

Certification organization	
Certification entity	<b>SGS Argentina SA</b>
Address – Phone	Tronador 4890 - Piso 3° C1430DNN - Saavedra - Buenos Aires - Argentina
Person of Contact	Natalia Boloniati
Email	Natalia.Boloniati@sgs.com
Web page	www.sgsgroup.com.ar
Date last updating of overview public	18 October, 2019

Certificate	
Client	Sinograin Northern Agriculture Development Company Ltd.
Contact person	Ms. Jingyu Chen, Vice Chief of Production Section
Phone	0456-7508016
Web page	http://122.156.166.18 (Sinograin Northern Agriculture Development Company LTD Modern Information Net)
Address	No. 505, Nenxing Road, Nenjiang County, Heilongjiang Province, China
Name or location of the establishment/places/production certificate (State/Province/country)	Farm 1, Farm 2, Farm 3, Farm 4, Farm 5, Farm 6, Farm 7, Farm 8

Certificate:	RTRS-SGS-AGR/COC/0006	Type of certificate	Multi-Site
Issue date:	26-11-2019	Expire date:	26.01.2024
Evaluation Standard	RTRS Standard Responsible Soy production V3.1 RTRS Group and Multi-site Certification Standard V3.1		
Total Certificate area	39842.94 ha		
Scope	Management of 8 soy unit production in the Heilongjiang Province and Inner Mongolia Autonomous Region of China.		

Evaluation results	
Dates	
Main evaluation	26-28 June, 2018
Following 1	8-11 Oct., 2019
Following 2	
Following 3	
Following 4	
Date on which the current version of the report was completed	18 October, 2019

## INTRODUCTION

### 1. SCOPE OF CERTIFICATE

The scope of the Certification covers the area of 39842.94ha that includes 8 farms as describe bellow:

Properties description:				
Description	Propertie	Area (has)	Longitud E/O	Latitud N/S
Farm 1	Sinograin Northern Agriculture Development Company Ltd.	5103.34	126° 3' 57"	49° 8' 8"
Farm 2	Sinograin Northern Agriculture Development Company Ltd.	6429.09	125° 9' 34"	49° 23' 39"
Farm 3	Sinograin Northern Agriculture Development Company Ltd.	4378.36	125° 17' 27"	49° 32' 7"
Farm 4	Sinograin Northern Agriculture Development Company Ltd.	5981.33	125° 27' 5"	49° 33' 35"
Farm 5	Sinograin Northern Agriculture Development Company Ltd.	4858.06	124° 57' 58"	49° 31' 18"
Farm 6	Sinograin Northern Agriculture Development Company Ltd.	4100.66	124° 52' 15"	49° 38' 6"
Farm 7	Sinograin Northern Agriculture Development Company Ltd.	5019.98	124° 58' 58"	49° 29' 43"
Farm 8	Sinograin Northern Agriculture Development Company Ltd.	3972.13	124° 47' 30"	49° 40' 18"

Size of properties:		
	Quantity	Area (ha)

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

Less than 100 has.		
100 - 1.000 has		
1.001 - 10.000 has	8	39842.94
More than 10.000 has		
<b>Total</b>		39842.94

Total area of Certificate scope:	
	Area (ha)
Managed privately own	
Managed privately rented, or other type of tenant	
Managed by State	39842.94
Managed by community	

Annual production Average campaigns				
Campaigns	Type	Average area of soy (has)	Average Yield (tn/ha)	
			Tn/ha	Total tons
2018	GM	0	0	0
	non-GM	20236	2.62	53117
	organic	127	2.62	333
2019	GM 转基因的	0	0	0
	non-GM 传统的	23955	2.55	61085
	organic 有机的	103	2.55	263
<b>Average</b>		<b>22210.5</b>	<b>2.58</b>	<b>57399</b>

## 2. COMPANY INFORMATION

### 2.1 Ownership

Sinograin Northern Agriculture Development Company LTD was registered in the State Administration for Industry & Commerce of P.R. China in April 2002. It is an independent-management, financial self-sufficiency and self-development state owned enterprise with agricultural production and grain reserves as the main industry. There are 8 farms in Sinograin located in Nenjiang County, Heilongjiang Province and Daur Autonomous Banner of Morin Dawa, Inner Mongolia Autonomous Region. The total area is 597644.07 mu (39842.94ha) in which 506848 mu (33789.87ha) is cultivation land, 60691mu (4046.11) is forestland and the other 30104.34 mu (2006.96ha) are waters, building land and grassland etc. The main crops are soy, maize and wheat. The total area soy production in 2019 is 24058 ha and the estimated yield is 61348 ton.

