

TRANS CERTIFICATION & INSPECTION SDN. BHD.



Contacts

09-5751333 / 0139108724

Address

B30, Level 1, Jalan IM 2/5, Bandar Indera
Mahkota, 25200 Kuantan, Pahang

PUBLIC SUMMARY REPORT

MS 2530-3:2013

Malaysia Sustainable Palm Oil (MSPO)

**Part 3: General Principal for Oil Palm Plantations and
Organised Smallholders**

**NAME OF CLIENT: KHL PLANTATION SDN BHD & NATURAL
DESA SDN BHD**

STANDARD: MS 2530-3:2013

RECERTIFICATION ASSESSMENT

DATE: 21 – 22 NOVEMBER 2024

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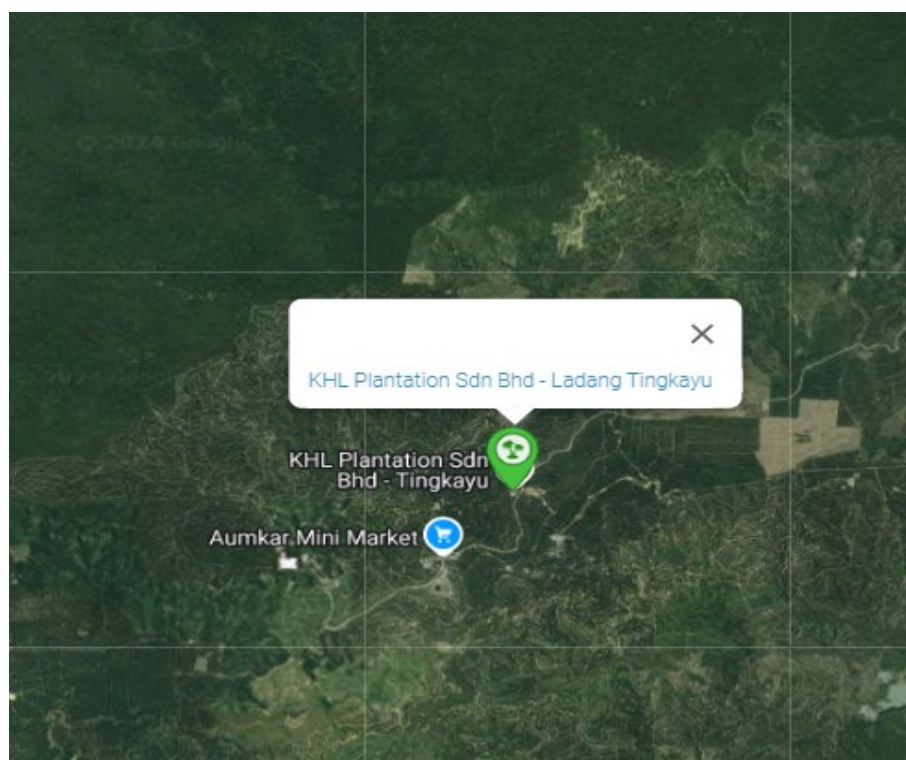
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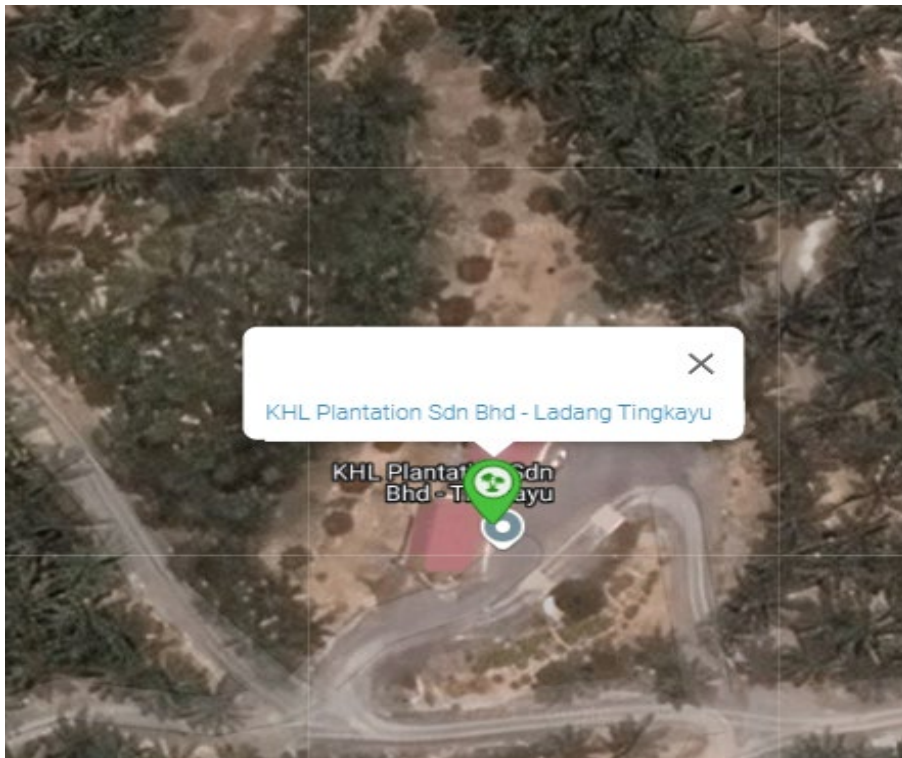
1. DETAIL OF CERTIFICATION ASSESSMENT

