

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 1
Public Summary Report**

Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4
Client company Address: Batu 17, Jalan Mersing 86700 Kahang, Johor, Malaysia
Certification Unit: Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4
Location of Certification Unit: Batu 17, Jalan Mersing 86700 Kahang, Johor, Malaysia

Report prepared by:
Elzy Ovktafia (Lead Auditor)

Report Number: 9673475

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
Suite 29.01 Level 29 The Gardens North Tower,
Lingkar Syed Putra, Mid Valley City,
59200 Kuala Lumpur
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	As per Appendix C		
Company Name	Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4		
Address	Batu 17, Jalan Mersing 86700 Kahang, Johor, Malaysia		
Group name if applicable:	Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Eng Hwa Sai		
Website	-	E-mail	guanlengelh@hotmail.com
Telephone	07-766 6218	Facsimile	07-766 6218

1.2 Certification Information			
Certificate Number	MSPO 680619		
Issue Date	05/09/2018	Expiry date	04/09/2023
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Stage 1 Date	11 & 12/09/2017		
Stage 2 / Initial Assessment Visit Date (IAV)	10 & 11/01/2018		
Continuous Assessment Visit Date (CAV) 1	19-21/08/2019		
Continuous Assessment Visit Date (CAV) 2	-		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
N/A			

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1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4	Batu 17, Jalan Mersing, 86700, Kahang, Johor	103° 27' 50.71" E	2° 11' 53.08" N

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4	75.07	-	1,143.44	-	-

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected (Jan 2018 – Dec 2018)	Actual production (Jan 2019 - July 2019)	Projected production for next 12 months (Jan 2020 - Dec 2020)
Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4	25,000.00	8,881.40	35,000.00

Remark:

*Actual production is low because only from Jan 2019-July 2019.

** Next projected volume is higher due to additional of new members of smallholders.

1.6 Certified CPO / PK Tonnage			
Mill	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)
N/A	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	PK (KER: %)	PK (KER: %)	PK (KER: %)

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Eng Lee Heng Group Smallholder Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4	1,222.01	-	-	1,222.01	100%
TOTAL	1,222.01	-	-	1,222.01	100%

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance 1 Certification Assessment of Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4 located in Kahang, Johor comprising 220 smallholders.</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-2:2013 Malaysian Sustainable Palm Oil (MSPO) Part 2: General principles for Independent Small holders and MSPO Guidance.</p> <p>The onsite assessment was conducted on 19-21 August 2019.</p> <p>Based on the assessment result, Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4 complies with the MS 2530-2:2013 Malaysian Sustainable Palm Oil (MSPO) Part 2: General principles for Independent Small holders and MSPO Guidance and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
BSI Services Malaysia, Suite 29.01
Level 29 The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: +603-92129638 Fax: +603-92129639
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from **19-21 August 2019**. The audit programme is included as Appendix A. The approach to the audit was to treat the **independent smallholders groups** as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. **MS 2530-2:2013** were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B. All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

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This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified. This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

The following table would be used to identify the locations to be audited each year in the 5 year cycle.

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4	√	√	√	√	√

Tentative Date of Next Visit: August 3, 2020 - August 5, 2020

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Elzy Ovktafia - Lead Assessor

She graduated from Universiti Putra Malaysia in Diploma of Agriculture while Licentiate Diploma and Advanced Diploma from the Incorporated Society of Planters. She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO and MSPO for more than 3 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for MSPO, RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and Social Compliance Audit by Verite. Prior to that, she was the Agronomist in R&D Department for 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During assessment, she covers the legal issues, land use rights, stakeholder consultation, worker’s welfare and social issues.

Mahzan Bin Munap - Team member

He holds a MBA from Ohio University and B. Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil milling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. During this assessment, he covered Mill & Estate Best Practices, Legal, OSH, Workers Consultation & etc.

Valence Shem - Team member

He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been

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involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental & biodiversity, agriculture best practices and the supply chain element. Able to communicate in Bahasa Malaysia and English.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were **Three (3)** Major nonconformities raised. The **Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4** Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Based on the requirements, the organization has been suspended due to failure of addressing the Major NC within the specific timeframe. Taking into consideration that the Major NCs evidence submitted were sufficient to close on documentation review, audit team has reviewed all the evidence submitted on 22/11/2019 and the major NCs are satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Recommendation for lifting the suspension is made on 06/12/2019.

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1814688-201904-M1	4.3.1.1
Requirements:	Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Independent smallholder has yet to comply with the statutory and national regulations of Badan Kawalselia Air Johor (BAKAJ), Workers' Minimum Standards of Housing and Amenities Act 1990 and Employment Act 1955.	
Objective Evidence:	<p>1. During this ASA1, the BAKAJ permit is yet to be approved. From the last conversation with BAKAJ on March 2018, the application is still in process. There is no follow up on the status until 21/08/2019 and during the stakeholder interview through phone, it was confirmed that the officer in charge was not aware on the application.</p> <p>2. The water analysis has been conducted on 19 April 2018 by Allied Chemist and it resulted of Total Coliform Count (12) and e-Coli (1.1) which are above the permitted level. So far, there is no action taken by the management to ensure the</p>	

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	<p>water is suitable for consumption. This is not adhering with the WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990: (3) Where water supply is drawn from a source other than a public main the Director General may, for the purpose of ensuring that the water supply is suitable for consumption, cause the Medical Officer of Health to take samples of water supply for analysis and report, the costs of which shall borne by the employer.</p> <p>3. It was found out that below pay slips were not paid in double rate for working on Sunday:</p> <ul style="list-style-type: none"> a. Rudi Bin Manan: 03/03/2019, 10/03/2019, 24/03/2019 and 31/03/2019, 05/05/2019, 12/05/2019, 19/05/2019, 26/05/2019, 07/07/2019, 14/07/2019, 21/07/2019 and 28/07/2019. b. Kawit:: 31/03/2019, 24/03/2019, 12/05/2019 and 14/07/2019. c. Aris Arawatan: 31/03/2019 & 19/05/2019. <p>This is not complying with EMPLOYMENT ACT 1955: Work on rest day 60 1. (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</p>
<p>Corrections:</p>	<ul style="list-style-type: none"> 1. (1) Group Manager will apply back BAKAJ permit of using underground water for workers quarters that involve in Eng Lee Heng Group Smallholder. (2) Follow up will done by Group Manager to ensure application were submit to correct BAKAJ Officer in charge for District of Kluang. 2. (1) Group manager will ensure underground water that supply to workers that involve in maintaining smallholder land, will done water analysis by certified lab. (2) Group manager will get the advice from competent consultant or relevant authority's body in taking suitable action, if the result of chemical contains for water consumption are more than permitted level. 3. (1) Group manager will verify number of workers that involved working in public holiday. (2) Group manager prepared notification letter to the smallholder in understanding <i>EMPLOYMENT ACT 1955: Work on rest day 60 1. (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</i> An advice will be given for smallholder to pay the wages of workers is based on requirement.
<p>Root cause analysis:</p>	<ul style="list-style-type: none"> 1. Staff in charge for MSPO certification under group smallholder that are responsible for applying BAKAJ permit were on maternity leave during application process. There is no replacement during her maternity leave and nobody doing a follow up status with BAKAJ. 2. Lack of information were provided to the group manager on the basic need of water supply is suitable for workers consumption which need to follow WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990. 3. There is no information given and training provided in discussion about an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.

<p>Corrective Actions:</p>	<ol style="list-style-type: none"> 1. Group manager was appointed a staff in charge to control about any regulatory permit to avoid any permit were excluding to apply or renewal. And also the staff were responsible to make sure water consumption for worker quarters are done water analysis yearly. 2. Group manager will appoint competent consultant that can responsible in giving advice about usage of underground water based on water analysis result. Or group manager will get an advice from authority body to ensure water consumption are suitable to supply for workers daily use. 3. Group manager will ensure the smallholder that having workers or hire piece rate workers understanding and implementing the need of <i>EMPLOYMENT ACT 1955</i> and also reminder will be stated in the form "<i>SYARAT MENGUPAH PEKERJA DI KEBUN SAWIT</i>". (Appendix 07)
<p>Assessment Conclusion:</p>	<p>Audit team have reviewed the evidence submitted on 22/11/2019 and the major NC is satisfactorily closed on 06/12/2019 during the NCR Closure Visit. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> 1. New Application Form of BAKAJ permit of using underground water. 2. Allied Chemists Laboratory Sdn Bhd-Potable/drinking water sample for analysis report on 12/11/2019. 3. Official email on 22/11/2019 to officer in charge for State of Johor from Mineral and Geoscience Department Malaysia to request an advisory in correct practice in supplying water consumption under Eng Lee Heng Group. 4. Identification of 3 workers involved on working on public holiday (3 workers (Rudi, Kawit and Aris Arawatan). 5. Syarat Mengupah Di Kebun Sawit (Notification letter to smallholder) 6. Notification letter dated 02/09/2019 to all MSPO smallholders involved on the rate of working on public holiday for workers. 7. Appointment of Puan Siti Rohailah Manat on the MSPO Documentation Coordinator on 02/09/2019 by the Group Manager.

