

TRANS CERTIFICATION & INSPECTION SDN. BHD.



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**MSPO SUPPLY CHAIN CERTIFICATIONS**

**RECERTIFICATION - Audit Report**

Report Number: 060-2024-SCCS-01

Document Number: TCI-P05-F4-SCCS

Version No: 04

Effective Date: 28.06.2023

# MSPO SUPPLY CHAIN CERTIFICATIONS AUDIT REPORT RECERTIFICATION AUDIT (2024)

**FGV PALM INDUSTRIES SDN. BHD.  
(KILANG SAWIT SEMENCHU),  
PETI SURAT 63, 81907 KOTA TINGGI JOHOR  
060-2024-SCCS – FGV PALM INDUSTRIES –  
KILANG SAWIT SEMENCHU**

Audit date:	16 DECEMBER 2024	
Report prepared by:	ERMADASILA BIN MOHAMAD	(Lead Assessor)
Report prepared on:	16 DECEMBER 2024	
Certification decision by:	ATIKA BINTI BAKAR	(Certifier)
Certification decision on:	18 FEBRUARY 2025	

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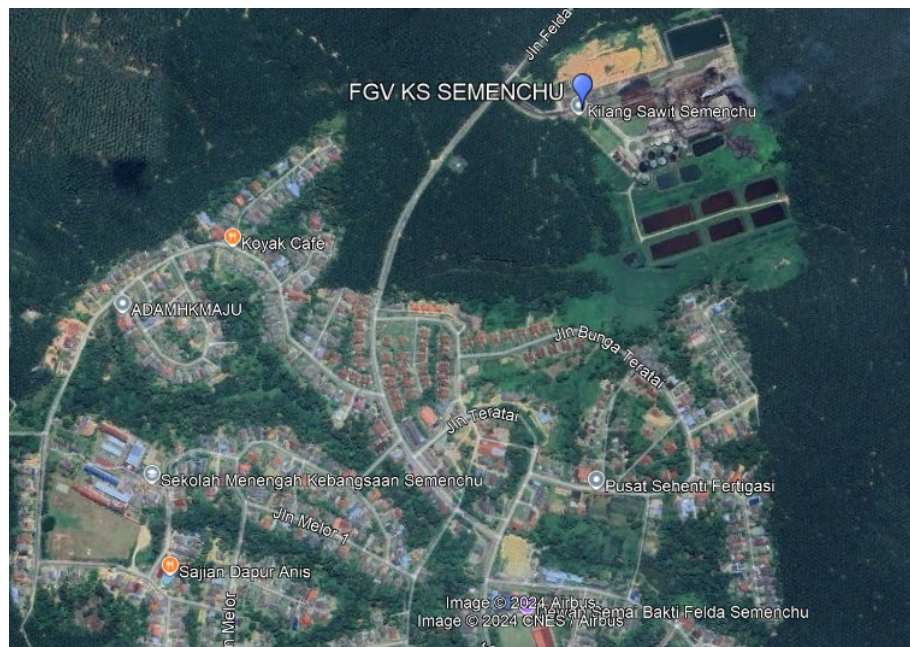
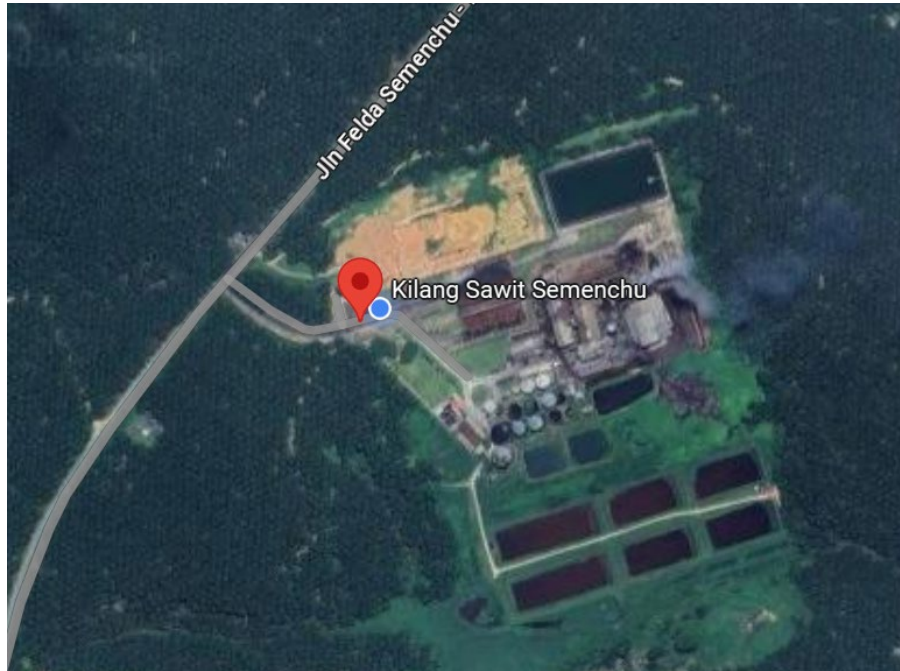
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**PART 1: CERTIFIED COMPANY DETAILS**

1.1 Company Details	
Name of Company:	FGV PALM INDUSTRIES SDN BHD - KILANG SAWIT SEMENCHU
Main Address :	FGV Palm Industries Sdn Bhd, Wisma FGV, Jalan Raja Laut, 50350, Kuala Lumpur
Management’s Representative Details	
Name:	Mr. Mohd Shazwan Sharif
Email Address:	<a href="mailto:shazwan.s@fgvholdings.com">shazwan.s@fgvholdings.com</a>
MPOB License Details	
MPOB License’s No.:	500163604000
Expiry Date:	31.05.2025
Date of Certificate Issued and Validity:	31.12.2024 – 30.12.2029
Scope of Audit:	Production of MSPO SCCS Certified Crude Palm Oil and Palm Kernel by using Mass Balance Model
Supply Chain Model:	Mass Balance (Continuous Accounting System)
Type of Facilities:	Palm Oil Mill
Product(s) included in Certification:	Crude Palm Oil and Palm Kernel
Other Sustainability Certifications:	MSPO Part 4

1.2 Certified Unit Details		
Name of Certified Unit:	FGV PALM INDUSTRIES SDN. BHD. – KILANG SAWIT SEMENCHU	
Address of Certified Unit:	Kilang Sawit Semenchu, Peti Surat 63, 81907, Kota Tinggi Johor.	
Processing Capacity:	40 MT/H	
GPS Coordinate:	Latitude: N 1°34'42"	Longitude: E 104°6'10"

**Map Showing the Location of Certified Unit**



### 1.3 Facilities included in the Scope of the Audit

Changes since previous audit: Yes ☐ No ☒

**Outsourced companies included in the scope of the audit.**

☐ Yes. Please list down in the below table.

☒ N/A. (if no outsourcing activity)

Name of company	Location address	Type of Outsourced Activity	Visited
N/A	N/A	N/A	<input type="checkbox"/>

### 1.4 Audit Program

List out the planning of the audit cycle for 5-years certification

Audit Type	Year	Executed Audit date
Main Assessment	2019	27.08.2019
ASA1	2021	15.03.2021
ASA2	2022	25.05.2022
ASA3	2022	21.12.2022
ASA4	2023	22.08.2023
Re-assessment	2024	16.12.2024

## PART 2: SUMMARY OF THE REPORT AND SCOPE OF THE AUDIT

### 2.1 MSPO SCCS Summary Report

Summary report of the audit including a brief description of the scope of certification and supply chain model(s) used

Processing of Fresh Fruit Bunch into Sustainable CPO and PK with mill's processing capacity of 40 mt per hour. The production of CPO and PK is only for local export. Through site inspection, 3 storages for CPO were sighted and 4 silo and 1 bunker for PK. Storage capacity for CPO is 4,100 mt and PK is 230 mt. There was no external storage involved. The list of FFB suppliers and buyers of CPO and PK was well-maintained by the management. As verified during the audit with management, the mill is not using the MSPO logo for any purposes.

The management has developed an SOP of MSPO SCCS procedure for FGVPI KKS Semenchu effective on 7th Jan 2021. The management has appointed Mr. Wan Muazam bin Latif as the responsible person to monitor the MSPO SCCS requirement.

Verified from the MSPO Trace system, the mill has declared their certified and non-certified FFB supplier together with their potential buyers of CPO and PK. During assessment, observed that the mill management has received FFB certified material from several suppliers such as; FELDA Air Tawar 5, FELDA Air Tawar 4, FELDA Sg. Mas, and FELDA Semenchu. The certified CPO was dispatched to Delima Oil Products for Feb 2024 (219.92Mt) and April 2024 (219.18Mt).