Type of Certification Assessment	Recertification Assessment (Stage 2)
Audit Objectives	<ol style="list-style-type: none"> 1. Determination of the non-conformity of the client's management system, or parts of it, with audit criteria 2. Determination of the ability of the management system to ensure client meets applicable statutory, regulatory and contractual agreement 3. Determination of the effectiveness of the management system to ensure client can reasonably expect to achieve it specific objective 4. Identification of area for improvement of the management system, as if applicable
Scope of MSPO Certification	Oil Palm Plantations and Organised Smallholders
MSPO Criteria and Standards used for the Assessment	MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organised Smallholders

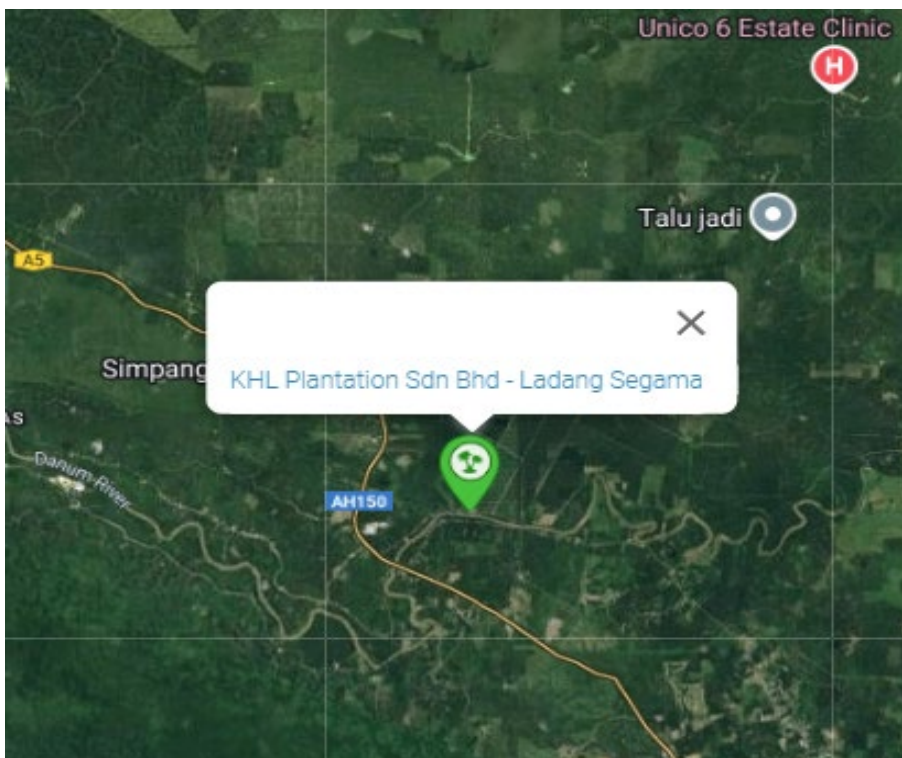
Map with geographical coordinate

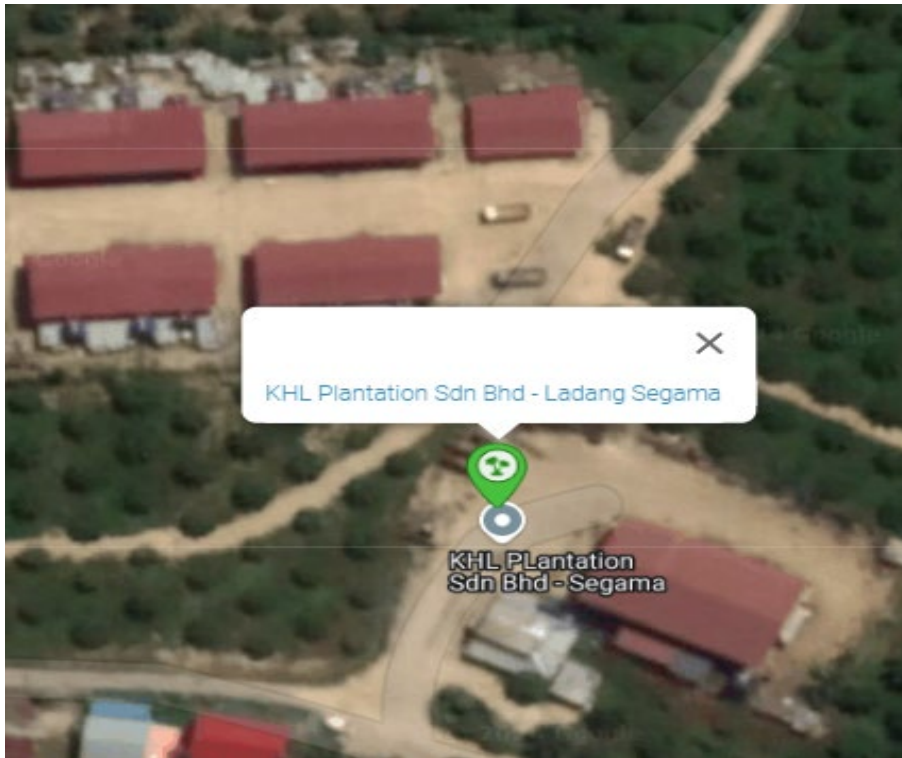
KHL Plantation Sdn Bhd – Ladang Tingkayu



