



MSPO CERTIFICATION SUMMARY REPORT

PARAGON HARVEST SDN BHD

SURVEILLANCE 03

Onsite Audit Date: 24/08/2022 – 25/08/2022

TUV NORD (Malaysia) Sdn Bhd

No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri 1/2, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Paragon Harvest Sdn Bhd

Certifying Unit: Paragon Harvest Sdn Bhd

Client Number: 92-107

Audit Type: ASA 03

Mode of Audit: Onsite



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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable Sustainable Palm Oil
RTE	Rare, Threatened and Endangered Species
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet

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1. INTRODUCTION

Paragon Harvest Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance 03 audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this surveillance 02 audit is to assess the estate by an independent certification body with the aim for compliance of the standard.

1.2. Scope

The assessment is based on the documentation established by the Paragon Harvest Sdn Bhd.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and one team member. The audit team members contributed to the review of documents, the assessment of the project activity and preparation of the report.

Qualification of the Lead Auditor: Ariff Bin Lokman

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology;	Graduate in Plantation Industry and Management

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Requirement	Qualifications
vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantation.
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS2530 series of standards for Lead Auditors
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as Lead Auditor for MSPO scheme
Field working experience in the palm oil sector or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor for MSPO and RSPO scheme.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Attended High Conversation Value Assessment training	Successfully completed HCV – HCS for producers course.

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

Qualification of Team Member

Requirement	Name of Assessor	Qualification	Compliance
<p>Post-secondary education, college or university diploma / degree in one of the following</p> <p>i) Agriculture;</p> <p>ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);</p> <p>iii) Engineering, Process Technology;</p> <p>iv) Energy Management, Quality Management;</p> <p>v) Social Sciences and/or Anthropology;</p> <p>vi) Business Management; or</p> <p>vii) Other relevant related fields</p>	Navin Baskram	Bachelor in Biotechnology and Master in Environmental Management.	Yes
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Navin Baskram	Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Navin Baskram	Successfully completed MS2530 series of standards for Lead Auditors.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Navin Baskram	Qualified as Lead auditor for MSPO scheme.	Yes
Field working experience in the palm oil sector or demonstrable equivalent	Navin Baskram	4 years working experience in oil palm plantation.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Navin Baskram	4 years working experience in oil palm plantation.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Navin Baskram	Successfully completed ISO9001 standard for Lead Auditors.	Yes
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Navin Baskram	Successfully completed ISO45001 standard for Lead Auditors.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Navin Baskram	Successfully completed SA 8000 Basic training.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Navin Baskram	Successfully completed ISO14001 standard for Lead Auditors.	Yes
Completed High Conversation Value assessment	Navin Baskram	Successfully completed High Conversation Value Assessment training.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Navin Baskram	Able to communicate in both Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews operational personnel, workers, contractors; review of documentation;
- Reporting;
- Resolution of non-conformance (NC) (if any);
- Draft audit reporting;
- Technical review;
- Final audit reporting;
- Final approval, certification decision and issuance of certificate.

Surveillance Audit:

The surveillance three (03) audit carried out onsite from 24/08/2022 – 25/08/2022 covering the following activities but not limited to below:

Onsite:

- Background investigation;
- Review of documentation established but not limited to below:
 - Policies;
 - Estate maps;
 - Land titles;
 - Standard Operating Procedures;
 - Work Flow Charts;
 - Management Plans;
 - Operating licenses and approvals;
 - Operating records;
 - Training records;
 - Applicable Legislation Documents.
- Onsite visit, observations and inspection of estate facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;

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- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit;
- Assessment reporting;

On-site Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence by means of physical site inspections, observation of tasks and processes, interview workers and operation personnel, review of documentation and data. Checklists and questionnaires were used to guide the collection of information.

For the surveillance 03 audit, Paragon Harvest Sdn Bhd has 1 estate. Therefore, no selection required.

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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3. ORGANISATION INFORMATION

Paragon Harvest Sdn Bhd is an oil palm plantation company located at Bukit Garam, Off KM 76.5, Sandakan Lahad Datu Highway, District of Kinabatangan, Sabah, Malaysia.

The details of the estate as below:

Name of Estate	Location	Coordinates
Paragon Harvest Sdn Bhd	Bukit Garam, Off Km 76.5, Sandakan Lahad Datu highway, District of Kinabatangan, Sabah.	N 5°26'55" E 117°47'01"

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (January 2022 to December 2022)
	Total*	Production**	
Paragon Harvest Sdn Bhd	155.40	117.36	1,667.42
Total	155.40	117.36	1,667.42

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate.

Year / Estate	Paragon Harvest Sdn Bhd
1999	101.17 ha
2003	16.19 ha
Total Mature	117.36
-	-
Total Immature	-
Total	117.36

3.3. Replanting program for each estate

Year of replanting	Paragon Harvest Sdn Bhd	Total area to be replanted (ha)
Nil	Nil	Nil
TOTAL	Nil	Nil

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3.4. Maps of Paragon Harvest Sdn Bhd Location

