TERM OF ADHERENCE TO THE BRAZILIAN RESPONSIBLE COTTON PROGRAM - ABR - WITH OPTION FOR ADHERENCE TO *BETTER COTTON* COMMERCIALIZATION LICENSING - HARVEST 2025/2026

APPOINTMENT OF REPRESENTATIVE AND ETHICAL DECLARATION OF COMMITMENT TO SUSTAINABILITY PRACTICES

PRODUCTIVE UNIT
Click or tap here to enter text.

PRODUCER/GROUP
Click or tap here to enter text.

MUNICIPALITY
Click or tap here to enter text.

STATE
Click or tap here to enter text.

E-MAIL
Click or tap here to enter text.

TELEPHONES (DDD/No.)
Click or tap here to enter text.

STATE ASSOCIATION
Click or tap here to enter text.

Appointed Representative

NAME
Click or tap here to enter text.

E-MAIL
Click or tap here to enter text.

TELEPHONES (DDD/No.)
Click or tap here to enter text.

Through this term, the production unit/group/producer identified above requests its adherence to the **Brazilian Responsible Cotton Program - ABR and the Standard Brasil HVI Program (SBRHVI)**, the latter for an indefinite period, authorizing the technical team of the State Association and the auditors of the contracted certification body, duly accredited and identified, to proceed with the field verification at its production unit and at the office responsible for human resources documentation. This is to ascertain, through the **(1) Property Diagnostic Checklist (VDP) and (2) Property Certification Checklist (VCP) for the 2025/2026 harvest**, compliance with the legal principles contained in the ABR Program Regulations, aiming to obtain the Brazilian Responsible Cotton Certificate.

The production unit/group/producer also authorizes the use, by the State Association, of digitalized images of the compliances and adjustments carried out at the production unit.

ABRAPA · abapa · ACOPAR · AGOPA · AMAPA · AMIPA · AMPA · AMPASUL · APAECE · APAP · APIPA · APPA
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The production unit/group/producer, through its qualified signatory legal representative, spontaneously declares—under penalty of exclusion from the program—that it has knowledge of the ethical and legal principles that comprise the Certificate granting regulations. It also declares that its agricultural production does not utilize, nor will it utilize, child labor or any form of forced labor or labor analogous to slavery, degrading or unworthy conditions.

Production units adhered to the ABR Program further commit to periodically report 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.

The production unit/group/producer further recognizes that the ABR Program certification process will be entered into by it or by the State Association directly with a certification company accredited by Abrapa.

The production unit will have until June 30 of each year/harvest to adhere to the program.

Every ABR-certified production unit may also receive, by free choice, the licensing for the commercialization of *Better Cotton* credits.

Better Cotton Licensing (BCI) and Producer Commitments:

A. Due Diligence of Farming Groups with Cotton Planted Area

Starting from the 2025/2026 harvest, any Production Unit or Farming Group that opts for Better Cotton licensing will undergo a Due Diligence (DD) process. The number of UPs selected for DD based on total cotton area will be the result of an agreement between BCI and Abrapa. The process will be renewed every three years.

The objective of the Due Diligence process is to ensure that licensed UPs and Farming Groups have governance structures, policies, and operational systems in line with international best practices.

Due Diligence is a continuous, proactive, and reactive process that allows for the identification, prevention, mitigation, and accountability of actual and potential adverse impacts, supporting decision-making and risk management systems.

The Due Diligence process will become a prerequisite for groups opting for the *Better Cotton* license.

The process will be managed by *Better Cotton*, with the support of independent consultants, and will cover the following areas:

- Ethics;
- Governance;
- Human Resources;
- Financial Governance and Stability;
- Environment and Operations (includes land use).

The process is structured as follows:

	Activity	Details	Deadline
1	**Hiring of independent consultancy to perform Due Diligence**	*Better Cotton* will hire specialists in Brazil to conduct the Due Diligence activity.	**Jan/Feb**
2	**Introductory calls organized with BCI, consultancy, and participating farms**	**Online meetings (MS Teams)** Liaison between consultants, Better Cotton, ABRAPA, and each Production Unit or Farm. Confirmation of next steps, points of contact, and general schedule.	**Feb**

	Activity	Details	Deadline

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3	**Completion of the DD questionnaire and submission of evidence by the UPs**	**Documentation sent by the UPs, requests for clarification.** All questions answered by all parties in due time; all documents and information received according to guidelines and using the templates provided. Remote activity.	**Mar/Apr/May**
4	**Receipt of initial results (internal to Better Cotton)**	A simple and concise preliminary report per farm reflecting the consultancy's opinion on a case-by-case basis containing the risk analysis.	**Jun/Jul/Aug**
5	**DD results presented to UPs**	Final presentation between BCI, Abrapa, and each participating Farm (individually).	**Sep/Oct**
6	**Implementation of Corrective Action Plan**	Corrective Action Plan, if applicable.	**12 months**

To be eligible to sell their 2025/2026 harvest cotton production as "Better Cotton" on the Better Cotton Platform, all UPs selected for the DD process must have answered all questionnaire questions and dispatched the documents relating to the Due Diligence process by May 31, 2026.

