REG

REGULATIONS OF THE RESPONSIBLE BRAZILIAN COTTON PROGRAM (ABR) WITH OPTION FOR BETTER COTTON LICENSING

CHAPTER ONE – PROVISIONS APPLICABLE TO ABR

PROGRAM OBJECTIVES AND RESPONSIBILITIES OF ABR PARTICIPANTS

Art. 1. The ABR Program is based on the progressive increase of good labor, social, environmental, and management practices in Production Units (UPs). Its progress depends on maintaining these factors across harvests.

Single Paragraph: This Regulation and its Checklist address fundamental sustainable development principles, specifically: Regularity of labor relations and compliance with occupational safety standards; Prohibition of child labor, forced labor, or conditions analogous to slavery/degrading work; Maintenance of a safe and respectful work environment (prevention of moral and sexual harassment); Prohibition of discrimination and support for freedom of association/collective bargaining; Legal protection and environmental preservation; Application of good agronomic practices and efficient, responsible management of the Production Unit.

Art. 2. Participation in the ABR is voluntary for all Producers associated with State Cotton Producers' Associations (State Association), whether individuals or legal entities, and individual or group participants.

Art. 3. Adherence to the ABR program by the Production Unit/Producer/Producer Group automatically constitutes adherence to Abrapa's quality program, known as Standard Brasil HVI (SBRHVI), for an indefinite period. It is the responsibility of the Producer in charge of the Production Unit to manage both programs and fulfill the specific requirements of each until the conclusion of the harvest.

Art. 4. The Responsible Brazilian Cotton Certificate of Conformity (Certificate) is the instrument that attests to the minimum compliance for the certification obtained by Producers linked to Production Units, for which they are responsible for management and cotton production—activities

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that must, mandatorily, be performed based on the sustainability criteria adopted by the ABR Program.

ADHERENCE TO THE ABR PROGRAM CERTIFICATION PROCESS

Art. 5. Producers who intend to obtain certification from the ABR Program must meet the requirements, comply with the following determinations, and complete these forms through the online system provided by Abrapa:

a) Adherence Term: contains the name of the Production Unit and the Producer/Group, name of the legal representative, email address, and phone numbers for contacting the legal representative, as well as the administrator or person responsible for managing the enterprise and the indication of the State Association, whose data will be used as a source for other documents;

b) Appointment of representative and/or proxy in the certification process and authorization to carry out the field visit on the rural property;

c) Declaration of commitment to the implementation of the sustainability principles and criteria adopted by the ABR Program on their property, through the progressive adequacy of compliance in their labor and occupational safety relations, and the continuous improvement of their production activities, with the implementation of labor, social, environmental, and economic good practices in cotton production, which constitute the basic criteria for obtaining the Responsible Brazilian Cotton certification;

d) Clearance certificate issued by the State Association to which they are linked.

Paragraph 1. Producers associated with one of the State Associations who present a clearance certificate ("nada consta") issued by their respective State Association shall have the right to adhere to the certification process and, if approved by the Abrapa-accredited Certification company, will receive the Certificate attesting to the compliance of their production with the ABR Program criteria.

Paragraph 2. Any Production Unit that, in previous years and/or in the current harvest, has signed a Conduct Adjustment Agreement (TAC) with the Labor Public Prosecutor's Office to correct labor and occupational safety irregularities must inform the State Association of this situation and prove that it is regularly complying with the obligations assumed in said instrument in order to participate in the ABR Program.

Paragraph 3. To accompany the field visit and collaborate with the verification actions of the stage known as Property Diagnostic, as well as the verifications and audits performed during the ABR Program certification process, Producers must appoint a representative or proxy to assist and execute the correction and continuous improvement actions necessary for the progressive fulfillment

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of all requirements contained in the Property Diagnostic Checklist (VDP) and, if applicable, the respective Corrective Action Plan for Non-Conformities (PCNC).

