

Tian Siang Holdings Sdn Bhd

Name of the organisation : Tian Siang Holdings Sdn Bhd
 Corporate website address : www.tiansiang.com

Company Details

Membership number : 1-0097-11-000-00
 Membership Type : Ordinary Membership
 Membership category : Growers

Please TICK all business activities your organization is involved in, INCLUDING the primary MEMBERSHIP CATEGORY.

(Please note that you are required to complete the form for all categories you are involved in as well)
 You are allowed to tick more than one sector

| Growers

What is the name of the entity or holding company that has management control over all palm oil related activities within the organization? Please note that this ACOP submitted is only for the entity and subsidiaries that are members of RSPO and not the holding company

Tian Siang Holdings Sdn Bhd

Is the holding company a RSPO Member?

Yes

Please name any sub of the organisations in oil palm or related activities. Please note that all of your subsidiary companies are also bound by RSPO code of conduct, and this ACOP should report on all of their activities & progress whether they are members or not [Name. Activities. RSPO Members (Y/N)?]

Tian Siang Oil Mill Sdn Bhd . Milling of FFB . no | Tian Siang oil Mill (Perak) Sdn Bhd . Milling of FFB . no | Tian Siang Oil Mill (Air Kuning) Sdn Bhd . Milling of FFB . no | Pujaan Makmur Oil Mill Sdn Bhd . Milling of FFB . no | Tian Siang Oil Mill (Pahang) Sdn Bhd . Milling of FFB . no | Tiansiang Plantation Sdn Bhd . Oil Palm Plantation . no | Karseng Plantation Sdn Bhd . Oil Palm Plantation . no | Karseng CONstruction Sdn Bhd . Oil Palm Plantation . no | Ladang Kohkoh Sdn BHD . Oil Palm Plantation . no | Manjung Plantation Sdn Bhd . Oil Palm Plantation . no

Please indicate all the regions in which the member organisation and its subsidiaries for which you are completing this report operate in

| Malaysia

Contacts

Primary contact responsible for organisational commitment to RSPO

Steven Tan Choon Teck steven-tan@tiansiang.com
 Tian Siang Square
 Jalan Kampung Sitiawan,
 32000 Sitiawan, Perak
 Malaysia

Person reporting (if different)

Tee Chew Tektee-chew-tek@tiansiang.com

Financial contact for paying fees (THIS INFORMATION WILL NOT BE MADE PUBLIC)

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Related information

State your policy on palm oil (Please provide links, upload attachments or complete the text box)

Please provide links for reports that may be relevant to Sustainable Palm Oil.

1. Attachment- to highlight on milling and plantation

PLUS

2. Summary of programs & projects implemented towards realizing RSPO objectives BUT not mentioned in the website.

2011-2012 Annual Communication of Progress and Time Bound Plan:

Tian Siang Holding S/B – Grower- consists of plantations plus an oil mill in Kinabatangan in Sabah AND 4 independent oil mills in West Malaysia.

The ACOP and TBP are reported under TWO categories namely:

- (I) 1.a. Plantation and Tian Siang oil Mill S/B
- (II) 1.b. Independent mills in West Malaysia

1. ACOP and Time Bound Plan-Key Issues and Strategies

a. Plantation and Tian Siang Oil Mill S/B– Sabah

(i) Key issues and progress

(1) Pre-Assessment on RSPO MY-NI P&C and Supply Chain Certification Standard was done by SIRIM QAS INT. S/B on 15 – 17 May 2012.

(2) Readiness in proceeding to main certification was assessed and non compliances to P&C were identified.

(3) Lacking of assessments on HCV and S&E Impact hampers process of seeking mitigations measures for remedies in the respective field is a major issue of concern.

(4) The oil mill is operating in compliance to the legislative requirements as specified by the Division of Environment or DOE, Jabatan Keselamatan dan Kesihatan Pekerjaan or JKPP and Malayan Palm Oil Board or MPOB.

(5) Biomass downstream project:

A Biomass Compost Plant converting Fresh Fruit Bunches or FFB and Palm Oil Mill Effluent or POME into Bio Compost was built in the oil mill in 2009. The Bio compost, an organic nutrients rich soil conditioner contributes in complementary to the chemical fertilizer towards keeping the soil fertility.

Avoidance of Methane emission from the POME and reduction in the usage of chemical fertilizers help in reduction of carbon foot print in the mitigation of global warming.

(ii) Strategies and follow-up plans:

- (1) Engage an approved consultant to study into the assessments on HCV, Social and Environmental Impact Assessments.
- (2) Oil mills and plantations are working on the non compliance issues by improving the agricultural and milling practices.
- (3) Embarking on projects to optimize Green House Gas emission.