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

PO.AFL.024\_A6\_Revisión 07\_Informe Público de Certificación RTRS

## 2.2 Key Objectives of the company

Objective	Notes
<b>Comercial</b>	
Steady the overall grain (soy & wheat) yield more than 150 million jin (1jin=0.5kilogramm) in 2018, increase the the overall grain yield more than 200 million jin by 2020;	
Steady the annual economic benefit more than CNY 80 million.	
<b>Social</b>	
Promote “company + households” management model, lead the 26 thousand households to plant about 2000 thousand mu, annually, to help farmers employment more than 40 people, order grains from farmers to increase their income.	
Strengthen communication with local governments, support local economic development, actively involved in social and public welfare and poverty alleviation, achieve the co-development and harmony relationship of company and local community.	
<b>Enviromental</b>	
Follow the concept of ecological agriculture development, based on the existing 3000 mu green organic soybean and wheat base expand the planting area of organic agriculture, to achieve from the supplies and raw material purchasing of seeds, pesticides, fertilizers to the waste material recycling, each link does not adversely affect social environment.	

## 2.3 Company History

Sinograin Northern Agriculture Development Company Ltd. was established in 1962, when railway corps built the Nenlin railway, along both sides of the railway the wasteland was opened up for cultivation and established farms, after unified management the farms were reorganized for Northeast Nenjiang base of railway corps. In January 1984, the railway corps troop was withdrawn and the Northeast Nenjiang base of railway corps was affiliated to the General Logistics Department of the Chinese People's Liberation Army and renamed for Nenjiang base of the General Logistics Department. It is the largest and highest mechanized upland field farm of the General Logistics Department. In January 2001, the whole Nenjiang base of the General Logistics Department was transferred to the China grain reserve management corporation. In April 2002, Sinograin Northern Agriculture Development Company LTD was registered in the State Administration for Industry & Commerce of P. R. China mainly engaging in agricultural production, grain and oil purchase and storage, processing and marketing, livestock breeding, under-forest economy and materials management etc. It is an independent-management, financial self-sufficiency and self-development state owned enterprise with agricultural production and grain reserves as the main industry.

## 2.4 Organization Structure

Sinograin applies a vertical management system of “three-tiered architecture and two-tiered legal persons”. This three-tiered managerial structure includes headquarters in Beijing, twenty-four branch companies, and over 300 affiliated grain storage and edible oil facilities that are based in thirty-one provinces, autonomous regions and municipalities. Sinograin also owns three subsidiary companies, Sinograin Oil Company, Northern Agricultural Development Company, and Xingyuan. Sinograin Northern Agricultural Development Co., Ltd. currently has a total of 945 employees and 1150 contracted workers.

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

As the former Nenjiang base of the general logistics department of PLA, Sinograin Northern Agricultural Development Co., Ltd is a wholly-owned subsidiary engaged in agriculture development. With a registered capital of RMB 200 million, it is a large state-owned enterprise, with dominant business of agricultural production, in addition to forestry production, animal husbandry and aquaculture, etc. Boasting powerful agricultural infrastructure and advanced technology, all its agricultural production has been implemented with full mechanization and mostly precision. The company currently owns agricultural

Machinery with 60,000 kilowatt output in total, 8 grain drying process centers, over 400,000 square meters of cement sunning ground, an agricultural airport and 37 hail suppression guns. With good agricultural production conditions, solid foundation, high modernization level and strong technical power, Northern Company has greatly promoted the overall improvement of agricultural productivity across the region by means of technological aid, improved seed radial effect and exemplary efforts.

## 2.5 Non-Certified areas

All the soy production units are included in the certification scope.

## 3. CHANGES IN THE ACTIVITIES OF THE COMPANY AND SYSTEM OF MONITORING

The table below shows the significant changes that have occurred in the practices of planting, monitoring and harvest of the holder of the certificate during the period of validity of the same.