<p>Major Nonconformities:</p>		
<p>Ref</p>	<p>Area/Process</p>	<p>Clause</p>
<p><i>NC ID from eReport</i></p>	<p>1814688-201904-M2</p>	<p>4.5.4.1 Major (upgraded from previous minor NC [1578711-201801-N1])</p>
<p>Requirements:</p>	<p>Group managers should ensure that Independent smallholders can demonstrate that they understand the need to maintain the quality and availability of surface and ground water and steps are being taken for its implementation.</p>	
<p>Statement of Nonconformity:</p>	<p>Understanding the need to maintain the quality and availability of surface and ground water and steps was not effectively demonstrated.</p>	
<p>Objective Evidence:</p>	<p>The following evidence was not available:</p> <ul style="list-style-type: none"> • The identified smallholders who have Registered Rivers under DID crossing or immediately adjacent their land 	

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	<ul style="list-style-type: none"> Monitoring records that shows effectiveness of implementation in maintaining buffer zone area <p>Thus, the NCR is upgraded to Major.</p>
Corrections:	<ol style="list-style-type: none"> Group Manager and TUNAS officer will identify which is smallholder are planting oil palm nearby riparian buffer zone. Group manager will prepared notification letter to the smallholder which having oil palm field near to buffer zone area to maintain the buffer zone reserve area. Also in the notification letter, the smallholder will be provided with procedure to maintain buffer zone as stated "Manual Prosedur Kerja" produce by MPOB. Group manager and TUNAS officer will prepared checklist for using when doing annual field visit to make sure smallholder still maintain riparian buffer zone.
Root cause analysis:	<ol style="list-style-type: none"> Group manager did not aware in calculating number of field that planting oil palm near to buffer zone area for annually inspection either smallholder still maintaining buffer zone area in their field. Lack of knowledge of smallholders to clarifying and maintaining buffer zone area for gazette river under DID requirement.
Corrective Actions:	<ol style="list-style-type: none"> Group manager will scheduling field visit annually to smallholder field that planting oil palm near to buffer zone area and also a checklist will develop to use during field inspection. (Appendix 06) Refresher training and demonstration will done annually to refresh knowledge of smallholder in maintaining buffer zone area. The next refresher training will provide for next year, as a training was given for 2019 by related authority body on 17 April 2019.
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted on 22/11/2019 and the major NC is satisfactorily closed on 06/12/2019 during the NCR Closure Visit. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> Identification of 24 smallholders that having oil palm planting near to buffer zone area. Notification letter dated 02/09/2019 to all MSP0 participants on management on the riparian zone. Checklist: "SENARAI SEMAK LAWATAN KEBUN – KATEGORI ZON PENAMPAN SUNGAI". Tentative MSP0 Certification Programs at ENG LEE HENG GROUP SMALLHOLDER 2020.

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1814688-201904-M3	4.5.3.2

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Requirements:	Group managers shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.
Statement of Nonconformity:	Waste from smallholders was not disposed of appropriately.
Objective Evidence:	Based on interview with the smallholders (Lim Cheng Hai and A. Kanesan), the empty chemical containers were just left in the field to be rotten. They also have no knowledge about the process of triple rinsing.
Corrections:	<ol style="list-style-type: none"> 1. Group manager will prepared notification letter to all member participation in the MSPO group about group manager will provide centralized empty container store. Also in the notification letter, the attachment will be provide about triple rinsing procedure and procedure to dispose empty pesticide container. (Appendix 03) 2. Group manager will arrange collection of empty container for smallholder that having problem in storing empty container in their field.
Root cause analysis:	<ol style="list-style-type: none"> 1. Smallholder did not have proper place for dispose the empty container. 2. Smallholder did not have enough budget for sale / take the empty container to the registered disposal area.
Corrective Actions:	<ol style="list-style-type: none"> 1. Group manager will provide empty container store in their compound as a centralize place / platform for official collection from the registered collector. The record of receiving empty container were established and maintain by person in charge for MSPO. (Appendix 08) 2. Annual training will be arrange to the smallholder as a refresher training for given understanding of triple rinsing procedure, schedule waste procedure and the best practice of managing oil palm field. The next refresher training will provide for next year, as a training was given for 2019 by related authority body on 17 April 2019.
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted on 22/11/2019 and the major NC is satisfactorily closed on 06/12/2019 during the NCR Closure Visit. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> 1. Notification letter dated 02/09/2019 to all MSPO smallholders on collection centre for empty chemical containers. 2. Tentative MSPO Certification Programs at ENG LEE HENG GROUP SMALLHOLDER 2020.

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	-	
Requirements:		
Objective Evidence:		

Noteworthy Positive Comments	
1.	Commitment from the Group Manager and smallholders.

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-M1	4.5.3.2
Requirements:	Group managers shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.	
Statement of Nonconformity:	Waste from smallholdings was not disposed of appropriately.	
Objective Evidence:	<p>According to procedure for handling and disposal chemicals (SOP-02/BK/2016) clause 3.6, the chemical container shall be kept at the safe place before disposal.</p> <p>i) Observed at plot 1476 under Lee Yuen Koon, empty chemical container was seen at worker's line site and used as chair. Leftover of agrochemical and knapsack pump was also observed with other empty container e.g oil lubricant container etc.</p> <p>ii) Observed at plot 6773 under Eng Kion Sai, empty chemical container was found left at work site.</p> <p>Group manager has established management procedures as following:</p> <p>i) Prosedur Pengendalian dan Pelupusan Bahan Kimia; SOP-02/BK/2016; Eff. date: 1/4/2016; Rev. 0</p> <p>ii) Prosedur Pengendalian dan Pelupusan Bahan Buangan Terjadual; SOP-04/BT/2016; Eff. date: 1/4/2016; Rev. 0</p> <p>Based on the type and source of waste identified and procedures established, it was found that the Group Manager facilities of machinery workshop generated scheduled waste i.e. SW 305 & SW 306 categories. However no evidence that the scheduled waste was handled according to the procedure (SOP-04/BT/21016) and national legislation i.e. Environmental Quality (Scheduled Waste) Regulations 2005.</p>	
Corrections:	<p>Collection of empty pesticide container, empty lubricant oil and knapsack sprayer was done. Then, empty pesticide container was stored in the schedule waste store at the Group manager compound area.</p> <p>Refresher training on how to handle schedule waste was done by MPOB TUNAS Kluang Team involving workers and staff of Eng Lee Heng Trading.</p>	
Root cause analysis:	<ol style="list-style-type: none"> Lack of understanding between smallholders & workers about managing empty pesticide containers and oil lubricant container as the schedule waste in their field. Lack of understanding of group manager about on handling schedule waste in their compound area 	
Corrective Actions:	<ol style="list-style-type: none"> Group manager and TUNAS Officer Kluang will colaberated too done training on how to handle all schedule waste produce from field operation activity such as empty pesticide container and also TUNAS officer will give simple briefing and 	

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	<p>reminder when they doing GAP visit in Kelompok Eng Lee Heng area.</p> <p>2. Group manager will make sure collection of empty pesticide container after spraying activity will bring back to specific storage for empty container store when not in use or either will be stored in re-used empty pesticide container when need to use for spraying activity.</p>
Assessment Conclusion:	<p><u>Verification in this assessment:</u></p> <ol style="list-style-type: none"> 1. The workshop is located in the land that has been excluded from the certification scope. Hence, verification of the scheduled wastes handling at the workshop is no longer applicable. 2. Based on interview with the smallholders (Lim Cheng Hai and A. Kanesan), the empty chemical containers were just left in the field to be rotten. They also have no knowledge about the process of triple rinsing. Thus, the NCR was reissued.

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-M2	4.2.1.1
Requirements:	The group management shall commit itself to implement and maintain the requirements for traceability.	
Statement of Nonconformity:	The requirements for traceability was not effectively implemented and maintained by group management.	
Objective Evidence:	<p>Based on the sample smallholder file and "Buku Rekod Ladang";</p> <p>i) "Rekod hasil dan pendapatan dan perbelanjaan" has not been updated. Last updated was in July 2017.</p> <p>ii) Source of planting materials and - Receipt of seedlings purchased was not available in the personal file for replanting plot 6759 (Lee Yen Bin) and replanting plot 1642 (Wong Hin Man)</p>	
Corrections:	<ol style="list-style-type: none"> 1. A memo from group manager to inform smallholder for update "Buku Rekod Ladang" as at end of December 2017. 2. Record for seedling purchase have been request from Unit Khidmat Pengembangan MPOB, as the seedling was provide from Skim Tanam Semula Sawit Pekebun Kecil. 	
Root cause analysis:	<ol style="list-style-type: none"> 1. Misunderstanding of smallholder in estimate time to fulfill "Buku Rekod Ladang" that been provided from MPOB for collection data of every smallholder. 2. Misplaced for receipt of seedling purchase for new replanting area. 	
Corrective Actions:	Group manager will ensure the smallholder understanding on how important updating "Buku Rekod Ladang" in managing their oil palm field. Also MPOB TUNAS Officer will give reminder to smallholder in updating their field activity record in "Buku Rekod Ladang".	
Assessment Conclusion:	<p><u>Verification in this assessment:</u></p> <ol style="list-style-type: none"> a. The "Buku Rekod Ladang" were satisfactorily updated by the sampled group members 	

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	<p>b. The receipt for purchasing seedlings was also made available by the sampled smallholders, e.g. "Borang Akuan Jualan dan Penerimaan Bahan Tanaman Kelapa Sawit" no. AA415902 dated 9/7/2015 between Kulim Nursery Sdn Bhd and Boobalan a/l Elenkov.</p> <p>Thus, the Major NC remains closed.</p>
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Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-M3	4.4.2.1
Requirements:	Independent smallholders need not have a formal health and safety plan but shall ensure that all work practices are safe.	
Statement of Nonconformity:	Independent smallholders has not ensure that all work practices are safe.	
Objective Evidence:	Incomplete PPE worn by the harvester and manuring gang observed at plot 6773, (Eng Kion Sai)and not as per guideline under "Prosedur Kerja Selamat di Kebun"	
Corrections:	<ol style="list-style-type: none"> Workers will provide with proper PPE when done their work in the field. Training on safe working condition will provided to workers from MPOB TUNAS officer. 	
Root cause analysis:	1. Lack of knowledge and understanding of workers in promoting and implementing safe working conditions in the field when doing their jobs.	
Corrective Actions:	Group manager should ensure workers and smallholders that involved in using chemical spraying activity undergone proper training in implementing safe working conditions. Group manager will done inspection and monitor to ensure smallholders and workers always wearing suitable personal protective equipment when handling chemical	
Assessment Conclusion:	<p><u>Verification in this assessment:</u> Interviewed three smallholders who performed agrochemical spraying themselves on their land, Lot.2330, 6966 and 7043. Although no spraying activities were in action, they said when spraying pesticides, they spray follow downwind and don all PPE provided. This ensures prevention of exposure to pesticides poisoning by avoiding absorption of pesticide through the skin, eyes or through inhalation. If there is accidental contact with the pesticides during mixing or spraying, they said to wash with plenty of water. Majority of the SPOC members farmed out their activities for spraying, FFB harvesting / transporting and manuring to Eng Lee Heng Trading. Hence, Major NC remained closed.</p>	

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-M4	Clause 9 : Issuance of MSPO Logo Usage Licence by MPOCC
Requirements:		

Statement of Nonconformity:	Usage of MSPO logo was not conforming with the requirements of Issuance of MSPO Logo Usage Licence by MPOCC under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme dated 4 April 2017
Objective Evidence:	No official license obtained from MPOCC by Eng Lee Heng Group Smallholder. Noted the logo was printed on the t-shirt by auditee during assessment.
Corrections:	<ol style="list-style-type: none"> 1. Refer the agreement between MPOB and MPOCC dated 23/12/16 signed by Director General MPOB, MPOB no need apply approval from the scheme owner for using MSPO logo as a part of promotions. 2. Kelompok Eng Lee Heng are also involve in SPOC that are managed by MPOB. That means Kelompok Eng Lee Heng no need to apply approval from scheme owner to used MSPO Logo. *Sustainable Palm Oil Cluster – a group of organized smallholder that managed by MPOB TUNAS officer.
Root cause analysis:	MPOB Officer who are guiding Kelompok Eng Lee Heng misunderstanding information about usage of MSPO Logo.
Corrective Actions:	Not applicable. C is dropped and not valid based on the agreement dated 23/12/16 between MPOB and MPOCC.
Assessment Conclusion:	<u>Verification in this assessment:</u> NC remains invalid. No further verification is needed.