(iii) TBP and milestones

Not available pending to the outcomes of the study on HVC and SEI assessments.

b. Independent mill – West Malaysia

(i) Key issues and progress

(6) There are 4 independently operating oil mills in West Malaysia namely:

- Tian Siang Oil Mill (Perak) S/B
- Tian Siang Oil Mill (Air Kuning) S/B
- Tian Siang Oil Mill (Pahang) S/B
- Pujaan Makmur Oil Mill S/B

(7) The Fresh Fruit Bunches or FFB supply base is 100% from outside sources, consisting mainly from smallholders.

(8) The mills are currently operating in compliance to legislative requirements as specified by the Division Of Environment or DOE, Jabatan Keselamatan dan Kesihatan Pekerjaan or JKPP and Malayan Palm Oil Board or MPOB

(9) The downstream biomass projects are implemented in the mills as follows:

- Capturing of Biogas from Palm Oil Mill Effluent or POME.
- Generation green energy using the biogas for electricity generation.
- Conversion of Empty Fruit Bunches or EFB to Long Palm Fiber
- Recovery of Decanter cake from the milling process as organic fertilizer
- Biogas /electricity generation and Long fiber projects are fully implemented in TSOM (Perak) and TSOM (Air Kuning) AND in the Planning for implementation in TSOM (Pahang) and Pujaan.
- Decanter cake project is in the process of implementation in TSOM(Pahang) AND shall be followed by other mills

(ii) Strategies and plans

(1) Engaged approved consultant to:

- Embark on baseline research on the profiles of the supply chain.
- Assessment on background of the farms and farmers involved as part of the program for certification of the smallholders
- Advise on works and activities proceeding to the certification of palm oil mills

(2) To assimilate and disseminate into the West Malaysian milling operations wherever relevant the proposals and recommendations in the Pre-Assessment by SIRIM QAS INT. S/B on Sabah milling operations.

- (iii) TBP and milestones
 - (1) Not available due to insufficient documented evidences on HCV, Occupational Safety ,Social and Environment Impact;
 - (2) Propose to include in the next reporting period

2. Target for next reporting

a. Actions or plans for certification

- (i) Continue pursue on rectifying the non complying issues in the Pre-Assessment.
- (ii) Conduct HCV, Social and Environment Impact Assessment by qualified and recognized consultant

b. Plans for certified palm oil

- (i) Pursue with certification of agriculture practice and milling process against RSPO P&C
- (ii) Work with Wild Asia and a palm oil refiner to promote production and use of certified palm oil on program such as RSPO certification of smallholders.

3. Reasons for non disclosure

As mentioned in the "TBP and milestones " under item 1. b. (iii) above

Sustainability -Tian Siang's perspective

I. Introduction

If sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs, as widely defined, sustainability is simply exist in harmony with nature to fulfil the social, economic requirements of present and future generations. Hence maintaining a good balance between meeting the needs for survival and well-being at present and future AND preserving the nature of the planet Earth becomes the ultimate delicate task.

TSH vows to conduct her business activities in a way that is in harmony with the environment. As a responsible oil palm grower and palm oil miller, we are committed to good agricultural and milling practices in the production of oil palm and palm oil respectively for sustainable growth. Our commitment to RSPO provides a good avenue in pursuit of sustainable business operations.

II. RSPO

Roundtable Sustainable Palm Oil or RSPO stipulates the sustainable practices for the oil palm industry. The Principles &Criteria and specific national indicators form the key drivers in the development and promotion of such practices leading to the production, procurement and use of sustainable oil palm products.

There are 8 Principles, 39 Criteria and 123 Specific National Indicators entail all the essential guidelines and required in the production of sustainable oil palm products.

The eight principles are:

- (1) Commitment to Transparency
- (2) Compliance with Applicable Laws and Regulations
- (3) Commitment to Long – Term Economic and Financial Viability
- (4) Use of appropriate Best Practices by Growers and Millers
- (5) Environmental Responsibility and Conservation of Natural Resources and Biodiversity
- (6) Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers
- (7) Responsible Development of New Plantings
- (8) Commitment to Continuous Improvement in Key Areas of Activity

RSPO Certification process requires that the business operations comply and conform to the P&C and indicators.

III. Tian Siang Holdings S/B (TSHSB) and sustainable palm oil

As an aspiring RSPO member, TSHSB is working with great enthusiasm towards certification.

Sustainable policies, environmental friendly projects and social enhancement programs that help in promoting sustainability are implemented in her business and corporate activities.

1. RSPO Certification and TBP

TSH has appointed SIRIM QAS International Sdn Bhd (SIRIM QAS) to conduct a pre-assessment or gap analysis for Malaysian National Interpretation (MY-NI) RSPO Principles and Criteria (2007) and RSPO Supply Chain Certification Standard (25 November 2011) at one of its operating units in Kinabatangan, Sandakan, Sabah. The main objective of the pre-assessment was to determine the readiness and preparing TSHSB for the main certification against the RSPO Principles & Criteria MY-NI.