The Mass Balance record is maintained by the weighbridge clerk and IPMS System (Integrated Palm Mill System). The incoming transaction and production of CPO and PK is recorded daily in the IPMS System. The mass balance is using Continuous Accounting System.

The record keeping period stated all the documents related to MSPO SCCS should be kept for minimum 3 years. The verification is done through the last year procedure, management documents and supplier documents. The procedure of traceability is implemented by the mill. The incoming FFB provided together with delivery note and grading chit before allowed to enter to mill. The weighbridge ticket is provided with details information required has been stated.

From the surveillance audit, there is no non-conformity raised. The system of MSPO SCCS is in place. There is no transaction of certified product yet. The monthly declaration is submitted every month in MSPO Trace.

**PART 3: MSPO CERTIFIED PRODUCTS / MASS BALANCE SAMPLE**

**3.1 MSPO SCCS Certified Volumes**

Confirmation of the company's summary of annual certified volume of MSPO certified Palm Oil Products or Palm Derivatives over a specified period (not applicable for the first certification)

**Month Sampled: (Jan – Nov 2024)**

**Purchased**

Month	Supplier	Product	Volume (Mt)
JAN - NOV	FELDA Semenchu	FFB	55,463.98
JAN - NOV	FELDA Sg. Mas	FFB	54,238.02
JAN - NOV	FELDA Air Tawar 5	FFB	36,958.25
JAN - NOV	FELDA Air Tawar 4	FFB	33,685.88

**Sold**

Month	Supplier	Product	Volume (Mt)
FEB	Delima Oil Products	CPO	219.92
APR	Delima Oil Products	CPO	219.18
N/A	N/A	N/A	N/A

## PART 4: BACKGROUND TO THE REPORT

### 4.1 MSPO Supply Chain Standard

**MSPO Supply Chain Certification Standard, (MSPO SCCS-01) 2018**

### 4.2 Certification Body

TRANS CERTIFICATION & INSPECTION SDN. BHD.

### 4.3 The Lead Auditor

Name	Qualifications
ERMADASILA BIN MOHAMAD	Post graduate qualification in Master in Science (MSc) by Research with 7 years working experience in Lecturer and manufacturing activities. Lecturer in Applied Science Faculty, University Teknologi Mara cawangan Pahang since 2014, expert in Biodiversity and Environmental assessment. Experience in auditing sustainability and management system audit in Malaysia and abroad since 2017. Completed Malaysian Sustainable Palm Oil Lead Auditor course in 2017, MSPO 2.0 (MSPO MS2530:2022) Lead Auditor Course on 2023, ISO 9001:2015 Lead Auditor Course, ISO14001:2015 Lead Auditor Course, IMS Lead Auditor Course, ISCC EU Basic Auditor Course, ISCC EU Waste and Residue Auditor Course, ISCC PLUS Auditor Course, ISCC ARIA Auditor Course, INS Auditor Course, Ocean Bound Plastic (OBP) Certification Auditor Course, SURE Certification Auditor Course, Castor CuCESS Auditor Course, Green Gold Label (GGL) Certification Auditor Course.

### 4.4 The Certification Decision Management Team

Name	Qualifications
ATIKA BINTI BAKAR	Graduate qualification in Bachelor of Forestry Science Majoring in Forest Plantation and Agroforestry at University Malaysia Sabah (UMS). Attended TRANS internal trainings Lead Auditor ISO 9001 Course, ISO/IEC 17065, ISO/IEC 17021, MS2530:2013, and OCB OPMC 1-4. Successfully passed Lead Auditor MS2530:2022 Course (MAA Training & Consultancy). Attended International Organics Standard USDA/NOP, EU and JAS Awareness and Implementation Training (Global Sustainable Solution (Thailand) Co., LTD.). Experience in Forest Management Unit and MSPO since 2019. Able to communicate in Bahasa Malaysia and English.

#### **4.5 Summary of previous certification assessments and conclusion, with recommendations or non-conformances**

(Not applicable for main assessment reports)

FGV Palm Industries (FGVPI) is one of the subsidiaries companies under FGV Holdings Berhad. There are 68 mills under FGVPI where all of them are MSPO certified. FGVPI Kilang Sawit Semenanjung located at Kota Tinggi, Johor with capacity of 40 MT/Hour. The mill mainly received fresh fruit bunch (FFB) from FELDA settlers and collection centre. The mill first certified with MSPO SCC in 2019 under Mass Balance (MB) model. The ASA 04 was conducted onsite dated 22-08-2023.

The company has established a procedure on the supply chain models that enables the identification of incoming sustainable material from the suppliers and the distribution to the buyer titled MSPO Supply Chain Certification. SOP No: FGV/GSD-SCCD/SOP/006, Version 1.0, dated 07/01/2021. Sighted organization chart for MSPO SCC lead by SCCD were supported by Logistics Department and Unit Compliance FGVPI (HQ), under 9.1 Lampiran 1 Carta Organisasi Jawatankuasa MSPO SCCS. As stated in the SOP under 5.0 Tanggungjawab, 5.5 Pengurus, the Mill Manager has overall responsibility and authority for MSPO SCCS management. Mill manager also responsible for the implementation of the sustainable requirements.

The management has established SOP for Complaint and Grievances, FGV/ML-1A/L2-Pr13. Effective date on 01.04.2019, to establish a system for dealing with complaints and grievances and documents from all personnel and stakeholders. The action plan was taken in good practice and in line with legal conduct. Covers all employees and stakeholders. Sighted requisition and complaint form in document and requisition and complaint feedback form. The form can be required in the office and at the production office. Sighted the flowchart procedure on notice board in front of the office and at the work area. All the complaints will be recorded on file. As of audit date there have been 3 complaints lodged and have been resolved within the timeframe accordingly.

The Company also has established a Whistleblowing platform as follows:

1. e-Form; <http://www.fgvholdings.com/whistleblowing>
2. Personal; Secretariat, Board Member
3. Letter; Sekretariat Whistleblowing, Level 13 West, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur.
4. Telephone: 1800888717
5. e-Mel; [alert@fgvholdings.com](mailto:alert@fgvholdings.com)

The certification unit had established continuous accounting system which monitored all the purchased of FFB and sales of CPO and PK on daily basis. Mass Balance sheet records for 2021, 2022 and 2023 are requested and reviewed. Based on the records there is no certified FFB received and certified CPO sold for the last 12 months.

Stated in the MSPO Supply Chain Certification, SOP Num: FGV/GSD-SCCD/SOP/006, Version 1.0, dated 07/01/2021, under 6.3 Penyimpanan rekod, all records related to MSPO SCC kept for 3 years for reference and audit purpose.

In this annual surveillance assessment 4 audit, one (1) non-conformity raised, and 90 days given to close the NC. NC's closures are provided on 26-09-2023 and sufficient to close the findings. Therefore, it is recommended for the site to sustain the MSPO certificate. action of certified product yet. The monthly declaration is submitted every month in MSPO Trace.

4.6 Audit Agenda		
Proposed Assessment Agenda for this Audit		
Prepared by	ERMADASILA BIN MOHAMAD [EBM]	
Approved by	PUTRI HANI NABILAH BT MEGAT ABD AZIZ [PHN]	
Time	Activity	Auditor
09.30-10.00	Opening Meeting	EBM
10.00-11.30	<b>Document Review – MSPO SCCS</b> <b>1 Requirements for Supply Chain Management</b> 1.1 Sustainability Policy 1.2 Management Representative 1.3 Record Keeping 1.4 Procedures 1.5 Internal Audit 1.6 Management Review	EBM
11.30-12.00	<b>2. Resource Management</b> 2.1 Competency and Training	EBM
12.00-12.30	<b>3. Traceability</b>	EBM
12.30-14.00	Lunch	EBM
14.00-15.30	<b>4. Supply Chain Models</b> 4.1 Segregation 4.1.1 General 4.1.2 Requirements 4.2 Mass balance 4.2.1 General 4.2.2 Requirements 4.2.3 Continuous accounting system  <b>5. Outsourced Activities</b> <b>6. Claim</b> <b>7. Complaints and Grievances</b> <b>8. IT Platform</b>	EBM
15.30-16.00	Verify outstanding issue if applicable	EBM
16.00-17.00	Closing Meeting	EBM

## PART 5: CLOSING MEETING

The purpose of the closing meeting is to allow the audit team to present their findings to the client, to agree dates for the completion of any corrective action required, and to establish any subsequent follow up action. The meeting is chaired by the audit team leader and wherever possible involve the same people who were present at the opening meeting.