Art. 6. The baseline that will serve as a reference for verifying the progressive evolution of the compliance level of the Production Unit adhering to the ABR certification process will be obtained through a preparatory stage (field visit to be scheduled by the State Association), known as the Property Diagnostic, and will be executed by the State Association's technical team based on the Property Diagnostic Checklist (VDP), which will determine the level of compliance with the sustainability criteria adopted by the ABR program.

Art. 7. If non-conformities are found, the team responsible for the field visit will draft a Corrective Action Plan for Non-Conformities (PCNC), which will serve as a reference for Producers to raise the sustainability compliance level of their Production Units according to their planning and possibilities. It shall be the responsibility of the State Association to schedule visits, at the request of the Producers, to monitor the progress of the correction of non-conformities.

Art. 8. When conducting the field visit for the drafting of the Property Diagnostic, the State Association's technical team will verify, with the collaboration of the Producer or their representative, compliance with the criteria of the Property Diagnostic Checklist (VDP) through interviews, documentary evaluation, physical verification of working conditions, living areas, equipment, and machinery, as well as the procedures provided for in labor, occupational safety, and environmental legislation, in addition to others deemed appropriate to enable the measurement of the Production Unit's compliance level in relation to the criteria established by the ABR Program.

Art. 9. Production Units adhering to the ABR Program further commit to reporting the indicators defined by the program to Abrapa and State Associations through official channels and forms. The submission of this information actively contributes to the generation of strategic data that strengthens the positioning of Brazilian cotton, highlights the sector's progress, and supports decision-making in favor of the sustainability and competitiveness of national cotton farming.

Single Paragraph: Failure to submit indicator reports within the established deadlines will result in the suspension or cancellation of the Production Unit's ABR certificate..

Art. 10. Adherence to the program must be completed by June 30th of each year/harvest.

CONFORMITY ASSESSMENT PROCESS FOR GRANTING ABR CERTIFICATION

Art. 11. The verification and evaluation process of the compliance level for granting certification shall be conducted by the certification company, accredited by Abrapa and duly contracted by the Producers or the State Association. This is carried out through its accredited auditors and verifiers, based on the ABR program criteria and the requirements of the ABR Property Certification Checklist (VCP).

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Art. 12. To be accredited as a certification body, the company must prove it is accredited by an accreditation body that is a signatory of the IAF (*International Accreditation Forum*), thus meeting the standards and regulations that allow it to audit and grant certifications, as well as being accredited by INMETRO under ISO/IEC 17065.

Paragraph 1. For the performance of audit services on each farm, the allocation of two man-days for one day (2HD/1 day) or one man-day for two days (1HD/2 days) is planned, regardless of the size of the property or the number of employees.

Paragraph 2. The deadlines for executing the stages, from the audit to the issuance of the ABR Certificate of Compliance, vary according to the assessment result:

a) Farm not eligible for certification: If the certification body identifies that the farm is not eligible to be certified, the process will end with the presentation of the audit report, which must be issued within 7 (seven) calendar days.

b) Minor non-conformities: If the certification body concludes that the farm presents minor non-conformities that could compromise approval, the farm will have up to 15 (fifteen) calendar days after the close of the audit to correct the deviations. After receiving the evidence of correction, the certification body will have up to 5 (five) days to evaluate them and decide whether or not to recommend the farm for certification, finalizing the ABR Preliminary Compliance Verification (VCP) process. If approved, the Certificate must be issued in the ABR system within 30 (thirty) days after approval.

c) Farm approved for certification: If the certification body concludes that the farm is eligible for certification, the Certificate must be issued by the ABR system within 30 (thirty) calendar days.

Paragraph 3. Producers who do not agree, during the certification process, with the assignment of a non-conformity to an item on the Property Certification Checklist (VCP) may file an administrative appeal with the certification company within 3 (three) calendar days of notification to re-evaluate, redo, or review the previous decision. The certification company will have a period of 10 (ten) calendar days after receiving the appeal to issue a decision, which may confirm or alter the status previously assigned.

Paragraph 4. Considering the adoption of the principle of progressive, evolutionary, and continuous implementation of compliance indices in Production Units, it is established that a Production Unit under the same management as the Producer/Group that reaches the following compliance levels in each successive harvest from its adherence to the ABR program will be entitled to the Responsible Brazilian Cotton Certificate of Compliance:

a) First harvest (year/harvest): Minimum of 85% compliance in criteria 1, 6, 7, and 8 of the Property Certification Checklist (VCP), namely, respectively: Contract; Safety, Health,

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and Environment of Rural Work; Environmental Performance; and Agricultural Good Practices).

b) Second harvest onwards: From the second harvest onwards, provided management remains the same, the Production Unit must have a compliance level equal to or greater than 87%; and in subsequent harvests, equal to or greater than 89% (third harvest); and 90% (fourth harvest). This final index of 90% must be maintained in harvests subsequent to the fourth. Failure to reach the compliance levels established in these Regulations will result in the loss of the right to certification for the Production Unit.

Paragraph 5. Production Units considered "annex areas" to the main Production Unit—defined here as the unit that holds the headquarters and all infrastructure and a separate Property Registry title from the annex—will undergo the entire verification process carried out by the audits, considering the criteria applicable and consistent with the reality of their production area, repeating the compliances and non-conformities related to the verification of the headquarters area.

Paragraph 6. The VDP and VCP lists for Production Units considered annex areas will be supplemented with an Explanatory Note, which will be made available to the ABR Program system in the VDP phase by the State Associations, and in the VCP phase, by the certification companies selected by Abrapa.

Paragraph 7. Criteria 2, 3, 4, and 5 in the same list—Prohibition of Child Labor, Prohibition of Labor Analogous to Slavery, Freedom of Association, and Prohibition of Discrimination, respectively—require mandatory total compliance (100%).

Paragraph 8. In the case of compliance levels with decimal places, the rounding parameters will be as follows: (a) 0.4 or lower, rounded down; (b) 0.5 or higher, rounded up.

Paragraph 9. Regardless of the harvest, Production Units in which evident practices of child labor or labor analogous to slavery are found during the audit will be excluded from certification.

Art. 13. Production Units found to have an unsafe or disrespectful work environment, lacking measures to prevent and combat sexual harassment, and without the promotion of awareness among employees or the adoption of effective measures to investigate and punish inappropriate conduct regarding the licensing scope rules, will be excluded from the evaluation process.

Art. 14. Production Units that have chosen to leave the ABR Program and wish to resume their participation, provided the Producers remain in their management, must achieve at least the compliance level subsequent to that recorded in the last harvest in which they were certified, taking into account the indices established in Article 12 of these Regulations.

ISSUANCE OF THE ABR CERTIFICATE OF COMPLIANCE

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Art. 15. The certification company accredited to execute the certification process in Production Units adhering to the ABR Program shall observe, in the execution of audits for each harvest, the principle of continuous improvement of the criteria in the Property Certification Checklist (VCP), linked to the same management of the participating Production Unit, in accordance with the standards established in these Regulations.

Paragraph 1. It is the sole and exclusive responsibility of the certification company, as a result of the certification process covered by these regulations, to issue the ABR Program Certificate of Compliance.

Paragraph 2. Processes approved by the accredited certification company qualify the Production Unit to receive the ABR Certificate of Compliance.

Paragraph 3. The Certificate, valid for the audited year/harvest and for the cotton produced in that respective year/harvest, will be issued by the certification body and made available to the participating Unit within 30 (thirty) calendar days after the close of the certification audit.

Paragraph 4. The contracted certification body will inform the State Association and Abrapa, through the ABR system, of the results of the Production Units qualified in the certification processes within 7 (seven) calendar days after confirmation of reaching the minimum compliance level. Once the Production Unit verifies the certification approval in the ABR Program management system, it will have access to the Certificate.

Paragraph 5. The annual list of Production Units certified in the ABR Program, as prepared by the certification company, will be available to the public on the certification company's own website for a period of at least 3 (three) years/harvests for potential challenges.

CONTENTS OF THE ABR CERTIFICATE OF COMPLIANCE

Art. 16. The Certificate shall contain the necessary elements for its identification, origin, and purpose, as detailed below:

a) Title: ABR Certificate of Compliance;

b) Name of the Production Unit (farm);

c) Name of the Producer/Group;

d) Municipality and State of the Production Unit;

e) Reference to the ABR Program;

f) Scope: Responsible Brazilian Cotton;

g) Certificate Number;

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h) Issue Date;

i) Statement regarding the year/harvest validity period of the certification for the cotton produced by the Production Unit;

j) Statement that the Certificate's validity can be confirmed on the website of the Abrapa-accredited certification body and on the Abrapa website.

Paragraph 1. The footer of each Certificate shall state that the ABR Program is audited by an internationally accredited and licensed certification company in annual stages of progressive and evolutionary certification. It aims to achieve, through its field verification actions, the continuous improvement of labor, social, environmental, and economic good practices on cotton-producing rural properties, in accordance with the ABR regulations.

Paragraph 2. The information on the Certificate shall be provided in both Portuguese and English.

RESPONSIBILITY FOR GRANTING THE ABR CERTIFICATE OF COMPLIANCE

Art. 17. The granting of the Certificate, regarding its content, is the responsibility of the certification company contracted directly by the Producers or by the State Association.

Paragraph 1. In the event of legal actions of any nature brought by third parties that directly or indirectly involve the ABR compliance process, the joint or subsidiary liability of the State Associations and Abrapa is expressly excluded.

Paragraph 2. Producers are independently and solely responsible for the veracity of the information provided directly or through their representatives and proxies to the auditors of the company responsible for the certification process.

Paragraph 3. It is the duty of Abrapa and the State Associations to ensure the correct use of the Certificates. Producers are prohibited from using the ABR and State Association logos without express authorization from the owners, and violators shall be liable for any moral or material damages caused.

MAINTENANCE AND RENEWAL OF THE ABR CERTIFICATE

Art. 18. The ABR Certificate of Compliance reflects the participation and qualification of Producers and their cotton production in a process of continuous improvement regarding the indices and criteria established in these regulations.

Single Paragraph: To maintain validity in subsequent and successive years, Producers must annually renew their participation in the ABR Program using the form provided by the State Association and the online ABR Program management system, and request authorization to contract or re-contract an Abrapa-accredited certification company.

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Art. 19. The certification maintenance process shall be conducted by the certification company, based on the reports and the category achieved by the Production Unit in the immediately preceding harvest, provided the management of the Production Unit remains the same. To be entitled to certification renewal, the Production Unit must reach the annual level of dynamic continuous improvement criteria and the compliance standard established progressively in these regulations.

CANCELLATION OF THE ABR CERTIFICATE AND THE RIGHT OF USE

Art. 20. If there is evidence that producers, during the certification validation period, committed serious infractions verified by federal labor or environmental oversight bodies, or misused the certificate, the Certificate shall be suspended or canceled, respecting the right to an adversarial proceeding. Involvement in crimes such as illegal deforestation, land grabbing, or human rights violations, with a final and unappealable conviction, is considered grounds for cancellation.

Paragraph 1. The misuse of the Certificate or the verification by federal labor or environmental oversight bodies of serious infractions included among the compliance criteria of the Property Certification Checklist (VCP) will result—respecting the right to an adversarial proceeding held before the state entity—in the suspension or cancellation of the Certificate, if found valid.

Paragraph 2. The verification of involvement in crimes of illegal deforestation, land grabbing, or practices implying human rights violations, with a final and unappealable conviction (sentença condenatória transitada em julgado), shall be considered a serious infraction subject to the cancellation of certification.

Paragraph 3. The Production Unit must have a full understanding of the applicable laws and be aware of any violations to which it may be subject. The identification of infractions of any nature by the Production Unit, without proper proof of lack of responsibility, may result in the cancellation of the Certificate.

Paragraph 4. In the event of the cancellation of a Certificate granted to Producers, the grounds for such action must be stated by the certification body, which shall:

a) Cancel the ABR Certificate;

b) Modify the Producer/Group status on the certification body's internal platform and in the ABR system via the web, indicating the Certificate as canceled.

Paragraph 5. A Producer whose Certificate has been canceled and who intends to recover the right to use the Certificate may implement the necessary corrective measures and, only then, request a new Property Diagnostic process by the State Association in the following harvest. Upon confirmation that any serious non-conformities have been corrected, they may participate in a new certification process through an accredited certification company. In the event of a repeat offense,

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the request will only be granted after 2 (two) years have passed since the cancellation of the certification.

Paragraph 6. Failure to submit indicator reports within the established deadlines will lead to the suspension or cancellation of the Production Unit's ABR certificate.

Paragraph 7. In cases of suspected infractions provided for in the preceding paragraph, the certification body and the State Association must conduct a detailed investigation and guarantee the Producer the right to an adversarial proceeding and full defense before adopting measures to suspend or cancel the Certificate.

DUTIES OF THE PRODUCER RECEIVING THE ABR CERTIFICATE

Art. 21. Associated Producers who have been granted Certificates commit to continuously complying with the sustainability criteria established in the ABR Program.

CHAPTER TWO - PROVISIONS APPLICABLE TO BETTER COTTON LICENSING (OPTIONAL)

Art. 22. The second part of these regulations applies only to Producers who opt to participate in Better Cotton Licensing.

Art. 23. Participation in the Licensing for *Better Cotton* Commercialization (*Better Cotton* Licensing) is a matter of free choice. In this document, the Producer declares their option to participate or not in *Better Cotton Licensing*. This option may be changed by requesting Abrapa until June 30th of each current year. After this date, the option made by the Producer online is final for the ongoing harvest and can only be changed in the following harvest. Every ABR-certified Production Unit may also receive, by free choice, *Better Cotton* Licensing.

Art. 24. Provision of indicators: every Production Unit participating in the ABR Program that opts *for Better Cotton* Licensing commits to delivering all information for the preparation of the Outcome Indicator Report to the State Association and Better Cotton, including:

a) Area (ha);
b) Production (kg of lint cotton);
c) Yield (kg/ha of lint cotton);
d) Fertilizer use (liters or kg/ha);
e) Pesticide use (kg or liters of commercial product/ha);
f) Irrigation water use (m^3);

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g) Training offered and number of participants;
h) Fuel use in cotton cultivation.

Paragraph 1. Better Cotton, the state associations, and Abrapa are committed to the non-disclosure of individual data sent by producers. Only data compiled at a national level will be disclosed.

Paragraph 2. Producers are aware of the prohibition of the use of pesticides listed in: Annexes A and B of the Stockholm Convention (**https://www.pops.int/TheConvention/ThePOPs/AllPOPs/tabid/2509/Default.aspx**), Annexes of the Montreal Protocol (**https://ozone.unep.org/treaties/montreal-protocol/montreal-protocol-substances-deplete-ozone-layer**) and Annex III of the Rotterdam Convention (**https://www.pic.int/TheConvention/Chemicals/AnnexIIIChemicals/tabid/1132/language/en-US/Default.aspx**) as well as the molecules Beta-Cyfluthrin, Fenpropathrin, and Azocyclotin.

Art. 25. From 2021/2022, the Brazilian Cotton Producers Association (Abrapa) and *Better Cotton* are working together to discontinue, by the year 2027, the use of the following active ingredients in Brazilian cotton fields due to their possible harmful effects on human health and the environment: Abamectin, Arsenic and its Compounds, Bifenthrin, Carbendazim, Cyproconazole, Chlorpyrifos, Chlorothalonil, Diquat Dibromide, Epoxiconazole, Ammonium Glufosinate, Fentin Hydroxide, Lambda-cyhalothrin, Mancozeb, Methomyl, Propiconazole, Thiacloprid, and Carbosulfan.

Art. 26. Producers wishing to obtain the Better Cotton License must commit to reducing the amount of pesticides (kg) per hectare by at least 5%. The target to be achieved will be evaluated by comparing each farm's 2027-28 results with those of 2022-23.

Art. 27. Starting from the 2025/2026 harvest, every Production Unit (UP) or Farming Group opting for Better Cotton licensing must undergo a mandatory Due Diligence (DD) process. The selection of UPs or Farming Groups participating in the process will be defined between Better Cotton and Abrapa, considering the total licensed cotton area. Due Diligence will have a renewal cycle every three years.

Due Diligence will be conducted directly by Better Cotton, with the support of independent consultants, without Abrapa's interference regarding the rules, requirements, criteria, or decisions of the process. It is the responsibility of the evaluated producers and groups to cooperate fully with Better Cotton and remedy any identified inconsistencies. Failure to meet requests or to implement corrective actions may result in the suspension or termination of eligibility to obtain or maintain the Better Cotton License during the current harvest.

Art. 28. To adhere to Better Cotton licensing, the producer must review and fully agree to the Better Cotton Chain of Custody (CoC) Standards, adapted for ABR-certified producers. The applicable standards are consolidated in the requirements list titled: **Requisitos CoC Better Cotton para Produtores ABR (safra 2025-26).pdf**

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Art. 29. When the cotton ginning process is performed at a contracted ginnery without transfer of ownership of the lint, it is the producer's responsibility to ensure full compliance with the Protocol for Producers who Subcontract Ginning.

Single Paragraph: Ownership of the lint cotton remains with the producer, who is responsible for ensuring compliance with the requirements established in the aforementioned protocol.

Art. 30. The mentioned standards and protocols integrate the ABR CoC Criterion, against which any producer wishing to market physical BCI cotton in the 2025/2026 harvest must be audited by a recognized certification body.

Paragraph 1. Producers who do not opt for the CoC Criterion audit or who are not approved may, however, market Better Cotton under the mass balance modality.

Paragraph 2. Considering the transition period established by Better Cotton, by the end of 2028, all producers—regardless of the commercial modality used—must be approved under the Chain of Custody Criterion to remain eligible for the Better Cotton Program.

Art. 31. By adhering to the ABR/BCI Program, the producer declares agreement with:

I – Better Cotton Chain of Custody Standards v1.0, as per the officially published summary;

II – Protocol for Producers who Subcontract Ginning; **Protocol-for-Producers-with-Subcontracted-Gins-v1.0_Portuguese.pdf**

III – Better Cotton Anti-Bribery Policy; **Anti-Bribery-Policy-for-Better-Cotton-Registered-Ginners-and-BCP-Suppliers-v1.1_Portuguese.pdf**

IV – Better Cotton Platform (BCP) Terms and Conditions. **BCP-Terms-and-Conditions-for-Producer-Contexts_v1.0_Portuguese.pdf**

Art. 32. The Better Cotton licensing of cotton produced in areas converted from natural ecosystems after December 31, 2020, is prohibited, applicable from the 2025/2026 harvest onwards.

Paragraph 1. In cases of legal conversion of areas and cotton planting after December 31, 2020, the Production Unit must fully segregate the production from these areas, keeping it out of the volumes eligible for ABR/BCI licensing or certification.

Paragraph 2. The producer must fully comply with the following obligations:

I – Sign a Segregation Term, containing at least:

a) Identification data of the producer and property;

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b) Identification of the converted area (plot, geographic location, total area, production estimate, and traceability tool used);

c) Updated map of areas converted after the cut-off date.

II – Physically or virtually segregate all production from areas converted after 12/31/2020, ensuring such volumes are not declared for ABR/BCI licensing.

III – Ensure segregation during the ginning process, so that batches from converted areas do not enter the certified flow.

IV – Implement robust traceability by plot or batch, using recognized field traceability tools compatible with the Program.

V – Maintain updated records, such as maps, registries, spreadsheets, and reports that allow for proof of the origin and destination of the segregated production.

VI – Provide documents and evidence whenever requested during audits, verification, or monitoring processes conducted by the ABR Program, Better Cotton, or delegated entities.

VII – Indicate in the Adherence Term the amount of area with cotton planting in plots that will be segregated.

Paragraph 3. When the ginning process is contracted without the transfer of ownership of the production, the producer must require and prove that the processing unit formally declares compliance with the following requirements:

I – Segregate and identify distinctly:

a) ABR/BCI certified cotton;

b) Conventional cotton;

c) Cotton from areas converted after 12/31/2020;

ensuring adequate separation during storage, transport, and processing.

II – Maintain supporting records of the receipt, processing, storage, and dispatch of batches according to their respective categories.

III – Allow access to facilities and records by auditors, verifiers, or authorized representatives of Better Cotton or the ABR Program.

IV – Refrain from passing on or subcontracting the ginning service.

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Art. 33. Considering the adoption of the principle of progressive, evolutionary, and continuous implementation of compliance indices in Production Units, a Production Unit under the same management as the Producer/Group that reaches the following compliance levels in each successive harvest will be entitled to *Better Cotton* Licensing:

First harvest (year/harvest): Minimum of 85% compliance in criteria 1, 6, and 7 of the Property Certification Checklist (VCP), namely: Employment Contract; Safety, Health, and Environment of Rural Work; and Environmental Performance.

Second harvest onwards: From the second harvest onwards, provided management remains the same, the Production Unit must have a compliance level equal to or greater than 87%; and in subsequent harvests, equal to or greater than 89% (third harvest); and 90% (fourth harvest). This final index of 90% must be maintained in harvests subsequent to the fourth. Failure to reach the compliance levels established in these Regulations will result in the loss of the right to certification for the Production Unit.

Paragraph 1. Criteria 2, 3, 4, 5, 8, and 9—Prohibition of Child Labor, Prohibition of Labor Analogous to Slavery, Freedom of Association, Prohibition of Discrimination, Agricultural Good Practices, and Unit Management, respectively—require mandatory total compliance (100%).

Paragraph 2. In the case of compliance levels with decimal places, the rounding parameters will be as follows: (a) 0.4 or lower, rounded down; (b) 0.5 or higher, rounded up.

CANCELLATION OF BETTER COTTON LICENSING AND RIGHT OF USE

Art. 34. Should there be objective evidence that Producers, during the Licensing validation period, committed infractions that infringe upon the licensing criteria, or any other actions that may bring discredit to *Better Cotton* or misuse the Licensing, their Licensing will be canceled by *Better Cotton* for the current harvest. In cases of deliberate fraud and unethical behavior, cancellation may extend for a period of up to three years.

CHAPTER THREE – COMMON PROVISIONS

COMMITMENT TO CONFIDENTIALITY

Art. 35. All information obtained during field visits and in the compliance reports of the Property Diagnostic Checklist (VDP) for Producers participating in the ABR Program—whether approved or not—shall be treated with secrecy and confidentiality by the State Associations, Abrapa, and the certification bodies. The data received will be used by the State Associations and Abrapa solely for statistical purposes to demonstrate compliance levels and the evolution of the continuous improvement process of the ABR Program's sustainability criteria in the Production Units.

OMISSIONS

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Art. 36. Cases not provided for in these Regulations will be analyzed and discussed in a meeting of the Abrapa Sustainability Working Group and deliberated upon by the Abrapa General Assembly of Representatives.

Single Paragraph: In situations related to deforestation, land grabbing, human rights violations, or practices analogous to slavery not expressly provided for in these regulations, the application of applicable national and international legislation and the sustainability guidelines adopted by the ABR Program shall be prioritized.

AMENDMENT OF THE REGULATIONS

Art. 37. These regulations come into force on December 17, 2025, and may only be amended by the Abrapa Assembly of Representatives.

Brasília (DF), December 17, 2025.

Gustavo Viganó Piccoli,

President of Abrapa,

Brazilian Cotton Producers Association.