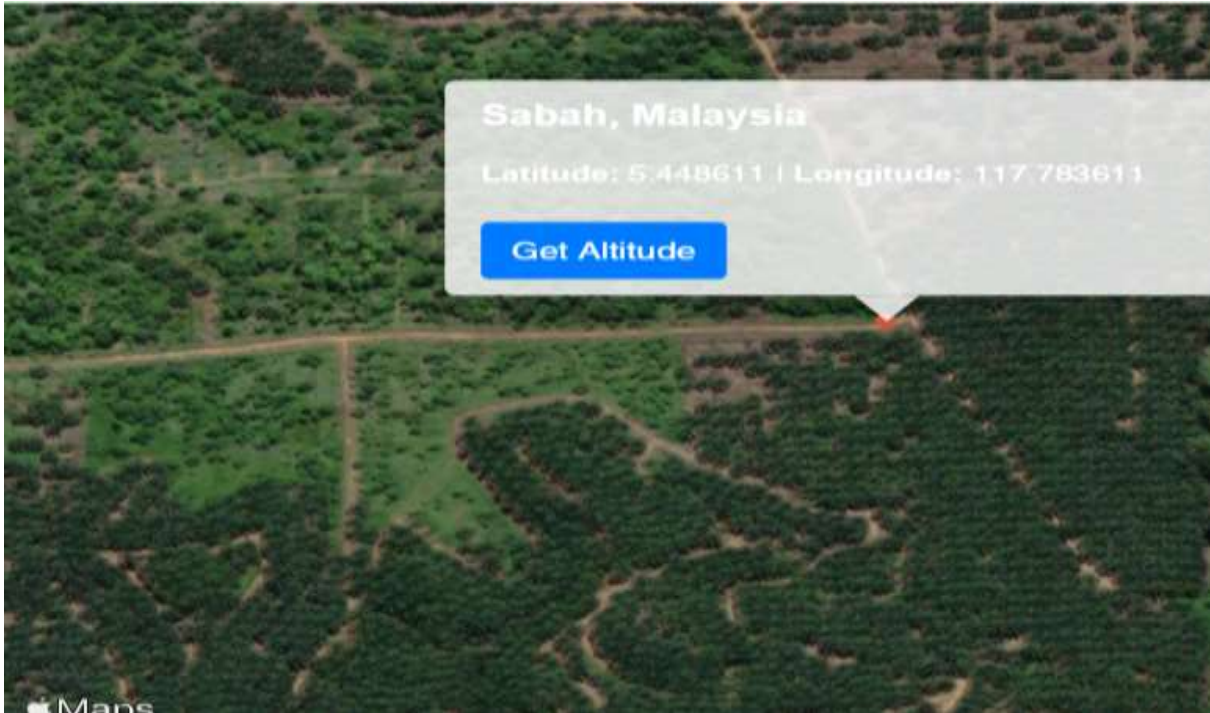


Figure 1: Paragon Harvest Sg. Lokan Location

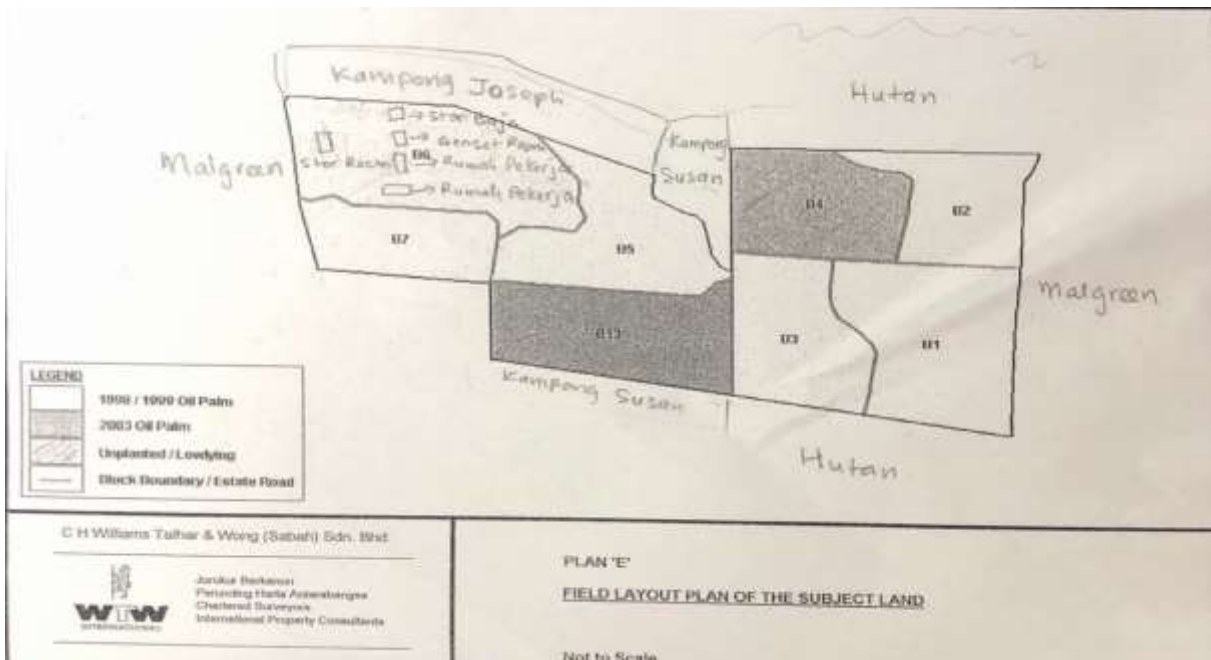


Figure 2: Paragon Harvest Sg. Lokan Estate Map

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4. CERTIFICATION ASSESSMENT

4.1. ASA 03

The objective of the audit is to assess the activities of the estates is in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Surveillance 03:

The Surveillance 03 audit is conducted from 24/08/2022 to 25/08/2022 covering Paragon Harvest Sdn Bhd.

During the last surveillance 02 audit, there are 1 Major, 0 Minor, 2 Opportunities for Improvement (OFI) are raised.

During this surveillance 03 audit, the major non-compliance raised in the last audit, the audit team has review by means of physical inspection of estates, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the estate management. The corrective measures implemented could be verified as appropriate.

The major non-conformances raise during the surveillance 02 audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: 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.

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 29/07/2022 as to accommodate stakeholder's consultation meeting for Paragon Harvest Sdn Bhd to provide comments. As at audit date on 24/08/2022 there are no comments received.