Change description	Notes
<b>FOLLOWING 1</b>	
There were no significant changes	
<b>FOLLOWING 2</b>	
<b>FOLLOWING 3</b>	
<b>FOLLOWING 4</b>	

## 4. PREPARATION FOR THE EVALUATION

### 4.1 Calendar

This is a Re-assessment. The main stakeholders were consulted prior to this assessment. The information collected was used to plan this Re-assessment.

### 4.2 Auditor Team

Evaluator team	Notes
<b>MAIN EVALUATION</b>	

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

PO.AFL.024\_A6\_Revisión 07\_Informe Público de Certificación RTRS

<b>Team Leader</b>	<b>Forrest Wang:</b> Has two Master degrees in Tropical and International Forestry and Forest Management, 9 years' experiences in sustainable forest management and silviculture related works, more than 100 FSC FM audit days, speaks Chinese and English.
<b>Team Member</b>	<b>Jiansong Chang:</b> Has master degree in Environmental Science, over 20 years' experience of social and environmental assessment in the field of agriculture, transportation, municipal wastewater treatment, domestic waste management, industrial hazardous waste management and various industrial sectors internationally, regionally or nationally, more than 30 FSC FM audit days, speaks mandarin, local language and English.
<b>Local Specialist</b>	NA
<b>Technical advisor</b>	<b>Gustavo Montero:</b> He has an Agricultural Engineer Degree, with a Master in Human Environment, with 30 years of experience in the agricultural field at international, regional or national level, more than 800 days of audit, he is a leading auditor of ISO 14001, of RTRS and environmental protocols, occupational health and safety and social responsibility of International Loan Organizations.
<b>Certificate decissor</b>	<b>Alberto Alvisio:</b> Has a degree in Agronomy with 24 years of experience in the agricultural field at an international, regional and national level. Operational coordinator at SGS Argentina since 2002. Lead auditor GLOBAL G.A.P and Tesco, manager and local coach of the GLOBAL G.A.P. scheme. Fruit packing audits with respect to Good Manufacturing Practices. Audits on killings of poultry with respect to the HACCP standards. Audits on livestock regulations. Cattle slaughter audits. Speak the local language Spanish.
<b>FOLLOWING 1</b>	
<b>Team Leader</b>	<b>Frank GUO:</b> Has a Bachelor of Science Degree in Ecology and Forestry Bachelor, about 9 years of FSC FM auditing, 5 audit days of RSTS evaluations, speaks Chinese and English.
<b>Technical advisor</b>	<b>Gustavo Montero:</b> He has an Agricultural Engineer Degree, with a Master in Human Environment, with 30 years of experience in the agricultural field at international, regional or national level, more than 800 days of audit, he is a leading auditor of ISO 14001, of RTRS and environmental protocols, occupational health and safety and social responsibility of International Loan Organizations.
<b>Certificate decissor</b>	<b>Alberto Alvisio:</b> Agronomc degree with more than 30 years of experience in the agricultural field at national and regional level. Technical coordinator in SGS Argentina since 2005. Auditor of standards of Good Agricultural Practices (Ex. GLOBALG.A.P.). Standard technical reviewer GLOBALG.A.P. for SGS Argentina and subsidiaries of America. Scheme Manager GLOBALG.A.P. RTRS technical reviewer. Technical Director of Food Quality Certification (SENASA Resolution No. 280). Native language: Spanish. Other languages: English
<b>FOLLOWING 2</b>	
<b>Team Leader</b>	
<b>Technical advisor</b>	
<b>Certificate decissor</b>	
<b>FOLLOWING 3</b>	
<b>Team Leader</b>	
<b>Technical</b>	

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

advisor	
Certificate decissor	
FOLLOWING 4	
Team Leader	
Technical advisor	
Certificate decissor	

#### 4.3 Notification to interested parties

Contacted a wide range of stakeholders, 14 days before the planned evaluation, in order to inform them of the evaluation and ask his view on matters of agricultural production that might be relevant.

Stakeholders include groups of environmental interest, local government institutions and authorities, user groups and labor unions. Responses received and comments from interviews are recorded in section B.