Date of closing meeting:	16.12.2024
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### 5.1 Actions that a need to be completed prior before certification can proceed

- If any non-compliance was noted, then a certification decision is not possible until the client has taken steps to close out the non-compliances noted in the certification checklist.
- If full compliance was noted during the audit, the next step is for the checklist and audit report and any associated documentation, to be sent to the TRANS MSPO SCCS Certifier, by the lead auditor. The certifier will review the documents and may refer back to either the lead auditor or to the client for further information or clarification.
- Once the certifier is satisfied, a positive certification will be made, and a certificate is awarded and sent to the client. The MSPO SCCS Certificate is also publish within 14 days of the issuing of the certificate.

### 5.2 Confidentiality

TRANS auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication. The Audit Report and Awarded Certificate is a remains Confidential between Client and TRANS, and the ownership is belonging to TRANS.

## PART 6: CONCLUSIONS OF THE AUDIT DETAILS

### 6.1 Summary of Non-Compliance (if applicable)

NC Number:	N/A
Date:	N/A
Reference to standard:	N/A
Standard requirement:	N/A
Evidence of non-compliance:	N/A
Corrective action (to be filled by client)	N/A
Evidence of compliance: (to be filled in by certifier)	N/A
Status (closed if applicable)	N/A

### 6.2 Certification Status of Client

Please select the applicable box, do not remove the others:

☒ Main Evaluation: All facilities included in the scope of this audit demonstrated full compliance with the MSPO SCCS.

With effect from the certification date given below, this company and all facilities mentioned in the scope of this report are considered to be certified in accordance with the MSPO SCCS.

☐ Main Evaluation: Full compliance of all facilities in the scope of this audit with the MSPO SCCS is not yet demonstrated. Identified Non-conformities need to be closed prior to certification.

☐ Surveillance audit: All facilities included in the scope of this audit demonstrated full compliance with the MSPO SCCS. The certified status is maintained.

☐ Surveillance audit: Not all facilities included in the scope of this audit demonstrated continued compliance with the MSPO SCCS. Outstanding NC's need to be closed within 3 months from the audit date.

### 6.3 Certificate Details and Scope

Client number:	060-2024-SCCS-FGV Palm Industries – Kilang Sawit Semenchu
Certificate number:	<b>MSPO SCCS-TCI-060-2024-01</b>
Start date of certificate:	31.12.2024
End date of certificate:	30.12.2029
Date of first certification:	31.12.2019
Duration of certificate:	5 Years from date of certification

**PART 7: FORMAL SIGN OFF OF AUDIT FINDINGS**

**7.1 Signing by the Client**

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in document (MSPO SCCS Report and Checklist).

I also confirm:

- Acceptance of liability in execution of the instructions given in the document and at the closing meeting.
- 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 International's Certifications.
- That this company was informed that until they receive written confirmation of their MSPO Supply Chain certification registration and its expiry date that they are not certified and cannot make any claims concerning certification.
- That the formal record of the closing meeting is accurate and that all agenda items were covered by the lead auditor.
- I understand the implications of non-compliance as laid out above.

**Acknowledged by:**

Name:	MOHD SHAZWAN BIN SHARIF
Position:	SUSTAINABILITY MANAGER
Date:	18 FEBRUARY 2025



Signature

## 7.2 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 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.

Based on the findings during the assessment, I recommended the certification unit is:

Complies ☒

Not Complies ☐

With the MSPO SCCS, I the undersigned, being the Lead Auditor, recommend that:

Granting Certificate ☐

Continue Certification ☐

Suspend Certificate ☐

Withdraw Certificate ☐

Re-certificate ☒

For **FGV PALM INDUSTRIES- KILANG SAWIT SEMENCHU** Certification Unit

### Acknowledged by:

Name: ERMADASILA BIN MOHAMAD

Position: LEAD AUDITOR

Date: 18 FEBRUARY 2025



Signature

### 7.3 Signing by the 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
- ☒ 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 **FGV PALM INDUSTRIES- KILANG SAWIT SEMENCHU** 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: 18 FEBRUARY 2025



Signature