

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)






CERTIFICATION AUDIT REPORT


Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Propel Estate Sdn. Bhd.

-Individual Certification-

MAIN ASSESSMENT AUDIT
09th January 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	22/04/2020	Issued as Draft Report	Surenthiran Panneerselvam	Lead Auditor	
A	13/05/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	13/05/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	15/05/2020	Issued as Final Report	Surenthiran Panneerselvam	Lead Auditor	
B	18/05/2020	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Propel Estate Sdn. Bhd.					
Rev	Date	Description	Management Representative	Role	Signature
B	18/05/2020	Acceptance of the contents	Nazirah Mat Taib	Asst. Admin Manager	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



Confidentiality clause: This audit report is confidential and limited in distribution to Global Gateway Certifications Sdn. Bhd. and to the organisation audited. It remains the exclusive property of the certification body, therefore it is forbidden to reproduce either partially or in totality without the formal authorization of the certification body.

Table of Contents

SECTION I : PUBLIC SUMMARY REPORT	3
1.1 Certification Scope	3
1.2 Company details and Contact information.....	3
1.3 Certification Unit.....	3
1.4 Map Showing Geographical Location	4
1.5 Production Area, Actual and Projected FFB Production (MT)	4
1.6 Certificate Details.....	5
1.7 Qualification of the Lead Assessor and Assessment Team.....	6
1.8 Audit Methodology	6
1.9 Audit Plan Information	7
1.10 Audit Result Summary Findings	7
1.11 Stakeholder Consultation.....	8
1.12 Recommendation	9
1.13 Date of Next Surveillance Audit.....	9
1.14 Confidentiality	9
1.15 Abbreviations Used	9
SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA.....	11
2.1 Principle 1 : Management commitment and responsibility	11
2.2 Principle 2 : Transparency	13
2.3 Principle 3 : Compliance to legal requirements.....	17
2.4 Principle 4 : Social responsibility, health, safety and employment condition	21
2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services	31
2.6 Principle 6 : Best practices.....	42
2.7 Principle 7 : Development of new planting.....	46
2.8 Details of Audit Findings.....	51

Note: Section II of this report contain confidential information and been protected from public disclosure.

SECTION I: PUBLIC SUMMARY REPORT**1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Propel Estate Sdn. Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists of only Propel Estate Sdn. Bhd.

This assessment was conducted onsite on **9th January 2020** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

1.2 Company details and Contact information

Company Name	Propel Estate Sdn. Bhd.
Business Address	No. 2A, Jalan BP 4/6, Bandar Bukit Puchong Industrial Park, 47120 Puchong, Selangor Darul Ehsan.
Contact Person	Pn. Nazirah Mat Taib
Office Telephone	03-80611933 (T) / 03-80612622
E-Mail	admin@ikhasas.com / nazirah.taib@ikhasas.com

1.3 Certification Unit**Name of the Certification Unit**

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Propel Estate Sdn. Bhd.	Lot 489, 490, 493, 494 & 495, Jalan Karak, Batu 3, 28400 Mentakab, Temerloh, Pahang Darul Makmur.	E 102.3095	N 3.4945

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Propel Estate Sdn. Bhd.	618780102000	30.09.2020	Menjual & Mengalih FFB

Others Sustainability Certification

No	Name of The Site	Others Sustainability Certifications
1.	Propel Estate Sdn. Bhd.	NIL

1.4 Map Showing Geographical Location**Propel Estate Sdn. Bhd.****1.5 Production Area, Actual and Projected FFB Production (MT)**

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Propel Estate Sdn. Bhd.	60.8672	60.6672	60.6672
Total	60.8672	60.6672	60.6672

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Propel Estate Sdn. Bhd.	NIL	NIL	0.20
Total	NIL	NIL	0.20

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Jan 2019 - Dec 2019]	Projected Production for next 12 Months [Jan 2020 - Dec 2020]
Propel Estate Sdn. Bhd.	NIL	1,344.33	1,450.00
Total	NIL	1,344.33	1,450.00

1.6 Certificate Details

Certification body

Global Gateway Certifications Sdn. Bhd.,
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,
68000 Ampang,
Selangor Darul Ehsan, Malaysia.
Tel.: +603 4256 2689; Fax: +603 4256 2687
Website: www.ggc.my

Assessment standard

(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Certificate number

GGC-PESB001-MSPO-00-2020

Initial certificate issued date

18th May 2020

Certificate expiry date

17th May 2025

Stage 1 assessment date

30th November 2019

Stage 2 / Main Assessment

9th January 2020

Annual Surveillance 1 [ASA 1]

February 2021

Annual Surveillance 2 [ASA 2]

February 2022

Annual Surveillance 3 [ASA 3] February 2023

Annual Surveillance 4 [ASA 4] February 2024

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Surenthiran Panneerselvam**

Graduate in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in sustainability audit field and with more than 6 years working experience. Involved in MSPO Assessment since 2017. Fully trained in audit certification such as MSPO, RSPO, ISO9001:2015, ISO37001: 2016. Able to communicate in both Bahasa Malaysia and English (written and spoken). During this assessment, he assessed on the aspect of legal compliance, best practices, stakeholder's consultation and etc. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Mohd Azmi Samynathan bin Abdullah**

He holds Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed). Able to write and speak in Bahasa Malaysia and English. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English. During this assessment, he assessed on the aspect of stakeholder's consultation, safety and health aspect, transparency and traceability. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Tuan Haji Ahmad bin Sukiman**

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English. During this assessment, he assessed on the aspect of stakeholder's consultation, policies and procedures, legal compliance and environmental aspects. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as there is only one estate namely "Propel Estate Sdn. Bhd.". The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment. Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

1.9 Audit Plan Information

Audit Date	9 th January 2020
Name of site(s) visited	Propel Estate Sdn. Bhd.
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	3	Closed
Minor Nonconformities	2	Open (Next Surveillance Audit)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	3	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

GGC has published the public notification on 4th November 2019 and as to accommodate a stakeholders' consultation meeting for estate. Therefore, stakeholder consultation was conducted on 9th January 2020 in Propel Estate Sdn. Bhd. - estate to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements. During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details are as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All stakeholders	<ul style="list-style-type: none"> Stakeholders who attended the meeting are aware about what is MSPO. Clear knowledge on the existence of a complaints/grievance mechanism. 	<ul style="list-style-type: none"> Management will continue briefing to all stakeholders on MSPO awareness Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company 	Will review by next surveillance audit
2.	Stakeholders A (Neighbouring estate)	<ul style="list-style-type: none"> Estate management has a good rapport with him and other neighbouring estates/ smallholders. He/she has good understanding and knowledge about MSPO. No boundary issue between estates, as already been gated. 	-	Positive comments and suggestion

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Propel Estate Sdn. Bhd. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there were 3 major, 2 minor non-conformities and no area of concern has been raised to the facility that being audited. As highlighted in the audit plan, the audit objectives have been achieved as the major non-conformity findings has been closed with the relevant evidence. Therefore, the Lead Auditor recommends a certificate of compliance **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders"** is awarded to Propel Estate Sdn. Bhd.

1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd

HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA**2.1 Principle 1: Management commitment and responsibility****Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy****Indicator 1** A policy for the implementation of MSPO shall be established.

Summary Propel Estate Sdn. Bhd. has established MSPO Policy (Polisi MSPO) dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Director with commitment towards sustainable production of palm oil, continuous improvement and compliance to legal requirements. Policy was communicated to all management staff, internal and external stakeholders via stakeholders meeting. The Estate Management has sent out invitation to their external stakeholder via email on 13th December 2019. As a proactive measure En Fuzir bin Mahadi has met the external stakeholder on the 23rd December 2019 and 24th December 2019 to explain on the MSPO requirements, Safety & Health Policy, Environment Policy and Social Policy the stakeholders. Internal stakeholder meeting was conducted on the 2nd December 2019 attended by workers/staff. MSPO Policy displayed at notice board at the estate office and workers quarters

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The policy shall also emphasize commitment to continual improvement.

Summary The company has established MSPO Policy which stating their commitment to implanting the following sustainable practices. Propel Estate Sdn. Bhd. established MSPO Policy (Polisi MSPO) dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Director with commitment towards sustainable production of palm oil, continuous improvement and compliance to legal requirement, stated in paragraph 5 of the said policy.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Internal audit**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary Propel Estate Sdn. Bhd. has established the SOP for Internal Audit dated 1st November 2019 prepared by Pn Nazirah bt Mat Taib and approved by Mr. Ir. Tan Chee Kian, Director. Internal audit is conducted once in a year, latest internal audit conducted on 13th December 2019 by En Tuan Amirudin (Consultant). Audit notification letter and internal audit plan seen dated 1st December 2019 by lead auditor En Tuan Amirudin. The Internal Audit exercise covers the following areas on documentation in the Internal Audit Records MSPO Principles & Criteria.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

Summary Propel Estate Sdn. Bhd. has established the SOP for Internal Audit dated 1st November 2019 prepared by Pn Nazirah bt Mat Taib and approved by Mr. Ir. Tan Chee Kian, Director. All the findings and results reports were documented in the internal audit records. The internal audit report was available for management review during this audit. As evidence, all findings from internal audit was responded by Estate Management/ in charge within the acceptable timeframe was recorded in the record. The Non-Conformity was raised by the internal audit team and was closed on the 27th December 2019. Sighted Internal Audit Non-Conformity Form signed by Mr Elango, Estate Manager dated 27th December 2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Report shall be made available to the management for their review.

Summary Internal Audit Report dated 13th December 2019 prepared by En Tuan Amirudin, consultant and approved by Mr. Ir. Tan Chee Kian, Director was submitted for management to review. The Internal Audit report was made available and was submitted for discussion during management review meeting dated 18th December 2019, which was held at Propel Estate Sdn. Bhd. Head Quarters in Puchong, Selangor.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Management review

Indicator 1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Summary The estate management conducted management review meeting on 18th December 2019, which was held in Propel Estate Sdn. Bhd.'s Head Quarters, Puchong, Selangor. Meeting minutes was prepared by Pn Nazirah bt Mat Taib and checked by Mr. Elango a/l Letchumanan, Estate Manager. Other than internal audit matter, 6 more agendas were discussed in Management Review covering the following agendas:

1. Review of previous meeting minutes
2. Review of sustainability and Enforcement of all MSPO principles
3. Review of MSPO Internal Audit Result
4. Review of Social Impact Assessment, Environment and Safety
5. Continuous Improvement Programme
6. Waste Management

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Continual improvement

Indicator 1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary Continuous Improvement Plan dated 15th December 2019 prepared by Pn Nazirah bt Mat Taib and approved by Mr. Ir. Tan Chee Kian. Issue covered on Environmental, Social, Safety and Health improvement in estate for workers.

No	Improvement Plan	Expected Date of Completion
1	Road Repair and Maintenance (Social)	Ongoing
2	Reduction of Domestic Waste (Environment)	December 2019 (Completed)
3	Upgrading Workers Housing – Repair of Roof (Safety & Health)	March 2020

Due the weather issues the estate continual improvement are ongoing currently and will be verified in the next surveillance 1, 2020. Training was provided for the site management and the operation workers on PPE and MSPO management.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption

Summary There were no new information & techniques or new industry standards and technology. Not available at this estate. They are implementing the standard plantation estate practice for this investment. Currently, no budget for new technology, social impact improvement practice. As per interview with the Pn. Nazirah, any new information and techniques or new industry standards and technology will be observed via internet, official newsletters and other related regulatory bodies.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.

Summary The company disseminate the new information and techniques or new industry standards and technologies through the training. Trainings were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.2 Principle 2: Transparency**Criterion 1 Transparency of information and documents relevant to MSPO requirements**

Indicator 1 The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

Summary Propel Estate Sdn. Bhd. has established the communication procedure as referred to "P2-03: Stakeholders Consultation and Communication Procedure" dated 1st November 2019 and signed by Mr. Ir. Tan Chee Kian (Director). Template for records of request is available as referred to: "Appendix 4 - Borang Permohonan Maklumat". Invitation letter and "Borang Soal Selidik Penilaian Impak Sosial" sent to all internal and external stakeholders by Mr Elango a/l Letchumanan, Estate Manager. As evidenced:

Internal: 4
Surrounding communities: 2
Supplier/contractor/mill: 2
Government: 1

During interview session with the stakeholders, they able to demonstrate their understanding on the stakeholder communication procedure. No complaints or concern has been raised by the stakeholders.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Summary Propel Estate Sdn. Bhd. has established SOP for Stakeholder Consultation and Communication Procedure. Estate management has provided list of publicly/ confidential available document as referred to "List of documents and classification". A total of 16 files has been classified as available publicly and 1 file as confidential documents. As sampled taken, confidential document consist of investment plans and publicly available document consists of MSPO Policies, HIRARC, SIA report, training records.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Transparent method of communication and consultation

Indicator 1 Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary Propel Estate Sdn. Bhd. has established the communication procedure as referred to Stakeholders Consultation and Communication Procedure" dated 1st November 2019 and signed by Mr. Ir. Tan Chee Kian (Director). Template for records of request / grievance is available as referred to: "Appendix 3: Borang Aduan and Appendix 4: Borang Permohonan Maklumat". Atur Cara Memohon Maklumat – Propel Estate Sdn. Bhd. was made available. During stakeholder consultation, found out stakeholders are aware of the complaint and request procedures and know how to raise concern to the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.

Summary The estate management has appointed Mr Elango a/l Lechumanan to be responsible for issues related to traceability and transparency. Appointment letter for Mr Elango a/l Letchumanan as "MSPO Legal, Traceability, Social, Safety and Environmental Officer" effective 1st July 2019 as appointed by the Director, Mr. Ir. Tan Chee Kian.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.

Summary Propel Estate Sdn. Bhd. has established the communication procedure as referred to Stakeholders Consultation and Communication Procedure" dated 1st November 2019 and signed by Mr. Ir. Tan Chee Kian (Director). List of stakeholders is available with document named: "Stakeholders List". In total, 9 stakeholders responded. As seen the "Stakeholder List" as per below:

Government agencies: 23
Contractor/ supplier: 2
Workers representative: 1

Stakeholder communication has been made via email and send the letter by post. Sighted the email sent dated 27th December 2019 by Pn Nazirah Taib, Asst Admin Manager.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary Propel Estate Sdn. Bhd. has established SOP on traceability is made available as referred to "P2-04: Traceability Procedure". The procedure is explained at Clause 5: Procedure Explanation - Traceability for estates.

MAJOR NC:

Propel Estate Sdn. Bhd. has established MSPO Procedure: Title FFB Traceability dated 1st November 2019. The procedure is explained at Clause 5: Procedure Explanation; (a) Traceability for estates, the workflow is from planting, harvesting, transporting to collection centre (Ramp), weighing and transporting to Mill. However, during documentation audit and site verification found out FFB harvested is transported to mill instead to collection centre (ramp). Therefore, the process does not tally with the estate management practices. Propel Estate Sdn. Bhd. has established SOP for Traceability. As per SOP: Clause 5 – management shall document daily bunch record after harvesting activity. However, no daily bunch record was made available during the audit.



In Compliance ☐ Yes ☒ **No** ☐ Not Applicable

Indicator 2 The management shall conduct regular inspections on compliance with the established traceability system.

Summary Internal audit team has conducted the inspections to ensure compliances of traceability system. The inspection is conducted during internal audit at Propel Estate. Seen internal audit report dated on 13th December 2019 by En. Tn Amirudin. There were no findings found under traceability indicators. Meantime, as interviewed estate manager, he will ensure the SOP are followed accordingly by weekly visit.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The management should identify and assign suitable employees to implement and maintain the traceability system.

Summary Propel Estate Sdn. Bhd. appointed estate manager as the person in charge to implement and maintain traceability system. Appointment letter for Mr Elango a/l Letchumanan as "MSPO Legal, Traceability, Social, Safety and Environmental Officer" effective 1st July 2019 as appointed by the Director, Mr. Ir. Tan Chee Kian.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Records of sales, delivery or transportation of FFB shall be maintained.

Summary Propel Estate Sdn. Bhd. has established SOP for Traceability. Weighbridge ticket from Kilang Minyak Kelapa Sawit Semantan Sdn Bhd, as sample taken on:

Receiving slip - Ticket no: FFB19009787W
Date: 22nd November 2019
Vehicle no: W7533F
Block/ Y.O.P: P004, 2018
Net weight: 5.590 (t)

Receiving slip - Ticket no: FFB19009764W
Date: 21st November 2019
Vehicle no: W7533F
Block/Y.O.P: P004, 2018
Net weight: 4.140 (t)

Sighted invoice from Kilang Minyak Kelapa Sawit Semantan Sdn Bhd dated on 30th November 2019 [Inv: 458/11/19].