#### 4.4 Interviews to interested parties

Meetings were held or telephone interviews with the stakeholders according to the responses to our notification letters and SGS discretion with respect to who should be interviewed. With objective:

- ☐ clarify any aspect mentioned as well as company responses to them;
- ☐ further information, where appropriate, and
- ☐ obtain the views of key interested parties who had not responded to the invitation in writing sent before evaluation.

Interested Parties	Interviews with (qty)		
	ONG	Gov.	Other
MAIN AUDIT			
34	6	2	26
FOLLOWING 1			
39	5	0	16
FOLLOWING 2			
FOLLOWING 3			
FOLLOWING 4			

Responses received and comments from interviews are recorded in the following table of this public summary:

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

Nº	Comment	Response
	MAIN AUDIT	
1	20 stakeholders were consulted by phone 14 days before the planned evaluation, in order to inform them of the evaluation and ask his view on matters of agricultural production that might be relevant. Stakeholders include groups of environmental interest, local government institutions and authorities, user groups and labor unions.	All feedbacks from contacted and interviewed stakeholders about Sinograin are positive. E.g. legal compliance, responsible to employees and temporary workers, donate and support for local communities in goods, job opportunity, firefighting, agricultural techniques, and pay attention to environment protection etc. Field observations reflected the results of the stakeholder consultation and interviews.
2	4 employee workers, 1 contractor and 4 contractors’ workers, 1 village head, 3 villagers and 1 expert from local research institute were interviewed during this assessment.	
	FOLLOWING 1	
	18 stakeholders are consulted by phone 14 days before the planned evaluation, in order to inform them of the evaluation and ask his view on matters of agricultural production that might be relevant. Stakeholders include groups of environmental interest, local government institutions and authorities, user groups and labor unions.	All feedbacks from contacted stakeholders about Sinograin are positive. E.g. legal compliance, responsible to employees and temporary workers, donate and support for local communities in goods and agricultural techniques and pay attention to environment protection etc. Field observations reflected the results of the stakeholder consultation and interviews. The social relationships between villages and company are harmonious. There are no emerged issues that needed follow up on.
	4 contractors and 12 workers, 1 village head, 4 villagers were interviewed during this assessment.	
	FOLLOWING 2	
	FOLLOWING 3	
	FOLLOWING 4	

#### 4.5 Methodology, theoretical basis and allocation of time for sampling

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)



	Mandays	Sampling methodology
<b>Main Audit</b>	2 auditors *3days = 6mandays	<p>This Re-assessment is conducted by two Lead Auditors through 3 physical field days.</p> <p>Day 1 and the afternoon of Day 3 were used for opening and closing meeting, document review, management interview and stakeholder interview in head offices.</p> <p>Days 2 and the morning of Day 3 were used to visit farms. Three farms (farm 1, farm 4 and farm 8) were visited in this assessment.</p> <p>Visited sites cover farm office, warehouse, worker accommodation, production field, forest, grassland and water area etc. Activities verified during field visits including legal compliance, safety production, storage and application of agrochemicals and fertilizers, community issues and potential environment impacts etc.</p> <p>During the visits of the three farms, the nearby local villagers and field workers and some managers and staff of each visited farm were interviewed.</p>
<b>Following 1</b>	1 auditors *4 days = 4 mandays	<p>This Re-assessment is conducted by two Lead Auditors through 4 physical field days.</p> <p>Day 1 and the afternoon of Day 4 were used for opening and closing meeting, document review, management interview and stakeholder interview in head offices.</p> <p>Days 2 and Day 3 were used to visit farms. Three Farms (Farm 3, Farm 6 and Farm 7) were visited in this assessment. Farm 3 was visited for on-going harvesting. Farm 6 and Farm 7 are accessed as on-going site preparation.</p> <p>Visited sites cover farm office, warehouse, worker accommodation, production field, forest, grassland and water area etc. Activities verified during field visits including legal compliance, safety production, storage and application of agrochemicals and fertilizers, community issues and potential environment impacts etc.</p> <p>During the visits of the three farms, the nearby local villagers and field workers and some managers and staff of each visited farm were interviewed.</p>
<b>Following 2</b>		
<b>Following 3</b>		
<b>Following 4</b>		

## 5. AUDIT RESULTS

The conclusions of the evaluation are detailed in section B of the evaluation report. These are not part of the public summary. For each requirement of the RTRS standard, the conclusions reached are shown, observations, and declared the corrective actions. The main topics discussed below.