SIRIM QAS , after the pre assessment has concluded that:

- (a) The operating unit has fulfilled some of the standard requirements BUT not fully as required for the main certification assessment.
- (b) The operating unit nevertheless, has the capability and capacity to fulfil all the requirements stated in the RSPO Principles & Criteria MY-NI and RSPO Supply Chain Certification Standard

Time Bound Plan- part of Annual Communications of Progress or ACOP as required in RSPO Members Code of Conduct is promptly submitted to update the action plans and progress on tasks carried out in the support and promotion of RSPO.

2. Projects-Environmental Friendly

a. Compost Project

The compost project was fully implemented in TSOM by converting EFP and POME into compost which is a good soil conditioner complementary to chemical fertilizer. The organic compost helps to retain the soil fertility with reduced chemical fertilizer usage and at the same time avoid emission of methane gas from the POME other-wised. The later contributes positively in the mitigation of global warming due to methane emission which is a Green House Gas or GHG with global warming potential 21 times that of CO₂.

b. Biogas Projects

Methane gas emission has adverse global warming impacts due its high global warming penitential. POME from the milling process under the traditional treatment system fails to address the emission of the GHG. The Biogas Project employs an effective methodology whereby the biogas from the

POME is captured and utilized as fuel for generation of renewable electricity. The avoidance of methane emission coupled with production of renewable power using the gas as fuel is hence a 2 pronged strategy.

Biogas Projects have been successfully implemented both in TSOMPK and TSOMAK in 2010 and 2012 respectively.

c. Long EFB Fibre Project

Conversion of Empty Fruit Bunches or EFB into long fibre has been successful to exploit the commercial values of the biomass. The long EFB fibre, in substituting the coconut fibre has found its niche market as raw material for the making of mattress.

Using the renewable energy from the biogas plants, the long fibre plants have been implemented in both TSOMPK and TSOMAK.

3. Good Agricultural Practices

a. Zero burning

No open burning is allowed to take place in estate premised in tandem with group agricultural policy.

b. Soil fertility

Consultant or professional personal shall be hired to conduct soil profile study, and the result will be taken as a benchmark on planning estate manuring program. Application of fertilizers at appropriate moments and in adequate doses is being practised.

c. Erosion

No steep slope area is planted and vegetative kept growth to protect soil surface to control erosion. Reducing erosion by wind and water is effected through hedging and ditching. Maintain permanent soil covering (Legume Cover Crop) also vital in controlling soil erosion.

d. Peat soil

Estate management is practising scheduled irrigation through water management plan, by monitoring of oil palm trees needs and soil water reserve status to avoid water loss by drainage. Water table is managed carefully by limiting heavy output of water through water management team.

e. Pest control

Integrated Pest Management (IPM) is intensively practised by planting variety of beneficial plants that provide a good breeding site for predators. Barn Owl is mostly used to control rat population. If control on chemicals application is required, strict compliance to the Estate P&D Control procedure is observed.

f. Eco-system

Estate operations believe that the 'Eco-System' is controlled both by external and internal factors. As a responsible oil palm producer, we strive to enhance environmental quality and natural resource base upon which the agricultural economy survives while sustaining the viability of the group operations. Our estate management shall work closely with WWF of Kinabatangan district wherever technical support is needed to upkeep a balanced and healthy eco habitat.

4. Sustainable Policy

The following sustainable quality policies are formulated to strategize the progress of oil palm cultivation and palm oil processing in pursuit toward sustainability:

a. Social Policy –refer Attachment - 3

b. Gender Policy –refer Attachment - 4

c. Environment and Biodiversity Policy – Attachment 5

d. Operational Safety and Health Policy - Attachment 6

5. Community and Social development

a. Care for plantation/estate community

(i) Workers quarter

New houses are constructed to replace the old wooden structures. The housing scheme is to provide estate workers with modern amenities designed to meet Minimum Housing Act requirement. This long term plan shall be progressively implemented to resolve the sub standard housing conditions.

(ii) Education of worker's children

Transport is a major issue for school going children in the estate. Subsidies are provided to alleviate the burden of the working parents for ferrying children to school.

(iii) Enhancing medical care of estate workers and community

The management commits to provide quality medical care to all the estate workers. In addition to the service of an Estate Clinic manned by a full time resident Medical Assistant (HA), Visiting Medical Officer (VMO) is hired to conduct visit to estates on monthly basis. Health promoting campaigns are regularly organized jointly through collaboration between the Estate Clinic and Government Agency to educate the workers and estate community on general health care, prevention of diseases and healthy life-style. Gotong-royong, educational talks by qualified medical personnel and blood donation campaign are among the events carried out.

b. Care for social and welfare of community

(i) Sponsorship for games and sports

In the promotion of sports and games, sponsorship is dispensed in the form of cash donation to the sports institutions and financial supports direct to participating teams. TSHSB is becoming renowned for her contribution in promoting the basketball in the region.

(ii) Donations to poor and needy

Deserving needy families due to illness and misfortune reported in the dailies are picked and cash donations are given to alleviate grieves. The philanthropic gestures aim to arouse general awareness to create a caring society.

(iii) Family days and educational campaign

Family day for employees promotes fellowship and fraternity among all employees. Educational talks organized during the occasion on health care, good parenting and blood donation campaign to the general public help to instil awareness for healthy life-style and promoting communal integration for peace and harmony.

IV. 3 Ps- Planet(Environment), People(Social) and Profit(Economic)

The ultimate objective of sustainable growth thus focuses on balanced maintenance of 3 Ps namely Planet, People and Profit and it is to ensure that:

- Planet –Environmentally-APPROPRIATE
- People -Socially- BENEFICIAL
- Profit – Economically-VIABLE

Upload new file	:	
Palm oil related websites	:	
RSPO reporting period	:	July 2011 to June 2012
Date of submission	:	25/9/2012

Growers

Estate operations:

Number of estates/management units: : 12

Number of estates/management units certified : 0

Area of estate plantations - planted (ha) : 5496

Area certified (ha) : 0

In which countries are your estates?

Indonesia – please indicate which states : Maluku;

Malaysia – please indicate which states : Sabah;

Other - please indicate which countries :

Associated smallholder/plasma operations:

Area of associated smallholder plantations - planted (ha)

Area of associated smallholder plantations that are certified (ha)

New plantings and developments:

Area planted in this reporting period (ha)

Have New Planting Procedure notifications been submitted to the RSPO for the plantings this year?

Third party FFB sourcing:

Tonnes of outside Fresh Fruit Bunches purchased from sources that are not company estates or contracted suppliers.

1499012

Fresh Fruit Bunches processing operations:

Number of Palm Oil Mills operated : 5

Number of Palm Oil Mills certified : 0

Number of Palm Kernel crushers and/or Palm Kernel mills operated : 0

Number of Palm Kernel crusher/mills : 0

certified

Total Fresh Fruit Bunches Processing production capacity:

Total annual Fresh Fruit Bunches production : Tonnes: 1586537
capacity (mt)

Total annual Fresh Fruit Bunches production : Tonnes certified: 0
capacity certified (mt)

Total annual Crude Palm Oil production : Tonnes: 316425
capacity (mt)

Total annual CPO production capacity : Tonnes certified:
certified (mt)

Total annual PKO production certified (mt) : Tonnes certified: 0

Total annual Palm Kernel Oil production : Tonnes :
capacity (mt)

Total annual Palm Kernel production : Tonnes: 86357
capacity (mt)

Total annual PK production capacity : Tonnes certified:
certified (mt)

Marketing

If you produce RSPO Certified Sustainable Palm Oil, which supply chain options do you sell it through?

| Book & Claim | Mass balance

Time-bound Plan

***The Time-bound Plan applies to existing/commissioned mills

Time-bound plan - Year expected to achieve RSPO 100% certification of mills and supply base/estates

Not Available

What are your interim milestones towards achieving this RSPO Certified Sustainable Palm Oil Commitment (year and progressive CSPO%) - please state annual targets/strategies

Please refer to http://rspo.org/acop/internal/upload/1-0097-11-000-00_Growers.pdf

Will you be expanding into new mills in the next five years?

no

If yes, how many?

Time-bound plan - Year expected to achieve 100% RSPO certification of smallholders

Refer attachments in

What are your interim milestones towards achieving this RSPO Certified Sustainable Palm Oil Commitment (year and progressive CSPO%) - please state annual targets/strategies

Please refer to http://rspo.org/acop/internal/upload/1-0097-11-000-00_Growers.pdf

Time-bound plan - Year expected to achieve 100% RSPO certification of outside FFB?

What are your interim milestones towards achieving this RSPO Certified Sustainable Palm Oil Commitment (year and progressive CSPO%) - please state annual targets/strategies

Please refer to http://rspo.org/acop/internal/upload/1-0097-11-000-00_Growers.pdf

Targets for next reporting period

Outline actions that will be taken in the coming year to advance your plans for RSPO certification:

Please refer to http://rspo.org/acop/internal/upload/1-0097-11-000-00_Growers.pdf

Outline actions that will be taken in the coming year to promote RSPO certified sustainable palm oil

Please refer to http://rspo.org/acop/internal/upload/1-0097-11-000-00_Growers.pdf

Reasons for non-disclosure of information:

If you have not disclosed any of the above information please indicate the reasons why:

Data not know

If other please specify: