buying yarns and selling yarns (yarn traders)
- End-product manufacturers who buy fabrics and sell finished products and currently send pdf ODFs to retailers and brands
- Sourcing agents who buy and sell finished products and currently send pdf ODFs to retailers and brands

NB: All BCCUs must be transferred electronically after 31 December 2019. Where there is a direct relationship between the tier 2 supplier and the retailer or brand, it will still be possible to transfer BCCUs directly until further notice.

What does this mean for companies currently transferring Output Declaration Forms (ODFs) without a Better Cotton Platform (BCP) account?

If you are currently transferring ODFs and do not have a BCP account, you will need to register for one by 31 Dec 2019 in order to continue to fulfil Better Cotton orders.

[Signing up is easy](#). Once you apply for a BCP account, you will receive online training on how to electronically receive Better Cotton Claims Units (BCCUs) and pass them on in the BCP.

You will also be able to communicate your ability to fulfill Better Cotton orders with your customers and potential customers. Please refer to section five of the [BCP Terms and Conditions](#) for more information.

After 31 December 2019, you will not be able to transfer BCCUs without a BCP account.

How much does a Better Cotton Platform (BCP) account cost?

From 1 June 2019, BCP access is €500 per year.

Are discounts available for new Better Cotton Platform (BCP) non-member suppliers?

If you open a BCP account between 1 June – 30 September 2019, you will receive a discount of €100 on your annual BCP access fee. For the first year, you will pay €400.

When you come to renew your account after one full year, you will pay the standard fee of €500 per annum. Please note that fees are reviewed on an annual basis.

What will happen if I don't sign up for a Better Cotton Platform (BCP) account before 1 January 2020?

You will not be able to transfer Better Cotton Claims Units through the BCP or fulfil Better Cotton orders.

Can I still have proof of my transaction?

For transactions made between two users of the Better Cotton Platform (BCP), a proof of transaction record will be available (but it cannot be used to transfer Better Cotton Claims Units). The difference, after 31 Dec 2019, will be that sellers will no longer be able to manually enter a buyer name within the BCP, so these transaction records will not be available if the transaction is with a company that is not a registered user on the BCP.

What do the changes mean for existing Better Cotton Platform (BCP) non-member suppliers?

Existing BCP non-member suppliers do not need to take any action, and they will automatically benefit from the newly reduced annual fee. If you already have a BCP account, you will be notified of your renewal date by the BCI Membership Team in due course.

When you come to renew your account on or after 1 June 2019, you will pay an annual fee of €500. This is the new reduced fee.

Do existing Better Cotton Platform (BCP) non-member suppliers renewing accounts between 1 June and 30 September 2019 receive a discount?

No, the €100 discount is for new BCP non-member suppliers only, but they will benefit from the newly reduced €500 fee.

What if I have already joined, renewed and paid the €750 fee for my account this year?

Unfortunately, due to the nature of our system, we are unable to refund any payments that have already been made this year. Please note that the reduced fee will be applied next year, so you will be able to benefit from the savings upon renewal.

What do the Output Declaration Form (ODF) changes mean for BCI Retailer and Brand Members?

If you are a Retailer and Brand Member, your help is requested to ensure your relevant suppliers (tier two and beyond) are signed up to the Better Cotton Platform (BCP) before 1 January 2020.

The most significant benefit to you is that you will no longer need to allocate resources to manually enter any Better Cotton Claims Units (BCCUs) into your account. In addition, when all of your suppliers have a BCP account and transfer BCCUs directly to your account electronically, you will no longer need to request ODFs from your suppliers. Please note that after 31 March 2020, no suppliers will be able to manually add BCCUs to your account.

Once suppliers apply for a BCP account, they will receive online training on how to receive the BCCUs and pass them on in the BCP.

Please share this document and other supporting information [available](#) here with your suppliers so they are aware of the changes.

What is the deadline for processing existing Output Declaration Forms (ODFs)?

We understand it takes time to implement changes.

The deadline for Retailer and Brand Members to process ODFs raised prior to 1 January 2020 is 31 March 2020.

What is the difference between BCI membership and Better Cotton Platform (BCP) access?

	Membership	BCP Non-Member Supplier
BCP account and user ID	✓	✓
BCP access for multiple account holders	✓	✗
Listing within the BCP platform	✓	✓
Inclusion in BCI's public online member list	✓	✗
Access to BCI logo to use on communications materials e.g. e-mail template, website, marketing materials and reports	✓	✗
Access to the BCI On-Product Mark to	BCI Retailer and Brand Members <u>only</u>	✗

communicate Better Cotton sourcing commitments		
Eligible to be a BCI Council representative	✓	✗
Eligible to vote for the BCI Council representatives	✓	✗
Annual fee	Based on membership category. Visit the BCI website for more information.	€500 as of 1 June 2019

If you are interested in membership, please visit our [website](#) for more information.

membership@bettercotton.org