In cases where applicable, the Production Unit must implement the Due Diligence Corrective Action Plan within the timeframe established by mutual agreement. Should the UP or Farming Group fail to remedy the identified non-compliance in a timely manner, or if any intolerable risk or non-compliance is detected during the Due Diligence process, Better Cotton reserves the right to immediately suspend or cancel the eligibility of the Production Unit or Farming Group to market Better Cotton (including individual access to the Better Cotton Platform), extending this measure to all farms under its ownership, operation, control, or affiliation as necessary. In this case, transactions may also be cancelled.

B. Reduction of the Use of Pesticides

Abrapa and Better Cotton will work together in the search for alternatives to reduce use, in addition to taking measures for the gradual elimination of the following active ingredients in cotton crops, due to their possible harmful effects on human health and the environment. Commitment to discontinuation by 2027: Abamectin, Arsenic and Its Compounds, Bifenthrin, Carbendazim, Cyproconazole, Chlorpyrifos, Chlorothalonil, Diquat Dibromide, Epoxiconazole, Glufosinate Ammonium, Fentin Hydroxide, Lambda-Cyhalothrin, Mancozeb, Methomyl, Propiconazole, Thiacloprid, and Carbosulfan.

The CMP items of the ABR protocol were adjusted in the VDP/VCP, in items 8.22 and 8.23, to comply with *Better Cotton* licensing requirements, and prohibit the use of pesticides listed in:

- Annexes A and B of the Stockholm Convention;
- Annexes of the Montreal Protocol;
- Annex III of the Rotterdam Convention and Highly Hazardous Pesticides included in the Global Harmonized System of Classification and Labelling of Chemicals list, acute toxicity category 1 or 2, and WHO classification 1 and 2b **(Fenpropathrin, Azocyclotin, and Beta-Cyfluthrin)**;
- 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 is based on the national average consumption of pesticides and will be evaluated by comparing the 2027-28 results with those of 2022-23.

C. *Better Cotton* Chain of Custody Requirements

To adhere to Better Cotton licensing, the producer must review and agree to the *Better Cotton* Chain of Custody (CoC) Standards. The Standards have been adapted for ABR-certified producers and can be accessed via the requirements list (in Portuguese): **Requisitos CoC Better Cotton para Produtores ABR (safra 2025-26).pdf**

For the cotton ginning process, when the service of a ginnery is contracted without transfer of ownership—meaning ownership of the lint cotton remains with the producers—the producer must ensure compliance with the Protocol for Producers who Subcontract Ginning.

These standards and protocols integrate the ABR CoC Criterion, and to market BCI physical cotton for the 2025/26 harvest, the producer must be audited against this criterion. Those who choose not to be audited on this criterion or are not approved by the certification body on the ABR CoC Criterion may still market BCI cotton under

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the mass balance modality. This is due to the transitional period that Better Cotton is currently undergoing; therefore, by the end of 2028, all producers—regardless of the commercial modality used—will need to be approved under the Chain of Custody (CoC) criterion to participate in the BCI program.

Consequently, by adhering to the ABR/BCI program, the producer agrees to the BCI Chain of Custody standards mentioned above, specifically the Chain of Custody Standard v1.0 (summarized at **https://bettercotton.org/wp-content/uploads/2023/05/Better-Cotton-Chain-of-Custody-Standard-v.1.0.pdf**) and the following additional documents: Protocol for Producers who Subcontract Ginning, Anti-Bribery Policy, and the BCP Platform Terms and Conditions.

D. Outcome Indicator Report

Production units opting for BCI licensing commit to collaborating by delivering all information required to prepare the Outcome Indicator Report to the State Association, including:

- Area (ha);
- Production (kg of lint cotton);
- Yield (kg/ha of lint cotton);
- Fertilizer use (liters or kilograms per hectare);
- Pesticide use (kilograms or liters of commercial product per hectare);
- Water use - irrigation (m^3);
- Training sessions offered and number of participants;
- Fuel use in cotton cultivation.*

Attention:

The information will be mandatorily sent to the Better Cotton Initiative and will be protected by the confidentiality clause. The collected information will be sent to the Better Cotton Initiative (BCI) and will be protected by a confidentiality clause. State Associations will also have access to this data solely for management and program monitoring purposes within their states, upon signing a Confidentiality Agreement. Only data compiled at a national level will be disclosed, ensuring that no individual producer or group will have their data released individually.

***Starting from the 24/25 harvest, it will be mandatory to report the quantity and type of fuel (gasoline, diesel, kerosene, etc.) used in cotton production (cultivation, irrigation, and pesticide application) and/or transport. Use must be reported from soil preparation for planting until harvest.
This information will be used to contribute to the Greenhouse Gas (GHG) calculation.

[1] The Rotterdam Convention on Prior Informed Consent (PIC) regulates the exchange of information in international trade regarding certain hazardous pesticides (active ingredients and formulations). **Some of the active ingredients listed or proposed for the list are used in cotton in Brazil. Abrapa will notify if/when a chemical is added to Annex III and will provide additional guidance to producers.**

E. Conversion of Natural Ecosystem Areas

For the 2025/2026 harvest, BCI will implement a new requirement regarding the conversion of natural ecosystem areas. Production units interested in obtaining BCI licensing may not license cotton planted in areas converted after 12/31/2020.

In cases where legal conversion occurred after this date, the production unit must commit to segregating the cotton originating from areas that do not meet the criterion.

The producer commits to:

- Pre-emptively sending the georeferencing of areas non-compliant with the requirement;
- Signing a Segregation Term, containing the identification of the involved area and estimated production volumes;
- Declaring the conversion status and specifying the amount of area to be segregated.

Other segregation mechanisms may be adopted, provided they ensure traceability and compliance with the established criterion.

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DECLARATION OF CONVERSION OF NATURAL ECOSYSTEM AREAS
THE PRODUCER DECLARES THAT, AFTER THE CUT-OFF DATE (12/31/2020):

(☐) There was NO conversion of natural ecosystem areas in the production unit.

(☐) There WAS conversion, carried out legally, and the producer commits to segregating the cotton from these areas, sending the corresponding georeferencing and signing the Segregation Term.

ADHERENCE TO THE BCI LICENSING PROCESS MUST BE MADE THROUGH THIS ADHERENCE TERM, AND IT IS MANDATORY TO MARK ONE OF THE FOLLOWING OPTIONS:

Adherence to BCI Licensing: (☐) YES (☐) NO

Should the production unit/group/producer withdraw their option for BCI licensing or opt to do so after the submission of this adherence term, they may request a change of their option in the ABR system until June 30 of the current year.

_____Month, date, year.

_____

Signature of the producer and/or authorized representative

Printed Name: _____

ID #:_____ Social Security Number: _____

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ANNEX TO THE TERM OF ADHERENCE TO THE BRAZILIAN RESPONSIBLE COTTON PROGRAM - ABR - WITH OPTION FOR ADHERENCE TO *BETTER COTTON* COMMERCIALIZATION LICENSING - HARVEST 2025/2026

Minimizing the harmful impacts of pesticide use practices

Abrapa agrees with the intent of the *Better Cotton* Standard to minimize the harmful impacts of pesticide use practices on human health and the environment more broadly. As an advocate for Brazilian cotton producers and a Strategic Partner of *Better Cotton*, Abrapa is committed to evaluating the use of Highly Hazardous Pesticides (HHPs) in Brazilian cotton production to achieve this important objective.

The ABR Protocol will continue to promote the adoption of integrated pest management approaches that reduce dependence on pesticides and minimize their potential harmful effects, particularly on human health.

Development of Abrapa Strategy

Through consultation and engagement with industry partners and stakeholders, Abrapa will evaluate the risks of HHPs, identify best risk mitigation practices and possible alternative controls, with the goal of reducing the total toxicity of pesticides applied to cotton over time. Abrapa is dedicated to this important effort to define a solid, time-bound plan to reach this goal. Producers will be included in the strategy development and notified of its progress and/or any changes in chemical classification and/or anticipated changes to ABR-*Better Cotton* licensing requirements.

Classifications of HHPs (Highly Hazardous Pesticides)

Acute toxicity refers to substances that represent a risk to human health when there are single or multiple exposures (oral, dermal, or inhalation) within a short period (usually less than 24 hours). The substance can cause harmful or lethal effects that are evident immediately or shortly after exposure.

The World Health Organization (WHO) classification is based on acute toxicity, and the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) has corresponding acute toxicity hazard categories. The most acutely hazardous pesticides are classified as:

- WHO Class Ia: Extremely hazardous | WHO Class Ib: Highly hazardous
- GHS Category 1 | GHS Category 2

  Chronic toxicity refers to a substance that can cause harmful effects over a prolonged period, usually after repeated or continuous exposure, sometimes remaining for the entire life of the exposed organism. Effects may be discovered many years after exposure and can include severe, irreversible, or even lethal damage. In addition to acute toxicity, the GHS classifies substances based on chronic health risks and environmental risks. Chronic health risks are listed in three categories: carcinogenicity, mutagenicity, and reproductive toxicity, collectively referred to as CMR substances.
- **Carcinogenicity:** A carcinogen is a substance or mixture that induces cancer or increases its incidence. The GHS categorizes carcinogenic potential as known (Category 1A) or presumed (Category 1B) to have carcinogenic potential for humans.

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- **Mutagenicity:** A mutagen is a substance or mixture that can cause mutations in human germ cells that can be transmitted to their offspring. GHS Category 1A substances are known to induce hereditary mutations in human germ cells, and GHS Category 1B should be considered as if they induce hereditary mutations in human germ cells.
- **Reproductive Toxicity:** A repro-toxicant is a substance or mixture with adverse effects on sexual function and fertility in adult males and females, as well as toxicity affecting the development of their offspring. The GHS classifies reproductive toxicity as known (Category 1A) or presumed (Category 1B) human reproductive toxicants.

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