

TRANS CERTIFICATION & INSPECTION SDN. BHD.



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**MSPO SUPPLY CHAIN CERTIFICATIONS**

**RECERTIFICATION - Audit Report**

Report Number: 061-2024-SCCS-01

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

**FGV PALM INDUSTRIES SDN. BHD.  
(KILANG SAWIT LOK HENG),  
PETI SURAT 55, 81907 KOTA TINGGI JOHOR  
061-2024-SCCS – FGV PALM INDUSTRIES –  
KILANG SAWIT LOK HENG**

Audit date:	<b>17 DECEMBER 2024</b>	
Report prepared by:	<b>ERMADASILA BIN MOHAMAD</b>	(Lead Assessor)
Report prepared on:	<b>17 DECEMBER 2024</b>	
Certification decision by:	<b>ATIKA BINTI BAKAR</b>	(Certifier)
Certification decision on:	<b>18 FEBRUARY 2025</b>	

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**PART 1: CERTIFIED COMPANY DETAILS**

1.1 Company Details	
Name of Company:	FGV PALM INDUSTRIES SDN BHD - KILANG SAWIT LOK HENG
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.:	500166104000
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 LOK HENG	
Address of Certified Unit:	Kilang Sawit Lok Heng , Peti Surat 55, 81907, Kota Tinggi Johor.	
Processing Capacity:	40 MT/H	
GPS Coordinate:	Latitude: N 1°43'13"	Longitude: E 104°7'8"

**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	29.08.2019
ASA1	2021	17.03.2021
ASA2	2022	23.05.2022
ASA3	2022	19.12.2022
ASA4	2023	24.08.2023
Re-assessment	2024	17.12.2024

## 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 760 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 Lok Heng effective on 7th Jan 2021. The management has appointed Mr. Wan Muhammad Shafiq bin Mohamad Nazri 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 Lok Heng Barat, FELDA Lok Heng Selatan, FELDA Lok Heng Timur, FELDA Papan Timur etc. The certified CPO was dispatched to Delima Oil Products for Feb 2024 (388.57Mt), March 2024 (560.64Mt) and Apr 2024 (128.26Mt).

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 Lok Heng Barat	FFB	44,113.76
JAN - NOV	FELDA Lok Heng Selatan	FFB	32,530.87
JAN - NOV	FELDA Lok Heng Timur	FFB	49,100.00
JAN - NOV	FELDA Papan Timur	FFB	36,623.76

**Sold**

Month	Supplier	Product	Volume (Mt)
FEB	Delima Oil Products	CPO	388.57
MAR	Delima Oil Products	CPO	560.64
APR	Delima Oil Products	CPO	128.26



## 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)

KS Lok Heng is 1 of 68 MSPO certified mill under FGV Plantation Industries Sdn. Bhd., subsidiary of FGV Holdings. The mill holds the MPOB License no. 500166104000 with validation period till 31/03/2024. The mill was certified with MSPO since 2019 under Mass Balance Model as the mill received both MSPO certified FFB from sister estates and uncertified FFB from FELDA settlers, smallholders and collection centres surrounding the mill area. Current assessment was Annual Surveillance Assessment 4 conducted on 24/08/2023.

The mill adapted the group Policy Statement on Sustainability Certification Scheme signed by the Group Chief Executive Officer dated 26/01/2022. Refer document no. FGV/SED/POL/002 rev. 0.0. The policy stated the commitment of the company to all aspects of sustainability including promoting economic growth, respecting human rights and protecting the environment.

FGV has established Standard Operating Procedure MSPO Supply Chain Certification. Refer SOP no. FGV/GSD-SCCD/SOP/006, ver.1.0 dated 07/01/2021. The SOP includes Purpose, Scope, Definition/ Acronym, References, Responsibilities, Explanation, Records, Workflow and Attachment.

The mill has established the MSPO SCCS Committee lead by the Mill Manager. The committee members include Asst. Managers, Executive Asst., System Asst., Weighbridge Clerk, Operation Supervisor, Laboratory analyst and FFB Grader. Reviewed the latest MSPO SCCS Committee organization charts dated 07/08/2023. This is according to MSPO Supply Chain Certification Procedure established under clause 5.0 “Tanggungjawab”. As per subclause 5.5 “Pengurus” stated the Mill Manager shall ensure that all MSPO SCCS sustainability requirements of the mill, as per in MSPO SCCS are implemented continuously.

Internal Audit was conducted as per Standard Operating Procedure MSPO Supply Chain Certification. Refer SOP no. FGV/GSD-SCCD/SOP/006, ver. 1.0 dated 07/01/2021 under subclause 6.5 “Audit dalaman” and cross reference with Standard Operating Procedure Sustainability Certification Internal Audit. Refer SOP no. FGV/GSD-SCCD/SOP/04, ver. 0.0 dated 03/09/2020. Latest Internal Audit was conducted on 07 - 08/08/2023 by Executive, Sustainability, certification and Compliance Department. During the audit no non-conformity was raised on MSPO SCCS. The internal audit results were discussed in the Management Review Meeting conducted on 10/08/2023.

The mill has established “Program Latihan dan Audit 2023” based on training need analysis conducted. The training plan includes training on RSPO/MSPO SCC Standard, Manual SOP MSPO SCCS, Stamping, weighbridge ticket, delivery contract, RSPO/ MSPO trace and Management Review. The mill has identified personnel required for MSPO SCCS training such as Manager, Asst. Managers, weighbridge clerk, laboratory analyst, and FFB grader/ MQI based on training need analysis conducted.

KS Lok Heng received FFB from both certified and non-certified FFB and implemented the Mass Balance Supply Chain Module. Since the last assessment, all certified FFB purchased was downgraded to non-certified FFB. This is verified through the List of FFB suppliers and sample FFB received documents.

All receipts of MSPO certified and non-certified FFB and deliveries of MSPO certified and non-certified CPO and PK are recorded daily in the mill’s mass balance accounting sheet using continuous accounting system and documented in “Laporan tahunan BTS/CPO/Kernel ISCC/RSPO/MSPO”. The data was mostly sourced from the mill’s Daily Production Report.

There was no outsourcing activity involved in the mill. All products processing activities carried out by own. As of to date, no MSPO certified products sales made by KS Lok Heng since the last audit. Hence, no claims made yet.

KS Lok Heng has registered with MSPO Trace. Sighted the registration in the MSPO Trace system. KS Lok Heng has registered all MSPO certified and non-certified FFB suppliers with MSPO Trace. Noted during review of MSPO trace records, no sales of MSPO certified products since last assessment. In this Annual Surveillance Assessment 3, it was found that the Certification Unit was in full compliance with MSPO SCC requirement. Therefore, it is recommended for the certification unit remain certified with MSPO SCCS.

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:	17.12.2024
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### **5.1 Actions that a need to be completed prior before certification can proceed**

- a) 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.
- b) 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.
- c) 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:	061-2024-SCCS-FGV Palm Industries – Kilang Sawit Lok Heng
Certificate number:	<b>MSPO SCCS-TCI-061-2024-01</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 LOK HENG** 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 LOK HENG** 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