### 5.1 Conclusions concerning the compliance of the RTRS standard

#### PRINCIPLE 1: COMPLIANCE AND BUSINESS PRACTICES

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm)

<b>Criterion 1.1: There is awareness that is known and complies with all laws.</b>	
<b>Compliance</b>	The applicable international conventions, national laws, national and local regulations were collected and filed. Interviews with managers at head office and farms found they are aware of related requirements. No evidence of legal non-compliance with requirements of these laws and regulations is found.
<b>Criterion 1.2: Legal land use rights are clearly defined and are provable.</b>	
<b>Compliance</b>	Reviews of land right certificates and documents issued by local Land Resources Bureaus confirmed that Sinograin has the ownership and use right of the lands in the certification scope. The land boundaries are clearly demarcated by maps. No outstanding land dispute is found which also confirmed in interviews with local villagers.
<b>Criterion 1.3: There is a commitment to continuous improvement with respect to the requirements of this standard.</b>	
<b>Compliance</b>	Many efforts were made by Sinograin to improve their compliance with respect the requirements of RTRS standard. Such as Sinograin purchased several more effective agricultural machineries to enhance production effectiveness and reduce carbon emission. All the 8 farms redecorated workers' apartments to provide more comfortable and safer accommodation conditions. Agrochemical and fertilizer use are continuously reduced since MA. Training and internal audit related to safety and health is made in cooperation with experts from national academy of safety production. Land resources are re-registered and all land types including production land, water bodies, and natural vegetations are re-demarcated on maps and so on.
<b>PRINCIPLE 2: RESPONSIBLE FOR WORKING CONDITIONS</b>	
<b>Criterion 2.1: Not practised or supported child labour, forced labour, discrimination and harassment.</b>	
<b>Compliance</b>	Interviews with staff and field workers at head office and visited farms found that they are voluntary to work in Sinograin and no forced, compulsory, bonded, trafficked or otherwise involuntary labour is used at any stage of production. No workers of any type are required to lodge their identity papers with anyone and no part of their salary, benefits or property is retained, by the owner or any 3 <sup>rd</sup> party.  Reviews of staff and temporary worker lists found that the youngest staff in Sinograin was born in 1993. No spouse and children were found working in Sinograin.
<b>Criterion 2.2: Workers, direct and indirectly employed in the plantation, and sharecroppers, properly informed and trained regarding their tasks and are familiar with their rights and duties.</b>	
<b>Compliance</b>	The written Chinese contracts signed with employees and workers are available. Employees signed 3 times of 3 year contract will obtain a non-fixed term contract.  Reviews of salary payment records found the workers' salary mainly consists base pay and performance pay and the lowest base pay is more than the Local government minimum wage requirements.  Sinograin organizes various training very year for staff and field workers. The 2016-2017 training records were reviewed including safe production, use and maintenance of agricultural machinery and use of artificial rainfall artillery etc.
<b>Criterion 2.3 offers a safe and hygienic workplace for all workers.</b>	

<b>Compliance</b>	The risk identification related to safety and health are conducted in cooperation with experts from professional institute. All potential risks are identified. Trainings related safe and healthy production is carried out for all internal and outsourced employees. Relevant PPEs and first aid kits are prepared. Procedures for safe and healthy production and emergency response are formulated. Responsible people are assigned to monitor and supervise safe and healthy production.
<b>Criteria 2.4: All workers enjoy freedom of Association and the right to collective bargaining.</b>	
<b>Compliance</b>	Sino-grain has established its labour union affiliated to the China Trade Union system. Workers can voluntarily take participate in the union. Worker representatives of the labour union are participated in the decision-making meeting of Sino-grain as local legal requirement. There is no evidence that employees feel pressure to avoid contact with external stakeholders. The records of activities organized by the labour union of Sinograin to help the needy workers and to discuss workers proposals were reviewed.
<b>2.5 criteria: All workers employed on the farm, directly or indirectly, receive compensation at least equal to the stipulated by national legislation and sectoral agreements.</b>	
<b>Compliance</b>	Reviews of salary payment records and interviews with internal and outsourced workers found Sinogrian provides basic wage and performance wage to employees. Compared with local Minimum Wage Standard issued by local government in 2019 found that all basic wages are higher than the Minimum Wage Standard. The basic wage is not allowed to be deducted and no evidence is found that deductions from wages for disciplinary purposes are not made.  Overtime work only occurs in busy farming season (sowing and harvesting season). Each farm manager has a logbook in which the working hours of all the workers were recorded. Overtime work is completely voluntary in Sinograin, because the workers are share farms' farmland or farms' profits, in the other word, they are working for themselves. And only in busy farming season (sowing and harvesting season) overtime work is needed.
<b>PRINCIPLE 3: RESPONSIBLE FOR COMMUNITY RELATIONS</b>	
<b>Criterion 3.1: There are channels of communication and dialogue with the local community to issues related to the activities of the operation of cultivation of soybean and its impacts.</b>	
<b>Compliance</b>	Sinograin has harmony relationship with local communities. Managers and technicians of each farm keep close contacts with local villages' heads, groups' heads and villager representatives. Communication by phone or face-to-face are made frequently for agricultural techniques, warning announcement and even assistance of daily life etc. The communication and dialogues are recorded by the managers in logbooks of Farms. Interviews villages' heads and normal villagers found they all know the communication channels such as telephone number, address and responsible people etc.
<b>Criterion 3.2: In areas with traditional land users are avoided or resolved the conflicting land uses.</b>	
<b>Compliance</b>	Sinograin has formulated the procedure for complaints and grievances in which the method and responsible department (or people) for dealing with complaints and grievances are specified. There are no conflict areas related to the rights of use it, and no traditional users of land that have renounced their rights.
<b>Criterion 3.3: There is a mechanism for the resolution of claims and complaints, and is available for local communities and traditional land users.</b>	

*Note: For group certification - complaints and complaints mechanism can be managed by the Group Manager and the records of complaints and complaints can be managed at group level.*

<b>Compliance</b>	The procedure for complaints and grievances is publicly available to the communities. Interviews with workers, workers' families and local villagers found they all know how and to whom they can express their complaints and suggestions. Human resources department of Sinogrian is appointed to be responsible for filing the complaints and grievances record and dealing with complaints and grievances in a timely manner is specified in the procedure. No complaints and grievances occurred in the past year.
-------------------	---

**Criterion 3.4: Is provided to the local population fair opportunities of employment and goods and services, independent of gender and race**

<b>Compliance</b>	Sino-grain provides strong support to local communities such as provide agricultural technique training for local farmers; provide donation and assistance for local infrastructure construction and provide assistance even for difficulties in daily life. In addition, Sinogrian donates 100 ton flour to Mo County and Nenjiang County, respectively.  The temporary labors of manual weeding, seeds sorting are provided to local villagers during peak operation periods. Interviews with temporary workers and local villagers found there is no discrimination related to gender and race.
-------------------	--

**PRINCIPLE 4: ENVIRONMENTAL RESPONSIBILITY**

**Criterion 4.1: Social and environmental impacts on the farm and beyond were evaluated and appropriate measures were taken to reduce and mitigate any negative impact.**

*Note: For group certification of small farms, the indicators 4.1.1, 4.1.2, 4.1.3, 4.1.4 and 4.1.5 may form part of the SCI, and be completed at the group level.*

<b>Compliance</b>	An environmental and social impact assessment report (ESIA) was developed by Sinograin. It consists of the general description of Sinograin, the description of local environmental and social status including wild fauna and flora, the identification of environmental and social impact factors from agricultural production activities, the prediction of potential environmental and social impacts and relevant mitigation measures, the monitoring plan for environmental and social impacts, the public involvement, etc.
-------------------	--

**Criterion 4.2: Minimizing pollution; waste production is handled in a responsible manner.**

*Note: The use and disposal of chemicals is in principle 5.*

<b>Compliance</b>	Straw returning is applied in Sinograin. There is no burning of any part of the property of the crop residues, waste or other vegetations. Procedure for waste disposal is available in which it stipulated that waste shall be disposed with classification of recycle and non-recyclable, safe and hazardous. Professional and legal sections shall be contacted for disposal of special wastes. Field observations of this assessment found that wastes are properly disposed in accordance with relevant requirements. Secondary containment is used for storage of fuels and chemicals.
-------------------	--

**Criterion 4.3: efforts are made to reduce emissions and increase the kidnapping of of Greenhouse Gases (GHG) in the farm.**

*Note: Other issues, related to GHG emissions, are covered in other principles, and include: use of fertilizers (criterion 5.5), change in the use of the soil (criterion 4.4).*

<b>Compliance</b>	Fossil fuel use is recorded in each farm. As Sinograin purchased many high effectiveness machineries in recent years, the use of fossil fuel per unit area is reduced. Soil quality are monitored periodically; the last soil test is conducted in 2014. Straw returning is applied to increase soil organic matter. By applying Project of Return Grain for Green, more than 6000 ha forests were established on farmlands since 1999. With the growth of the tress, the carbon sequestration is continually increased.
<b>Criterion 4.4: The expansion of soybean cultivation is done in a responsible manner</b>	
<b>Compliance</b>	Sinograin has not expanded their scope since 1960s. No evidence is found regarding traditional land use claim and conversion of natural land, steep land and native conservation and cultural and social protection land.
<b>Criterion 4.5: Holding and safeguarding the biodiversity on the farm through the preservation of native vegetation</b>	
<b>Compliance</b>	Map of each farm is available in which the native vegetation, production areas and watercourses are demarcated. The Project of Return Grain for Green is launched since 1999 to rehabilitate natural vegetation. Currently there is 55666ha forests established on farmlands. Hunting is forbidden in China since 1997 to protect wild animals. Forest managers carry out daily patrol to monitor forest fire, wildlife and illegal activities. No RTE species are identified in the scope.
<b>PRINCIPLE 5: GOOD AGRICULTURAL PRACTICES</b>	
<b>Criterion 5.1: Stays or improves the quality and availability of surface water and groundwater.</b>	
<b>Compliance</b>	The monitoring results demonstrated that no impacts to soil and water from pesticide spraying tractor are found on fields. Sinograin formulated Material Safety Data Sheet for all agro-chemicals using in Sinograin. The MSDS are available at warehouses and operation sites. Trainings related safety and health in use of agro-chemicals are conducted for technicians and spraying workers.
<b>Criterion 5.2: The location of all water courses has been identified and mapped, including the State of riparian vegetation.</b>	
<b>Compliance</b>	The location of all watercourses, wetland and natural vegetations within the certification scope is demarcated on farm map. Sinograin has not reclaimed farmlands since 1960s. All natural wetlands and vegetations are maintained.
<b>Criterion 5.3 The soil quality is maintained or improved and prevented erosion through good management practices.</b>	
<i>Note: For smallholder group certification - the monitoring of the fertility of the soil and the soil quality should be part of the system of internal control and it can be carried out by sampling within the group.</i>	
<b>Compliance</b>	Soil nutrients are monitored periodically. Reduction of chemical fertilizer use, straw returning, periodical no-tillage and crop rotation are applied to improve soil quality and prevent soil erosion.
<b>Criterion 5.4: The negative environmental and impacts on the health of the plant protection products are reduced through the implementation of systematic and recognised techniques of integrated management of crops (MIC). Note: See annex 6 for more information on MIC.</b>	
<b>Take into account the scale and context, especially for small farms. This relates to the expected MIC level and maintained records.</b>	

