



GUIDE TO MEMBER OBLIGATIONS - traders

The BCI has developed Principles of Participation and related Obligations for each membership category. Members are expected to apply these Principles and to comply with the related Obligations in their activities.

The BCI recognises that there are a variety of activities that members can undertake that will promote the goals of the BCI. This document contains illustrative examples of the sorts of things members can do and is intended to help members understand how they can go about applying the Principles of Participation.

Essential practices: examples of the minimum actions necessary in the short term to promote the production of Better Cotton.

Good practices: examples of actions that will contribute to the full realisation of the goals of the BCI. Members are expected to expand the depth and range of their activities over time.

These examples are intended to be neither prescriptive nor comprehensive, and are provided for guidance only. There will be many other ways that members can apply the Principles and members are encouraged to share their learning and good practices with the BCI Secretariat and with other members. It is intended that this Guide will be updated regularly in light of members' experience.



| Principles | Obligation | Essential practices | Suggested good practices |
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| 1. Application of the Principles | 1.1 Members shall apply these Principles of Participation in their activities and shall comply with the relevant Obligations that relate to their own organisations. | <ul style="list-style-type: none"> • Work is being undertaken towards integrating the Principles of Participation and relevant Obligations within the member organisation’s internal document guiding the member’s operations. • A process is set up for monitoring and reporting on compliance with the present Principles of Participation and applicable Obligations. | <ul style="list-style-type: none"> • A specific (senior) representative of the member organisation is designated to ensure application of the Principles, internal monitoring, and reporting and communication with BCI. • The designated representative is a member of a senior decision-making body (such as the Operating Board or CSR Committee), or has direct access to this type of body, or is accountable to it. • The members’ compliance with the Principles of Participation and the applicable Obligations is monitored internally and is reported on at least annually internally to an appropriate senior decision-making body. • Relevant staff are informed of the BCI membership of their organisation and of the present Principles of Participation and Obligations. • Relevant staff have the opportunity regularly to discuss and contribute to the members’ activities in support of the BCI • Relevant BCI newsletters or updates are circulated amongst members’ staff. • The relevant Principles of Participation and applicable Obligations are integrated in the member’s own code of conduct (if any) or any internal document guiding the member’s operations. |
| 2. Promotion of BCI | 2.1 Members shall promote the long-term objectives of BCI and shall not undertake activities that could bring BCI into disrepute or damage its reputation. | <ul style="list-style-type: none"> • The member organisation communicates about its membership of the BCI on their website, in accordance with BCI’s communication rules. • The member organisation informs its suppliers and wider value chain relationships about the meaning of their BCI membership, in accordance with BCI’s communication rules. | <ul style="list-style-type: none"> • The member organisation communicates about its membership of the BCI and BCI’s progress on its website, through internal communication updates with all relevant staff, and with their investors and Board of Directors encouraging continued and greater support for the BCI mission, in accordance with BCI’s communications materials and rules. • The member organisation communicates regularly and accurately about the BCI with their customers, suppliers, sub-contractors and wider value chain relationships, encouraging them to also support the BCI, in accordance with BCI’s communications materials and rules. • The member organisation raises the profile of the BCI through relevant international and business forums in which they participate, such as the ICA. |



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| <p>3. Compliance with Antitrust policy</p> | <p>3.1 Members shall comply with the BCI Antitrust policy [2 September 2009] and shall not engage in any collaborative activity that involves sharing information on costs, prices, margins, suppliers or customers that could be interpreted as anti-competitive under international or national trade rules.</p> | <ul style="list-style-type: none"> The relevant staff of the member organisation have read the BCI Antitrust policy and comply with it. | <ul style="list-style-type: none"> The BCI Antitrust policy is included in the member's relevant staff induction procedures, and practical requirements for abiding by the policy are highlighted. The member organisation advises BCI of any changes in its national Antitrust law that it considers relevant. |
| <p>4. Payment of fees</p> | <p>4.1 Members agree to contribute to the costs of running BCI by paying the fee relevant for their category of membership in a timely manner as determined by the BCI Council.</p> | <ul style="list-style-type: none"> The member organisation pays its membership fee within 60 days of receipt of the invoice. | |
| <p>5. Communications about BCI</p> | <p>5.1 Members shall comply with BCI's Communication Rules covering how their participation in BCI may be described publicly.</p> | <ul style="list-style-type: none"> Relevant staff are aware of the BCI Communication Rules and refer to them for their communication on the organisation membership. | <ul style="list-style-type: none"> Relevant staff are aware of the BCI Communication Rules and, before any communication is undertaken, check the compliance of any communication (written and oral) with those rules. When appropriate the support of BCI's Secretariat is sought in relation to communications, such as in CSR Reports, press releases or media responses. The member organisation does not make any misleading or unsubstantiated claims about the production, procurement or use of Better Cotton. |



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| <p>6. Participation in BCI activities</p> | <p>6.1 Members shall contribute to the development of BCI through an appropriate level of meeting attendance, responding to BCI communications, providing information and sharing knowledge.</p> | <ul style="list-style-type: none"> • The member provides BCI with updated contact information. • The member organisation advises in advance when its representatives are unable to attend a meeting and provides proxy to another member when relevant. • The member organisation provides regular update (annual) on the member's activities relevant to BCI. • Where draft minutes of meetings are provided to members for review, responses are provided to the BCI Secretariat within the allocated timeframe. | <ul style="list-style-type: none"> • The member organisation attends all meetings (physical and virtual) to which the member organisation is invited. • The member prepares in advance for meetings by reading materials, and considering responses, if necessary, through internal consultation. • The member provides BCI with updated contact information and makes arrangements for alternative contacts where necessary. • The member organisation responds to email enquiries and requests within the given deadline. • The member organisation systematically forwards information to the BCI on all its relevant activities, such as working with supply chain track-and-trace systems, engagement with complementary initiatives, and farmer support activities (direct or indirect) that offer opportunities or learning for farmers wishing to produce Better Cotton. |
| <p>7. Achievement of basic standards and commitment to continuous improvement</p> | <p>7.1 Members shall communicate with their suppliers and customers about their membership of BCI.</p> | <ul style="list-style-type: none"> • The member organisation communicates about its membership on its website in a place relevant for suppliers and for customers. | <ul style="list-style-type: none"> • The member organisation informs all its current suppliers and customers about its membership in written form and systematically informs new suppliers and customers. • Membership of the BCI is included on the member's supplier website (or equivalent) and is regularly updated. • The member seeks feedback and ideas from suppliers about promoting the goals of the BCI. • The member systematically informs new suppliers about the BCI. |
| <p>8. Increasing volumes of Better Cotton</p> | <p>8.1 Members shall facilitate and respond to customer requirements to source Better Cotton.</p> | <ul style="list-style-type: none"> • The member organisation actively sources Better Cotton to meet customer requirements. | <ul style="list-style-type: none"> • The member organisation informs customers of its willingness to source Better Cotton. • Where specified by customers, the member actively sources Better Cotton to meet customer requirements. • The member organisation advises BCI of any difficulties in meeting the requirements (e.g. quality profile not available, geographic source not available). |
| <p>9. Support for farmers</p> | <p>9.1 Members shall provide support for activities to assist smallholder farming communities, according to their identified needs and BCI goals.</p> | <ul style="list-style-type: none"> • The member organisation collaborates with implementing partners in regions it sources Better Cotton from. • The member organisation actively sources Better Cotton from BCI farmers. | <ul style="list-style-type: none"> • The member organisation is a BCI implementing partner. • The member organisation actively sources Better Cotton from BCI farmers. • The member organisation encourages timely payment and transparent weighing and grading where they influence the purchasing behaviour of seed cotton from BCI farmers. |



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| 10. Assessment and reporting | 10.1 Members shall report to BCI on the application of these Principles in line with the reporting requirements agreed by the Council. | <ul style="list-style-type: none"> • The member organisation reports annually within the given timeframe on: <ul style="list-style-type: none"> ○ the application of all these Principles to the BCI Secretariat, with supporting materials and key learning points; and ○ on Better Cotton volumes traded. | |
| | 10.2 Members shall report annually to BCI on Better Cotton volumes traded, subject to commercial confidentiality. | | |
| | 10.3 Members accept that BCI may undertake reasonable checks to verify their participation. | <ul style="list-style-type: none"> • The member organisation provides documents within 1 month as requested by BCI to support their annual report. • The member facilitates any other verification processes developed by BCI. | |
| 11. Working with suppliers to promote the use of Better Cotton | 11.1 Members shall develop and maintain traceability systems to facilitate segregation of Better Cotton as far as it is practicable. | <ul style="list-style-type: none"> • The member organisation establishes systems that allow for 100% Better Cotton bales to be produced and identified. | <ul style="list-style-type: none"> • The member organisation establishes systems that allow for 100% Better Cotton bales to be identified and traded. • The member organisation does not remove any bale identification marks. • The member organisation actively participates in sharing information on ways to make Better Cotton traceable (explanatory note: to try and make the system efficient at an industry level, rather than having a whole range of different proprietary approaches). |