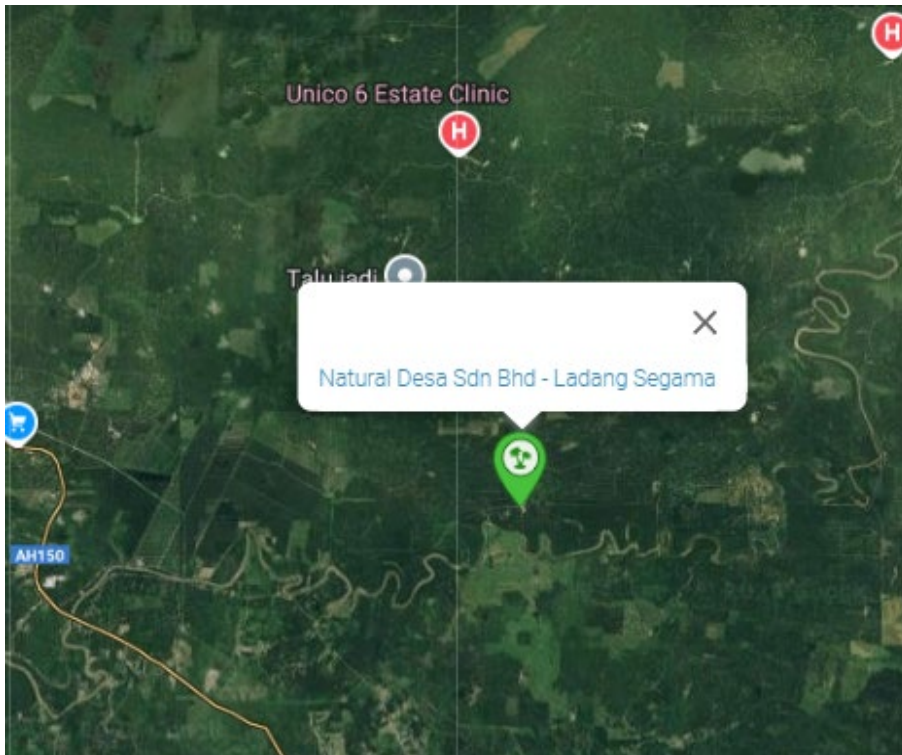


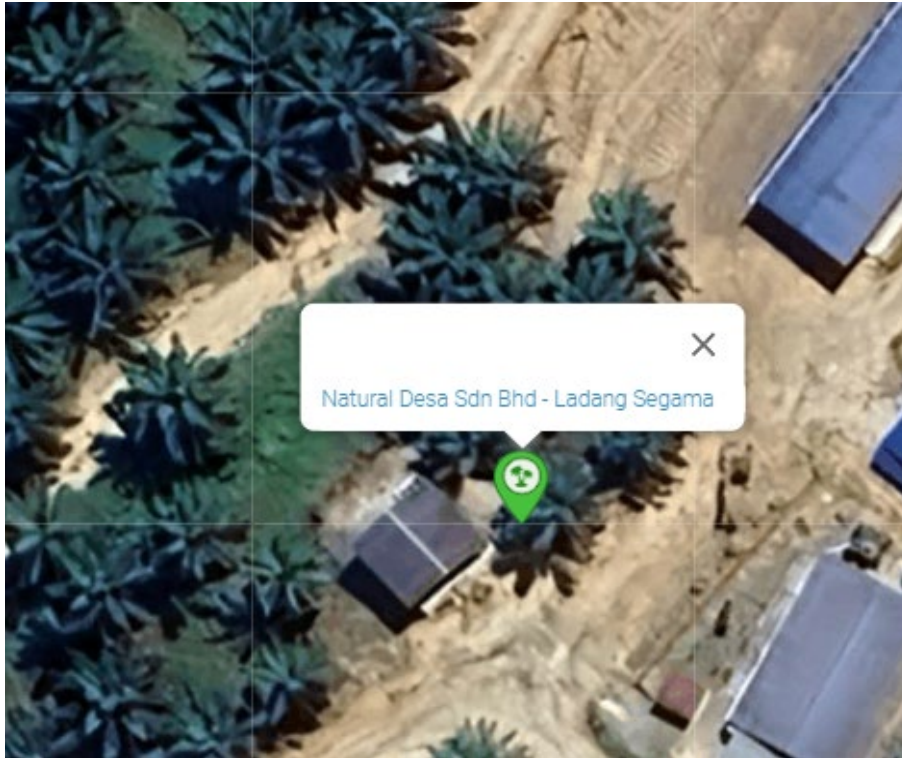
KHL Plantation Sdn Bhd – Ladang Segama





Natural Desa Sdn Bhd – Ladang Segama





2. DETAILS OF THE CERTIFIED ENTITY

Name of Certified Entity		KHL PLANTATION SDN BHD / NATURAL DESA SDN BHD		
Main Address		Lot 6093, Jalan Haji Abdul Manan, Batu 51/2, Off Jalan Meru, 41050 Klang, Selangor.		
Management and contact person's details	Name:	Mr. Eddie		
	Phone Number:	-		
	Fax Number:	-		
	Email Address:	-		
MPOB License	MPOB License's No.: Expiry date:	KHL Plantation Sdn Bhd - Ladang Segama - Ladang Tingkayu	503284102000	31.01.2025
	MPOB License's No.: Expiry date:	Natural Desa Sdn Bhd - Ladang Segama	526996002000	28.02.2025
Estimated Tonnages of Annual FFB Production		-		
Scope of Activity		Production of Sustainable Fresh Fruit Bunch (FFB)		
Date of certificate issued and validity		31 st December 2024 until 30 th December 2029		
Other sustainability certifications		N/A		