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Paragon Harvest Sdn Bhd (PHSB) established MSPO policy dated 02/01/2019 signed by the Director.</p> <p>The policy statement includes commitment to continual improvement in sustainability practices.</p> <p>The policy publicly displayed at Paragon Harvest Estate notice board.</p> <p>Briefing on MSPO policy carried out on 18/07/2022 to all the workers.</p> <p>Field interviews with sampled harvesters informed they has been briefed on MSPO policy.</p>	Yes
4.1.1.2	<p>The established MSPO policy with effective date 02/01/2019 states under point number one (1):</p> <p>"We, Paragon Harvest Sdn. Bhd, are committed to MSPO Part 3 standard and responsible on continual improvement when financially permitted".</p>	Yes
4.1.2.1	<p>PHSB established Internal Audit SOP dated 02/01/2019 which includes the internal audit process.</p> <p>SOP include flow chart:</p> <ol style="list-style-type: none"> 1. Internal audit schedule; 2. Prepare audit; 3. Carry out audit; 4. Agreed on findings; 5. Prepare audit; 6. Follow up review action; 7. Review in Management review. <p>The flow chart states internal audit to be conduct once per year.</p> <p>Internal audit conducted on 22/07/2022 for year 2022.</p> <p>The internal audit result shows PHSB has taken into consideration in identifying the strong and weak points.</p>	Yes
4.1.2.2	PHSB established SOP Internal Audit dated 02/01/2019.	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	PHSB has documented the internal audit result carried out on 22/07/2022. The internal audit report includes findings raised during the internal audit and evaluated through the corrective action taken.	
4.1.2.3	Results of internal audit were presented and discussed during PHSB management meeting dated 26/07/2022. The outcome of the internal audit and status of the action plans are included in the management review.	Yes
4.1.3.1	PHSB carried out management review meeting on 26/07/2022. Agenda includes: 1. Previous year external audit outcome; 2. Internal audit results; 3. Stakeholders meeting; 4. Continuous improvement plans. Management review meeting carried out once a year after the internal audit. Example: Topic: Previous year external audit outcome; Discussion: One (1) major non-conformity raised by TUV-NORD during ASA 02: Action: Non-conformity is closed. Timeframe: Ongoing implementation; Status: Continuous implementation: PIC: MSPO in-charge.	Yes
4.1.4.1	PHSB established Continuous Improvement Plan (CIP) updated on 04/08/2022. The CIP includes: 1. Living conditions; 2. Pesticides; 3. Environment; 4. Safety and health; 5. Legal compliance and transparency. CIP consist of improvement action, expected outcome, time-frame, review and monitor, responsibility and status. Example:	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Activity: To legalize the existing foreign workers with no proper document that have been recruited by estate management.</p> <p>Timeframe: 2022</p> <p>Status: All workers legalized on 25/07/2022.</p> <p>Reviewed and verified sampled general workers and harvesters working permit and passports, all documents are valid.</p>	
4.1.4.2	<p>PHSB established SOP for New Information and Technique procedure revision one (1) dated 15/06/2019.</p> <p>The SOP describe process for implementation of new technology:</p> <ul style="list-style-type: none"> • Identification; • Implementation and control. <p>Document review and phone interview with estate management informed there is no new technique or new technology used currently.</p>	Yes
4.1.4.3	<p>PHSB established procedure new technology, information and techniques updated 15/06/2019.</p> <p>The SOP describe for implementation and control as follows:</p> <ul style="list-style-type: none"> • To train operators or the employees involved in implementation of new information, techniques, equipment etc; <p>Site interviewed with estate management informed, there is no new technology currently implemented at the estate.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>PHSB established Consultation and Communication flow chart dated 15/04/2019. The procedure includes method of communication with stakeholders.</p> <p>PHSB established stakeholders list updated on 15/07/2022 includes government agencies, supplier, neighbors and palm oil mill, collecting center and NGOs.</p> <p>Document review on stakeholders meeting minute, the procedure is communicated to workers dated 15/07/2022 and external stakeholders from 15/07/2022 to 20/07/2022 via email.</p> <p>There is no negative feedback or request recorded in the meeting minutes.</p> <p>Field interviews with sampled harvesters and general workers informed they have been briefed on the Consultation and Communication flow chart.</p>	Yes
4.2.1.2	<p>PHSB established list of documents publicly available dated 05/08/2019.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The list includes transparency documents and confidential documents.</p> <p>Example of transparency documents:</p> <ul style="list-style-type: none"> • MPOB license; • Company policies; • SOP; • Trading licence. <p>Example of confidential documents:</p> <ul style="list-style-type: none"> • Financial report; • Bank statement; • Company budget. <p>No changes in list of publically available and confidential documents.</p>	
4.2.2.1	<p>PHSB established Consultation and Communication flow chart dated 15/04/2019.</p> <p>The flow chart includes</p> <ul style="list-style-type: none"> • Method of communication; • Complaint grievances; • Information request. <p>Document review on stakeholders meeting minutes, the procedure is communicated to workers dated 15/07/2022 and external stakeholders from 15/07/2022 to 20/07/2022 via email.</p> <p>Field interviews with sampled harvesters and general workers informed they have been briefed on the Consultation and Communication flow chart.</p>	Yes
4.2.2.2	<p>PHSB appointed admin executive as person in charge to handle communicate and consultation with stakeholders dated 02/01/2019.</p> <p>Stakeholders meeting minutes states person in charge of communication is admin executive.</p> <p>No changes in person in charge.</p>	Yes
4.2.2.3	<p>PHSB established list of stakeholders updated on 15/07/2022.</p> <p>Stakeholders include NGOs, Government, Neighbor and Palm Oil Mill, Supplier and Collecting Centre.</p> <p>Document review on stakeholders meeting minutes, the procedure is communicated to workers dated 15/07/2022 and external stakeholders from 15/07/2022 to 20/07/2022 via email.</p> <p>There is no request from stakeholders found as of audit date.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.1	<p>PHSB established SOP for Traceability updated on 15/04/2019 for FFB delivery from field to mill.</p> <p>The SOP describe the step to keep track of FFB from estate block to mill including responsibilities of all person in charge.</p> <p>The records include harvester marking on bunch stalks, FFB records from field checker, FFB transportation and dispatch chit and FFB record from individual field.</p>	Yes
4.2.3.2	<p>PHSB conducted Internal audit on 22/07/2022 that includes traceability system. There are no findings for traceability found in internal audit result.</p>	Yes
4.2.3.3	<p>PHSB appointed the estate in charge as person in charge for traceability systems dated 02/01/2019.</p>	Yes
4.2.3.4	<p>PHSB established monthly FFB yield production report.</p> <p>Traceability SOP dated 15/04/2019 describe the records are kept for period of 5 years.</p> <p>Reviewed PHSB FFB delivery chit and mill weighbridge ticket dated 29/07/2022 from estate to mill are well maintained.</p> <p>Example:</p> <p>FFB delivery chit information;</p> <ol style="list-style-type: none"> DO Number: 6075; Date: 29/07/2022; Vehicle no: SS6567M. <p>Mill weighbridge ticket information;</p> <ol style="list-style-type: none"> Ticket no: FFB22077///W; DO number: 6075; FFB net weight: 8 mt; Date: 29/07/2022. <p>All the stated information can be traced to PHSB FFB delivery note.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>PHSB established lists of related laws and regulations and guidelines dated 25/03/2019 updated on 02/05/2022.</p> <p>PHSB established list of permits and licenses updated on 15/08/2022.</p> <p>Example of permits and licenses:</p> <ul style="list-style-type: none"> MPOB licenses validity is until 31/01/2023. 	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Trading license validity is until 31/12/2022. <p>Example of legal regulations:</p> <ul style="list-style-type: none"> Malaysia Palm Oil Board Act 1998; Pesticide Act 1974. Minimum Wages Order 2022. 	
4.3.1.2	<p>PHSB established lists of related laws and regulations and guidelines dated 25/03/2019 updated on 02/05/2022.</p> <p>All applicable laws, regulations and guidelines kept as soft copies.</p> <p>Example:</p> <ul style="list-style-type: none"> Malaysia Palm Oil Board Act 1998; Occupational Safety and Health Act 1994; Minimum Wages Order 2022. 	Yes
4.3.1.3	<p>PHSB established lists of related laws and regulations and guidelines dated 25/03/2019 updated on 02/05/2022.</p> <p>The latest update include Minimum Wages Order 2022.</p> <p>The list stated the updating frequency as when necessary.</p>	Yes
4.3.1.4	<p>PHSB appointed person for updating legal documents, regulations and licenses is office admin executive dated 02/01/2019.</p>	Yes
4.3.2.1	<p>PHSB has twenty six (26) native land titles issue by Sabah Land Authority.</p> <p>Sampled land title NT 093078212 mention cultivation for agricultural crop of economic value.</p>	Yes
4.3.2.2	<p>PHSB is the legal owner for native land titles are subleased for 30 years with subleased agreement signed by owner and PHSB management.</p>	Yes
4.3.2.3	<p>PHSB land titles includes map indicating the size in acres, location and boundary markers.</p> <p>During field visit, observed boundary marker is marked with a boundary stone and red colour wooden stick.</p>	Yes
4.3.2.4	<p>The native land titles are issued by Sabah Land Authority and subleased to PHSB.</p> <p>PHSB native land titles agreement between lessor and lessee signed on 23/01/2006.</p> <p>No disputes observed during document review.</p>	Yes
4.3.3.1	<p>The native land titles are issued by Sabah Land Authority and subleased to PHSB.</p> <p>Reviewed agreement between lessor and lessee attached with the land title for NT 093078221.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>The lands are sub-leased by the owner to PHSB. The tenure of the sublease is 30 years.</p> <p>The terms of the lands are for cultivation of an agricultural crop of economic value.</p> <p>No disputes found during document review.</p>	
4.3.3.2	<p>PHSB subleased native titles are issued by Sabah Land Authority.</p> <p>Reviewed sampled native land title for NT 093078285.</p> <p>The land titles includes maps.</p> <p>Reviewed and verified map and scale for Native Titles NT 093078285.</p> <p>Scale for the native land title maps are 1:2,500.</p>	Yes
4.3.3.3	<p>PHSB subleased native titles are issued by Sabah Land Authority.</p> <p>Therefore, no FPIC or negotiated documents established.</p> <p>Both parties have signed the latest sub-lease agreement on 23/01/2006 witnessed by their respective lawyers for NT 093078285.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>PHSB established Social Impact Assessment (SIA) report updated on 05/08/2022.</p> <p>The assessment will be conducted once a year or if there any changes required.</p> <p>The assessment report includes summary of positive and negative impacts and the time-bound to monitor the completion period.</p> <p>The estate in charge is responsible for the actions and implementations.</p> <p>Review on the SIA report, described in the assessment results, positive and negative impacts, monitoring plan to promote positive and mitigate negative.</p> <p>Example:</p> <p>1) Positive Impact; Issue: Work opportunities for local workers; Action: To promote work opportunities for local workers; PIC: Estate Manager; Status: On going.</p> <p>2) Negative impact Issue: Workers housing conditions;</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Action: To improve housing conditions at labour quarters;</p> <p>PIC: Estate Manager;</p> <p>Status: Continuously.</p> <p>Site verification at labour quarters and interviews with sampled workers informed, their housing are regularly checked and maintained by estate management.</p>	
4.4.2.1	<p>PHSB established complaint and grievance procedure, doc. no. PH-4.4.2, dated 05/08/2019 and updated 10/05/2022.</p> <p>The complaint and grievance procedure displayed at estate notice board.</p> <p>The flowchart indicates the PIC and timeline to resolve any complaint received.</p> <p>Timeline to resolve complaint is 30 days at estate level and required 30 days more for top management approval of any unsolved complaint at estate level.</p> <p>Field interviews with general workers and harvesters informed they understand the complaint and grievance procedure.</p>	Yes
4.4.2.2	<p>PHSB established procedure indicates that supervisor needs to resolve the complaint received within 30 days while the estate manager needs to resolve the complaint within 30 days.</p> <p>There are no complaints received for year 2021 until audit date.</p>	Yes
4.4.2.3	<p>PHSB complaint and grievance book are available at the office and accessible by all workers and stakeholders.</p> <p>The forms is displayed at office and accessible by all workers and stakeholders.</p> <p>Field interviews with general workers and harvesters informed they understand the complaints process.</p> <p>There are no complaints for year 2021 until audit date.</p>	Yes
4.4.2.4	<p>PHSB conducted training on procedure for all workers on 18/07/2022.</p> <p>Field Interviews with general workers and harvesters informed they are aware of the complaint procedure.</p> <p>The procedure displayed at estate notice boards.</p>	Yes
4.4.2.5	<p>PHSB complaint book was been reviewed and verified.</p> <p>There is no complaint received from 2021 up to the audit date.</p> <p>This has been verified during field interviews with general workers and harvesters.</p>	Yes
4.4.3.1	<p>PHSB provides job opportunity to local communities for estate operation, office and general work.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
	<p>This has been verified during site interview with general workers, harvesters and management.</p> <p>Management has informed that job opportunities for local workers has been shared verbally with local communities. However, there has been no application from local workers until audit date.</p>		
4.4.4.1	<p>PHSB established Safety and Health policy updated on 15/05/2020 signed by Director.</p> <p>Stated in the Policy:</p> <ul style="list-style-type: none"> • To comply with applicable laws and regulation; • To provide conducive and safe working environment for workers; • Creating a safe system of work; • Promoting occupational safety and health awareness; • Give priority to issues regarding safety, health and welfare; • Continuous improvement for safety; • Provide PPE for workers. <p>The policy is established in both language Bahasa Malaysia and English and publicly available at office notice board.</p> <p>The policy has been displayed at estate notice boards.</p> <p>Policy briefing and training carried out on 18/07/2022 for all workers.</p>	Yes	
4.4.4.2	a	<p>PHSB established Safety and Health policy updated on 15/05/2020 signed by Director.</p> <p>The policy is established in both language Bahasa Malaysia and English and publicly available at office notice board.</p> <p>Policy briefing and training carried out on 18/07/2022 for all workers.</p> <p>Field interviews with general workers and harvesters informed they understand the safety and health policy.</p>	Yes
	b	<p>PHSB established HIRARC dated 15/06/2019 updated on 15/06/2022 including all estate operations.</p> <p>The HIRARC table includes activity, hazard, risk and effect, existing control, risk assessment, risk control proposal, PIC, risk after risk control and date review.</p> <p>Example of operations in HIRARC:</p> <ul style="list-style-type: none"> • Harvesting; • Infectious disease; • Chemical spraying; 	Yes

