

Earthsight Report: FAQs

When did Earthsight first contact Better Cotton?

Earthsight shared a summary of its findings in September 2023.

When will Earthsight's report be published?

We were notified by media on 26 March 2024 that the report's publication date will be 11 April 2024. We have since requested access to the full report, which Earthsight has denied.

What does Better Cotton expect the report's key assertions to be?

The report's expected focus will be on land disputes, deforestation, pesticide management, community displacement and other issues on cotton farms in Bahia, Brazil, owned by two cotton companies that produce Better Cotton: the Horita Group and SLC Agrícola.

We are not privy to any other allegations but will respond accordingly should the report highlight any further concerns.

How does this report implicate Better Cotton Farmers?

We have confirmed that three farms in question were licensed to produce Better Cotton for the 2022/23 season, having met the equivalent standard of our Strategic Partner in the country, ABRAPA.

The Horita Group and SLC Agrícola collectively own 19 farms licensed to produce Better Cotton.

What does the Better Cotton Standard say explicitly about the relevant allegations?

Underpinning our Principles & Criteria (P&C), referred to in many instances as the Better Cotton Standard, is the fundamental premise that producing Better Cotton respects national and other applicable laws. Cotton producers should always abide by national legislation, unless that legislation sets standards that are below the referenced internationally recognised standards and conventions, in which case, the international standards prevail. However, where national legislation sets higher requirements on a specific issue than these standards, national legislation applies.

Deforestation

- Criterion 4.2, which sits under the Biodiversity Enhancement and Land Use Principle, stipulates that, ‘for the conversion of land used to grow cotton, the Producer must adopt the High Conservation Value (HCV) approach and respect the right of local communities and indigenous people’.
- An HCV is a biological, ecological, social or cultural value of outstanding or critical importance. There are six HCV categories ranging from biodiversity, habitats and ecosystem services to livelihoods and cultural values. One of the main strengths of the HCV approach is that it includes both environmental and social areas. The approach involves identifying and maintaining these special values over time (through management and monitoring). In the case of land use change, the HCV approach acts as safeguard against damaging important environmental and social values – which could in turn create conflict and risk for the Producer.
- The HCV criterion is intended to provide a framework to ensure that the rights of local communities and indigenous peoples are respected in cases of new expansion (land use change from non-agricultural to agricultural land). Conducting stakeholder consultations and negotiating land and resource use rights through Free, Prior and Informed Consent (FPIC) is paramount. This criterion was incorporated into the ABR protocol in 2021.

- Annex 1 of the Better Cotton Principles & Criteria version 2.1 also stipulates that, 'Better Cotton will not license illegal or irresponsible land use. Accordingly, any conversion of land from its natural state after January 1, 2019 shall not be accepted for licensing purposes unless it complies with the requirements of this Standard. (Note, land conversion occurring prior to 2019 shall be considered for the Better Cotton license, subject to compliance with local legal requirements for land use change in existence at the time of conversion.)'

Pesticides

- Principle 1, Crop Protection, addresses the use of pesticides. Inappropriate or improper use of pesticides can adversely affect human health, contaminate water sources, food crops and the environment more broadly. Therefore, Better Cotton Farmers must adopt Integrated Pest Management practices and adopt techniques to reduce reliance on synthetic pesticides. They must also use practices that minimise the potential harmful effects of pesticides.
- Farmers must adopt an Integrated Pest Management Programme (IPM) that includes all of the following principles:
 - Growing a healthy crop;
 - Preventing the build-up of pest populations and the spread of diseases;
 - Preserving and enhancing populations of beneficial organisms;
 - Regular field observations of crop health and key pest and beneficial insects;
 - Managing resistance.
- The objectives and benefits of implementing IPM include:
 - The use of practices that minimise the potential harmful effects of pesticides to humans and environment.
 - Using a wider range of control techniques and reducing reliance on a single method of pest control which leads to a more resilient approach to crop protection and better control of input costs.

- Principle 1 prohibits the spraying of pesticides on a random or calendar schedule. It bans the use of pesticides listed in: Annex A and B of the Stockholm Convention; Annexes of the Montreal Protocol; or Annex III of the Rotterdam Convention.
- Producers must also phase out the use of any pesticide active ingredients and formulations that are known or presumed to be extremely or highly hazardous (acute toxicity).

How does Better Cotton's Programme in Brazil work?

Through a benchmarking process, we recognise the Responsible Brazilian Cotton Program (ABR) of the Associação Brasileira dos Produtores de Algodão (ABRAPA) as equivalent to the Better Cotton Standard. Therefore, they run their own certification process as outlined in their Verification Protocol for Certification of Responsible Cotton. Certification is based on annual assessments by third-party auditors.

How has Better Cotton engaged ABRAPA since being made aware of the report's impending release?

Better Cotton has worked closely with ABRAPA since the report's preliminary findings were shared. Actions have centred on streamlining the undertaking of an enhanced third-party verification audit with the necessary parties.

Has Better Cotton engaged with Earthsight on these matters?

Since being made aware of these findings, Better Cotton has, on multiple occasions, attempted to engage Earthsight, culminating in a first meeting, held remotely on 6 February, 2024.

We have reiterated our appreciation of their work, understanding that reports from civil society can highlight areas where the objectives outlined in the



Better Cotton Standard may be strengthened, along with our field-level monitoring.

What steps has Better Cotton taken to identify and remediate these issues?

We initiated and have now concluded an enhanced third-party verification audit of the implicated farms to ensure they are compliant with ABRAPA and Better Cotton indicators.

We are in the process of analysing the audit report with the view to first corroborating Earthsight's assertions before we take action within the region. This process will further inform Better Cotton of the contextual risks inherent to the Bahia region, helping improve our assurance mechanisms and processes.

Should non-conformities be identified on the farms in question, Better Cotton could revoke the farms' licences.

Will Better Cotton publish the results of these audits?

Better Cotton will share a summary of the enhanced third-party audit results with all our Retailer and Brand Members via a link.

We have also agreed to share this with Earthsight.