Certified Area		
Estates	Total Planted Area (Ha)	Total Area (Ha)
KHL Plantation Sdn Bhd - Ladang Tingkayu	941.052	1165.985
KHL Plantation Sdn Bhd - Ladang Segama	459.90	477.415
Natural Desa Sdn Bhd - Ladang Segama	1187.907	1260.768

3. ASSESSMENT PROCESS

3.1 Certification Bodies

No	Audit Team Members	Role & Principles Audited	Qualifications
1	HENDRICKS RICHARDS [HR]	Lead Auditor Principle: P4	Graduated in Bachelor of Science with honours in Biotechnology at University Malaysia Sabah. Has 9 years of working experiences in Plantation Management. Completed in MSPO 2530:2013 Auditors Training Course, Environment Management System ISO 14001:2015 Lead Auditor Course, Quality Management System ISO 9001:2015 Lead Auditor Training, SCCS Auditor Course 2019 & etc. Able to speak and understand In Bahasa Malaysia and English.
2	MOHD FIKHRI HAIZUM BIN ISAMUDDIN [MFH]	Lead Auditor in Training Principle: P5	Graduate in Executive Bachelor In Plantation Management At Asia eUniversity and Diploma Mechanical Engineering (Agricultural) Politeknik Kota Bharu. Has 15 years of working experience in Plantation Management. Completed in MSPO 2530:2022 Lead Auditors Course, ISO 9001:2015 Lead Auditor Training Quality Management System (QMS) and Integrated Management system (IMS) Lead Auditor Training. Able to speak and understand in Bahasa Malaysia and English.
3	MOHD JOHARI BIN MD KASSIM [MJK]	Auditor Principle: P1 & P3	Graduated qualification in Biology with 12 years working experience in palm oil and sales industry. Involved in MSPO auditing since Oct 2017. Fully trained in similar agri-culture certification programmes such as RSPO SCCS,

			ISCC, INS. Member of TCI audit team since 2017. Involved in audits conducted in Malaysia, Completed ISO 9001:2015 lead auditor course in January 2016
4	MOHD RIZAL BIN MD KASSIM [MRK]	Auditor Principle: P2 & P6	Graduated in Forestry with 5 years working experience in manufacturing and forestry. Involved in RSPO auditing since July 2012. Fully trained in similar agriculture certification programmes such as RSPO SCCS, ISCC, INS. Member of GGC audit team. Involved in audits conducted in Malaysia, Indonesia and Ghana. Completed ISO 9001:2008 lead auditor course in January 2013. Qualified as Lead Audi-tor/Auditor in several certification programme such as RSPO, ISCC, MSPO and etc. Able to speak and understand Bahasa Malaysia and English.

3.2 Audit Plan

Audit Agenda

DATE	TIME	SUBJECT	AUDITOR
21 st November 2024 (Thursday)	09:00-09:30	Centralize Opening Meetings at KHL Plantation Sdn Bhd: <ul style="list-style-type: none"> Presentation by the manager/coordinator Presentation by Lead auditor <p>➤ Confirmation of assessment scope and finalize Audit Plan (stakeholder consultations is held along the audit progress)</p>	ALL
	09:30-12:00	KHL Plantation Sdn Bhd - Ladang Segama: <p>➤ Field inspection:</p> <p>Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store and pre-mixing, etc.</p> <p>➤ Non-conformity Verification for Previous year Audit</p> <p>➤ Verify any outstanding issues, auditor discussion</p>	MRK/HR/MFH/MJK
	12:00-13:00	KHL Plantation Sdn Bhd - Ladang Segama: <p>➤ Document Audit:</p> <ul style="list-style-type: none"> Documents review P1 – P3 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement. 	P1: MJK P2: MRK P3: MJK
	13:00-14:00	Lunch	ALL
	14:00-16:30	KHL Plantation Sdn Bhd - Ladang Segama: <p>➤ Document Audit:</p> <ul style="list-style-type: none"> Documents review P4 – P6 (part 3), P4: Social Responsibility, Health, Safety and Employment Conditions P5: Environment, Natural Resources, Biodiversity and Ecosystem Service, P6: Best Practices 	P4: HR P5: MFH P6: MRK