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-M5	4.3.1.1
Requirements:	Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Independent smallholder has yet to comply with the statutory and national regulations of BAKAJ and Workers' Minimum Standards of Housing and Amenities Act 1990.	
Objective Evidence:	Groundwater tube well was installed at Lot 2235 (Smallholder: Eng Hwa Sai) by JQ Drilling Well. Seen the tax invoice dated 16/5/2016. The abstracted water was supplied to the workers' linesite at Lot 2234 (Smallholder: Eng Hwa Sai) who work for the smallholders (harvesting, manuring and spraying). However, license to abstract underground water has yet to obtain from BAKAJ. In additional, the underground water has yet to send for analysis to confirm the suitability of consumption of water as per the Workers' Minimum Standards of Housing and Amenities Act 1990, Section 6, Subsection 3 "Where water supply is drawn from a source other than a public main the Director General may, for the purpose of ensuring that the water supply is suitable for consumption, cause the Medical Officer of Health to take samples of water supply for analysis and report, the costs of which shall be borne by the employer."	
Corrections:	1. Approval permit was applied to Badan Kawal Selia Air Johor (BAKAJ).	
Root cause analysis:	1. Lack of knowledge about approval permit from BAKAJ for using underground water for own used.	

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Corrective Actions:	Group manager will ensure to get legal permit from state authority for using natural water resources.
Assessment Conclusion:	<p><u>Verification in this assessment:</u></p> <p>As committed by the SPOC in the previous CAP, the BAKAJ Permit was not available. During this ASA1, the BAKAJ permit is yet to be approved. From the last conversation with BAKAJ on March 2018, the application is still in process. There is no follow up on the status until 21/08/2019 and during the stakeholder interview through phone, it was confirmed that the officer in charge was not aware on the application.</p> <p>The water analysis has been conducted on 19 April 2018 by Allied Chemist and it resulted of Total Coliform Count (12) and e-Coli (1.1) which are above the permitted level. So far, there is no action taken by the management to ensure the water is suitable for consumption. This is not adhering with the WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990: (3) Where water supply is drawn from a source other than a public main the Director General may, for the purpose of ensuring that the water supply is suitable for consumption, cause the Medical Officer of Health to take samples of water supply for analysis and report, the costs of which shall borne by the employer.</p> <p>Thus, the Major NC was raised again during ASA1 under the same clause.</p>

Minor Nonconformities:

Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1578711-201801-N1	4.5.4.1
Requirements:	Group managers should ensure that Independent smallholders can demonstrate that they understand the need to maintain the quality and availability of surface and ground water and steps are being taken for its implementation.	
Statement of Nonconformity:	Understanding the need to maintain the quality and availability of surface and ground water and steps was not effectively demonstrated.	
Objective Evidence:	Based on the visit at a sampled smallholder plot # 2473 located by the river i.e. Sungai Sembrong and interview with group manager as well as sampled smallholders, it was not demonstrated that they understand the need to maintain the quality and availability of surface and ground water therefore no steps are being taken for its implementation.	
Corrections:	<ol style="list-style-type: none"> 1. Identifying which smallholder having field near gazette river under DID for maintaining buffer zone area. 2. Boundary marking will be done to make sure smallholder understand limit of buffer zone area in their field. 3. Training will be provided to smallholder and workers involved in maintaining field near buffer zone area. 	
Root cause analysis:	Lack of knowledge of smallholders to clarifying and maintaining buffer zone area for gazette river under DID requirement.	
Corrective Actions:	<p>Group manager will identify which Plot of smallholder are near to Registered River under DID.</p> <p>Training of maintaining buffer zone will done periodically for improving understanding of smallholder.</p> <p>Monitoring also will done periodically for ensuring the effectiveness of implementation in maintaining buffer zone area.</p>	

Assessment Conclusion:	<p><u>Verification in this assessment:</u> As committed by the SPOC in the previous CAP, the following evidence was not available:</p> <ul style="list-style-type: none"> a. The identified smallholders who have Registered Rivers under DID crossing or immediately adjacent their land b. Monitoring records that shows effectiveness of implementation in maintaining buffer zone area <p>Thus, the Minor NC was escalated to Major NC during this ASA 1 Audit.</p>
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3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: <u>Smallholders representative</u> They have attended the training for MSPO and it's principle. The advisory visit also been provided by MPOB to them. Only some of them have field with elephant encroachment since the field location is in Kahang Mukim.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
2	<p>Issues: <u>PERHILITAN</u> They received call from the smallholders on the elephants encroachment but PERHILITAN only can help to get rid of the elephants because the cost to relocate the elephants were expensive. Other than that no comment or complaint</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: <u>DONLARK Trading Co.</u> So far, no payment issue and contract is available. The representative have attended the training provided.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: <u>Jabatan Tenaga Kerja Kluang</u> The officer shared that although the worker's for smallholders work on rest day, he/she will entitled with double pay as per Employment Act 1950.</p> <p>Management Responses: Noted on the information.</p>

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	<p>Audit Team Findings:</p> <p>NC was raised under 4.3.1.1 due to the double payment was not paid to workers work on his rest days.</p>
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3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1578711-201801-M1	Major	IAV - 4.5.3.2	Closed (Re-issued the NC)
1578711-201801-M2	Major	IAV - 4.2.1.1	Closed
1578711-201801-M3	Major	IAV - 4.4.2.1	Closed
1578711-201801-M4	Major	IAV - Clause 9 : Issuance of MSP0 Logo Usage Licence by MPOCC	NC is dropped and not valid based on the agreement dated 23/12/16 between MPOB and MPOCC.
1578711-201801-M5	Major	IAV - 4.3.1.1	Closed (Re-issued the NC)
1578711-201801-N1	Minor	IAV - 4.5.4.1	Open (Escalated to Major)
1814688-201904-M1	Major	ASA1 - 4.3.1.1	Closed
1814688-201904-M2	Major	ASA1 - 4.5.4.1 Major (upgraded from previous minor NC)	Closed
1814688-201904-M3	Major	ASA1 - 4.5.3.2	Closed

3.6 Summary of the findings by Principles and Criteria

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	There shall be a policy binding smallholders to MSPO. Applicable to independent smallholders under group management. - Major compliance -	MSPO Policy has been established and signed by the Group Manager Mr Eng Hwa Sai, Eng Lee Heng Trading effective 02 January 2019. The policy has explained the statement of commitment towards MSPO implementation and publicly published in the office notice board.	Yes
Criterion 4.1.2 – Continual Improvement			
4.1.2.1	The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder’s group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement. - Major compliance -	The Group Manager has revised the developed Social and Environmental Impact and Action Plan Doc. No. L-03/ISP/2016 effective date 1/4/2016 with an updated and renamed document “Senarai Impak Sosial, Persekitran dan Amalan Sosial” MSPO/SSCC/L-04/IS_ effective date 04/11/2018. Latest stakeholders meeting held for newly recruited SPOC members (smallholders) was on 17 April 2019. 89 participants attended out of 130 invited. This gathering included briefing on MSPO Implementation jointly conducted by ELH Group Manager and MPOB. Action plan that had been developed in 2018 following the first SPOC smallholders meeting held on 26/11/2017 were inputs to the 2019 stakeholders meeting. It comprised of eight (8)	Yes

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Criterion / Indicator		Assessment Findings	Compliance																				
		<p>environmental action plans and seven (7) social action plans and they had been told to follow the plans explained. Some of the action plans was continuous and some on-going. Among them were:</p> <table border="1"> <thead> <tr> <th>Activity</th> <th>Impact</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>Manuring and integrated planting</td> <td>Improved soil condition with application of especially organic matter fertilizers and plant integration.</td> <td>Continue practice</td> </tr> <tr> <td>Conservation of biodiversity area</td> <td>Create sustainable areas in infertile / marginal land while also being home to flora and fauna (creating ecosystems)</td> <td>Continue practice</td> </tr> <tr> <td>Opening up of new area / replanting via burning</td> <td>Air pollution</td> <td>Enforce zero open burning</td> </tr> <tr> <td>Discarding empty chemical containers</td> <td>Land pollution. Also water pollution if container is washed away to water course.</td> <td>Follow triple rinsing procedure and storage of chemical containers.</td> </tr> <tr> <td rowspan="2">Replanting, manuring, spraying and harvesting</td> <td>Provide employment opportunities to surrounding communities and indigenous people.</td> <td>Continue practice</td> </tr> <tr> <td>Establish a network of connection between hinterland and the outskirts</td> <td>Continue practice</td> </tr> </tbody> </table>	Activity	Impact	Action plan	Manuring and integrated planting	Improved soil condition with application of especially organic matter fertilizers and plant integration.	Continue practice	Conservation of biodiversity area	Create sustainable areas in infertile / marginal land while also being home to flora and fauna (creating ecosystems)	Continue practice	Opening up of new area / replanting via burning	Air pollution	Enforce zero open burning	Discarding empty chemical containers	Land pollution. Also water pollution if container is washed away to water course.	Follow triple rinsing procedure and storage of chemical containers.	Replanting, manuring, spraying and harvesting	Provide employment opportunities to surrounding communities and indigenous people.	Continue practice	Establish a network of connection between hinterland and the outskirts	Continue practice	
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	Establish a network of connection between hinterland and the outskirts	Continue practice																					

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Criterion / Indicator		Assessment Findings			Compliance
			of the farm, which can increase employment opportunities in the hinterland.		
		FFB Harvesting (delayed collection)	FFB theft problem	Report to Police / JKKK	
		Spraying and Manuring	Water pollution can occur as a result of the use of pesticides near waterways/buffer zones	GAP and advisory visits by TUNAS Officer	
		Incursion by Elephants to plantation	Damage to oil palm trees and unsafe situation to humans.	Report and complain to Wildlife Department	
4.1.2.2	<p>Group management shall establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the group members.</p> <p>- Major compliance -</p>	<p>The new technologies or information have been disseminated through training program, site visit and discussion. The record of the training has been organized from time to time. This include induction training on below subjects for new SPOC members held on 17 April 2019:</p> <ul style="list-style-type: none"> • Understanding the spirit of MSPO and MPOB MSPO Policy • Good Agriculture Practice and filling up of "<i>Buku Rekod Ladang</i>" • FFB Harvesting Quality • The need for Occupational Safety and Health Act 1994 • Wearing Personal Protective Equipment (PPE), Pesticides Mixing and Safe Spraying Method 			Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Demonstration of donning PPE, Pesticides Mixing and Safe Spraying Method Provision of PPE kit (N95 Face Mask, 3M Twin Cartridge Respirator, PVC Apron, Chemical Splash Goggles, Safety Helmet, Wellington Boot and Nitrile Rubber Glove) given Free of Charge to the newly joined members as introduction set. Internal Audit conducted by MPOB Internal MSPO auditors covering all MSPO P&C performed on 16-18 July 2019. 	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Traceability			
4.2.1.1	The group management shall commit itself to implement and maintain the requirements for traceability. - Major compliance -	The group members record their FFB delivery in "Buku Rekod Ladang", which has the information about harvesting date, quantity (mt) and price per mt. The Group Manager will cross check all of the data against FFB receipt issued by the collection centres or palm oil mill.	Yes
4.2.1.2	To keep records of sales and delivery or transportation of fresh fruit bunches. - Major compliance -	Records of sales and delivery of FFB are kept in the "Buku Rekod Ladang" and sales receipt are kept by the members themselves. Apart from that, the Group Manager whom is also the owner of Eng Lee Heng Trading Sdn Bhd collection centre can generate a summary of FFB received from their system for any period of time. The summary of FFB delivery is recorded in "Kelompok Eng Lee Heng Trading" which is updated monthly. The FFB from all the members are collected and transported by Eng Lee Heng itself	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		mainly using lorry. Weighbridge ticket is issued for each trip of FFB delivery, e.g. ticket no. 096478 dated 17/8/2019. The ticket has the information about name of members, driver’s name, lorry no., product (i.e. FFB), time in & out and weight of FFB delivered.	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Interview with the sampled smallholders found that they are aware of the compliance with all applicable laws such as MPOB license possession, purchasing of oil palm seedlings, open burning, toxic wastes management e.g. empty herbicides containers and hiring of foreign workers. Document review found all of the group members have obtained or in the process of obtaining the MPOB license. Based on samples checked, all the MPOB licenses were found to be valid at the point of visit.</p> <p>During this ASA1, the BAKAJ permit is yet to be approved. From the last conversation with BAKAJ on March 2018, the application is still in process. There is no follow up on the status until 21/08/2019 and during the stakeholder interview through phone, it was confirmed that the officer in charge was not aware on the application.</p> <p>The water analysis has been conducted on 19 April 2018 by Allied Chemist and it resulted of Total Coliform Count (12) and e-Coli (1.1) which are above the permitted level. So far, there is no action taken by the management to ensure the water is suitable for consumption. This is not adhering with the WORKERS’ MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990: (3) Where</p>	Major Non Conformity

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Criterion / Indicator		Assessment Findings	Compliance
		<p>water supply is drawn from a source other than a public main the Director General may, for the purpose of ensuring that the water supply is suitable for consumption, cause the Medical Officer of Health to take samples of water supply for analysis and report, the costs of which shall borne by the employer.</p> <p>It was found out that below pay slips were not paid in double rate for working on Sunday:</p> <p>a. Rudi Bin Manan: 03/03/2019, 10/03/2019, 24/03/2019 and 31/03/2019, 05/05/2019, 12/05/2019, 19/05/2019, 26/05/2019, 07/07/2019, 14/07/2019, 21/07/2019 and 28/07/2019.</p> <p>b. Kawit: 31/03/2019, 24/03/2019, 12/05/2019 and 14/07/2019.</p> <p>c. Aris Arawatan: 31/03/2019 & 19/05/2019.</p> <p>This is not complying with EMPLOYMENT ACT 1955: Work on rest day 60 1. (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>Independent smallholders shall demonstrate rights to their landholdings and there is no evidence of major land disputes.</p> <p>- Major compliance -</p>	<p>All the lands are registered under individual smallholders with legal land title sighted. Sampled of legal land title as below:</p> <p>i. Faizal bin Jala, 3.6 Ha date: 28.02.2019- Surat Akuan from Pejabat Kemajuan Orang Asli, PTD 4541 (JAKAO/KLG B1.95/006 JLD 6 (63))</p> <p>ii. Siri Binti Kassim, 2.40 Ha date: 28.02.2019 PTD 4541 PW 2144 (JAKOA/KLG B1.95/006 JLD 6 (66)).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>iii. R Manimaran A/L P Rengasamy, 4.0469 Ha for agriculture purpose, H.S.(M): 204, PHTK (D) 55/70 dated 25.08.1970.</p> <p>Total of 7 smallholders with total 20 lots of land titles were in the progress of changing the term of land from rubber/ cocoa/ farm plantation to oil palm plantation. Seen the Application Letter that signed by the smallholders as below:</p> <ol style="list-style-type: none"> 1. Eng Hwa Sai Resit No: B 0686813 dated 20/05/2019 from Pentadbiran Tanah Johor. 2. Eng Chin Pian Resit No: B 0686814 dated 20/05/2019 from Pentadbiran Tanah Johor. <p>This is also confirmed with the Land Registrar during the stakeholder consultation with Kluang Land Department on 19/08/2019.</p>	
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Independent smallholders shall demonstrate customary rights to their landholdings</p> <p>Note: Where recognized customary or legally owned land has been taken over and where there is documentary proof of a transfer of rights (e.g. sale) and of payment or provision of agreed compensation.</p> <p>- Major compliance -</p>	<p>There was no customary rights land for the smallholders under Eng Lee Heng Group Smallholder Certification. Verified MPOB license and land title as the legal document for the land ownership.</p>	Yes
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>There was no customary rights land for the smallholders under Eng Lee Heng Group Smallholder Certification. Verified MPOB license and land title as the legal document for the land ownership.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Complaints and grievances			
4.4.1.1	Independent smallholders shall be able to respond to complaints that are raised by their neighbours or other stakeholders. - Major compliance -	Complaint and Grievances procedure with Doc. No. MSPO/SSCC/SOP-01/AR dated 14/11/2018 has been developed and implemented for the smallholder members and neighboring stakeholders. Any complaints or grievances will be handled by Group Manager. Complaint flowchart specifically for smallholders was developed. Any complaints or grievances must be solved within 14 days from the date of complaint received. If could not be solved, it will be transferred to Extension Officer from MPOB to investigate and resolve.	Yes
4.4.1.2	The local system should be able to resolve disputes. - Minor compliance -	Complaint and Grievance Form (MSPO/SSCC/F-01/AR dated 10/07/2019 version 2) was implemented and distributed to each of the smallholder. The Extension Officer will site visit to all the farms 3 times per year to collect the form if any complaint or the smallholders will submit the form to the Group Manager. So far, there were 2 complaints or grievances received with regards of elephant encroachment and delay of herbicide spraying at Jala's farm. Interviewed with the smallholders and stakeholders confirmed that no complaint towards the Group Manager. All positive comments towards the Group Manager has been shared from the smallholders during the field visit and site interview. This year stakeholder meeting was conducted on 17/04/2019 with Wild Asia and MPOB at Dewan MPK Kahang. The previous stakeholder's meeting is with participation of smallholders and other stakeholders such as local communities,	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		school teacher, local authorities and neighbouring plantations. Seen the meeting minutes with total 24 participants. No issue was raised during the meeting.	
Criterion 4.4.2: Employees safety and health			
4.4.2.1	<p>Independent smallholders need not have a formal health and safety plan but shall ensure that all work practices are safe.</p> <p>- Major compliance -</p>	<p>SPOC has established <i>Garis Panduan Keselamatan Dan Kesehatan Pekerjaan</i>" (MSPO/SSCC/GP-02/KKP) dated 30 March 2018 in its "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC)". During the "Taklimat MSPO dan Perlesenan" on 17 April 2019 to new SPOC members at Kluang Community Hall, Kahang the Group Manager has invited DOSH Officer to speak and share Safety and Health Plan / Practice expected of workers to practice in the field.</p> <p>Existing members had been given training upon joining as members and also from time to time had been given awareness reminders on safe work practices, for example the need to wear PPE, by TUNAS Officer. They have been made aware of the OH&S consequences, whether actual or potential, of their work activities, their behavior and the benefits of following procedures and improved personal performance.</p> <p>Interviewed three smallholders who performed agrochemical spraying themselves on their land, Lot.2330, 6966 and 7043. Although no spraying activities were in action, they said when spraying pesticides, they spray follow downwind and don all PPE provided. This ensures prevention of exposure to pesticides poisoning by avoiding absorption of pesticide through the skin, eyes</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>or through inhalation. If there is accidental contact with the pesticides during mixing or spraying, they said to wash with plenty of water.</p> <p>Majority of the SPOC members farmed out their activities for spraying, FFB harvesting / transporting and manuring to Eng Lee Heng Trading.</p> <p>There also exist SOP for <i>"Pengendalian Dan Pelupusan Bahan Kimia"</i> (SOP-02/BK/2016) dated 30 March 2018 that have been implemented and the above three smallholders, as being told, followed it.</p>	
Criterion 4.4.3: Employment conditions			
4.4.3.1	<p>For independent smallholders with temporary workers, work conditions shall be in accordance with a mutual verbal agreement made transparently and freely.</p> <p>- Minor compliance -</p>	<p>The contractors supplied workers to the smallholders to carry out the activities such as harvesting, manuring, spraying and etc. They are considered casual/ temporary workers where they will rotate among the smallholders. Employment of contract is available and the contractor has briefed to the workers on the working condition, pay and etc. Seen the records of task accomplished by the workers for spraying, manuring and harvesting for each smallholder's lot and the payment was made by the smallholders to the workers through verbal agreed between them. In ELH, seen the sales invoice detail report for all the works for spraying and manuring by the workers.</p> <p>Sampled below employment contract for Guan Leng Trading (subsidiary company for Eng Lee Heng Trading):</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Arisarawatan-harvester, passport no: B2103761. 2. Kawit-harvester, passport no: B4075766. 3. Rudi Bin Manan-Sprayer, passport no: B2906469. 4. Oskabelahoya-Driver <p>Besides, interviewed with smallholders confirmed that they will discussed with the temporary workers prior to work on the term and condition. The workers will only proceed to work after mutually agreed on the terms and conditions. Some smallholders even carried out the task by themselves or family members.</p>	
4.4.3.2	<p>Independent smallholders & group managers shall provide equal opportunity and treatment regardless of race, gender, religion, political affiliation, nationality, social origin or other distinguishing characteristics and shall not engage in or support discriminatory practices in line with national aspiration.</p> <p>- Minor compliance -</p>	<p>The smallholders were recruited foreign workers to work in their plantations from contractors. They are not allowed to recruit children and young person to work in field, no discrimination is practice based on gender, race, nationality and etc. The pay and condition is verbally agreed between smallholders and the workers. Sighted the foreign workers recruited are with legal permit.</p> <p>Interviewed with the workers that confirmed no complaint from the workers regarding the opportunity and treatment regardless of race, gender, religion, political affiliation, nationality, social origin or other discrimination by neither the independent smallholder nor group manager.</p>	Yes
4.4.3.3	<p>Group managers for Independent smallholders shall ensure that worker's pay and conditions meet legal standards as per mutual agreements.</p> <p>- Major compliance -</p>	<p>The workers were recruited by contractors and supplied workers to the smallholders for work such as spraying, harvesting and manuring. The workers will be paid by the smallholders themselves according to the verbal agreed terms between them or through the payment to the Group Manager. Some of the smallholders have issued payment voucher to the workers and acknowledged by the workers upon received of payment. Interview with the workers</p>	Major Non Conformity