<b>Compliance</b>	Phytosanitary inspection is carried out by local agricultural administration bureau for all introduced species. No forbidden agrochemicals are used and the reduction plan for use of agrochemicals is available and implemented. Records of monitoring of pests, diseases, weeds, predators and invasive species are maintained and verified.
<b>Criterion 5.5: All agroquímicos<sup>4</sup> application is documented and all handling, storage, collection and disposal of chemical waste and empty containers are controlled to ensure compliance with good practices.</b>	
<b>Compliance</b>	Stock in and out and applications of agrochemicals are clearly documented in each farm. Container, wastes and residual agrochemicals are disposed with classification of recyclable and non-recyclable, safe and hazardous. Sinograin formulated Material Safety Data Sheet for all agro-chemicals using in Sinograin. The MSDS are available at warehouses and operation sites. Trainings related safety and health in use of agro-chemicals are conducted for technicians and spraying workers.
<b>Criterion 5.6: Responsible for agrochemical use</b>	
<b>Compliance</b>	No evidence of agrochemicals listed in the Stockholm and Rotterdam Conventions is found be used. Paraquat is not allowed to be used in China since 1st Jul., 2014. No evidence was found that paraquat is used in Sinograin.
<b>Criterion 5. 7: Documented, monitors and controls the use of agents of biological control in accordance with the national laws and internationally accepted scientific protocols</b>	
<b>Compliance</b>	Not applicable, as there is no evidence of biological control agents being used.
<b>Criteria 5.8: Are they planned and systematic measures in place to monitor, control, and minimize the spread of invasive species introduced and new pest.</b>	
<b>Compliance</b>	Field technicians carry out daily patrol to monitor any invasive introduced species and new pests. The monitoring records were verified and which showed that no invasive introduced species and new pests in the scope. The local agricultural bureau and academy of agricultural science also pay attention to the invasive introduced species and new pests in the area, if there are incidences of new pests or invasive species and major outbreaks of existing pests, Sinograin will report to them and ask for appropriate countermeasures.
<b>5.9 criterion: Will implement appropriate measures to prevent the drift of agrochemicals to neighboring areas.</b>	
<b>Compliance</b>	It is stipulated in Sinograin that agrochemicals are only applied in the weather of low temperature and without wind. In addition, agrochemicals are applied with special machinery; the spray nozzles of the machinery are kept close enough to the top of soy seedlings to prevent drift of agrochemicals. Field observation at agrochemical application site and interviews with technicians and neighbour villagers confirmed that the risk of agrochemical drift is very low.
<b>5.10 criteria: appropriate measures to allow the coexistence of different production systems are implemented.</b>	
<b>Compliance</b>	Buffer zones of original vegetation are conserved with neighboring areas to prevent interference. Pre-notices are conveyed to local villagers near Farms before agrochemical application.
<b>5.11 criterion: The origin of the seeds is controlled to improve production and prevent the introduction of new diseases</b>	

<b>Compliance</b>	Most seeds used in the 8 farms are propagated by each farm via seed selection. Some seeds are sourced from local professional breeding institute, Heihe Academy of Agricultural Sciences. All the seeds used in the sowing are traceable. Quarantine inspection is conducted for all out sourced seeds by local Seed Administration Bureau.
-------------------	---

**Date for next visit:**

**June-July of 2020.** It is suggested that the next FOLLOWING 2 visit is conducted during June-July of 2020, to observe field management, i.e. fertilizing, weeding and application of chemicals; as this evaluation of FOLLOWING 1 is carried out during October of harvesting season.

**6. THE CERTIFICATION DECISION**

SGS SA Argentina considered that the process of production of **Sinograin Northern Agriculture Development Company Ltd.** grounds **Farm No.1 to No.8**, located in **Nenjiang County, Heilongjiang Province and Daur Autonomous Banner of Morin Dawa, Inner Mongolia Autonomous of China** may be certified as (tick as appropriate):

- ☐ The production system has been implemented as described, is capable of ensuring that all the requirements of the corresponding standard have been completed in the entire area under the scope of the evaluation;
- ☒ The customer has demonstrated, subject to the specific corrective actions, that the described system of production is being implemented coherently throughout the area included in the scope of the certificate
- ☒ Minor corrective action requests do not prevent the certification but it is necessary for **Sinograin Northern Agriculture Development Company Ltd.** to present a Plan of action to solve deviations before 60 days after the completion of the audit. These will be verified by SGS during the first surveillance visit. If the satisfactory measures have been taken, the SAC will be "raised"; otherwise, the lower SAC shall be declared greater SAC.
- ☐ Major corrective action requests stop the certification decision, and it is necessary for [company name] to present a Plan of action to solve deviations before 7 days of the completion of the audit, with a total lapse of 30 days in the case of having to schedule a visit to the site to close. In the event that the Action Plans are approved by SGS, the corresponding evidence will be requested and the need to apply one of the following two options will be assessed depending on the case:
  - ☐ Will coordinate a visit to the site to verify the closure of non-conformity, then generate a closing report that were left in place for registration and reference.
  - ☐ Evaluating the evidence in SGS offices and will be close to the / non conformity is, generating a report of closure that will be sent to them.

In case of not being able to close non-conformities in time and form, will proceed to the cancellation of the certificate, and can perform an initial audit again.

**END OF SUMMARY PUBLIC**