	16:30-17:30	<p>Interim Closing Meeting at KHL Plantation Sdn Bhd - Ladang</p> <p>Segama:</p> <ul style="list-style-type: none"> ➤ Chaired by the Leas Auditor <ul style="list-style-type: none"> • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answer <p>End of Day 1.</p>	ALL
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DATE	TIME	SUBJECT	AUDITOR
22 nd November 2024 (Friday)	09:00-09:30	Interim Opening Meetings at Natural Desa Sdn Bhd: <ul style="list-style-type: none"> Presentation by the manager/coordinator Presentation by Lead auditor <p>➤ Confirmation of assessment scope and finalize Audit Plan (stakeholder consultations is held along the audit progress)</p>	ALL
	09:30-12:00	Natural Desa Sdn Bhd - Ladang Segama: <p>➤ Field inspection:</p> <p>Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store and pre-mixing, etc.</p> <p>➤ Non-conformity Verification for Previous year Audit</p> <p>➤ Verify any outstanding issues, auditor discussion</p>	MRK/HR/MFH/MJK
	12:00-13:00	Natural Desa Sdn Bhd - Ladang Segama: <p>➤ Document Audit:</p> <ul style="list-style-type: none"> Documents review P1 – P3 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement. 	P1: MJK P2: MRK P3: MJK
	13:00-14:00	Lunch	ALL
	14:00-16:30	Natural Desa Sdn Bhd - Ladang Segama: <p>➤ Document Audit:</p> <ul style="list-style-type: none"> Documents review P4 – P6 (part 3), P4: Social Responsibility, Health, Safety and Employment Conditions P5: Environment, Natural Resources, Biodiversity and Ecosystem Service, P6: Best Practices 	P4: HR P5: MFH P6: MRK

	16:30-17:30	<p>Centralize Closing Meeting at KHL Plantation Sdn Bhd - Ladang Segama:</p> <p>➤ Chaired by the Leas Auditor</p> <ul style="list-style-type: none"> • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answer <p>End of Assessment.</p>	ALL

3.3 Proposed Date of Next Surveillance Audit

Date of next ASA	
The provisional date for the next ASA is:	September 2025

3.4 Audit 5 Year Audit Programme for KHL Plantation Sdn Bhd / Natural Desa Sdn Bhd

Estates	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
KHL Plantation Sdn Bhd – ladang Tingkayu		✓		✓	
KHL Plantation Sdn Bhd – Ladang Segama	✓		✓		✓
Natural Desa Sdn Bhd – Ladang Segama	✓	✓	✓	✓	✓

4. SUMMARY OF AUDIT RESULTS

4.1 Lead Auditor's Summary and Recommendation for Certification

The on-site assessment was conducted on 21st and 22nd November 2024, as outlined in the Audit Agenda. The audit treated KHL Plantation/Natural Desa Sdn. Bhd. as an MSPO Certification Unit, with a comprehensive evaluation covering environmental and social factors. These included considerations such as photography, palm age, proximity to High Biodiversity Value (HBV) areas, declared conservation areas, and local communities.

During the site inspection, all sampled locations were observed to be in excellent condition. The estate management demonstrated adherence to best practices aligned with the company's Standard Operating Procedures (SOPs) and full compliance with MSPO requirements. Notably, no illegal workers were found on-site, and the audit team verified that all permit documents and employee passports were valid.