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Criterion / Indicator		Assessment Findings	Compliance
		<p>confirmed that the payment was made according to the agreed terms.</p> <p>Sampled below pay slip for Guan Leng Trading (subsidiary company for Eng Lee Heng Trading) for March, May and July 2019:</p> <ol style="list-style-type: none"> 1. Arisarawatan-harvester, passport no: B2103761. 2. Kawit-harvester, passport no: B4075766. 3. Rudi Bin Manan-Sprayer, passport no: B2906469. <p>However, it was found out that below pay slips were not paid in double rate for working on Sunday:</p> <ol style="list-style-type: none"> 1. Rudi Bin Manan: 03/03/2019, 10/03/2019, 24/03/2019 and 31/03/2019, 05/05/2019, 12/05/2019, 19/05/2019, 26/05/2019, 07/07/2019, 14/07/2019, 21/07/2019 and 28/07/2019. 2. Kawit:: 31/03/2019, 24/03/2019, 12/05/2019 and 14/07/2019. 3. Aris Arawatan: 31/03/2019 & 19/05/2019. <p>This is not complying with EMPLOYMENT ACT 1955: (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</p>	
4.4.3.4	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities, where available and practical.</p> <p>- Major compliance -</p>	<p>Housing was provided to the workers by the contractors. During the site visit, it was observed that free underground water and electricity from government was supplied to the workers.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance								
4.4.3.5	<p>Children and young persons are not to be employed or exploited. The minimum age and conditions of employment shall comply with local, state or national legislation. Work by children is acceptable on family farms, under adult supervision, and when it does not interfere with their education. Children are not to be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Young persons and children were not observed working in the plantations during the visit. Interviewed with the smallholders found they are aware of the importance of education and allow their children to attend school. They also aware that children and young shall not exposed to hazardous working conditions.</p>	Yes								
Criterion 4.4.4: Training and competency											
4.4.4.1	<p>Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.</p> <p>- Minor compliance -</p>	<p>114 newly enlisted independent smallholders have been invited to attend the MSPO Implementation Course jointly conducted by ELH Group Manager and MPOB on 17/4/2019. The programme conducted was as table below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Lecturer</th> </tr> </thead> <tbody> <tr> <td>Understanding MSPO MS2530-2:2013: General Principles for Independent Smallholders</td> <td>MPOB SCC Officer</td> </tr> <tr> <td>Good Agricultural Practice in Managing Oil Palm Field</td> <td>MPOB TUNAS Officer</td> </tr> <tr> <td>Environmental Control at Oil Palm Plantation <ul style="list-style-type: none"> • Scheduled Waste and Domestic Waste Management • Disposal of Empty pesticides container • Triple rinsing procedure • River buffer zone area • Open burning • Others relevant to Oil Palm Plantation </td> <td>DOE Officer</td> </tr> </tbody> </table>	Description	Lecturer	Understanding MSPO MS2530-2:2013: General Principles for Independent Smallholders	MPOB SCC Officer	Good Agricultural Practice in Managing Oil Palm Field	MPOB TUNAS Officer	Environmental Control at Oil Palm Plantation <ul style="list-style-type: none"> • Scheduled Waste and Domestic Waste Management • Disposal of Empty pesticides container • Triple rinsing procedure • River buffer zone area • Open burning • Others relevant to Oil Palm Plantation 	DOE Officer	Yes
Description	Lecturer										
Understanding MSPO MS2530-2:2013: General Principles for Independent Smallholders	MPOB SCC Officer										
Good Agricultural Practice in Managing Oil Palm Field	MPOB TUNAS Officer										
Environmental Control at Oil Palm Plantation <ul style="list-style-type: none"> • Scheduled Waste and Domestic Waste Management • Disposal of Empty pesticides container • Triple rinsing procedure • River buffer zone area • Open burning • Others relevant to Oil Palm Plantation 	DOE Officer										

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Criterion / Indicator		Assessment Findings		Compliance
		Occupational Safety and Health (OSH) <ul style="list-style-type: none"> • PPE Usage and Chemical Handling for Sprayer • OSH Aspects when working at Oil Palm Field • Demonstration on wearing PPE 	DOSH Officer	
		Rare, Threatened and Endangered Species <ul style="list-style-type: none"> • List of Protected and Unprotected animals in Peninsular Malaysia • List of animals that can be hunted with permits/approval, etc. 	Wildlife Officer	
		<p>The MPOB Group Manager together with the TUNAS Area Officer had conducted regular trainings for the smallholders. Smallholders' interview found that they always seek advice from Group Manager and MPOB officers to increase their competency in oil palm management. Sample of training record and site visit sighted. They include training on "<i>Program Pensijilan Minyak Sawit Mampan (MSPO)</i>" on 18 December 2018 on "<i>Ceramah Amalan Baik Pertanian (GAP)</i>" and '<i>Laporan Lawatan Khidmat Nasihat MPOB</i>'.</p>		
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	Independent smallholders are expected to be aware of the environmental impact but are not expected to undertake any formal impact assessment unless there is a legal requirement. - Minor compliance -	The awareness about environmental impact among the group members was created through various trainings and meetings mentioned in 4.4.4.1. Interview with sampled smallholders showed that the members have good awareness level about environmental impact.		Yes

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	The use of renewal energy should be applied where possible. - Minor compliance -	So far there was not many possible areas identified that the smallholders could use renewable energy. One that quite notable was solar panel was used by one of the visited smallholders for recharging battery to power the elephant electric fence.	Yes
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified by the group manager. - Major compliance -	Waste products and sources of pollution identified documented in the group procedure of Kelompok Minyak Sawit Mampan (SPOC) – Senarai Sisa Racun dan Domestik; Doc. # L-04/SRD/2016, dated 1/4/2016, rev. 0. The identified wastes and sources of pollutions are as follows: 1) Waste generated from agricultural input: i) Pesticide chemical (insecticide & herbicide) – empty chemical container, water residue from chemical mixing, contaminated soil with pesticide chemical and etc. ii) Fertilizer – empty fertilizer bag 2) Waste generated from non-agricultural input: i) Chemical spray pump – old/damaged spray pump ii) Agriculture machinery – used lubricants, battery, tyres etc. iii) Used PPE iv) Domestic waste	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.2	<p>Group managers shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.</p> <p>- Major compliance -</p>	<p>Group manager has established the management procedures as follows:</p> <ul style="list-style-type: none"> i) Prosedur Pengendalian dan Pelupusan Bahan Kimia; SOP-02/BK/2016, dated 1/4/2016, rev. 0 ii) Prosedur Pengendalian dan Pelupusan Bahan Buangan Terjadual; SOP-04/BT/2016, dated 1/4/2016, rev. 0. <p>However, it was found that the wastes from smallholders was not disposed of appropriately. Based on interview with the smallholders, some of them were saying that the empty chemical containers were just left in the field to be rotten. They also have no knowledge about the process of triple rinsing. Thus, a non-conformity report was assigned due to this lapse.</p>	Major non-conformity
Criterion 4.5.4: Natural water resources			
4.5.4.1	<p>Group managers should ensure that Independent smallholders can demonstrate that they understand the need to maintain the quality and availability of surface and ground water and steps are being taken for its implementation.</p> <p>- Minor compliance -</p>	<p>The needs to maintain the quality and availability of surface and ground water were explained by the Group Manager through various means such as meetings, trainings and site visit. Smallholders interviewed were in general able to explain the needs and steps were taken such as no blanket spraying, maintenance of riparian buffer zones (if any), etc.</p> <p>However, based on verification of previous NC, the following evidence was not available:</p> <ul style="list-style-type: none"> • The identified smallholders who have Registered Rivers under DID crossing or immediately adjacent their land 	Major non-conformity

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Monitoring records that shows effectiveness of implementation in maintaining buffer zone area <p>Thus, the previous Minor NCR [1578711-201801-N1] is upgraded to Major in this assessment.</p>	
4.5.4.2	<p>Water harvesting practices should be implemented.</p> <p>- Minor compliance -</p>	<p>Among the means of water harvesting by the smallholders observed were catch rainwater in the field by using culvert positioned vertically and preparation of silt pits.</p>	Yes
Criterion 4.5.5: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.5.1	<p>Group manager or relevant government agency should ensure that Independent smallholders are able to show a basic understanding of any species or habitats of concern, together with their conservation needs. Information on protected species and their habitat with high biodiversity value may be obtained from relevant government agencies, such as the Forestry Department, Forest Research Institute of Malaysia and the Wildlife Department.</p> <p>- Minor compliance -</p>	<p>Interview of smallholders found that they were able to show basic understanding of any species or habitats of concern, together with their conservation needs. The group manager has managed to conduct the awareness training on the conservation of flora and fauna through various training as mentioned in Indicator 4.4.4.1. A poster containing information about wildlife in Johor [<i>Senarai Hidupan Liar Di Negeri Johor</i>] published by Wildlife Department, were also distributed to all smallholders by Group Manager.</p>	Yes
Criterion 4.5.6: Zero burning practices			
4.5.6.1	<p>Independent smallholders shall not practice open burning during land preparation for oil palm cultivation or replanting, unless with the permission of relevant state authorities.</p> <p>- Major compliance -</p>	<p>Group manager together with MPOB officers (Pegawai Tunas Kawasan) conduct regular visit to the smallholder fields. Monitoring for any open burning activity is part of the visit objectives. During site visit at the sampled smallholders' plantation, there was no trace of open burning observed. The group members have also been</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		informed about the restriction of open burning for land preparation through various trainings as mentioned in Indicator 4.4.4.1.	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Group managers & relevant government agencies should encourage all independent smallholders' to implement best practices such as the MPOB Codes of Practice, Malaysian Standards and the Kod Amalan Baik (GAP) Pekebun Kecil.</p> <p>- Minor compliance -</p>	<p>The Group Manager and MPOB officers (Pegawai Tunas Kawasan) conduct regular inspection following the MPOB Good Agricultural Practice, to meet the requirements of MSPO-2013 Part 2 P&C: General Principles for smallholders. Trainings on best practices have been given to smallholders during "<i>Program Pensijilan Minyak Sawit Mampan (MSPO)</i>" on 18 December 2018 on "<i>Ceramah Amalan Baik Pertanian (GAP)</i>" by Pn. Zainab. The '<i>Laporan Lawatan Khidmat Nasihat</i>' MPOB showed that smallholders do seek guidance on best practice in field operations. Field visit found that sampled smallholders have implemented best practices such as frond stacking, fertilizing, road maintenance, water management, etc.</p> <p>Visited sample participants as below at field:</p> <ul style="list-style-type: none"> • Kok Hong Enterprise Sdn Bhd - PTD 2330, Mukim Kahang. Pesticides spraying undertaken by ownself. • Eng Hock Yeong – Lot 7043, Mukim Kahang. Pesticides spraying undertaken by ownself. • Ng Hor Seong – Lot 6766 Mukim Kluang. Pesticides spraying undertaken by ownself. • Lee Yin Bin – Lot 6759 – Mukim Kluang 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Wong Ah Ngah @ Wong Choon Kwai – Lot 7219 – Mukim Kluang Lau Boon Hui - Lot 6797, Mukim Kluang <p>Generally, majority of the field operations and upkeep are farmed out to Eng Lee Heng Trading. Noted, the above last three smallholders outsourced all work to Eng Lee Heng Trading.</p>	
4.6.1.2	<p>A visual identification or reference system shall be established for each field or block of oil palm planting by group manager (where practical).</p> <p>- Major compliance -</p>	<p>Reference system of the above participants' field block of oil palm planted noticed the individual land title detail on signage laminated paper showing owner's name, Lot no., hectarage, GPS Coordinate and year planted,</p> <p>At all the lots visited, no boundary stone was found but there was presence of boundary marker poles erected to demarcate the boundaries.</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>Group manager shall establish a documented business or management plan to demonstrate attention to economic and financial viability.</p> <p>- Major compliance -</p>	<p>Business plan is documented in "Pelan Daya Ekonomi dan Kewangan" [P-01/PDEK/2016, dated 1/5/2017, issue #1, rev. 0]. The plan has the detail information about the activities to be implemented in order to achieve business goals i.e. good yield. Among the things identified are:</p> <p>1) Good agricultural practice – e.g. farm preparation, fertiliser application, pruning, weeds management, harvesting, pest & disease control and soil conservation</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		2) Fertiliser application guideline – e.g. type of fertilisers, dosage and frequency 3) Weeding guideline – e.g. type of herbicides and dosage. The performance are monitored and recorded in the yield summary.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Independent smallholders are encouraged to communicate with and have consultations with dealers, millers, local communities and other affected or interested parties. - Minor compliance -	ELH as the dealer kept individual file for each smallholder participating the MSPO program. Relevant information including records of ownership, MPOB license and other communications including FFB purchase records were kept in file. Sampled FFB purchase invoice: P1905-0188 dated 30/06/2019 for smallholder (Lim Soon) MPOB license: 538454-015000 for supplying of FFB ticket no: 092949, 093544 and 094254. Group manager with the assistance of MPOB has negotiated FFB pricing with Mill for the smallholders FFB. Discussion on the agreed FFB price was sighted between both parties. For example, contract between Sindora POM and Eng Lee Heng Trading Sdn Bhd was made available. Refer to contract dated 15/11/16 which valid until 31/12/17. The new contract was signed on 4/1/18 and yet to finalize by the recipient mill. FFB price was based on daily price and monthly average and paid on monthly basis. It was displayed at ELH office. For 07 July 2019 the price is RM 17.16. Group manager keeps a copy of all the FFB sales records.	Yes
4.7 Principle 7: Development of new planting			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.1: Oil palm shall not be planted on land with a high biodiversity value			
4.7.1.1	Independent smallholders shall not plant oil palm on land with high biodiversity value as identified by local, state and national legislation. - Major compliance -	There's no new planting by independent smallholders within ELH group hence this indicator is not applicable.	N/A
Criterion 4.7.2: Soil Survey			
4.7.2.1	Independent smallholders should obtain information on soil types, topography and their suitability for oil palm plantings from the relevant government agency. New planting plans should be prepared in consultation with extension service officers. - Minor compliance -	There's no new planting by independent smallholders within ELH group hence this indicator is not applicable.	N/A
Criterion 4.7.3: Extensive planting on steep terrain, marginal and fragile soils			
4.7.3.1	Extensive planting on steep terrain, marginal and fragile soils, shall be avoided unless permitted by local legislation. Independent smallholders who establish new plantings on steep terrain, marginal and fragile soils, should adopt appropriate and viable conservation measures. - Major compliance -	There's no new planting by independent smallholders within ELH group hence this indicator is not applicable.	N/A

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4 Certification Unit complies with the MS 2530-2:2013 . It is recommended that the certification of Eng Lee Heng Group Smallholder-Sustainable Palm Oil Cluster (SPOC) J1, J2 & J4 Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Mohamad Hafiz Bin Abidin	Name: Elzy Ovktafia Chairul
Company name: MPOB	Company name: BSI Services Malaysia Sdn. Bhd.
Title: PIC MSPO Eng Lee Heng Group Smallholder	Title: Client Manager
Signature: 	Signature: 
Date: 16/12/2019	Date: 06/12/2019

Appendix A: Assessment Plan

Date	Time	Subjects	EO	VS	MM
18/08/2019 Sunday	PM	Audit Team travelling to Kluang Check in at Anika Hotel, Kluang	√	√	√
19/08/2019 Monday	0800-0830 0830-0900	Traveling to Eng Lee Heng Trading Office Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan 	√	√	√
	0900-1230	Document review: Land use type, customary right land, complaints and grievance, safe work practices, employment conditions, training and competency, environmental management plan, energy usage, waste management plan, natural water resources, bio-D and ERT awareness, zero burning, best practices, site management and development of new planting (if any).	√	√	√
	1230-1330	Lunch	√	√	√
	1330-1630	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & traceability requirements, FFB pricing, legal and other requirements, review on SEIA documents and records, wage records, complaint records, workers records, training records, permits, CIP, etc.	√	√	√
	1630-1700	Interim Closing briefing	√	√	√
20/08/2019 Tuesday	0900-1230	Field Inspection – Smallholder 1 to 8: Field visit, boundary inspection, fertilizer application, weeding, harvesting, workers interview, buffer zone, HCV area, office, workshop, worker housing, landfill, chemical store and mixing, etc.	√	√	√
	1030-1230	Stakeholder Consultation with government bodies, neighbor community, NGO, contractors, suppliers, vendors, etc.	√	-	-
	1230-1330	Lunch	√	√	√
	1330-1630	Continue Field Inspection – Smallholder 9 to 16: Field visit, boundary inspection, fertilizer application, weeding, harvesting, workers interview, buffer zone, HCV area, office, workshop, worker housing, landfill, chemical store and mixing, etc.	√	√	√
21/08/2019 Wednesday	0900-1230	Field Inspection – Smallholder 17 to 23: Field visit, boundary inspection, fertilizer application, weeding, harvesting, workers interview, buffer zone, HCV area, office, workshop, worker housing, landfill, chemical store and mixing, etc.	√	√	√
	1230-1330	Lunch	√	√	√
	1330-1630	Finalization of audit findings & preparation of closing meeting	√	√	√
	1630-1700	Closing meeting	√	√	√