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.3 Principle 3: Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Summary Propel Estate Sdn. Bhd. has established and updated list of applicable laws and regulations that are applicable for the estate as per Legal and Other Requirements Register (LORR). The Summary of Compliance for Legal and Other Requirements Register (LORR) is prepared by Pn Nazirah Binti Mat Taib (Assistant Admin Manager), approved by Mr. Ir. Tan Chee Kian, Director on 01st November 2019. As sampled taken; MPOB license, [License No.: 618780102000] for "Menjual dan Mengalih FFB", for Lot 489, Lot 490, Lot 493, Lot 494, Lot 495 (size of hectarage 60.87ha) for a period 22nd October 2019 to 30th September 2020.

This document covers areas of Occupational Safety and Health, Environment, Water, Human Resources Related, Other Local (Malaysian) Requirements and Key International Laws and Conventions Applicable to the Production of Palm Oil. As at to date, 81 Acts, Regulations & Orders are listed by the estate management which are in compliance with the applicable local, state, national and ratified international laws and regulations includes;

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The management shall list all laws applicable to their operations in a legal requirement register.

Summary Propel Estate Sdn. Bhd. has established and updated list of applicable laws and regulations that are applicable for the estate as per Legal and Other Requirements Register (LORR). The Summary of Compliance for Legal and Other Requirements Register (LORR) is prepared by Pn Nazirah Binti Mat Taib (Assistant Admin Manager), approved by Mr. Ir. Tan Chee Kian, Director on 01st November 2019. As at to date, 81 Acts, Regulations & Orders are listed by the estate management which are in compliance with the applicable local, state, national and ratified international laws and regulations includes, as sampled;

1. Occupational Safety and Health Act 1994
2. Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013.
3. Factories and Machinery Act 1967
4. Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986
5. Fire Services Act 1988 (Act 341) Amendment 2018
6. Pesticide Act 1974 (Act 149)
7. Poisons Act 1952 (Revised 1989) (Act 366)
8. Petroleum (Safety Measures) Act 1984
9. Prevention and Control of Infectious Diseases Act 1988 (Act 342)
10. Uniform Building By-Laws 1984
11. Code of Practice for safe working in a confined space, 2010



12. Environmental Quality Act 1974 (Act 127)
13. Environmental Quality (Control of Emission from Petrol Engines) Regulations 1996
14. Sewerage Services Act 1993 (Act 508)
15. Natural Resources and Environment (Prescribed Activities) Order 1994
16. Solid Waste and Public Cleansing Management Act 2007 (Act 672)
17. Protection of Wildlife Act 1972 (Act 76)
18. Wildlife Conservation Act 2010 (Act 716)
19. Water Act 1920 (Act 418)
20. Water Services Industry Act 2006 (Act 655)
21. Labour Act 1955 (Act 265)
22. Industrial Relations Act 1967 (Act 177)
23. Employees Provident Fund 1991 (Act 452)
24. Employees Social Security Act 1969 (Act 4)
25. Minimum Retirement Age Act 2012 (Act 753)
26. United Nations Guiding Principles against Business and Human Rights 2011
27. UN Convention on Biological Diversity 1992
28. ILO Convention 138 (1973) Minimum Age
29. Rotterdam Convention on Prior and Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (1998)
30. United Nations Framework Convention on Climate Change (UNFCCC).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

Summary As per interviewed with Mr Elango A/L Letchumanan (Estate Manager), he will update any new amendments or any regulations once received through the communication with law/enforcement officers and medias. Any update or changes on Legal Register are communicated through the following manner:

- HR Department
- Other sources (website, newsletters, regulatory bodies)

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

Summary Propel Estate Sdn. Bhd. has appointed Mr Elango A/L Letchumanan (Estate Manager) as MSPO Legal, Traceability, Social, Safety and Environmental Officer signed by Mr. Ir. Tan Chee Kian, Director on 01st November 2019. He is responsible on MSPO compliance to legal requirements.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.

Summary Propel Estate Sdn. Bhd. land title is available and well maintained. The sample evidence of the land titles includes;

Title No	Titled Ha	Quit Rent (RM)	Ha as per MPOB License
Lot 489	12.1026	732.00	60.87
Lot 490	11.9509	720.00	
Lot 493	12.3050	744.00	
Lot 494	12.2417	738.00	
Lot 495	12.2670	738.00	
TOTAL	60.8672	3,672.00	

Evidenced of annual payment of quit rent for 2019 (PV1902/005) paid to the Pendaftar Hakmilik Negeri Pahang dated 18th February 2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.

Summary Estate demonstrated legal ownership of their land by having legal land titles to the land. Land title was made available and the copy of land titles is kept in the estate office.

Title No.	Ownership	Syarat-syarat Nyata
Lot 489	Propel Estate Sdn. Bhd.	Tiada
Lot 490	Propel Estate Sdn. Bhd.	Tiada
Lot 493	Propel Estate Sdn. Bhd.	Tiada
Lot 494	Propel Estate Sdn. Bhd.	Tiada
Lot 495	Propel Estate Sdn. Bhd.	Tiada

Area statement for the estate is tabulated below:

Description	Ha
Planted area	60.6672
Building	0.20
Roads	-
Total	60.8672

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

Summary The perimeter boundary markers were available and maintained as seen during site visit to all estates. Based on interview with Mr Elango a/l Letchumanan (Estate Manager), there are 14 boundary markers on the ground. The GPS coordinates has been tagged as follow;

- Site verification of GPS Coordinates on Marker No. 1 is 3.491301N, 102.306484E
- Site verification of GPS Coordinates on Marker No. 2 is 3.494167N, 102.310600E

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict. During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported. No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Customary rights

Indicator 1 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

Summary There is no customary land in or surrounding all the estates' land titles. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

Summary There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. Thus, no maps for recognized customary rights.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.

Summary There is no customary land in or surrounding the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.4 Principle 4: Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

Summary Propel Estate Sdn. Bhd. has conducted Social Impact Assessment dated 26th December 2019 by Pn Nazirah and approved by Mr Elango a/l Letchumanan, Estate Manager. The purpose of this study is to measure and to understand both positive and negative social impact of the estate operations towards the workforce. The Social Impact Assessment have identified the positive and negative impacts and outlined the Management Plan to mitigate the negative impacts and to promote and maintain the positive impacts. Below are some sampled positive and negative impacts identified from the Social Impact Assessment:

Description	Action Plan	Target date	Person in charge
MSPO Awareness: Awareness & knowledge on MSPO (Positive)	To organize Stakeholders meeting and create more awareness	On going	Estate Manager - Mr Elango
Job Opportunity: Commercial & economic uplifting (Negative)	To advertise job vacancy to local residents & publicize in newspaper	On going	Estate Manager - Mr Elango

"Borang Soal Selidik" used for the Social Impact Assessment. Overall, there are no major social problem been addressed, however, the management still continue with the good practices to promote the positives ones.

In Compliance ☒ **Yes** ☒ **No** ☐ **Not Applicable**

Criterion 2 Complaints and grievances

Indicator 1 A system for dealing with complaints and grievances shall be established and documented.

Summary Propel Estate Sdn. Bhd. has established Stakeholders Consultation, Communication and Grievance Procedures (Internal/External) dated 11th November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. The objective of the procedure: -

- Sharing information about stakeholder concern and views
- Giving stakeholders a reasonable opportunity to express their views
- Taking those views into account and address resolution reasonably practicable.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.

Summary The complaint and grievance form placed at the estate's office suggestion box. The said forms can be obtained from the suggestion box to make any complaints/requests. Upon completing the forms, it can be deposited into the suggestion box where Mr Elango, Estate Manager will collect the completed forms to review and further action. Subsequently, the Estate Manager will discuss with the Directors to address/solve the issues raised by the stakeholders. The complaints and grievance can also be submitted to Mr Elango, Estate Manager directly.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

Summary Complaint Form seen for all stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office which are easily assessable. Complaint form is made available at Propel Estate Sdn. Bhd. main office. During site observation, complaint form was made available at estate and a complaint box in place to allow stakeholder to lodge complaints.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

Summary Propel Estate Sdn. Bhd. has established Stakeholders Consultation, Communication and Grievance Procedures (Internal/External) dated 11th November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Seen internal and external stakeholders meeting to disseminate the information to employees and the surrounding communities that complaints or suggestions can be made any time. They were made aware that complaints or suggestions can be made at any time.

During stakeholder meeting, they able to demonstrate their understanding in complying with MSPO requirements. Internal stakeholders meeting was conducted on the 2nd December 2019 attended by 4 employees. Briefing materials, meeting minutes, photographs and attendance record of the said meeting. Interviewed the following employees during site visit on their understanding of MSPO policy (as evidence to confirm that the MSPO policy has been communicated to all internal stakeholders. The employees were briefed on the following:

- 3 P
- MSPO Policy
- Safety and Health Policy
- Environment Policy
- Social Policy

- Complaints and grievance procedures.

