

**ECCO CERTIFIED SDN BHD**

D-01-3 Plaza Kelana Jaya,
Jalan SS7/3A Kelana Jaya,
47301 Petaling Jaya, Selangor

PUBLIC SUMMARY REPORT**MALAYSIAN SUSTAINABLE PALM OIL (MSPO)**

Type of Certification : **Stage 2 Initial Certification Audit**
☐ Individual ☒ Group

Organization : **Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd**

Address : **Suite LP 02 & 03 Menara TJB, Jalan Syed Mohamed Mufti, 80000 Johor Bahru, Johor**

Audit Date : **11-12 November, 2019**

Standard ☐ **MSPO (MS2530-2:2013) Part 2: General Principles for Independent Smallholders**
☒ **MSPO (MS2530-3:2013) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**
☐ **MSPO (MS2530-4:2013) Part 4: General Principles for Palm Oil Mills**

Scope of Certification : **Production of Sustainable Fresh Fruit Bunches (FFB)**

Audit Team

Lead Auditor : **Edwell James Ghani**

Auditor : **Ahmad Kamal Shahabuddin**

Report by Lead Auditor

Name : **Edwell James Ghani**

Signature :

1.0 Introduction

1.1 Details of the Organization

The group consists of 2 estates – Eastern Asphaltchem Sdn Bhd and Goodwill Plantation Sdn Bhd; both owned and managed by the same company. Mr. Kong Seng Lee as the Managing Director of the both estates also act as the group manager. The registered address is Suite LP 02 & 03 Menara TJB, Jalan Syed Mohamed Mufti, 80000 Johor Bahru, Johor. The estates are respectively located within Telupid and Lahad Datu district in Sabah.

MPOB Information:

Estate	Location	License No.	License Activity	Expiry Date
Eastern Asphaltchem Sdn Bhd	Telupid, Sabah	509039602000	Menjual dan mengalih FFB	31/10/2020
Goodwill Plantation Sdn Bhd	Lahad Datu, Sabah	503232902000	Menjual dan mengalih FFB	30/09/2020

1.2 Location and Area Statement

Estate	Location		Land Title Area	Planted Area
	Latitude	Longitude		
Eastern Asphaltchem Sdn Bhd	5.54162 N	117.32702 E	343.71 Ha	316.06 Ha
Goodwill Plantation Sdn Bhd	5.00956 N	118.80737 E	210.98 Ha	190.50 Ha

Refer to **5.0 Appendices** of the map of all the estates location on Google Map.

1.3 Supply Base

Eastern Asphaltchem Sdn Bhd Supplies their FFB to Tanah Emas Oil Palm Processing Sdn Bhd while Goodwill Plantation to a collection centre (ramp), Kemajuan Tanah Jujur Sdn Bhd.

1.4 Tonnage Certified (FFB)

Estate	FFB Production, Metric Tonne (MT)		
	Actual 2018	Actual 2019	Projected 2020
Eastern Asphaltchem Sdn Bhd	2010.44	2934.83 mt	4000.00 mt
Goodwill Plantation Sdn Bhd	3225.22	2827.67 mt	2500.00 mt

1.5 Other Sustainability (or ISO) Certification

Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd do not hold any other sustainability or ISO certification.

1.6 Organizational Information

The contact person for Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd is as follow:

Name : Mr. Kong Seng Lee
Address : Suite LP 02 & 03 Menara TJB,
Jalan Syed Mohamed Mufti,
80000 Johor Bahru, Johor
Phone No. : 019-777 4729
E-mail : ksl168@hotmail.com

2.0 Audit Process

2.1 Audit Objectives

The objectives of the audit are to verify the management system conforms with all the requirements of the MSPO standards and that the organization has effectively implemented the planned MSPO management system as well as to check if the management system can achieve the organization's policy objectives.

2.2 Audit Methodology

The MSPO initial certification audit was done in two stages – Stage 1 and Stage 2. For Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd, Stage 1 audit was conducted on 8 October 2019 in Johor Bahru and Stage 2 on 11 November 2019 for Eastern Asphaltchem Sdn Bhd in Telupid and on 12 November for Goodwill Plantation Sdn Bhd in Lahad Datu, both in Sabah. Stage 1 Audit was conducted mainly to review documents and to check area of concerns as to see how ready the mill is to go for Stage 2. During Stage 2 Audit, the audit team had visited all 4 estates to check facilities and structures available such as site office, workers' quarter and storage area. The team also did site inspections to see the operational site of the estate such as road maintenance, terracing on steep areas, cover crop maintenance, any natural stream or waterway, block maintenance (spraying, manuring and fronts stacking) as well as the estate boundary to verify the implementation of the MSPO (MS2530-3:2013) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders. Interviews were carried out with the team management, employees, contractors and other relevant stakeholders. Documents and records verification was also done to further support and validate findings from Stage 1 audit.

The methodology for collecting objective evidences are physical site inspection, observation of tasks and processes, interviews with management, employees and workers, consultations with contractors and stakeholders as well as documents review and data monitoring. The audit evidences obtained were based on samples of information available; thereby introduces the element of uncertainty.

2.3 Audit Team

Audit Member	Role/Area Covered	Education/Qualification/Works Experience
Edwell James Ghani	Lead Auditor Principle 4, 5 & 6 (Social, environmental aspects and best practices)	BEng (Hons) Chemical Engineering (UTP) major in HSE, qualified as RSPO auditor since 2017, certified as MSPO and OSH Management System ISO 45001:2018 lead auditor in 2019 (NIOSH Certification & CQI IRCA). Has 6 years of experience in oil palm industries focusing on RSPO certification.
Ahmad Kamal Shahabuddin	Auditor Principle 1, 2 & 3 (Management, transparency and legal requirement)	Diploma in Planting Industry Management from MARA Institute of Technology (UiTM). 32 years of working experiences with PORIM/MPOB and various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO and RSPO assessment since 2015. certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC.

2.4 Stakeholder Consultation

Stakeholder consultation was initiated with the announcement in the ECCO's website on 1 November 2019. This was then followed with sending letters to relevant stakeholders requesting for input (if any) regarding the company. There were no comments received during this process. Generally, no complaint or suggestion was received from all the parties that were interviewed and consulted. All feedbacks and comments received were positive.

2.5 Audit Plan

MSPO Initial Certification Audit	Year 2 Surveillance Audit	Year 3 Surveillance Audit	Year 4 Surveillance Audit	Year 5 Surveillance Audit
Stage 1 – 08/10/2019 Stage 2 – 11-12/11/2019	11/2020	11/2021	11/2022	11/2023

The actual date of the annual surveillance audit will be discussed and decided 3 months prior to the month of planned audit.

3.0 Summary of Audit Results**3.1 Non-Conformity Reports (NCR) Raised**

Details of collected evidences and findings of the audit are presented in a separate MSPO checklist. The result for each of the MSPO requirements (indicators) from all operational areas were evaluated to provide an assessment of conformity. A finding statement is made available for each indicator in order to support the assessment findings.

Major NCR(s)	0
Minor NCR(s)	1
Observation for Improvement (OFI)	1

- ☐ Minor NCR(s) - Corrective Action Plan has been accepted and reviewed. Verification of the corrective action plan implementation will be carried out in Year 2 Surveillance Audit.
- ☒ Major NCR(s) - Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The corrective action implemented reviewed to be satisfactory to close out the NCR(s).
- ☒ OFI(s) - Improvement done on the affected aspect will be verified in the Year 2 Surveillance Audit.

3.2 Audit Conclusion

The management system demonstrated conformity with the requirements of the MSPO (MS2530-3:2013) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders and has provided a satisfactorily sufficient structure to support implementation and maintenance of the management system. Therefore, Lead Auditor has recommended that MSPO Certification be granted to Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd.

4.0 Official Signoff of the Assessment Findings

On behalf of:
ECCO Certified Sdn Bhd



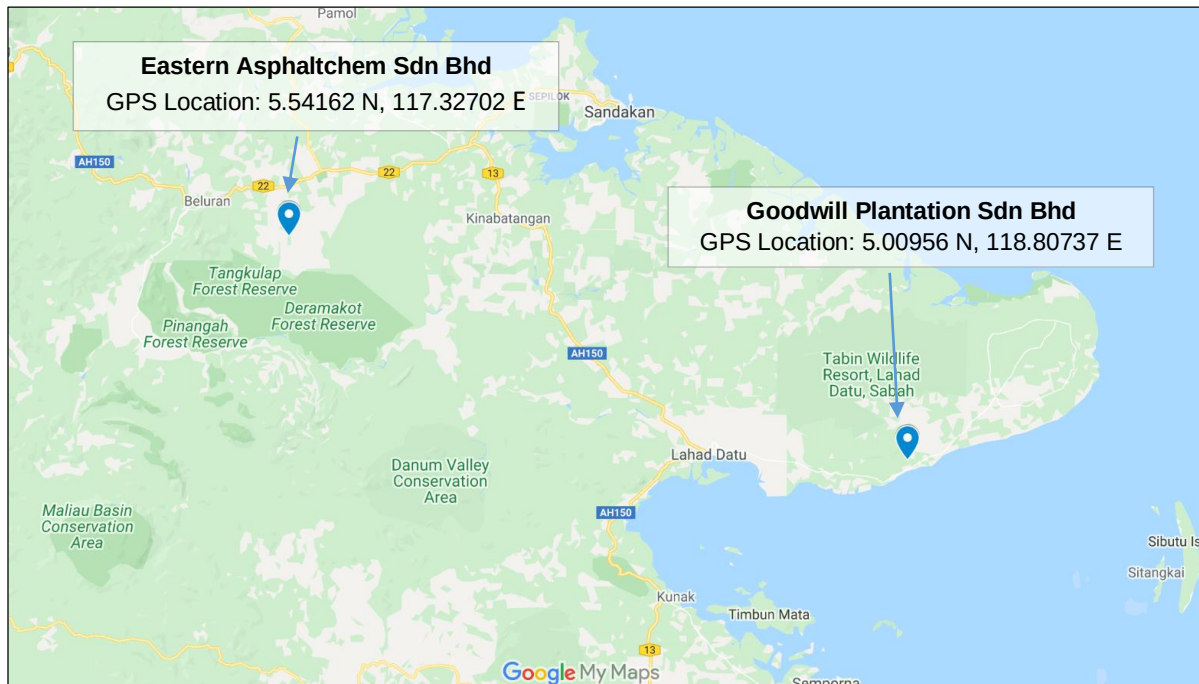
Name : Nur Izzaty Iqlima Norazman
Position : Programme Manager
Date :

On behalf of:
Eastern Asphaltchem Sdn Bhd & Goodwill Plantation Sdn Bhd

Name : Kong Seng Lee
Position : Managing Director
Date :

5.0 Appendices

5.1 Map of Location



Map 1: Location of Eastern Asphaltchem Sdn Bhd in Telupid and Goodwill Plantation Sdn Bhd in Lahad Datu, both in Sabah on Good Maps based on the estate's GPS points.