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Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Infectious disease; Manuring. <p>Example of Contents in HIRARC: Example: Harvesting operation Hazard: Possible fronds and bunches falls on the workers Risk and Effect: Cut or injuries Risk rating: 8 high risk Existing control: Provided safety helmet to workers; Additional control: Regular training and briefing given to workers. PIC: Estate Manager PHSB has been conducted training on SOPs for all workers dated 18/07/2022. Field interviews with harvesters informed they understand the safety SOP for harvesting activities.</p>	
c i	<p>PHSB established training programme for year 2022 updated 15/06/2022.</p> <p>Records of training on safety SOPs and PPE usage carried out for workers on 18/07/2022.</p> <p>Reviewed and verified the latest records of PPE issuance record on 15/06/2022.</p> <p>Field interviews with general workers and harvesters informed, they understand the safe work practices of their individual task.</p>	Yes
c ii	<p>PHSB's SDSs for chemicals, fertilizers and lubricants at stores has been verified.</p> <p>SDS is available in both English and Bahasa Malaysia.</p> <p>Reviewed and verified SDS for Glyphosate.</p> <p>The store is in good condition and locked. The arrangement of liquid chemical placed in tray below and powder chemical placed on top.</p> <p>All chemical containers have original labelling.</p>	Yes
d	<p>PHSB established records of PPEs issuance for the workers based on their work requirement is maintained and updated.</p> <p>Type of PPE for activity in accordance to HIRARC and CHRA assessment is identified.</p> <p>Example: Chemical sprayers</p> <p>PPE: Goggles, Face Mask, Apron, Rubber Boots and Rubber Gloves</p>	Yes

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Indicator	Summary of Assessment	Compliance
	<p>Field interviews with chemical sprayers informed they were provided with PPE according to individual task for free.</p> <p>CHRA has been carried out on 12/04/2019 and valid until 11/04/2024.</p>	
e	<p>PHSB established SOP for Storage and Chemical Handlings dated 15/08/2019.</p> <p>The procedure describes the process of handling and proper storage of chemicals.</p> <p>SDS for handling of chemicals and storage are available.</p> <p>Site verification of chemicals at chemical store, the chemicals are well kept with original labels still attached to chemical drums.</p>	Yes
f	<p>PHSB appointed person for safety and health is Admin Officer dated 14/04/2022.</p>	Yes
g	<p>PHSB has total of eight (8) workers which is below DOSH requirement to conduct a regular safety and health meeting.</p> <p>The PHSB management conduct workers meeting on 19/07/2022 includes agenda of safety and health.</p>	Yes
h	<p>PHSB established Emergency Response Plan dated 02/01/2019.</p> <p>The plan has been displayed at estate notice board.</p> <p>The emergency contact person number is sighted at the notice board.</p> <p>Emergency Response Procedure training has been conducted for all workers on 18/07/2022.</p> <p>Field interviews with general workers and harvesters informed they understand the Emergency Response Procedure.</p>	Yes
i	<p>PHSB first aid training was conducted by Hospital Lahad Datu dated 02/03/2019 attended by 3 persons.</p> <p>The certificate of first aid course for person in charge has been reviewed and verified.</p> <p>Sighted contact number for person in charge displayed at the notice board is reviewed and verified.</p> <p>Field verification, the first aid box available at the field operation was reviewed and verified. First aid box is well maintained.</p> <p>Field interviews with general workers informed they know the first aid kit availability.</p>	Yes
j	<p>PHSB established form of any accidents reported.</p> <p>There are no accidents or injury recorded to date.</p> <p>Sighted JKKP 8 reporting dated 23/01/2022 for 2021.</p>	Yes

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Indicator	Summary of Assessment	Compliance
	Annual Accident Report for year 2021 submitted to DOSH dated 23/01/2022.	
4.4.5.1	PHSB established Social Policy dated 02/01/2019 signed by Director. The policy states Respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations. The policy available in both English and Bahasa Malaysia language. The policy has been displayed at estate notice board. Training on policy conducted on 18/07/2022 for all workers. Field interviews with general workers and harvesters informed they understand the Social Policy.	Yes
4.4.5.2	PHSB established Social policy, dated 02/01/2019 states company does not engage in or support discrimination practices and provide equal opportunity regardless race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. The policy has been displayed at estate notice board. Field interviews with general workers and harvesters informed equal opportunity is provided.	Yes
4.4.5.3	PHSB established the working contract accordance to Sabah Labour Ordinance. A copy of the signed contract agreement is shared with the workers. Field interviews with general worker and harvester informed they have received a copy of the contract agreement. Workers are paid either daily rate at RM 57.70 per day or agreed piece rate. PHSB established list of piece rate implemented in year 2022 for piece rated work. Field interviews with chemical sprayers and harvesters informed they are briefed on the list of piece rate and agreed with the pay rate. The pay slip indicates the workers' pay is in line with Minimum Wage Order 2022 and list of piece rate. Workers who are on piece rate are determine based on historical performance for each task.	Yes
4.4.5.4	PHSB does not engage any contractors. Therefore, no contractor worker wage monitor.	Yes
4.4.5.5	PHSB established list of workers that contain name, gender, date of birth, date joined, job description, passport number and work permit expiry.	Yes
4.4.5.6	PHSB established employment agreement for every worker recruited.	Yes

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Indicator	Summary of Assessment	Compliance
	<p>The management provide fair contracts and signed by both parties.</p> <p>The workers are briefed on the working contract terms and conditions, wage, position and a copy is provided.</p> <p>Field interviews with general workers and harvesters informed they were briefed on the contract terms and conditions and received a copy after signed.</p>	
4.4.5.7	<p>PHSB established time recording system via check roll to monitor and record workers working hours on daily basis.</p> <p>PHSB has displayed the working hours at estate notice board.</p> <p>Field interviews with sampled chemical sprayers informed they are aware on the working hours and overtime.</p>	Yes
4.4.5.8	<p>PHSB established working hours and displayed at offices notice board. Working hours is included in the worker contract agreement.</p> <p>The working hours is from 6:00 am until 2.30 pm with break time on 11:00am – 11.30pm.</p> <p>Field interviews with sampled chemical sprayers and harvesters informed they understand the working hours and overtime time.</p>	Yes
4.4.5.9	<p>PHSB established pay slip records to document workers' wages.</p> <p>Sampled pay slip for July 2022, workers are paid on piece rated basis for harvesting and chemical spraying.</p> <p>Review on pay slip July 2022, daily rate paid at RM 57.70 to workers for normal working day, holiday pay and sick leave as describe in the contract agreement in accordance to Minimum Wages Order.</p> <p>Field interviews with sampled harvesters informed, the wages document is in Bahasa Malaysia language.</p>	Yes
4.4.5.10	<p>PHSB provides benefits to workers such as medical care, housing, water and attendance allowance.</p>	Yes
4.4.5.11	<p>PHSB workers housing adopts the industry best practices.</p> <p>Site visit observed the workers living quarters are provided with basic amenities such as water and electricity.</p> <p>Site interviews with mandore informed PHSB has provided with housing, electricity and water supply.</p>	Yes
4.4.5.12	<p>PHSB established Social policy dated 02/01/2019 sign by Director.</p> <p>The policy states:</p> <ul style="list-style-type: none"> • To provide working environmental that is free from sexual, harassment and violence for both workers and visitors; • To prevent sexual harassment and violence against women workers and other community. 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy was displayed at estate notice board and maintained.</p> <p>The policy briefing carried out for all workers on 18/07/2022.</p> <p>No complaints lodged for social issues.</p>	
4.4.5.13	<p>PHSB established Social policy dated 02/01/2019.</p> <p>The policy states respect employee's right and freedom to form or join trade union.</p> <p>Field interviews with general workers and harvesters informed no union form in the estate.</p> <p>However, worker meeting is conducted annually as communication tools between workers and management team.</p> <p>PHSB workers meeting carry out on 18/07/2022 includes social, complaint, housing, COVID-19 and etc.</p>	Yes
4.4.5.14	<p>PHSB established Group Policy dated 02/01/2019.</p> <p>The policy states employment for those aged 18 years old and above. It shall ensure that no child or young person are employed pursuant to children and young person's Employment Act 1966.</p> <p>Review on workers list 2022 all workers are above 18 years old.</p> <p>Field interviews with general workers and harvesters informed there is no child labour or young person employed by estate management. All workers are above 18 years prior joining the estate.</p>	Yes
4.4.6.1	<p>PHSB established training program for year 2022 updated 15/06/2022.</p> <p>Example of training record:</p> <p>Company policies, MSPO, safety and health, environment and social for all workers dated 18/07/2022.</p> <p>Field interviews with harvester informed, they have been briefed on company policies, MSPO, safety and health, environment and social for all workers dated 18/07/2022.</p>	Yes
4.4.6.2	<p>PHSB established training need analysis and training matrix established for workers updated on 01/03/2022.</p> <p>The training needs analysis is based on job description.</p>	Yes
4.4.6.3	<p>PHSB established the Annual Training Programme for year 2022.</p> <p>Training programme for all workers and management updated on 15/06/2022.</p> <p>Example list of training programme:</p> <ol style="list-style-type: none"> 1. Company Policies; 2. SOPs; 3. Safety; 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions

Indicator	Summary of Assessment	Compliance
	<p>4. Environment.</p> <p>Trainings related to all workers was carried out on 18/07/2022.</p>	

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

Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>PHSB established Environmental Policy dated 02/01/2019 signed by Director.</p> <p>PHSB is committed to minimise the environmental impact of its operations and understand the importance of conserving natural resources.</p> <p>The policy states “We shall strive to promote environmental improvement whenever practical that will ensure a sustainable future”.</p> <p>PHSB established Environmental Aspect Impact Assessment (EAIA) updated on 30/04/2022 and Environmental Management Plan (EMP) updated on 20/06/2022.</p> <p>EAIA includes for waste, environmental impacts, mitigation plans and continuous improvement plans. The plan has referred to related law and regulation</p> <p>During site visit, observed policy is displayed at notice board.</p> <p>PHSB conduct environmental policy training on 18/07/2022.</p> <p>Field interviews with sampled general workers and harvesters informed they have been briefed on environmental policy.</p>	Yes
4.5.1.2	<p>a PHSB established environmental policy dated 02/01/2019 signed by Director.</p> <p>PHSB established Environmental Aspect Impact Assessment (EAIA) updated on 30/04/2022 and Environmental Management Plan (EMP) updated on 20/06/2022.</p> <p>Objective of environmental policy states:</p> <p>To commit minimized the environmental impact of its operations and understand the importance of conserving natural resources. We shall strive to promote environmental improvement whenever practical that will ensure a sustainable future.</p>	Yes
	<p>b PHSB established Environmental Aspect Impact Assessment (EAIA) updated on 30/04/2022 and Environmental Management Plan (EMP) updated on 20/06/2022.</p> <p>Environment impact and aspect table analysis includes the activity, aspect, impacts, plan and monitoring program, CIP, responsibility, timeframe.</p> <p>Example:</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Aspect: Weed control;</p> <p>Negative impact: Pollution to water courses and land;</p> <p>Positive impact: Chemical issued are in control and recorded;</p> <p>Plans & monitoring: All chemicals need to be triple sensed after usage;</p> <p>CIP: To provide triple rinsing training to all worker.</p> <p>Field interviews with premixer informed all chemical containers are triple rinsed and reused for chemical spraying.</p>	
4.5.1.3	<p>PHSB established Environmental Aspect Impact Assessment (EAIA) updated on 30/04/2022 and Environmental Management Plan (EMP) updated on 20/06/2022.</p> <p>Negative impacts and how it is mitigated and how positive impacts are promoted had been included in EIA.</p> <p>Example:</p> <p>Identification: Pruned fronds;</p> <p>Negative impacts: Frond heaps can become breeding grounds for Rhinoceros beetle and required more chemical to control;</p> <p>Positive impacts: Pruned fronds can enhance soil nutrients;</p> <p>Monitoring: Supervisor and mandore to monitor implementation.</p> <p>During field visit at estate blocks, observed pruned fronds are well stacked.</p>	Yes
4.5.1.4	<p>PHSB established continue improvement plan updated on 04/08/2022.</p> <p>The programme to promote positive is listed in the environmental table in CIP.</p> <p>Example:</p> <p>Activity: Reducing household and recycle waste;</p> <p>Expected outcome: To reduce environment pollution;</p> <p>Timeframe: Ongoing;</p> <p>Responsibility: Estate In Charge.</p> <p>During site visit, observed recycle bins available at estate for waste segregation purposes.</p> <p>Field interviews with sampled general workers informed waste segregation has been carried out continuously and have been briefed on this matter regularly by the estate management.</p>	Yes
4.5.1.5	<p>PHSB established annual training programme year 2022 updated 15/06/2022.</p> <p>PHSB conducted company policies briefing dated 18/07/2022 for all workers.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.6	PHSB conducted internal stakeholders meeting dated 19/07/2022 has includes the agenda of environmental issue to be discussed with workers. Example of topics discussed on landfill issues.	Yes
4.5.2.1	PHSB established baseline value for diesel consumption from year 2016 until year 2018 to monitor and compare the actual diesel usage in year 2022. Diesel usage has increased in 2022 compared to the baseline period of 2016 to 2018 is mainly due to high road maintenances activity. The diesel usage includes the usage generator set for power, tractors and trucks.	Yes
4.5.2.2	PHSB established budgeted diesel usage for year 2022 and compared with actual diesel consumption. During document review the actual diesel usage for 2022 is above the budget due to high road maintenances activity.	Yes
4.5.2.3	PHSB does not practice renewable energy for the divisions. Site interview with management informed that there are no plans to install renewable energy due to high cost.	Yes
4.5.3.1	PHSB established waste identification list and plan updated on 26/06/2022. The waste categorizes by gaseous, solid and liquid. Example: Solid: Rotten bunches; Source: Harvesting activities; Liquid: Domestic sewage; Source: Worker housing; Gaseous: Carbon monoxide; Source: Smoke from FFB tractor.	Yes
4.5.3.2	a PHSB established waste identification list and plan updated on 26/06/2022. The waste categorizes by gaseous, solid and liquid. The sources of wastes and pollutions are identified and monitored as below: Solid Waste: Rotten bunches; Source: Harvesting; Action Plan: Mandore to monitor FFB evacuation and make sure no bunches left in field;	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>During field visits at estate blocks, observed no rotten bunches at field blocks.</p>	
	<p>b PHSB established waste identification list and plan, dated 26/06/2022.</p> <p>The waste categorizes by gaseous, solid and liquid.</p> <p>Waste management Plan has cover identification of wastes generated that could be reduced, reused & recycled.</p> <p>Solid wastes: Pruned fronds;</p> <p>Reuse: To enhance soil nutrients.</p> <p>During field visit at estate blocks, observed pruned fronds are well stacked.</p>	Yes
4.5.3.3	<p>PHSB has established SOP for 'Penyimpanan dan Pengurusan Bahan Kimia' doc no PH 4.6.1-10, dated 15/08/2019.</p> <p>The procedure is for proper handling, storage and disposal of chemical to protect the environment.</p> <p>The procedure includes the storage and safety handling of chemical in store.</p> <p>During site interview with estate in charge informed used lubricants oil are collected by service contractor after vehicle services.</p> <p>Site visit observed no storage of waste lubricant oils at estate.</p> <p>Empty chemical containers are triple rinse, marked with "X" in red and reused for chemical spraying activity.</p> <p>During field visit, observed no empty chemicals left at field.</p>	Yes
4.5.3.4	<p>PHSB established waste identification list and plan, dated 26/06/2022. The plan includes disposal empty pesticide containers.</p> <p>All rinsed water from premix chemical activities will be collected and reused for chemical spraying activity in field.</p> <p>The plan states the empty pesticide containers must be triple rinsed before disposed or keep in store. If the empty container is not reused for premix should be punctured and kept in store.</p> <p>During site visit at chemical store, all empty chemical containers are marked with red colour for reuse in chemical spraying.</p> <p>During field visit, observed no empty chemicals left at field.</p>	Yes
4.5.3.5	<p>PHSB disposed domestic waste generate from workers' housing and office as follow;</p> <ul style="list-style-type: none"> Sg Lokan division: Designated landfill; <p>During field visit and interview with management team informed that the landfill location is 1.5 km away from housing area and 800 m from water pond at Sg Lokan division.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.4.1	<p>PHSB established waste identification list and plan, dated 26/06/2022. The plan identified the source of waste as solids, liquids and gaseous.</p> <p>Example:</p> <p>Gaseous wastes: Carbon Monoxide (CO);</p> <p>Source: Farm tractor / Generator set;</p>	Yes
4.5.4.2	<p>PHSB established waste identification list and plan, dated 26/06/2022. The plan identified the source of pollution.</p> <p>Example:</p> <p>Source: Farm tractor;</p> <p>Waste: Carbon monoxide (CO);</p> <p>Treatment method: Regular vehicle maintenance.</p> <p>Reviewed vehicles inspection record the farm tractor is regularly service and maintained to reduce significant pollutions.</p>	Yes
4.5.5.1	<p>a PHSB water management plan established updated on 17/07/2022 describe the source and usage.</p> <p>Pond: For general application and chemical mixing;</p> <p>Rain: Domestic use such as drinking and cooking</p>	Yes
	<p>b During field visit, observed PHSB have no river or natural water ways waterway within the estate.</p> <p>Only field drains are constructed to control flooding.</p> <p>Therefore, no monitoring established for in and outgoing water.</p> <p>However, no spraying is carried out at banks of drains to prevent contamination.</p>	Yes
	<p>c PHSB recycle the chemical container washing and rinsing water for pre-mix usage.</p> <p>During site visit, observed water from rain harvesting are used for domestic usage.</p> <p>Worker quarters are provided with water storage tanks for rain water harvesting.</p>	Yes
	<p>d During field visit, observed PHSB have no river or natural water ways waterway within the estate.</p> <p>Only field drains are constructed to control flooding.</p> <p>Therefore, no monitoring established for in and outgoing water.</p> <p>However, no spraying is carried out at banks of drains to prevent contamination.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>e During field visit, observed PHSB have no river or natural water ways waterway within the estate.</p> <p>Only field drains are constructed to control flooding.</p> <p>Therefore, no monitoring established for in and outgoing water.</p> <p>However, no spraying is carried out at banks of drains to prevent contamination.</p> <p>No natural vegetation has been removed.</p>	Yes
	<p>f During site visit and field visit, observed no bore wells established.</p>	Yes
4.5.5.2	During site visit and field visit, observed no bunds, weirs and dams established.	Yes
4.5.5.3	<p>During site visit, observed water from rain harvesting are used for domestic usage.</p> <p>Worker quarters are provided with water storage tanks for rain water harvesting.</p>	Yes
4.5.6.1	<p>a PHSB established the list of protected wildlife dated 30/06/2019 to monitor any sighted wildlife in the estate.</p> <p>Type of wildlife found such as insects, birds and animals.</p> <p>Field interviews with sampled general workers and harvesters informed no hunting are allowed and any sighted of wildlife to be informed to the management.</p>	Yes
	<p>b PHSB monitor wildlife in and surrounding of the Sg Lokan estate.</p> <p>During site visit observed, the list of wild life is displayed at notice board.</p> <p>Example wildlife found: Monkeys, monitor lizards</p> <p>During field interviews with sampled general workers and harvesters informed they have been briefed on wildlife conservation. They informed sighted any wildlife to feedback to estate management.</p>	Yes
4.5.6.2	<p>a PHSB established the plan 'Bersama – sama Memerangi Pemburuan Haram' dated 30/06/2019.</p> <p>During field interviews with sampled general workers and harvesters informed they have been briefed on wildlife conservation.</p> <p>Reviewed training records on 18/07/2022.</p> <p>During site visit observed no hunting signage is displayed at estate entrance.</p>	Yes
	<p>b PHSB established Environment Policy dated 02/01/2019 state the company committed to minimizing the environmental impact of its operations and understands the importance of conserving natural resource.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Point 8 in policy states educating and enhancing awareness to protection of environment and biodiversity of all related stakeholders through trainings and communication.</p> <p>Signage installed as information to workers to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>External stakeholder briefed on wildlife conservation during stakeholders meeting from 15/07/2022 to 20/07/2022 via email.</p> <p>Workers have been briefed on wildlife hunting and reporting on 18/07/2022. Records reviewed.</p> <p>During field interviews with sampled general workers and harvesters informed hunting is prohibited in estate compound.</p>	
4.5.6.3	<p>PHSB established records to monitor wildlife in and around the estate.</p> <p>Reviewed and verified wildlife sightings for the month of August 2022.</p>	Yes
4.5.7.1	<p>PHSB established Zero burning policy sign by Director dated 02/01/2019.</p> <p>The policy state PHSB shall be no open burning of any kind except were deemed necessary with the prior approval of the relevant authorities. This includes domestic waste, agriculture waste, and or by products generated by the estate.</p> <p>During site visit at workers quarters observed no signs of open burning.</p> <p>Briefing on zero burning policy to workers conducted on 18/07/2022.</p>	Yes
4.5.7.2	<p>There is no disease observed on oil palm at PHSB that required burning for treatment via pictorial evidence verification.</p> <p>Therefore, no special approval for open burning from relevant authorities</p>	Yes
4.5.7.3	<p>During field visit at PHSB field blocks, no disease observed at field operations that required burning method to be treated.</p> <p>Therefore, no application for approval of controlled burning.</p>	Yes
4.5.7.4	<p>PHSB adopted the Field Handbook: Oil Palm Series for Immature Volume 2 & Mature Volume 3 by Ian Rankie and Thomas Fairhurst – September 1999 for their replanting management practice.</p> <p>The SOP states that all palm must be felled, chipped and shredded during replanting activities.</p> <p>PHSB replanting program will be commenced on 2022. However, replanting has been put on hold as management is considering to sell the estate.</p> <p>Thus, no replanting activities taking place at estate.</p> <p>Therefore, no verification on the previous crops is felled, chipped and shredded, pulverized and mulched.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>PHSB established SOP for harvesting, manuring and chemical spraying dated 05/08/2020 and displayed at the estate notice board.</p> <p>In addition, PHSB adopted Field Handbook Oil Palm Series Volume 1, 2 & 3 which includes Nursery, Immature and Mature activities.</p> <p>Training on the SOPs conducted on 18/07/2022 and record of the training are reviewed.</p> <p>Field interviews with sampled general workers and harvesters informed that they have been briefed of work procedures.</p>	Yes
4.6.1.2	<p>PHSB adopt Field Handbook Oil Palm Series Volume 2 Immature as guidelines for planting at the slopes.</p> <p>Field interviews with sampled general workers and harvesters informed the Sg Lokan Estate has hilly topography.</p> <p>PHSB has taken action as below to reduce soil erosion where palm is planted on the hilly area:</p> <ul style="list-style-type: none"> • Construction of terrace platform; • Legumes cover crop planted on the terrace edge; • Beneficial fern type <i>Nephrolepis biserrata</i> maintain at the inter terrace to slow water flow; • Drain constructed to allow water flow to avoid erosion. <p>During field visit to Sg. Lokan Estate, observed good agriculture practices for planting on slopes.</p> <p>Highest terrain is less than 25° based on GPS review using GPS Coordinate Malaysia.</p>	Yes
4.6.1.3	<p>PHSB established permanent block markers with information includes of block number, size, year of planting and number of trees.</p> <p>Example:</p> <p>Block no: Block 5;</p> <p>Hectares: 53.58 Acres;</p> <p>Stand: 2947;</p> <p>Year of planting: 1999.</p>	Yes
4.6.2.1	<p>PHSB established 3 years business plan from 2020 to 2022.</p> <p>The plan includes the FFB production, expected FFB price, operation and administration expenditure as well as production cost.</p> <p>Gum Gum Estate has been sold. Therefore, fixed assests under Gum Gum Estate has been removed from the business plan.</p>	Yes
4.6.2.2	<p>PHSB established planting statement that include replanting program from 2019 to 2023 updated on 15/07/2020.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Replanting for Sg. Lokan is planned for year 2022 and 2023.</p> <p>The replanting has been put on hold at the point of audit mainly due to the decision of the management to sell the estate.</p>	
4.6.2.3	<p>PHSB established 3 years business plan from 2020 to 2022.</p> <p>Sighted in the business plan are:</p> <ol style="list-style-type: none"> 1. FFB sales; 2. Expected FFB price; 3. Operation expenses; 4. Fixed asset to construct; 5. Net profit; 6. Production cost. 	Yes
4.6.2.4	<p>PHSB business plan is monitored on monthly basis for profit and loss.</p> <p>Monthly profit and loss reports for year 2021 has been shared and reviewed.</p>	Yes
4.6.3.1	<p>PHSB purchase chemical and fertilizer or any products from the supplier where the price are verbally obtained.</p> <p>The cash bill describes type of product purchased and amount to pay.</p> <p>No changes in method of purchase of chemical and fertilizers.</p>	Yes
4.6.3.2	<p>PHSB purchase chemical and fertilizer where the prices are obtained verbally from the supplier.</p> <p>The invoices dated 21/04/2022 from chemical supplier describes the product pricing and payment terms.</p> <p>Document review on payment voucher issued to supplier is paid in timely manner as agreed by both parties.</p> <p>Example:</p> <p>Purchase of chemicals;</p> <p>Chemical: BM Glyphosate;</p> <p>Quantity: 6 quantity;</p> <p>Delivery notes no: 12714 dated 21/04/2022;</p> <p>Invoices no: 00013531 dated 21/04/2022.</p> <p>Payment voucher made on same date for the same material and quantity, no delay in payment.</p>	Yes
4.6.4.1	<p>Site interview with PHSB management informed does not engage contractors. Therefore, no documents established.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Document review on stakeholders' list and site interview with Estate In Charge confirmed no contractor engaged.	
4.6.4.2	Site interview with PHSB management informed does not engage contractors. Therefore, no documents established. Document review on stakeholders' list and site interview with Estate In Charge confirmed no contractor engaged.	Yes
4.6.4.3	Site interview with PHSB management informed does not engage contractors. Therefore, no documents established. Document review on stakeholders' list and site interview with Estate In Charge confirmed no contractor engaged.	Yes
4.6.4.4	Site interview with PHSB management informed does not engage contractors. Therefore, no documents established. Document review on stakeholders' list and site interview with Estate In Charge confirmed no contractor engaged.	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	PHSB land titles and planting statement documents are reviewed and there is no new land acquire. The last planting is year 2014. During field visit and site interview with PHSB management team informed no high biodiversity area within the estate. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.1.2	PHSB planting statement is reviewed and field visits confirmed no replanting for year 2021. Thus, there is no PMM conducted. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.2.1	PHSB estate map, planting statement reviewed and field visits confirmed there is no peat land. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.3.1	PHSB estate map, planting statement reviewed and field visits confirmed there is no new planting. Therefore, no SEIA conducted. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.3.2	PHSB estate map, planting statement reviewed and field visits confirmed there is no new planting. Therefore, no SEIA conducted. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.3.3	There is no new planting established within PHSB area, therefore no management plan nor SOP established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.3.4	There are no smallholders' scheme in PHSB certification. Therefore, not applicable.	Yes
4.7.4.1	PHSB planting statement is reviewed and field visits confirmed there is no new planting. Therefore, no soil map established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.4.2	PHSB planting statement is reviewed and field visits confirmed there is no new planting. Therefore, no topography map established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes

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4.7.5.1	PHSB planting statement reviewed and field visits confirmed there is no new planting. Therefore, no topography map established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.5.2	PHSB planting statement reviewed and field visits confirmed there is no new planting. Therefore, no monitoring management plans for fragile and marginal soil established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.5.3	PHSB planting statement is reviewed and field visits confirmed there is no new planting. Therefore, no soil map established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.1	PHSB planting statement is review and site interview with estate management confirmed there is no new planting. Therefore, no FPIC conducted and no communities affected. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.2	PHSB planting statement is reviewed and field visits confirmed there is no new planting. There are no sacred sites, therefore no management plan established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.3	PHSB planting statements are review and field visits confirmed there is no new planting. Therefore, no compensation or agreement established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.4	PHSB planting statements are review and field visits confirmed there is no new planting. Therefore, no compensation and agreement established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.5	PHSB planting statement is reviewed and there is no new planting. Therefore, no assessment to identify customary right established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.6	PHSB planting statement is review and field visits confirmed there is no new planting. Therefore, no system established for calculating the compensation for distribution. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes

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4.7.6.7	PHSB planting statement is reviewed and field visits confirmed there is no new planting. Therefore, no compensation plan established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.8	PHSB planting statement is reviewed and there is no new planting. Therefore, no communities affected. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
X	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
	No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

4.5. Detail of Audit Findings in last audit

AUDIT OUTCOME		
During last Audit	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number < 01 >			
Indicator # and Description:	4.4.5.3 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.		
Location:	Office / Gum Gum Division		
Description of Finding / Objective Evidence:			
PHSB has established contract agreements signed by workers. A copy of the contract is shared with the workers. However, during review of contract agreements for workers with passport number AT 817292 and B5926851, annual leave and sick leave allocations are not in compliance with Sabah Labour Ordinance Cap. 67 under section 104D (1) for annual leave and 104E (1) (aa) for sick leave.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Navin Baskram	Date Raise:	27/08/2021

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Non Conformity Number < 01 >	
Deadline for implementation	26/10/2021
Root Cause Analysis (by company):	
Sabah Labour Ordinance Cap 67, annual leave and sick leave was overlooked by the PIC.	
Correction (by company):	
Company replaced the contract agreement on 01/09/2021.	
Corrective / Preventive Action (by company)	
Give reminder to the PIC for Sabah Labour Ordinance Cap 67. Briefing conducted to workers.	
Review of Correction & Corrective / Preventive Action	
Reviewed and verified revised contract agreements for workers with passport number AT 817292 and B5926851. Details of sick leave and annual leave is in accordance with Sabah Labour Ordinance Cap 67. Phone interviews with the respective workers informed they understand the latest changes to the contract agreement on annual and sick leaves. The evidence is sufficient to close the non-conformity. The implementation will be review during next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor: Navin Baskram	Date of Closure: 07/09/2021
Review of Implementation	
Review and verified the latest contract agreement for workers with passport number C 6550900 and C 6550885, the details of sick leave and annual leave is in accordance with Sabah Labour Ordinance Cap 67. The contract agreement has stated; a) Pekerja berhak diberi 15 (lima belas) hari cuti Am bergaji bagi setiap tahun; b) Sekiranya pekerja disahkan sakit dan tidak boleh bekerja (bukan akibat daripada kemalangan yang meliputi di bawah Akta Pampasan Pekerja 1952) oleh seorang pegawai perubatan, pekerja layak menerima cuti sakit bergaji selama (18) lapan belas hari setahun. Based on documents review and interviews with estate management and sampled workers, the implementation is considered sufficient.	
Name of Lead Auditor: Ariff Bin Lokman	Date of Review: 25/08/2022

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4.6. Detail of Onsite Audit Findings Identified during this audit

This section gives an overview of the non-conformities raised during this audit.

ONSITE AUDIT OUTCOME		
During this onsite audit,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.2.1.1	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.	Field	PHSB could improve stakeholders consultation with neighbouring village to mitigate environmental negative impacts such as landfill usage.
2.	4.4.4.2 (c)	ii. all precautions attached to products shall be properly observed and applied	Field	PHSB could improve on SDS updated version.
3.	4.4.5.8	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.	Office	PHSB could improve the breaks time information in worker contract agreement.
4.	4.5.1.2 (b)	The environmental management plan shall cover the following: b. The aspects and impacts analysis of all operations.	Office	PHSB could improve documentation of impact and aspect analysis to ensure all information is consistent with implementations.

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5. CONCLUSION

Paragon Harvest Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance 03 audit consisting of 1 estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013 General principles for Oil Palm Plantations and Organised Smallholders.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that

Total certified number of estate:	1
Total certified production area:	117.36 Ha
Certified FFBs January to July 2022:	947.42 Mt
Project FFBs August to December 2022:	720.00 Mt

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6. RECOMMENDATION

The audit team conduct a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policies and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

	Recommended for Certification
X	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 04/09/2022

Ariff Bin Lokman
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 12/09/2022

Mohamad Norhisham Bin Mohd Salleh
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent by the certification body to the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklists
- Audit Plan