Appendix B: List of Stakeholders Contacted

External Stakeholders	Internal Stakeholders
<ol style="list-style-type: none">1. Contractor/supplier (DOnlark Trading Co.)2. Jabatan Tenaga Kerja Kluang3. PERHILITAN Kluang	<ol style="list-style-type: none">1. Smallholders representatives2. Group Manager

Appendix C: Smallholder Member Details

No	Name of smallholder	MPOB licenses	Land Area (ha)
1	BOOBALAN A/L ELENKOV	489612-101000	3.29
2	CHONG KIM CHING	306400-301000	3.44
			1.33
3	CHONG MUI KEOW	770764-001008	3.21
			3.23
			3.25
			3.28
			3.30
4	CHONG YIEN LEE	782754-001008	3.05
5	CHONG YIEN CHIEN	782755-001008	4.27
			3.26
6	ENG HWA SAI	297058-801000	3.31
			3.07
			3.28
		429859-201000	3.33
			3.38
			3.24
460395-601000	3.2		
	2.94		
	2.94		
7	ENG POH BOON	782672-001008	3.19
			3.21
			3.32
			3.25
			3.37
8	ENG LIE SIANG	420241-201000	3.35
9	ENG LIE CHEN	762818-001008	3.86
			3.10
10	ENG HOCK KEONG	782756-001008	3.71
			3.24
			3.84
11	TIU PEI SHI	592278-201000	3.22
12	ENG CHIN PIAN	782757-001008	3.31
			3.27
			3.23
			3.25
			3.25
			3.21

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No	Name of smallholder	MPOB licenses	Land Area (ha)
13	FOONG LAI CHEE	315034-101000	3.44
14	GOH HOCK GUAN	506082-901000	3.21
15	KION SAI @ ENG KION SAI	782758-001008	3.35
			3.29
			3.45
			3.17
			3.38
			2.96
			3.84
3.68			
16	KOO CHEE KANG	526578-101000	3.15
17	KOO GHEE CHONG	526580-301000	3.32
18	KOO SOH BEE	526581-101000	3.35
19	KUEK SON KEYAU	301218-601000	3.45
20	KEMAJUAN TONG TOR SDN BHD	567672-201000	2.68
			2.23
			2.43
			1.98
21	LEE WHATT CHONG	782869-001008	3.50
			3.35
			3.33
			3.21
22	LEE CHOON BIN	782880-001008	3.21
			3.28
			2.02
			3.26
23	LEE YUEN KOON	782879-001008	3.24
			3.24
			3.27
			3.32
2.02			
24	LEE EE BIN	782881-001008	3.41
25	LEE NYUK CHIN	782882-001008	3.46
			3.29
26	LEE YEN BIN	783272-001008	3.29
			3.57
			3.43
			3.36
			3.34
3.26			

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No	Name of smallholder	MPOB licenses	Land Area (ha)
			3.34
27	LIM CHEW SWEE	783271-001008	3.44
			2.02
			2.16
			2.43
28	LEE TECK HEAN	297636-501000	3.37
			3.22
			3.24
			3.37
29	LEE TECK SING	769306-001008	3.37
			3.34
			3.20
			3.23
30	LEE TECK CHEE	440327-201000	3.81
		311392-601000	3.39
			3.39
			2.43
31	LIM CHING LAM	313402-801000	3.47
			1.36
32	LIM CHENG HAI	295403-501000	2.02
33	LIM POH	435142-601000	3.28
34	LAU AH HOCK @ LOW AH HOCK	297702-701000	3.54
35	LEE BENG LENG	435608-801000	3.20
			3.24
36	LAU SOON KIAT	312990-301000	3.26
37	LAU KOK SIONG	525345-701000	3.21
38	LOW EH CHEE	304655-201000	3.30
39	LOW LIM HENG	511758-801000	3.10
40	LEE LAM HUAT	322404-301000	2.53
41	NG HOR SEONG	493918-101000	3.18
			3.19
			3.03
			3.18
42	NG AH EE @ NG AH WEE	526582-001000	3.26
43	NG WAI TECK	489611-201000	3.17
44	NG WAI CHIN	310182-101000	3.33
45	NG YEOW CHAN	769309-001008	3.18
			3.17
46	NG THIAM HENG	304457-601000	3.46
47	ONG KWEE POH	491864-701000	3.42

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No	Name of smallholder	MPOB licenses	Land Area (ha)
48	PANG SIEN YENG	449605-001000	1.46
49	R.MANIMARAN A/L P RENGASAMY	534895-401000	4.05
50	RENGASAMY A/L PERIA GOUNDER	296301-801000	4.12
			3.80
51	SAM YAU LIN	549436-501000	3.32
52	SER HAI ENG	314402-301000	4.05
53	SARAVANAN A/L MAHARINGOKE	528914-101000	3.45
54	SELVARAJ A/L PALANIAPPAN	534907-101000	4.01
55	TAN CHIE LONG	782670-001008	3.64
56	TAN YANG TAI	773699-001008	3.24
			3.64
			3.35
			3.19
			3.26
57	TAN YOEK WAH	532264-501000	3.31
		288353-701000	3.24
58	TAN ENG KOK,TAN YANG TAI	773790-001008	3.83
			4.20
59	TEO SEW BEN	782668-001008	3.35
			3.23
60	TAN CHONG NGEE	487999-401000	3.36
61	TAN KENG HOI	309506-501000	2.33
			2.43
62	TEW SIN LEONG	511754-501000	3.22
63	TEO TIAM CHAI (TEO SU HUAT TEO SU MENG,TEO SU VI)	770718-001008	2.55
64	TAN ENG SENG	769308-001008	3.31
65	TAY SENG CHOY	306145-401000	3.26
			2.62
			3.25
66	TEE TOH	770697-001008	3.32
			3.41
			3.25
			3.21
67	TAN LAY CHIN	293297-001000	0.94
			3.38
			3.49
			3.39
68	TING KIM HONG	294881-701000	3.21
69	TAN KENG WAH	565832-501000	4.02

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No	Name of smallholder	MPOB licenses	Land Area (ha)
70	TAN CHEE WEE	782669-001008	3.35
71	TAN CHIN CHAI	770695-001008	3.04
			1.62
72	TAY LAI HONG	431231-501000	3.41
73	TAM JI YONG	773788-001008	3.60
			3.24
			3.25
			3.26
			3.24
			3.25
			3.25
74	TAM JI HOW	773787-001008	3.45
			3.28
			4.05
			3.24
			3.24
			3.24
			3.30
75	TAM HON KEONG	773786-001008	3.21
			3.31
			3.43
			3.24
			3.24
			3.19
			3.26
76	TAN GEK POH	440325-601000	3.27
			3.17
			3.25
77	WONG CHONG MAN	485448-701000	3.66
			3.24
			3.23
78	WONG HIN MAN	770689-001008	3.25
			3.45
			0.68
			3.26
79	WONG SEE YEE	782671-001008	3.26
			3.26
			3.44
			3.20

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No	Name of smallholder	MPOB licenses	Land Area (ha)
			2.02
80	LEE PEE	310211-801000	3.21
81	TAN POI HOK	297704-301000	3.22
		301082-501000	3.25
82	LEE KUAN LEA	311282-201000	3.24
			3.25
			1.33
83	KANESAN A/L T ARUMUGAM	296299-201000	3.98
84	R.SELVAM A/L RENGASAMY	534898-901000	3.93
85	MARIYAPPAN A/L KARUPPANNAN	576733-701000	4.24
			4.32
			4.71
86	MAHALINGAM A/L RAMASAMY	304299-901000	3.43
			3.29
			3.50
			3.49
87	LEE SONG SENG	295547-301000	3.33
88	LIM WEE CHONG	302031-601000	3.27
89	ENG LEK TING	782673-001008	1.22
			4.00
90	TEO PANG CHYE	770692-001008	3.50
			3.61
91	LIM KIM SUAN	304654-401000	3.09
92	ENG SWE	415418-301000	3.20
93	NG AH BAE	429177-601000	3.64
94	NG MOI WAH	429178-401000	4.04
95	LIM BOON HONG	307386-001000	3.25
96	LIM MON KOO	307384-301000	3.26
97	GAN TOW NGI	770694-001008	2.95
			3.25
98	LOO YEE GAN	289874-701000	3.24
99	LAW AI CHAK	420242-101000	3.30
100	PANG CHIN CHEW	417086-301000	3.31
101	TEE SYE LAM	571935-901000	3.12
102	TEE CHAI TIAN	297703-501000	3.23
			1.63
			1.70
103	LIM LEE KIAT	415419-101000	3.24
104	SOH KEE	770685-001008	3.39
			3.28

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No	Name of smallholder	MPOB licenses	Land Area (ha)
105	LIM SEE CHAN @ LIM EE	295822-701000	3.38
106	WONG AH NGAH @ WONG CHOON KWAI	289869-101000	2.02
			2.02
			2.02
			2.02
107	LIM SOON	310225-801000	3.17
108	TEE KIM CHAI	304458-401000	3.31
109	YIT KIM HOW	296715-301000	2.11
			1.02
110	GOH CHIN HUNG	770683-001008	3.31
			4.32
111	GOH KIM SWEE	770729-001008	3.32
112	WOH PEI SU	461832-501000	3.24
113	WOH KIAN SENG / TANG AH MOI	313522-901000	3.24
114	LAU YI FONG	768305-001008	3.33
115	LAI LEE HUA	304784-201000	3.32
116	ENG HOCK YEONG	770719-001008	3.30
117	TEY LEE HUA	516084-001000	2.97
118	LIM TIAM HING	770717-001008	3.16
119	TEE BEE CHENG	579730-901000	3.31
120	TEO JIN HUAT	744575-001008	3.18
			3.27
121	LAU BENG TECK@LAU SWEE TECK	770726-001008	2.97
122	THO LEONG TAY@HO CHIN	770733-001008	4.86
123	LAU WEE KING	289024-001000	3.24
124	ANG KIAN ONG	401449-701000	3.64
125	TAN YOKE SUAT	307036-401000	2.49
126	ANG SENG KEE	414000-001000	3.39
127	LEE HWI LAN@LEE KIM ENG	296271-201000	3.14
128	ENG CHIN HUA @ ONG CHIN HUA	770862-001008	1.82
129	NG KONG WEE	429180-601000	3.28
130	CHONG FATT HING	315690-10100	4.05
131	LEE CHEE HAI	773852-001008	3.02
		773852-001008	3.13
132	GAN SIOK	770735-001008	3.08
133	TOO KIAN SENG	464506-301000	3.23
134	LAU KENG GUAN	770690-001008	3.28
			3.34
135	CHAN KOK HONG , CHAN KOK MENG	455953-101000	3.84
			3.24