Management was commended for its consistent monitoring of established KPIs and objectives, which significantly contribute to the successful implementation of the company's corporate policies. Additionally, the audit team was satisfied with the documentation prepared by the estate management, as it was well-organized and facilitated efficient review and verification during the audit.

During the audit, several non-conformities were raised. There were NIL non-conformity were raised, however there 4 Opportunities for Improvement raised during the audit. Since there were nil major and minor non-conformity and KHL PLANTATION/ NATURAL DESA SDN BHD is recommended for certification continuation. Continuation of certification for KHL PLANTATION/ NATURAL DESA SDN BHD is recommended based on evaluation done by Lead Auditor and subjected to Certifier/ Scheme Coordinator decision. The effectiveness and continuous of the implementation shall be verified again in the next audit.

The audit team conducts the audit based on the sampling process of the available information.

4.2 Claim - Verification and Use of Marks/Logo (MSPO, TCI or MPOCC Logo)

Based on the on-site audit process of RECERTIFICATION ASSESSMENT (STAGE 2) – KHL PLANTATION SDN BHD / NATURAL DESA SDN BHD, through visibility and interviews with management representative. It has been confirmed that the management does not use Marks/logos. The management has also been informed that it is not allowed to use the MSPO logo if it is not approved by the MPOCC.

4.3 Summary of Non-Conformance and Current Status

<input checked="" type="checkbox"/>	No NCR recorded. Recommended certification
<input type="checkbox"/>	Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit
<input type="checkbox"/>	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.
<input checked="" type="checkbox"/>	Recommended to continue certification
<input type="checkbox"/>	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but cannot fully accepted by the audit team. NCR(s) have not been closed out within 90 days of the audit. Recommended for suspension of the certificate

Audit Outcome	
Major NC	0
Minor NC	0
Opportunity For Improvement (OFI)	4

4.4 Issues raised during Stakeholder Consultation:

A stakeholders' consultation meeting was conducted on 21ST – 22ND NOVEMBER 2024 to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

The subjects of discussion are as below:

- a. Introduction
- b. Development of oil palm plantations
- c. Community service and support provided wildlife management and wildlife corridor
- d. Type of wildlife sighted.
- e. Local communities' development.
- f. Safety and Health

The following relevant subject have been discussed during the stakeholders' consultation

Subject Discussed	Response and Action taken by Company
<p>During the stakeholder meeting, various issues were discussed. Notably, there were no negative feedback or concerns raised by the attendees.</p> <ul style="list-style-type: none"> Mrs. Janet from the Health Clinic commended the management for providing full support for programs organized by the clinic. <p>The positive feedback highlights the management's proactive engagement with stakeholders and its commitment to fostering collaborative relationships.</p>	Not applicable.

** (Stakeholder Consultation is compulsory during Main Assessment only but if there is issue raised during Annual Surveillance Audit, the stakeholder Consultation will be conducted)*

4.5 Previous Audit Verification

Effectiveness of corrective action implementation for non-conformities (both major and minor findings) raised during previous audit is being evaluated in this year audit, in ensuring appropriate action has been successfully executed/ carried out as per corrective action plan and evidences provided by the certified client in the previous year CAR Form.

Based on Lead Auditor's and audit team verification, it can be concluded that:

- ☐ all the corrective action plan of non-conformities (both major and minor findings) raised during previous audit has been effectively implemented by the certified entities.
- ☒ all Opportunity for Improvement (OFI's) raised has been implemented accordingly by the certified client.
- ☐ Inadequate implementation of corrective action plans for non-conformities raised during previous audit.

Details on the previous non-conformity evaluation and verification is available in the Full Audit Assessment Report.

4.6 Changes Since Previous Audit

a. Changes on Client's Management System.

Please tick (if any):

<input type="checkbox"/>	Legal, Commercial, organizational status or ownership
<input type="checkbox"/>	Key managerial person or the organization and management
<input type="checkbox"/>	New contact Personnel, client's address and site
<input type="checkbox"/>	Scope of operations under certified management system
<input type="checkbox"/>	Major changes to the management system and processes
<input checked="" type="checkbox"/>	Not applicable as there is no changes since previous audit

Justification for above changes:

b. Changes to the Certified Product

Please tick (if any):

<input type="checkbox"/>	Additional of new estate
<input type="checkbox"/>	Reduction of estate
<input checked="" type="checkbox"/>	Changes in estate hectarage area
<input type="checkbox"/>	Changes in MPOB License number
<input type="checkbox"/>	Changes in MPOB License expiry date
<input type="checkbox"/>	Changes in client's office coordinate
<input type="checkbox"/>	Changes in client's estate coordinate
<input type="checkbox"/>	Not applicable as there is no changes since previous audit

Justification for above changes:

The changes in the hectarage area are based on the total land size as stated in the land title. The management has recalculated the total area in accordance with the land title records, and the updated hectarage now reflects the actual total area of the estate.

5. OFFICIALS SIGNED-OFF OF THE ASSESSMENT FINDINGS

5.1 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I hereby further confirm that:

- ☒ the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.
- ☒ Previous audit findings have been verified with satisfactory implementation.
- ☐ The correction, corrective action plan, and evidence for any major non-conformities has been reviewed, and accepted. The effectiveness of implementation shall be reviewed in the next year audit.
- ☐ The correction and corrective action plan, for any minor non-conformities has been reviewed and accepted.
- ☒ all Opportunity for Improvement (OFI's) raised has been implemented accordingly by the certified client.
- ☒ All of the changes occurred since previous audit has been verify to be true during the audit.

Based on all above evaluation, in conclusion, I recommend:

- ☒ for continuation of MSPO certification
- ☐ Not to continue with MSPO certification due to reason: _____

For **KHL PLANTATION SDN. BHD. & NATURAL DESA SDN BHD** Certification Unit

Acknowledged by:

Name: HENDRICK RICHARDS

Position: LEAD AUDITOR

Date: 26 DECEMBER 2024



Signature

5.2 Responses by Certified Entities:

I the undersigned, being the management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Trans Certification & Inspection Sdn Bhd.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:	
Name:	EDDIE KUA
Position:	EXECUTIVE DIRECTOR
Date:	21 FEBRUARY 2025


Signature

6. CERTIFIED BODY ACKNOWLEDGEMENT OF CERTIFICATION DECISION

6.1 Signing by Certifier

I, the undersigned Certifier, hereby confirm that I have conducted review as below:

- ☒ the information provided by the audit team is sufficient with respect to certification requirements and the scope for certification
- ☐ The correction, corrective action plan, and evidence for any major non-conformities has been reviewed, and accepted. The effectiveness of implementation shall be reviewed in the next year audit.
- ☐ The correction and corrective action plan, for any minor non-conformities has been reviewed and accepted.
- ☒ Audit Report has been sufficiently prepared by the audit team
- ☐ Audit team has commented on the non-conformities, where applicable, the correction and corrective actions taken by client.
- ☐ Audit team had performed evaluation for effectiveness of corrective action plan for pervious audit findings
- ☒ Has performed confirmation of the information provided to TRANS in the Application Form
- ☒ Has performed confirmation that the audit objectives have been achieved
- ☒ Acknowledged on the changes states in point 4.6
- ☒ Has reviewed the result of recertification audit, the result of the review of system over the period of certification and complaints received from users of certification (*applicable for granting recertification only*).

Based on all the above confirmation, I the undersign Certifier recommended:

- ☐ Granting Certificate
- ☐ Maintaining Certificate
- ☒ Re-certify
- ☐ Suspend Certificate

For **KHL PLANTATION SDN. BHD. & NATURAL DESA SDN BHD** certification unit.

For Certification Suspension Action (Only applicable for suspended client)

Suspension date: _____

Reason for suspension: _____

Date of uplift suspension: _____

Reason for uplift suspension: _____

Recommendation after suspension:

- ☐ Maintaining Certificate
- ☐ Re-certify

For _____ (Client's name) _____ certification unit.

Acknowledged by:

Name: ATIKA BINTI BAKAR

Position: CERTIFIER

Date: 03 MARCH 2025



Signature

-End of Report-