Estate Management has sent out invitation to their external stakeholder via email on the 13th December 2019 as well as mail, however they were no response from the stakeholders confirming to attend the said meeting. As a proactive measure En Muhammad Fuzir has met the external stakeholders personally on the 23rd and 24th December 2019 to explain on the MSPO requirements, safety & health policy, complaints & grievance procedures, environment policy and social policy to the stakeholders.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 5 Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

Summary Propel Estate Sdn. Bhd. has just embarked into the MSPO certification process, no complaints were received from the internal and external stakeholder, as such no records of complaints and resolutions for the last 24 months were documented.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Growers should contribute to local development in consultation with the local communities.

Summary Propel Estate Sdn. Bhd. contributes to local development. As interviewed Mr. Elango, Estate Manager, any contribution to be made will be documented and he highlighted if surrounding communities seek for any contribution, the request will be taken into consideration concern towards local development.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 4 Employees safety and health

Indicator 1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

Summary Propel Estate Sdn. Bhd. has established Occupational Health and Safety Policy dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Internal stakeholders meeting to disseminate the information to the internal and external stakeholders. The policies are displayed estates notice board to made workers aware of the company policies.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 **The occupational safety and health plan shall cover the following:**
a) A safety and health policy, which is communicated and implemented.
b) The risks of all operations shall be assessed and documented.
c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:

- i) all employees involved shall be adequately trained on safe working practices; and
- ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

Propel Estate Sdn. Bhd. has established Occupational Health and Safety Policy dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. The policies are displayed estates notice board to made workers aware of the company policies.

Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC dated 15th September 2019 covering all activities and operations of the estate. The HIRARC is divided into 10 main areas. Given below are some sampled HIRARC activities:

- Harvesting
- Spraying
- Manuring
- Loading & Transporting FFB
- Estate Field Roads
- Road Repairs
- Chemical Preparations
- Chemical Issuance (Store)

Annual training plan for the Staffs and Workers [Safety, Environment & MSPO Awareness]. Training Needs Analysis and Annual Training Plan for 2019 covering safe working practices for the Staffs and Contract Workers. The training programme covers

MSPO Awareness, Occupational Safety & Health, Environment, Problem Solving, Chemical Handling, Safe Driving.

PPE Issuance and replacement record to staff and workers was made available. Estate has provided appropriate PPE for all workers in their operations. PPE issuance and replacement records are maintained based on individual workers. Person in-charge of in issuing PPE is Mr Elango, Estate Manager.

Standard Operating Procedure on Safe Use of Chemicals dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Chemical Health Risk Assessment [CHRA] report was carried out by Pn Nor Khairunnisa Liyana bt Ahmad, DOSH Registration Number JKPP HQ/15/ASS/00/363. However, the results will be submitted to the management in February 2020. Sighted letter from consultant informing the above status as evidence.

The management has appointed Mr Elango a/l Letchumanan, Estate Manager as the person responsible for workers' safety and health vide letter dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director.

Propel Estate Sdn. Bhd. has only 6 members (including Estate Manager & Field Conductor), as such they are unable to form a Safety committee. As such, they have formed a committee to discuss all safety issues. Seen latest committee meeting dated 3rd December 2019. The frequency of meeting will be conducted 6 months once.

Propel Estate Sdn. Bhd. has established Emergency Response Plan (Flow Chart) dated 1st November 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Emergency Response Procedure (ERP) sighted and the ERP has clearly justified procedures when dealing with chemical spillage, accident and others.

First Aid Training conducted by Dr Abdul Wahid JKPP NO HQ/06/DOC/00/614(D), MMC REG 37256 of Occumed Consultancy and Services Sdn Bhd dated 3rd May 2019. The training was attended by En Muhammad Fuzir, Field Conductor.

The estate management submitted JKPP 8 to DOSH on annual basis. Latest submission of JKPP 8 was on 27th December 2019; No rujukkan: JKPP 8/40766/2019; Klasifikasi Industri: 01117. No accidents were recorded in the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Employment conditions	
Indicator 1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.
Summary	Propel Estate Sdn. Bhd. has established Social and Human Rights Policy dated 1 st December 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Internal stakeholders meeting was conducted to disseminate the information to the internal stakeholders. Internal stakeholders meeting was conducted on the 2 nd December 2019

During site observation, the policies are displayed on the notice board to made the employees aware on the policies.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

Summary Propel Estate Sdn. Bhd. has established the Human Rights Policy named "Polisi Kemasyarakatan Dan Hak Asasi Manusia" dated 1st December 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. As per paragraph 4 of the policy states that it will ensure that the company will be free of discrimination and prejudice against gender, race, religion, nationality and political views. No evidence to show that Propel Estate Sdn. Bhd. is engaged in or in support of discriminatory practices with regards to race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

Summary Propel Estate Sdn. Bhd. employees' salary/wages conditions meets the minimum Wage Order (Amendment) 2018/industry minimum standards. Seen the pay slips of the said estate's employees. Pay and conditions are documented in the workers' Contract Agreement and wage payment records/ pay slip. Interviewed with both estate staff and workers and confirmed that they understand the terms and conditions of their employment.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

Summary The salary of contractor workers is according to "Guidelines on the Implementation on the Minimum Wages". National Wages Consultative Council Act (Act 732). Malaysian Minimum salary is RM1,100 as stated in guidelines. Propel Estate Sdn. Bhd. does not engage any contractors as they utilize their own resources. No contractor in the estate.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Employment contracts of each workers sighted and personal file of employees was made available. Employees register of Propel Estate Sdn. Bhd. that provides an accurate account of all employees. The records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

Summary Propel Estate Sdn. Bhd. has provided a fair contract of employment to all employees that have been signed by both employee and employer. A copy of the employment contract is available for every employee indicated in the employment records/register. The contract of employment outlined the name, sex, place of work, position, salary, OT rate, working hours, notice period, eligible public holidays, annual leave, sick leave, salary payable date and signature of employer and employee.

All workers enjoy the same scale of pay and provided with equal housing and work facilities. Seen contract of employment, signed by the employee and employer. Each employee is provided with the copy of contract agreement. During field visit, workers has been interviewed and confirmed they are aware of the deduction and copy of employment contract is given.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

Summary Working hours for the workers being stated in the employment contract. Muster call and attendance card is recorded into a checkroll book as a basis for time recording in the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 8 The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.

Summary The working hour and break time have been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties. The working hours and break time are displayed on notice board and clearly stated in contract employment of employees. There is no complaint received regarding payment or are forced to work overtime during field visit. Working hours are as follows:

Working hours: 7.00am – 3.00pm
Break: 12.00pm – 1.00pm

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

Summary Pay slips for wages/salary and overtime payment to Propel Estate Sdn. Bhd. workers which are documented on the pay slips which are in line with legal requirements/regulations.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 10 Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.

Summary All workers have been provided with medical and hospitalization insurance. Management provide free housing, water, electricity. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Workers provided with accommodation with basic amenities. Other forms of social benefits offered are as follows:

- Housing facilities
- Food subsidy during festival season

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Summary Workers living quarters are provided by the company, these quarters are in habitable conditions and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

Summary Propel Estate Sdn. Bhd. has established the Human Rights Policy named "Polisi Kemasyarakatan Dan Hak Asasi Manusia" dated 1st December 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. The said policy spells out the company's commitment to protect and respect the human rights of all employees. Paragraph 3 & 4 of the policy states that the company will provide workplace free of sexual harassment whether directly or indirectly against all workers and stakeholders. During site observation, no forms of sexual harassment act take place in this area. They are aware of the company policies and knows the procedure to react the situation.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

Summary Propel Estate Sdn. Bhd. has established the Human Rights Policy named "Polisi Kemasyarakatan Dan Hak Asasi Manusia" dated 1st December 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. Paragraph 12 & 14 of the policy states that the company will respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. The policy has been displayed on notice board at estate. Briefing has been conducted regarding the policy during internal and external stakeholder meetings. As such employees are free to form or join trade union relevant to the industry and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary Propel Estate Sdn. Bhd. has established the Human Rights Policy named "Polisi Kemasyarakatan Dan Hak Asasi Manusia" dated 1st December 2019 approved by Mr. Ir. Tan Chee Kian, Managing Director. The policy spells out the company's commitment not to exploit and employ Children and young persons below the age of 18 and shall comply to the minimum age in compliance with the local, state and national legislations. Paragraph 3 & 7 of the policy states that the company shall comply to the existing labour laws and shall not employ workers below the age of 18. As per interview with the Estate Manager, Mr Elango and the Asst. Admin Manager, Pn Nazira Mat Taib, there are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 6 Training and competency

Indicator 1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary

Propel Estate Sdn. Bhd. has established SOP for Training dated 1st November 2019. Training programme and training need analysis is made available in the "Analisis Keperluan Latihan" as prepared by Pn.Nazirah Mat Taib dated 1st November 2019 and verified by Mr Elango a/l Letchumanan, Estate Manager. Training need analysis, training programme or training records which include the MSPO related, working SOP, social and environmental element for employee and contractors are made available at the time of audit in the "Training File". Propel Estate Sdn. Bhd. has established training programme and training conducted for all workers, staffs and Management which are based on their competencies and job description.

TRAINING	DATE	REMARKS
MSPO Briefing	3 rd December 2019	Training records, attendance records, photographs are made available.
PPE Briefing	3 rd December 2019	
Harvesting	3 rd December 2019	
Spraying	3 rd December 2019	
Manuring	3 rd December 2019	
Pruning	3 rd December 2019	
Re-use chemical container	3 rd December 2019	

Training meeting minutes was made available as referred to safety briefing. Attendance record and photographs was provided as evidence.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

Summary

Training need analysis was made available in the: "Analisis Keperluan Latihan" as prepared by Pn Nazirah Mat Taib, Admin Manager dated 1st November 2019 and verified by Mr Elango a/l Letchumanan, Estate Manager. Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Training need analysis is available for each individual work station in the estate, prepared by the Manager, Mr. Elango. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description. The Estate has a comprehensive annual training plan for the Staffs and Workers.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.

Summary

Propel Estate Sdn. Bhd. has established SOP for Training dated on 1st November 2019. Training programme is made available in the "Training Calendar for the year 2019" prepared by Pn Nazirah Mat Taib, Admin Manager dated 1st November 2019 and verified by Mr Elango a/l Letchumanan, Estate Manager. Sampled training as below:

1. MSPO Briefing



2. PPE briefing
3. Safe work practice (harvesting)
4. Safe work practice (spraying)
5. Safe work practice (manuring)
6. Safe work practice (pruning)
7. Reuse chemical container

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.5 Principle 5: Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary Propel Estate Sdn. Bhd. has established its Environmental Policy, Ref MSPO-P-02 signed by Mr. Ir. Tan Chee Kian, Director on 01st November 2019. The Company is committed in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from its estate operations in line with Environmental Quality Act, 1974. Based on its Environmental Policy, Propel Estate Sdn. Bhd. is committed towards implementing the following practices:

1. To carry out estate activities in accordance with established legal and regulatory framework, those relating to environmental quality.
2. To practice a "Zero Burning" policy on new planting, replanting except in specific situation.
3. To ensure the estates activities follow the guidelines of current industry practices.
4. To plan, implementing, monitoring and measuring predetermined activities to mitigate environmental impacts and greenhouse effect.
5. To promote and provide awareness of environmental conservation through training to all employees and stakeholders.
6. Ensure awareness of the environmental policy is disseminated to be understood and practiced by employees and all stakeholders.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The environmental management plan shall cover the following:
a) An environmental policy and objectives;
b) The aspects and impacts analysis of all operations.

Summary Propel Estate Sdn. Bhd. has established MSPO Manual (MSPO Procedures), Doc No. P5-08 – Environmental Management Plan Procedure, approved by Mr Ir Tan Chee Kian, Director on 01st November, 2019 with the objective to ensure all activities and facilities related to palm oil plantation operation are in accordance to the legal and legislation requirements of Malaysia covering state and national level.

MAJOR NC:

Propel Estate Sdn. Bhd. has established MSPO Manual – Environmental Management Plan Procedure, approved by Mr Ir Tan Chee Kian, Director on 1st November 2019. However, no evidence of aspects and impacts analysis of all operations been developed.

In Compliance ☐ Yes ☒ **No** ☐ Not Applicable

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary Environmental Improvement Plan which is incorporated in the Environmental Management & Improvement Plan to mitigate the negative impacts and to promote the positive ones. Some sample evidences include;

Environmental Aspect	Environmental Impact	Mitigation Measure
No open burning allowed in premises/ quarters	Increase surrounding temperature	Awareness programme to residents/ workers
Scheduled waste produced by the estate	Waste generation and pollute to environment	To explore reuse, recycle or refuse strategy
Conservation of water	Limitation of daily water usage for every worker	Reduce water usage/ conserve water

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 A programme to promote the positive impacts should be included in the continual improvement plan.

Summary The program of Continuous Improvement Plan 2019 & 2020 on Environment prepared by Pn Nazirah Binti Mat Taib (Asst Admin Manager), approved by Mr. Ir. Tan Chee Kian (Managing Director) dated 15th December 2019. The programme to promote the positive impacts on environmental (continuous improvement plan) includes;

Improvement Aspect	Planned Activities 2019	Date of Completion	Status
Reduction of scheduled waste generation	Identify source, storage and recording, e-Swis	Dec 2019	Identified source of SW
Reduction of domestic waste	Awareness to workers, signage, landfill	Dec 2019	Segregation done
Zero Burning	Signage, weekly inspection on line site	On-going	Quotation signboard in progress

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 5 An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives of the environmental management and improvement management plans and are working towards achieving the objectives.

Summary Propel Estate Sdn. Bhd. has established training need analysis for its executive, staff and workers as stated in the Training Needs Analysis – 2019. Training calendar for the year 2019 in respect to environmental includes;

- Reuse chemical container scheduled on December 2019
- MSPO briefing scheduled on December 2019.

The implementation of Environmental Training for year 2019 scheduled as follow;

- MSPO briefing and grievances procedure held on 02nd December 2019 attended by 5 persons.
- Environment meeting & training held on 04th December 2019 at workers quarters, conducted by the estate manager and attended by 4 workers.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 6 Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

Summary The estate management has conducted Environment Meeting & Training held on 04th December 2019 at workers quarters, conducted by the Estate Manager and attended by 4 workers discussed matters pertaining to the following environmental subjects;

1. Prohibition of open burning
2. Waste handling methods
3. RTEs
4. Triple rinsing method

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

Summary Monitoring on the consumption of non-renewable energy and the baseline values are available as referred to Diesel Consumption on FFB (MT) – 2019 and Electricity Usage on FFB (MT). For the year 2019, the diesel and electricity consumption are as follow;

Month	Diesel used (Litre)	FFB Harvested	Litre/Mt FFB
Jan to Nov 2019	142	757.02	0.188

Month	Electricity Usage (kWh)	FFB Harvested	kWh/Mt FFB

Jan to Nov 2019	854	757.02	1.128
-----------------	-----	--------	-------

Water usage for 2019 is recorded as below;

Month	Water Usage (m ³)	FFB Harvested	m ³ /Mt FFB
Jan to Nov 2019	314	757.02	0.415

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary Estate management estimated the direct usage of non-renewable energy for their operations. Below are annual estimate of non-renewable energy, electricity and water usage which has been established for the year 2019;

Item	2019
FFB, mt	830
Diesel, litre	154
Average, Litre/mt FFB	0.186

Item	2019
FFB, mt	830
Electricity, kWh	935
Average, kWh/mt FFB	1.127

Item	2019
FFB, mt	830
Water, m ³	350
Average, m ³ /mt FFB	0.422

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The use of renewable energy should be applied where possible.

Summary There is no renewable energy is being use by the estate at the moment.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Waste management and disposal**Indicator 1** All waste products and sources of pollution shall be identified and documented.**Summary**

Propel Estate Sdn. Bhd. has established MSPO Manual (MSPO Procedures), Doc No. P5-09 – Waste Management Procedure, approved by Mr Ir Tan Chee Kian, Director on 01st November, 2019. The MSPO Procedure describes the following implementation. The procedure explains 3 types of waste such as;

- Waste Management Flow
- Scheduled Waste Disposal Flow
- Domestic Waste Disposal Flow

The estate management has established its list of identified waste which was incorporated in the waste identification & management plan as below;

Waste Code	Waste category	Source of Pollution	Disposal Action
SW409	Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste	Unused empty pesticide container, chemical bottles	Storekeeper to update the inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirement by DOE.
SW410	Used Personal Protective Equipment (PPE)	Workers	Keep a record and to be updated regularly, Storekeeper to update the inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirement by DOE. Proper management & handling should contain – list of scheduled waste generated, inventory of scheduled waste (Monthly).
Domestic waste	Domestic waste	Housing quarters	Domestic waste from labour quarters is disposed at Municipal Bin allocated near to Shell petrol station.

The Scheduled Waste Inventory been developed as at 09th January 2020 as follow;

SW Code	Item Name	Quantity (pcs)	Date of first generation after disposal
409	Empty chemical container (20L)	213	20 th December 2019
409	Empty chemical container (18L)	30	17 th December 2019
409	Empty chemical container (4L)	10	26 th December 2019

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary Propel Estate Sdn. Bhd. has developed the Waste Management Plan incorporated in the Environmental Aspect Impact Assessment. Waste Identification & Management Plan classified the following category;

- SW409 – Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.
- SW410 – Used personal protective equipment (PPE)
- Domestic waste

As sampled, the Waste Identification & Management Plan describes the measurement to control the following scheduled waste code (SW409) as per below;

Category:	Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.
Source of Pollution:	Unused empty pesticide container, chemical bottles
Control Measures 1:	Empty pesticide container (triple rinse using clean water and puncture at least three holes).
Control Measures 2:	To reuse the container, triple rinse as per requirement stated in SOP and rinsed water shall only be applied to permitted areas only.
Control Measures 3:	Empty Pesticide Container (EPC) is not allowed to be reused as dustbin, flower pots and workers are not allowed to bring back these to their quarters.
Control Measures 4:	Stored in designated areas with appropriate fencing, good ventilation, and must be kept locked at all times.
Control Measures 5:	Proper label as per guideline in Third Schedule.
Action:	Storekeeper to update the inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirement by DOE, list of scheduled waste generated, inventory of scheduled waste generated monthly.

Estate management and appointed staff will be monitoring the system and update on timely manner. Will be reviewed by the estate manager.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Summary Propel Estate Sdn. Bhd. has established SOP on Chemical Handling approved by Mr. Ir Tan Chee Kian, Director on 01st November, 2019. The purpose establishment of chemical handling procedure is to outline the steps to be taken by workers when handling chemicals.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.

Summary Based on the Environment Meeting & Training held on 04th December 2019 at worker quarters, conducted by the Estate Manager and attended by 4 workers, the mitigation measures to be taken on generated empty chemical containers by estate stated that the empty chemical containers are triple rinsed and re-use for pre-mix containers.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 5 Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

Summary Domestic Waste to be disposed according to MSPO Manual (MSPO Procedures), Doc No. P5-09 – Waste Management Procedure, approved by Mr Ir Tan Chee Kian, Director on 01st November, 2019. Domestic waste from linesite area is managed by the individual workers and disposed at Municipal Bin located at roadside (near to Shell petrol station).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

Indicator 1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary Propel Estate Sdn. Bhd. has established Green House Gases Management Plan for 2019, the assessment of all polluting activities being conducted through the data collected from activities includes;

Source of GHG	Environmental Impact	Monitoring Program
Emission of greenhouse gaseous from nitrogen fertilizer usage	Air pollution – global warming	Application of fertilizer shall follow agronomist recommendation
Smoke emission of heavy vehicle such as tractors, backhoe and gensets	Air pollution	Ensure regular maintenance
Transportation of FFB to Mill.	Air pollution, noise pollution and GHG	Advice transporter to regularly to do maintenance, ensure

		vehicle engine switch off if idle for 30 mins.
Open burning of domestic waste.	Air pollution and GHG	Enforce no open burning policy.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

Summary

Action plan and monitoring sighted, as evidence of Waste Identification & Management Plan described the control measures and action plan to reduce identified significant pollutants and emissions issue date 01st November 2019. The company has established Green House Gases Management Plan for 2019 dated 01st November 2019 to reduce pollutant and emissions from the activity of estate activities includes;

Source of GHG	Environmental Impact	Impact Level	Action Taken	Status
Emission of GHG from Nitrogen fertilizer usage	Air pollution – global warming	6	Application of fertilizer shall follow agronomist recommendation	Done/on - going
Smoke emission of heavy vehicle such as tractors, backhoe and gen sets	Air pollution	9	Ensure regular maintenance	Done/on – going (maintenance record)
Transportation of FFB to Mill	Air, noise and pollution GHG	9	Advice transporter to regularly to maintenance	On-going (maintenance records)
Open burning of domestic waste	Air pollution & GHG	8	Enforce no open burning policy, enforcement of disposal at land fill	On-going

Action plans referring to mitigation measure has been carried out by the management to reduce identified significant pollutants and emissions.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).
The water management plan may include:
a) Assessment of water usage and sources of supply.

- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary

Propel Estate Sdn. Bhd. has established MSPO Manual (MSPO Procedures), Doc No. P5-10 – Water Management Plan Procedure, approved by Mr Ir Tan Chee Kian, Director on 01st November, 2019. The procedure explains the work flow as follow;

- Determine source of water
- Use of water
- Generating water quality action plan

The Identification of Water Source and Water Management Plan for estates is prepared by Mr Elango A/L Letchumanan, Estate Manager on 01st November 2019 as follow;

- Water Source – Local authority
- Usage - Internal

Management Plan	Implementation Date
Water usage record	Monthly
Analyze the quality of water supply in order to determine the positive, neutral or negative impact to estate operation	Quarterly
To implement water harvesting if appropriate	When necessary
To optimize the use of water and nutrients to avoid wastage	Continuously

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Summary No river or waterways across the estate's land.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

Summary During site visit, there were road side drains constructed along the main road. Total labour quarters are 2 blocks x 2 units, provided with 200 gallons water tank each.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area
Indicator 1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>

Summary Propel Estate Sdn. Bhd. has established MSPO Manual (MSPO Procedures), Doc No. P5-11 – Rare, Threatened and Endangered Species & High Biodiversity Value Procedure, approved by Mr Ir Tan Chee Kian, Director on 01st November, 2019. The procedure explains the work flow as follow;

- Identify Biodiversity
- Establish management plan
- Monitoring

MINOR NC:

Propel Estate Sdn. Bhd. has established MSPO Manual - Rare, Threatened and Endangered Species & High Biodiversity Value Procedure. However, no evidence of identification of high biodiversity value (HBV) habitats such as rare, threatened or endangered (RTE) species been conducted.

In Compliance ☐ **Yes** ☒ **No** ☐ **Not Applicable**

Indicator 2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.</p>
--------------------	---

Summary Propel Estate Sdn. Bhd. has established Biodiversity Monitoring Sheet (2019-2020). Biodiversity Monitoring Sheet prepared by Mr Elango A/L Letchumanan (Estate Manager) last monitored on 15th December 2019 for the following signage;

1. Wildlife species
2. No hunting
3. River Buffer Zone
4. Land/Water Pollution
5. Other activities that can affect the biodiversity

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

Summary Propel Estate Sdn. Bhd. has outlined its High Biodiversity Management Plan – 2019. Biodiversity Management Plan – 2019 which consist of:

1. Biodiversity area identified – HCV 1 to HCV 6
2. Proposed action plan
3. Monitoring and indicators
4. Person-in-charge
5. Due Date
6. Status (Done/Ongoing)

The strategies of Biodiversity Management Plan 2019 to protect and conserve the following HCV area includes;

Area Identified	Proposed Action Plan	Monitoring and Indicators	Status
Type 1	Demarcate identified HCV areas in map	HCV boundary marking are visible	On-going
	Implement monitoring and management plan to ensure effective maintenance of HCV areas	Monitoring inspection record	On-going
	Establish monitoring method	Monitoring inspection record	On-going
	Prohibit illegal hunting	Record of security, signage illegal hunting	On-going
Type 6	Conduct social survey and/or discussion with the local community	Provide adequate infrastructure to protect the cultural value	On-going
	Restrict access to and search all vehicles entering and leaving the site, seize and report to legal authority	Security inspection record	On-going

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 7 Zero burning practices

Indicator 1 Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.

Summary Propel Estate Sdn. Bhd. has established Environmental Policy, Ref No. MSPO-P-02. Propel Estate Sdn. Bhd. is committed to practice "Zero Burning" policy on new planting, replanting except in specific situation. During site visit, no evidence of open burning in estate area either in the plantation or in building/store area. The company is committed



in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from its estate operations in line with Environmental Quality Act.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

Summary No significant risk of diseased palm was reported. No replanting programme as the palm has not reach the end of its economic life. Open burning during new plantings and replantings is not allowed.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.

Summary Not applicable as the replanting programme is not due yet. The palms were planted in 2012. No replanting due in the next few years.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.

Summary Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. Not applicable as the replanting programme is not due yet.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.6 Principle 6: Best practices

Criterion 1 Site management

Indicator 1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary Propel Estate Sdn. Bhd. has established Standard Operating Procedures on plantations management, stated as below:

No.	SOP
1.	SOP for Weeding
2.	SOP for frond staking
3.	SOP for pruning
4.	SOP for harvesting mature palm FFB
5.	SOP for spraying

6.	SOP for fertilizer application
7.	Internal Audit Procedure
8.	Management review procedure
9.	Stakeholders Consultation & Communication Procedure
10.	Traceability Procedure
11.	Social Impact Assessment Procedure
12.	Grievance Handling
13.	Training Procedure
14.	Environmental Management Plan
15.	Waste Management Procedure
16.	Water Management Plan
17.	Rare, Threatened and Endangered Species & High Biodiversity Procedure.

Training conducted to workers on 3rd December 2019 by Mr Elango, Estate Manager. Seen evidence of minutes, attendance record and photographs of training conducted on wearing PPE, safety briefing, way to perform the spraying and harvesting task. During field visits, the entire area of Propel Estate is a land that has a relatively undulating. The company has applied the frond stacking along the "Inter Row" and maintain vegetation along the rows. Based on interviews with harvesting and spraying workers, it shows that they have understood the flowchart regulated in the SOP of each section, for example spraying workers have understood the preparation before work, the use of PPE, the technique of running spraying work, PPE washing and PPE Storage.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary Propel Estate Sdn. Bhd. has established environmental policy signed by Mr. Ir. Tan Chee Kian, Director dated 1st November 2019. Sighted in the Environmental Management Policy the commitment on following practices:

- To carry out estate activities in accordance with established legal and regulatory framework, those relating to environmental quality
- To practice "zero burning" policy on new planting, replanting except in specific situation
- To ensure the estate activities follow the guidelines of the current industry practice
- To plan, implementing, monitor and measuring predetermined activities to mitigate environmental impacts and greenhouse effect
- To promote and provide awareness of environmental conservation through training to all employees and stakeholders and;
- Ensure awareness of the environmental policy is disseminated to be understood and practiced by employees and all stakeholders.

During field visits, the entire area of Propel Estate is a land that has a relatively undulating. No land that had a slope above 6-8%% was found. Most of it is mineral soil

(with mixture of laterite). Oil palm plantations were carried out in the period 2012, there were no planting or replanting activities as to date.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A visual identification or reference system shall be established for each field.

Summary MINOR NC:

During site observation, there were no evidence of visual identification or reference system sighted in the estate.

In Compliance ☐ **Yes** ☒ **No** ☐ **Not Applicable**

Criterion 2 Economic and financial viability plan

Indicator 1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Summary Propel Estate Sdn. Bhd. has developed "Business Management Plan" was made available during the audit. It outlines plans from year 2019 to 2022 to demonstrate attention to economic and financial viability through long-term management planning. Long term planting program was not reviewed annually due to no replanting will takes place near future.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.

Summary Replanting programme was not available due to no replanting budgeted for another 18 years. Next replanting programme is estimated in 2037.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The business or management plan may contain:
a) Attention to quality of planting materials and FFB.
b) Crop projection: site yield potential, age profile, FFB yield trends.
c) Cost of production: cost per tonne of FFB.
d) Price forecast.
e) Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary The "Business Management Plan" for Propel Estate Sdn. Bhd. is made available at the time of audit. Estate had an annual budget for the financial year 2019 to 2022. Business management plan was made available as long term for the FFB and planting material, cost of production, price forecast and cost benefit on this investment in the profit & loss account. Crop projection was documented in the business management plan 2019, cost for FFB production per tonne of FFB and price forecast was according to MPOB price standard. Mill purchase FFB from the estate according to daily price reference.

Actual production of FFB on 2019 is 1,344 .33 mt, and budgeted for 2019 was 1,380.00mt. The reduction was due to climate change, and fall of FFB price. As interviewed, Mr Elango, projection for year 2020 is 1,450.00 mt. The planting material namely Yugambi, with yield per ha of 22mt/ha and age of planting year 2012.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.

Summary Estate performance is recorded on monthly basis and budget final year 2019 is made available. The monitoring to achieved the target is effectively implemented such field monitoring and enforcement of all SOP. As interviewed with Pn Nazirah, Asst Admin Manager, highlighted estate submits the monthly progress report which they able to monitor on the management plans on monthly basis. Estate performance is recorded on monthly basis and submitted to HQ department for filing and monitoring purpose.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Transparent and fair price dealing

Indicator 1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.

Summary Propel Estate Sdn. Bhd. made sale and purchase of oil palm fresh fruit bunches (FFB) Agreement between Kilang Minyak Kelapa Sawit Semantan Sdn Bhd, dated 5th June 2015. The contract was made available and states the rates and terms of payment and duly agreed and signed by both parties. Pricing mechanisms for the products and other services documented and effectively implemented, FFB pricing formula was located provided by Kilang Minyak Kelapa Sawit Semantan.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.

Summary Records of contracts with contractors are well documented by Propel Estate Sdn. Bhd., as sighted contract between Propel Estate Sdn. Bhd. and Sri Jelutong Palm Oil Mill Sdn Bhd; No. Rujukan: PESB/ADM/SJPOM/(GL)/001-19 effective 1st August 2019 until 31st July 2020. Propel Estate Sdn. Bhd. signed contract with Sri Jelutong Palm Oil Mill – "Kontrak Perkhidmatan Pengurusan Ladang Kelapa Sawit Propel Estate".

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Contractor

Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary Propel Estate Sdn. Bhd. has conducted MSPO Briefing & Grievance Procedure dated 2nd December 2019 as evidence of the MSPO requirements and company's policies have been communicated to the contractors. The training conducted by Mr Elango, Estate Manager, and the contractor has attended the training/meeting, as verified with attendance record.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The management shall provide evidence of agreed contracts with the contractor.

Summary **MAJOR NC:**
During audit verification, no contract agreement was made available for contractor – Goh Peng Leng (Transporter FFB) who transport FFB to mill.

In Compliance ☐ **Yes** ☒ **No** ☐ **Not Applicable**

Indicator 3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.

Summary Based on verification of contract documents, sampled of contract agreement with the contractor is made available between Propel Estate Sdn. Bhd. and Sri Jelutong Palm Oil Mill Sdn Bhd; No. Rujukan: PESB/ADM/SJPOM/(GL)/001-19 effective 1st August 2019 until 31st July 2020. Statement of acceptance is available in the clause 6 – Keperluan Pematuhan MSPO. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

Summary Work completion were monitored through Mill weighbridge ticket. Field supervisor will physically check the work done at the site based on the invoiced (Job carried out) to verify on work performed to release payment to contractor.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.7 Principle 7: Development of new planting

Criterion 1 Oil palm shall not be planted on land with a high biodiversity value

Indicator 1 Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 2 Peat land

Indicator 1 New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

Summary At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

Indicator 1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2 SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 3 The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 4 Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be

managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 4 Soil and topographic information

Indicator 1 Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2 Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

Indicator 1 Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2 Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 3 Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 6	Customary land
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
--------------------	---

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.
--------------------	---

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 4	The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.
--------------------	---

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
--------------------	---

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
--------------------	---

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 7 The process and outcome of any compensation claims shall be documented and made publicly available.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 8 Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Propel Estate Sdn. Bhd..

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings



- 1) The estate managed to provide full commitment during the entire audit process.
- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) All workers were cooperative in providing information, and they able to demonstrate their understanding towards MSPO Compliance.
- 4) Good positive feedback received from stakeholders.


Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
8 th January 2020	TBA	➤ Travelling from Ampang, Selangor – Kuantan, Pahang.	SP	MAS/AS
9 th January 2020	08:00 – 09:00	➤ Opening Meeting at Propel Estate Sdn. Bhd.: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan.	SP	MAS/AS
	09:00 – 13:00	➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	SP	MAS/AS
		➤ Field Inspection / Interview: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	SP	MAS/AS
	10:30 – 12:30	➤ Stakeholder Consultation	SP	MAS/AS
	13:00 – 14:00	➤ Lunch/Rest	SP	MAS/AS
	14:00 – 15:00	➤ Continue document audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	SP	MAS/AS
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	SP	MAS/AS
	16:00 – 17:00	➤ Closing Meeting at Propel Estate Sdn. Bhd.: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	SP	MAS/AS






Appendix B: Non-Conformity details




Non-Conformities Identified During This Audit			
Major Nonconformities:	The following NC's were raised for this audit.		
Company Name	Propel Estate Sdn. Bhd.		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance 1	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BN1-MSPO-2019		
NC No. / Ref.	BN1/MSPO/MAJOR/01	Date Detected	9 th January 2020
Site(s) concern	Propel Estate Sdn. Bhd.	Target Completion	90 days
Normative Reference and Requirement	4.2.3.1 Major The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of traceability process in accordance to Standard Operating Procedure. No daily bunch record made available.		
NC Objective Evidence: <ul style="list-style-type: none"> Propel Estate Sdn. Bhd. has established MSPO Procedure: Title FFB Traceability dated 1st November 2019. The procedure is explained at Clause 5: Procedure Explanation; (a) Traceability for estates, the workflow is: Start - Planting – Harvesting - Transporting to Collection Centre (Ramp) – Weighing – Transporting to Mill – Mill - End However, during documentation audit and site verification found out FFB harvested is transported to mill instead to collection centre (ramp). Therefore, the process does not tally with the estate management practices. Propel Estate Sdn. Bhd. has established SOP for Traceability. As per SOP: Clause 5 – management shall document daily bunch record after harvesting activity. However, no daily bunch record was made available during the audit. 			
Lead Auditor Signature: 	Client Signature: 		
Root cause Analysis (to be filled by client):			


Propel Estate Sdn. Bhd. (PESB) still in learning process and at its initial stage of MSPO implementation. The person who prepare the procedure wasn't familiar with the estate operation before and didn't manage to cross check with the Estate Manager.	
Corrective action planned (to be filled by client):	
To review and update the Traceability Procedure according to actual practices. Enclosed revised procedure for your reference.	
Preventive Action (to be filled by client):	
To understand the actual practices before the implementation of any procedure. Manager to provide a training/ briefing to workers with the actual demonstration and to include pictures in the minutes. To remind Estate Manager to update immediately if there is any new procedure been practiced by setting a reminder email before audit. We will go through all the procedures again with the Estate Manager before the audit to ensure it is tally with the actual current practices at the estates.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Estate management provide the updated Traceability Procedure [Ref no: PESB/MSPO/PR-04/Rev01]; dated 3 rd February 2020. As per SOP, there is no daily bunch record whereby FFB production records are used to trace the information on planting of oil palm. Evidence provided satisfy to close the NC, therefore no site visit is required.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 23 rd March 2020	Lead Auditor Signature: 

Company Name	Propel Estate Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance 1	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BN1-MSPO-2019			
NC No. / Ref.	BN1/MSPO/MAJOR/02	Date Detected	9 th January 2020	
Site(s) concern	Propel Estate Sdn. Bhd.	Target Completion	90 days	
Normative Reference and Requirement	4.5.1.2 The environmental management plan shall cover the following: (a) the aspects and impacts analysis of all operations.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence is made available during audit.			



NC Objective Evidence:	
Propel Estate Sdn. Bhd. has established MSPO Manual – Environmental Management Plan Procedure, approved by Mr Ir Tan Chee Kian, Director on 1 st November 2019. However, no evidence of aspects and impacts analysis of all operations been developed.	
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
Propel Estate Sdn. Bhd. (PESB) still in the learning process and at its initial stage of MSPO implementation PESB assumed that Environment Aspects and Impact stated in Environment Management & Improvement Plan (without the analysis) is adequate.	
Corrective action planned (to be filled by client):	
To complete the Analysis of Environment Aspects and Impact for estate operation. Kindly find enclosed for your reference.	
Preventive Action (to be filled by client):	
To fully understand the MSPO general principles and criteria. Will cross check the analysis info with Estate Manager to ensure it is up to date as per practice especially before audit. The updated procedure will be used as a tool to cross check the analysis to ensure all the Environment Aspects from each activity at estate are covered.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Estate management submitted Environmental Aspect Impact Assessment (EAIA) year 2020, dated 30 th January 2020 as prepared by Mr Elango, Estate Manager and approved by Mr. Ir. Tan Chee Kian. In total 7, environmental aspects identified, provided with mitigation measures. Evidence provided was sufficient, therefore no site visit is required.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 23 rd March 2020	Lead Auditor Signature: 


Company Name	Propel Estate Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance 1	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BN1-MSPO-2019			
NC No. / Ref.	BN1/MSPO/MAJOR/03	Date Detected	9 th January 2020	
Site(s) concern	Propel Estate Sdn. Bhd.	Target Completion	90 days	

Normative Reference and Requirement	4.6.4.2 Major The management shall provide evidence of agreed contracts with the contractor.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of contract agreement sighted.		
NC Objective Evidence: During audit verification, no contract agreement was made available for contractor – Goh Peng Leng (Transporter FFB) who transport FFB to mill.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Propel Estate Sdn. Bhd. (PESB) still in the learning process and at its initial stage of MSPO implementation. Propel Estate is a small estate and don't have a proper system and procedure in hiring a contractor.			
Corrective action planned (to be filled by client): To prepare a contract agreement with the contractor – Goh Peng Leng, please refer enclosed for your reference. To include a clause in the contract agreement that the contractor is required to comply with MSPO requirement.			
Preventive Action (to be filled by client): To remind Estate Manager/ Supervisor to inform operation team who liaise with contractor to keep office informed immediately if there is any new contractor has been appointed/ hired to carry out estate activities. e.g: transporting FFB to mill & etc. To always review previous NC to ensure requirement has been carried out completely before audit.			
Review of corrective/preventive action (to be filled by Lead Auditor) Propel Estate Sdn. Bhd. provide "Contract agreement between FFB transporter" as evidence, letter dated on 30 th January 2020; ref no: PESB/ADM/GPL/(LOA)/001-20, which is signed by both management. Evidence submitted is sufficient and adequate, therefore, no site visit required.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 23 rd March 2020		Lead Auditor Signature: 	

Minor Nonconformities:	The following NC's were raised for this audit.		
Company Name	Propel Estate Sdn. Bhd.		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BN1-MSPO-2019		
NC No. / Ref.	BN1/MSPO/MINOR/01	Date Detected	9 th January 2020
Site(s) concern	Propel Estate Sdn. Bhd.	Target Completion	Next Surveillance
Normative Reference and Requirement	4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence is made available during audit.		
NC Objective Evidence:			
Propel Estate Sdn. Bhd. has established MSPO Manual – Rare, Threatened and Endangered Species & High Biodiversity Value Procedure. However, no evidence of identification of high biodiversity value (HBV) habitats such as rare, threatened or endangered (RTE) species been conducted.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Lack of knowledge and understanding of HBV & RTE as Propel Estate Sdn. Bhd. still in learning process of implementation.			
Corrective action planned (to be filled by client):			
To work out the identification of HBV with management plan together. Attached Biodiversity Management Plan & Identification Matrix for your reference.			
Preventive Action (to be filled by client):			
To have quarterly monitoring on HBV & RTE and will include it into Monitoring Procedure to avoid any left out.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Propel Estate Sdn. Bhd. management provided Biodiversity Management Plan which identify the biodiversity areas, proposed action plan, monitoring and indicators, person in charge and target completion date. Sampled the biodiversity identification matrix. To be verified during next surveillance audit.			

NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 21 st April 2020	Lead Auditor Signature: 

Company Name	Propel Estate Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance 1	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BN1-MSPO-2019			
NC No. / Ref.	BN1/MSPO/MINOR/02	Date Detected	9 th January 2020	
Site(s) concern	Propel Estate Sdn. Bhd.	Target Completion	Next surveillance audit	
Normative Reference and Requirement	4.6.1.3 Minor A visual identification or reference system shall be established for each field.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence of visual identification or reference system sighted during field visit.			
NC Objective Evidence: During site observation, there were no evidence of visual identification or reference system sighted in the estate.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): We had overlooked this part as still in the learning process stage of MSPO Implementation.				
Corrective action planned (to be filled by client): To create a land map (visual identification) and include information of lot/block no., land size, year planted and etc then paste at the estate field. Attached Propel Estate Sdn. Bhd. land map for your reference.				
Preventive Action (to be filled by client): The map with complete information will be documented into our MSPO P6 documentation of Best Practices to avoid overlook in future.				
Review of corrective/preventive action (to be filled by Lead Auditor) Estate management provide the land map which shows the division of estate (stated with Lot. No and hectareage size). However, to be verified during next surveillance audit.				

NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 21 st April 2020	Lead Auditor Signature: 

Area of Concern:	No area of concern was raised for this audit.
-------------------------	---

Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Male and Female workers
- 2) Workers Representatives
- 3) Foreign Workers Representatives

External Stakeholders

- 1) Mini Market Mentakab
- 2) Shell Mentakab
- 3) Kilang Minyak Kelapa Sawit Semantan Sdn Bhd
- 4) Balai Bomba Mentakab
- 5) External contractors
- 6) Balai Polis Mentakab
- 7) Neighboring estate
- 8) FFB Transporter
- 9) Smallholders
- 10) Local Communities
- 11) Villagers