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No	Name of smallholder	MPOB licenses	Land Area (ha)
136	CHAN KOK HONG	505514-101000	3.21
137	CHAN KOK MENG	505513-201000	3.21
138	NG PECK CHIN	755716-001008	3.17
139	TAY LAY PENG	770725-001008	3.24
140	GOH JAW SHENG	770728-001008	3.13
141	ENG LAY CHUAN	579152-101000	3.27
142	TEE BEE TENG	579729-501000	3.14
143	LIM LAY HOOI	770649-001008	3.24
144	LAU KOK GUAN	744574-001008	3.19
145	CHEE SOH LIAN	306258-201000	3.30
146	WONG YOK TONG	770648-001008	2.03
147	WONG YOK CHOR	434977-401000	2.02
148	WONG YOK FEI	434978-201000	2.02
149	ER KANG TEE	414001-801000	3.12
150	EA SYO FO@ER SYO FO	304318-901000	3.22
151	TAN IAN THIEN	314716-201000	1.62
152	TAN YAN CHONG	293113-201000	1.62
153	TAN YAN LAM	314718-901000	2.26
154	LEE AH SING	538785-201000	3.24
			3.27
155	NG YEW HING	770691-001008	3.31
			3.22
			3.31
156	LII SING MOY	464505-501000	3.2
157	HONG YET SIN	770696-001008	3.26
			0.86
			0.86
158	KOO WHAT KIM	770736-001008	2.55
159	CHUAN TECK LONG / CHOO FONG LIN	311261-001000	3.35
160	TIEW WATT YEN	770698-001008	1.99
			2.61
161	TEE PENG BOON	770688-001008	4.03
			3.02
162	CHAN BON SIN / TAN CHEW	488000-301000	1.43
			1.38
163	GOH JAW SHENG / CHEW CHOO TIN	493919-901000	4.45
164	CHUAN SOH CHOO	770880-001008	4.47
165	KOK HONG ENGINEERING SDN BHD	455954-001000	3.24
			3.24
			3.24

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No	Name of smallholder	MPOB licenses	Land Area (ha)
			3.24
166	SOO ENG SOY	770684-001008	4.06
167	TAN CHEE HWAT	568606-001000	3.2
168	KOH LAI SENG / NGU HONG HONG	429179-201000	4.05
169	BOO KIM LEONG	770682-001008	3.49
170	NG HING CHOO	770693-001008	2.18
171	CHUAN TECK YONG / CHUAN TECK MING	322111-701000	3.9
172	CHUAN HOI HU	770687-001008	4.21
173	CHAN SIN MIN	461537-701000	3.54
174	TAN CHEW	294457-901000	3.02
175	LEE YOK ENG	770722-001008	0.51
176	TAN CHIN HONG,TAN KENG CHEONG,TAN KENG HOI	770721-001008	4.09
	TAN KENG LIM,TAN KENG POH,TAN KENG WAH		
	TAN PIAT NGOH,NG ENG HONG		
177	LEE ANN TONG	770720-001008	2.24
178	LIM SIOK WAN	301275-501000	3.48
179	TEE JIN GEE / LIM TIOW JUAT	289842-901000	4.49
180	LIM TIOW JUAT	289840-201000	4.05
			4.05
			4.05
			4.46
181	TEE JIN GEE	770732-001008	4.3
			4.07
182	TEE JIN GEE ENTERPRISE SDN BHD	308343-101000	5.03
			2.25
			4.79
			5.06
			3.95
183	LEE PAK SENG	756809-001008	1.47
			3.27
			1.71
184	CHEW TEE CHONG KUN	296270-401000	3.32
185	NG KONG BENG	541110-901000	3.38
186	TAN AKAU @ TAN POEY SIN	292396-201000	3.55
187	TAN SAY WAH	512459-201000	3.18
188	LEE HONG YONG / LEE HONG TIONG	769305-001008	3.14
189	FAIZAL BIN JALA	573194-401000	3.6
190	NAZARI BIN JELANI	573197-901000	2.6

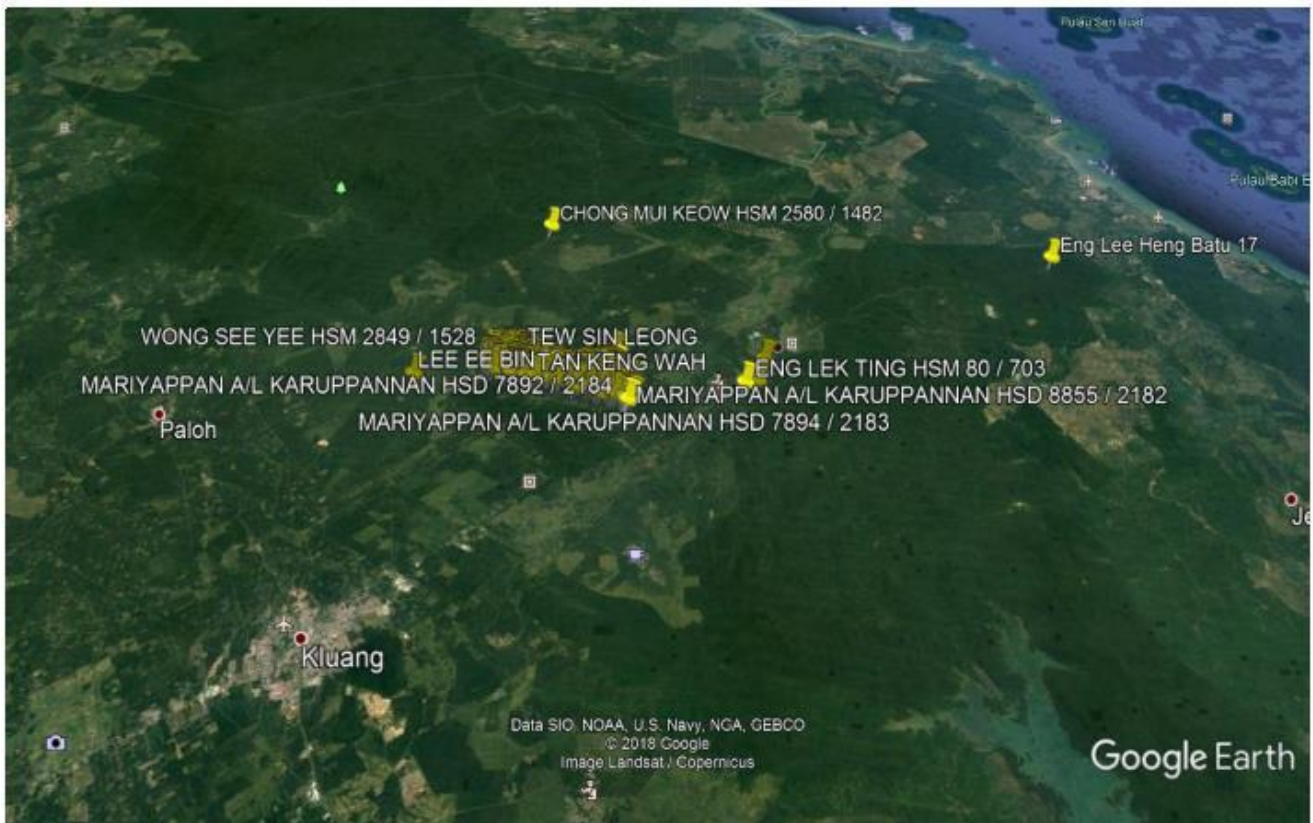
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No	Name of smallholder	MPOB licenses	Land Area (ha)
191	DALI BIN LUEL	573202-901000	1.6
192	ALIN BIN APIN	573196-101000	2
193	SIRI BINTI KASSIM	573193-601000	2.4
194	RAMLI BIN YUSOF	573198-701000	3.04
195	LEKEH BIN KADIR	573206-101000	1.2
196	MAN BIN SAHDIN	573207-001000	2.4
197	SOLOL BIN RAYA	573195-201000	0.8
198	EYU KIM SUA	486679-501000	3.4
199	TEE HENG TIONG,WANG LIAN HUA, TEE CHIN CHAI	452424-001000	4.48
200	TAN MOO NYA (NGA)	290672-301000	4.00
201	TAN EOA	290564-601000	4.04
202	TAN TONG HIAP	292594-901000	3.15
		454004-101000	4.01
		292594-901000	1.62
		292594-901000	1.62
203	TAN TING TING	448354-301000	0.41
204	YEW KIM ENG	307339-801000	3.44
205	TAN BEE BEE	312626-201000	0.81
206	TAN PIK CHING	509052-301000	3.45
207	LIM AH CHAI @ LIM AH HEOW,TAN PAK SENG	770723-001008	3.97
208	LIM AH CHAI @ LIM AH HEOW,TAN GEN TAN YONG HEE	555594-101000	4.17
209	TAN TONG TIAN	770734-001008	0.81
			1.66
			1.76
210	TAN TONG TAP	297817-101000	1.62
			1.62
			1.62
211	TAN PAK SENG,TAN PEK NG	770727-001008	1.62
212	NG PEE HWA	307224-301000	3.3
	GOH JUN TWAI	485446-101000	3.24
213	THO LAY KIM / THO LIAN HOI	770724-001008	0.87
214	CHAN LEE HOK / CHEE TOH YEE / TAN CHEW	782868-001008	5.93
215	LEE KIM LAI	582158-701000	3.42
216	LAU BOON HUI	582159-501000	3.23
217	MOK AH FONG	306146-201000	3.25
218	TAY HAN SIANG	770834-001008	3.13

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No	Name of smallholder	MPOB licenses	Land Area (ha)
219	CHUAN TECK LONG	770730-001008	3.97
220	LEE YAN LING	770686-001008	3.19
			3.27
TOTAL			1,222.01

Appendix F: Location and Field Map



Appendix G: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure