

Malaysian
Timber
Certification
Council



20 24

**ANNUAL
REPORT**





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YB DATUK WETROM BAHANDA
Chairman

Chairman's Message

It is my pleasure to present the Malaysian Timber Certification Council's 2024 Annual Report, a year that marked MTCC's 25th anniversary and underscored our continued commitment to sustainable forest management through the Malaysian Timber Certification Scheme (MTCS).

Over the past year, MTCC focused on reinforcing the MTCS in response to rising global expectations. Our alignment with revised Programme for the Endorsement of Forest Certification (PEFC) standards and the European Union Deforestation Regulation (EUDR) reflects Malaysia's readiness to meet emerging sustainability and market requirements. This work is especially significant as we prepare for the upcoming PEFC re-endorsement of the MTCS in 2027.

At the same time, MTCC maintained active engagement with stakeholders across sectors, from policy institutions and forest managers to industry players and Indigenous communities. Our initiatives have helped foster deeper understanding of sustainable forestry, while strengthening cooperation across the value chain.

As we approach the final year of MTCC's 2020–2025 Strategic Plan, I wish to thank the Board of Trustees and the MTCC team for their dedication. Let us continue working together to build a sustainable, competitive, and resilient future for Malaysia's forests and timber industry.

YB DATUK WETROM BAHANDA

Chairman



Foreword by the Chief Executive Officer



In 2024, MTCC focused on future-proofing the Malaysian Timber Certification Scheme (MTCS) through strategic alignment with updated international standards and new market regulations. This included incorporating PEFC's revised Sustainable Forest Management and Certification Body requirements, and preparing for the adoption of a PEFC-aligned Due Diligence System under the European Union Deforestation Regulation (EUDR).

Through national consultations and active participation in PEFC working groups, MTCC provided technical input and local context to ensure the revised standards are both implementable and effective for tropical forestry. Capacity-building efforts with forest managers, auditors, and companies were also expanded to support practical readiness.

As of December 2024, the MTCS covered 6.46 million hectares of certified forest, comprising 6.29 million hectares of natural forests, and 172,000 hectares of forest plantations. While several FMUs were suspended or withdrawn due to non-compliance with MTCS safeguards, these actions reflect the scheme's integrity.

Encouragingly, forest plantation certification grew by over 30%, supported by stronger outreach and technical support.

The number of Chain of Custody (COC) certified companies rose to 370, with notable growth in the sawmill, biomass, and furniture sectors. MTCC also made progress in expanding awareness among downstream actors, aligning sustainability with business competitiveness.

As we prepare for the 2025 PEFC re-endorsement, MTCC remains focused on strengthening our systems, growing domestic uptake, and supporting Malaysia's timber sector in navigating a fast-evolving regulatory landscape. I extend my sincere thanks to our Board of Trustees and the MTCC team for their continued trust and commitment.

**DR. FARRAH SHAMEEN
MOHAMAD ASHRAY**
Chief Executive Officer





CORPORATE OVERVIEW

This section introduces MTCC's purpose, vision, and background, setting the context for the organisation's role and activities.

Vision



A nation that appreciates and internalises the full value and contribution of forest towards global sustainability.

Mission

MTCC is committed to strengthen the MTCS to realise the full value and contribution of forest through sustainable forest management and chain of custody certification.



Background



The Malaysian Timber Certification Council (MTCC), formerly known as the National Timber Certification Council (NTCC) was established following endorsement at the Thirteenth Meeting of the National Forestry Council (NFC) on 4 July 1997. NTCC was tasked with planning and operating Malaysia's national timber certification scheme.

Incorporated on 29 October 1998 as the National Timber Certification Council Malaysia (NTCC Malaysia), the council began operations on 1 January 1999 as an independent, non-profit company limited by guarantee and without share capital. On 30 June 2001, NTCC Malaysia was renamed the Malaysian Timber Certification Council.

The Malaysian Timber Certification Scheme (MTCS), previously known as the MTCC scheme, commenced implementation in October 2021 after nearly three years of preparation. This phased approach included multi-stakeholder consultations to develop

certification standards, field-testing, development of assessment procedures, auditor training, registration of independent assessor companies and peer reviewers, establishment of rules for MTCC logo usage, formulation of an appeals mechanism, and familiarisation of potential certification applicants with the scheme and its requirements.

Initially, MTCC served both as the scheme owner and the certificate-issuing body. To strengthen governance and enhance international acceptance, a new institutional arrangement was implemented on 1 July 2008.

MTCC continues as the scheme owner, while independent Certification Bodies (CBs) must obtain accreditation from the Department of Standards Malaysia (STANDARDS MALAYSIA) to conduct Forest Management or Chain of Custody certifications under MTCS.

As the scheme owner, MTCC is responsible for:

Supporting the standard-setting process by serving as secretariat to the relevant standard-setting body and periodically reviewing standards related to timber certification.

Processing applications for MTCS notification of Certification Bodies and issuing logo usage licenses to certificate holders.

Implementing procedures for investigation and resolution of disputes, complaints, and appeals related to its NGB role.

Liaising with national accreditation bodies and other certification organisations on timber certification matters.

Coordinating with national, regional, and international bodies to facilitate cooperation and mutual recognition arrangements.

Conducting programs to promote and publicise MTCS locally and internationally.



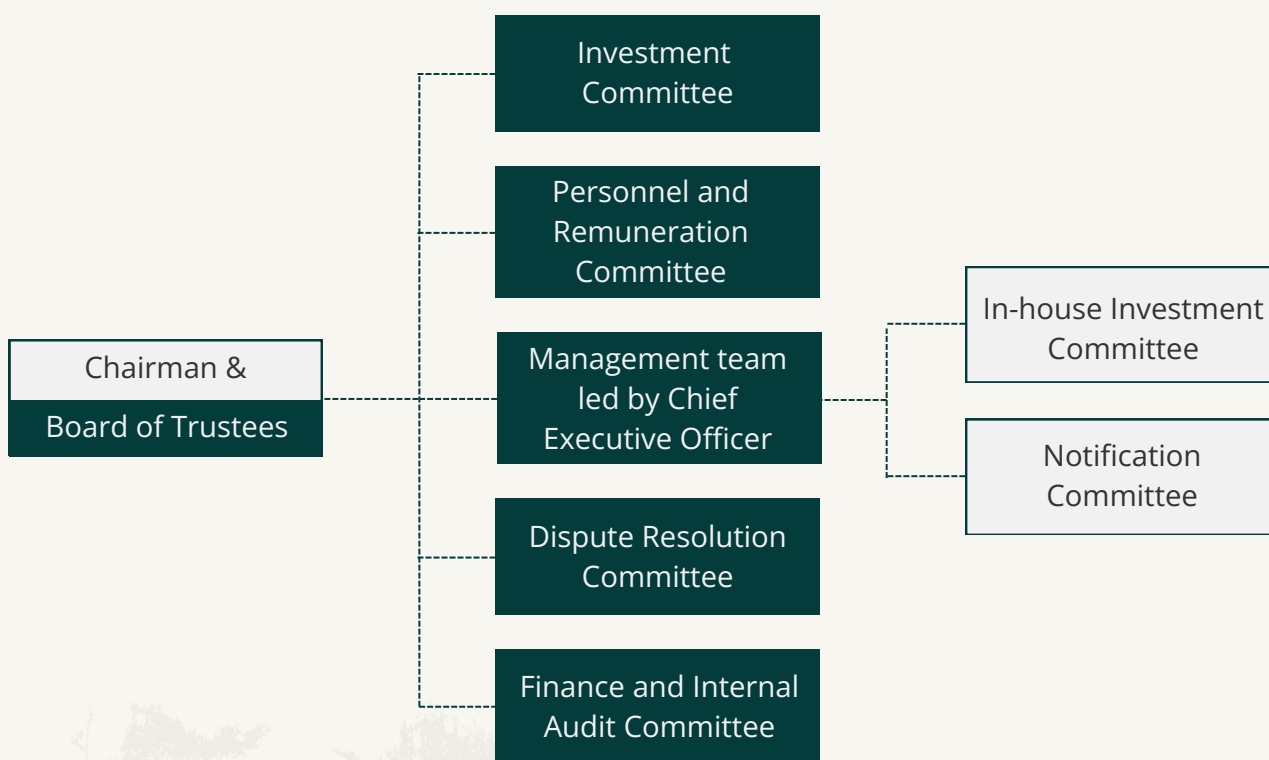


LEADERSHIP

This section details MTCC's governance framework, including the Board of Trustees and key committees overseeing the organisation's operations.

Organisation of MTCC

MTCC is structured to effectively perform its roles and achieve organisational objectives.



Board of Trustees



YB Datuk Wetrom Bahanda

CHAIRMAN



**Mr. Wan Ahmad
Asmady Wan Md
Din** *(Up to 31 Oct 2024)*

MINISTRY OF PLANTATION
AND COMMODITIES



**Mr. Mazlan
bin Othman** *(With effect from 25 Nov 2024)*

MINISTRY OF PLANTATION
AND COMMODITIES



**Ms. Norsham
Abdul Latip**

MINISTRY OF NATURAL
RESOURCES AND
ENVIRONMENTAL
SUSTAINABILITY



Mr. Wong Kar Wai

TIMBER EXPORTERS'
ASSOCIATION OF MALAYSIA



**Dr. Norwati
Muhammad**

FOREST RESEARCH
INSTITUTE MALAYSIA



Mr. Faizal Parish

GLOBAL ENVIRONMENT
CENTRE



**Mr. Abdul Ghani
bin Sulhi**

UNION OF FORESTRY
EMPLOYEES SARAWAK



Mr. Tan Peng Juan

SABAH TIMBER INDUSTRIES
ASSOCIATION



Mr. Alexander Yee

SABAH ENVIRONMENTAL
PROTECTION ASSOCIATION

The Board of Trustees is established under Article 10(a) of MTCC's Memorandum and Articles of Association (MAA):

"There shall be a Board of Trustees for the management of the affairs of the MTCC. The maximum number of Trustees shall, unless the Minister resolves otherwise, be eleven (11). The Board of Trustees shall comprise the following:

- Chairman;
- Two (2) representatives from the government;
- Two (2) representatives from the academics or research and development institutions;
- Two (2) representatives from the private sector (timber industries associations); and
- Four (4) representatives from non-government organisations (social and environment interests)."



List of Board of Trustees as at 31 December 2024

ROLE	ORGANISATION	NAME	DATE OF APPOINTMENT
Chairman	Malaysian Timber Certification Council	YB Datuk Wetrom Bahanda	29 May 2023
Member (government representative)	Ministry of Plantation and Commodities	Mr. Mazlan bin Othman	25 November 2024
Member (government representative)	Ministry of Natural Resources and Environmental Sustainability	Ms. Norsham Abdul Latip	15 June 2020
Member (private sector representative)	The Timber Exporters' Association of Malaysia	Mr. Wong Kar Wai	1 January 2022
Member (academic/ research institution representative)	Forest Research Institute Malaysia	Dr. Norwati Muhammad	14 August 2023
Member (non-government organisation, environment interest representative)	Global Environment Centre	Mr. Faizal Parish	1 January 2024
Member (non-government organisation, social interest representative)	Union of Forestry Employees Sarawak	Mr. Abdul Ghani bin Sulhi	1 January 2024
Member (private sector representative)	Sabah Timber Industries Association	Mr. Tan Peng Juan	1 January 2024
Member (non-government organisation, environment interest representative)	Sabah Environmental Protection Association	Mr. Alexander Yee	1 January 2024

Board of Trustees Meetings

The Board of Trustees convened five times in 2024.

19 FEB

99th BOT Meeting

MTCC Office,
Kuala Lumpur

28 MAY

100th BOT Meeting

MTCC Office,
Kuala Lumpur

25 JUN

101st BOT Meeting

Bangunan Getah
Asli, Kuala Lumpur

10 SEPT

102nd BOT Meeting

MTCC Office,
Kuala Lumpur

26 NOV

103rd BOT Meeting

MTCC Temporary
Office, Kuala Lumpur



Investment Committee

The Investment Committee was formed in 1999 when MTCC received its initial allocation of Endowment Fund totaling RM9.0 million.

The establishment of the Investment Committee was in accordance with the provisions outlined in the Tatacara Pengurusan Dan Pentadbiran Dana Endowment MTCC (Tatacara), which stipulates that the Investment Committee should comprise the following members:

- The MTCC Chairman
- The MTCC Chief Executive Officer (CEO)
- A representative from the Ministry of Plantation and Commodities
- A Representative from the Ministry of Finance

The Investment Committee is responsible for the formulation of policies and procedures on matters related to the establishment and management of the Endowment Fund. The Committee oversees the overall implementation of MTCC's investment policies.

Members of Investment Committee

YB Datuk Wetrom Bahanda, MTCC Chairman

Dr. Farrah Shameen Mohamad Ashray, Chief Executive Officer

Mr. Wan Ahmad Asmady Wan Md Din, representing the Ministry of Plantation and Commodities, served until 20 February 2024. He was **succeeded by Mr. Mazlan Othman** effective 5 August 2024.

Ms. Yasmin Banu Yusuf, from the Ministry of Finance, was **succeeded by Mr. Ahmad Ridzwan bin Ishak** on 1 May 2024, with a term ending 30 April 2026.

In 2024, the Investment Committee convened twice to review and deliberate on matters pertaining to MTCC's financial investments and portfolio strategies. The meetings were held as follows:

28 Apr: 23rd Investment Committee Meeting

27 Nov: 24th Investment Committee Meeting

Personnel and Remuneration Committee

The Remuneration Committee was established during the 93rd Meeting of the Board of Trustees on 8 September 2022. The objective of the Committee is to ensure that MTCC staff are rewarded with promotions and remuneration that are fair, attractive, and commensurate with their knowledge and experience. This is aimed to motivate and retain present staff as well as to attract new candidates.

Members of the Personnel and Remuneration Committee

Mr. Faizal Parish bin Abdullah was appointed Chairman in January 2024, succeeding YBhg. Dato' Suki Mee.

Mr. Wan Ahmad Asmady bin Wan Md Din was succeeded by **Mr. Mazlan Othman** on 5 August 2024.

Ms. Norsham binti Abdul Latip remained as committee member.

Mr. Chua Yeong Perng, private sector representative, was succeeded by **Mr. Tan Peng Juan** in January 2024.

The Personnel and Remuneration Committee convened four times in 2024 to deliberate on matters related to human capital planning, staff performance, and compensation frameworks:

26 Mar: 3rd Personnel and Remuneration Committee Meeting

21 May: 4th Personnel and Remuneration Committee Meeting

03 Sep: 5th Personnel and Remuneration Committee Meeting

22 Nov: 6th Personnel and Remuneration Committee Meeting

Dispute Resolution Committee

The Dispute Resolution Procedure, MTCS GD 3003:2021 (15 December 2021) describes the Dispute Resolution Committee (DRC) as an independent committee established by the Board of Trustees to consider and resolve the types of disputes mentioned in these Procedures. The DRC shall comprise of five members who are appointed by the Board of Trustees, including the Chair for the DRC.

The procedure for the investigation and resolution of disputes within the MTCS includes: (i) the scope in terms of the types of disputes that can be referred to MTCC in its role as the NGB; (ii) procedure for submission of disputes; (iii) function and membership of the Dispute Resolution Committee (DRC) and its decision-making process; and (iv) costs incurred related to these Procedures.

Members of Dispute Resolution Committee

Tan Sri Dato' Seri Dr. Salleh Mohd Nor (Chairman)

Dato' Dr. Baharuddin Ghazali

Dato' Shahrudin Mohamad Ismail

Dr. Ramy Bulan

Mr. Chew Lye Teng

Financial and Internal Audit Committee

The Finance and Internal Audit Committee (FIAC) continued to provide oversight on MTCC's financial reporting processes, audit mechanisms, and internal control systems. **The Committee met four times** during the year:

20 Mar: 4th Financial and Internal Audit Committee Meeting

27 May: 5th Financial and Internal Audit Committee Meeting

09 Sep: 6th Financial and Internal Audit Committee Meeting

26 Nov: 7th Financial and Internal Audit Committee Meeting

Members of the Finance and Internal Audit Committee

Mr. Tan Peng Juan was appointed Chairman in January 2024, **succeeding YBhg. Datuk Zainie bin Abdul Aucasa** whose tenure ended in December 2023.

Mr. Wan Ahmad Asmady bin Wan Md Din was **succeeded by Mr. Mazlan Othman** on 5 August 2024.

Mr. Wong Kar Wai has continued to serve since his appointment on 1 January 2023.

Notification Committee

The Notification Committee is responsible for the notification of certification bodies (CBs) and issuance of logo usage licenses to certificate holders under the Malaysian Timber Certification Scheme (MTCS).

Members of the Notification Committee

Dr. Farrah Shameen Mohamad Ashray (Chairman)

Ms. Sabrina Mawasi (*up to May 2024*)

Dr. Agkillah Maniam

Mr. Akmal Saarani

MTCC Coordination Committee

The Malaysian Timber Certification Scheme (MTCS) operates within a structured framework comprising the Malaysian Timber Certification Council (MTCC) as the National Governing Body (NGB), Standards Malaysia as the National Accreditation Body (AB), and Accredited Certification Bodies (CBs) as PEFC-notified entities responsible for conducting independent certification assessments.

To strengthen coordination and ensure transparent communication among these key institutions, MTCC formally established the MTCS Coordination Committee (MCC) in 2024. Chaired by MTCC's Chief Executive Officer, the MCC serves as a collaborative platform to address technical and operational issues, ensure consistent interpretation of certification and accreditation requirements, and support effective implementation of the MTCS.

List of Agencies and Representatives in the MTCS Coordination Committee

AGENCY	PERMANENT MEMBER	ALTERNATE MEMBER
Department of Standards Malaysia	Mr. Bernados Bingkang	Mr. Mark Mariba Rantai
SIRIM QAS International Sdn. Bhd.	Mr. Khairul Najwan Ahmad Jahari	Mr. Zulkarnain Abdullah
SGS (Malaysia) Sdn. Bhd.	Mr. Abdullah Din	Mr. Mohd Saifuddin Rozlan
Bureau Veritas Certification (Malaysia) Sdn. Bhd.	Mr. Ahmad Hamdi Mat Yusoff	Ms. Siti Fatimah Zahra binti Rashid
Control Union (Malaysia) Sdn. Bhd.	Mr. Supun Nigamuni	Mr. Melvin Ku
Intertek Certification International Sdn. Bhd.	Mr. David Kong Kum Loong	N/A
Platinum Shauffmantz Veritas Sdn. Bhd.	Ms. Rosnani binti Umar	Ms. Rosmawati binti Abdullah
CSIM Certification Sdn. Bhd.	Ms. Aina Hayati	Mr. Abdul Haye Bin Semail

The formation of the MCC marks a significant step forward from the annual meetings previously organised by MTCC with Standards Malaysia and PEFC-notified CBs in January 2022 and 2023. These early engagements laid the groundwork for institutionalising the MCC as a standing committee.

In 2024, two MCC meetings were held, the first on 22 February and the second on 12 December. Discussions focused on key topics such as the implementation of revised MTCS standards, alignment with the European Union Deforestation Regulation (EUDR), and operational requirements related to geolocation data, due diligence, and traceability protocols. The Committee also addressed audit-related feedback, clarified procedural expectations between certification and accreditation bodies, and explored opportunities to strengthen the certification infrastructure.

Through continued engagement and collaborative problem-solving, the MTCS Coordination Committee plays a central role in upholding the integrity, transparency, and international recognition of the MTCS.



Members of the MTCS Coordination Committee convene to discuss certification implementation, audit alignment, and regulatory updates as part of MTCC's commitment to coordinated, transparent governance.



Company Secretary

Fareez Shah & Partners

Unit K03-03-10 UOA Business
Park, No. 1 Jalan Pengaturcara
U1/51A, Seksyen U1, 40150 Shah
Alam, Selangor.



Company Auditor

Khairuddin Hasyudeen & Razi (KHR)

B-5-7 Megan Avenue 2
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur.
(AF 1161)



Annual General Meeting

The Malaysian Timber Certification Council (MTCC) convened its Twenty-Fifth Annual General Meeting on 25 June 2024, chaired by YB Datuk Wetrom Bahanda, Chairman of MTCC.

Members adopted the Audited Financial Statements for the year ending 31 December 2023, alongside the Reports of the Trustees and Auditors and the 2023 Annual Report. The meeting also provided a platform for Members to review key achievements, discuss strategic matters, and reaffirm MTCC's commitment to sustainable forest management and governance.

List of Members Present at the Twenty-Fifth Annual General Meeting

NO	NAME	AUTHORISED REPRESENTATIVE
1.	YB Datuk Wetrom Bahanda	Malaysian Timber Certification Council
2.	Mr. Tan Peng Juan	Sabah Timber Industries Association
3.	Mr. Khairul Anwar	Malaysian Timber Council
4.	Mr. Azharizan Mohamad Norizan	Forest Research Institute Malaysia
5.	Ms. Nur Edora Abdullah	Sarawak Timber Industry Development Corporation
6.	Ms. Jaime Chan Shin Syn	Sarawak Timber Association



Members gathered for MTCC's 25th AGM to adopt the 2023 Audited Accounts and Annual Report under the chairmanship of YB Datuk Wetrom Bahanda.





STRATEGIC DIRECTION

This section summarises MTCC's key goals and priorities under Strategy 2020–2025, guiding efforts towards sustainable forest management.

MTCC Strategy 2020–2025

As MTCC entered the second-last year of its 2020–2025 Strategy, 2024 became a critical period to reinforce core foundations while adapting to evolving regulatory, market, and stakeholder expectations. The year was shaped by three major developments:

- **Regulatory alignment:** Advancing Malaysia's readiness for the EU Deforestation Regulation (EUDR), including adoption of PEFC's Due Diligence System and deeper engagement with certified companies to support compliance.
- **Credibility and assurance:** Demonstrating the integrity of the MTCS through the suspension and withdrawal of non-compliant Forest Management Units (FMUs), reaffirming the scheme's commitment to Indigenous rights and environmental safeguards.
- **Growth in plantations and downstream engagement:** Expanding Chain of Custody (COC) uptake and forest plantation certification, reflecting greater awareness and commitment among manufacturers, exporters, and biomass producers.



MTCC Strategy 2020–2025 sets the direction for scaling certification, strengthening credibility, and positioning MTCS within Malaysia's sustainability agenda.

A Year of Tangible Progress

In 2024, MTCC led national efforts to align the MTCS with PEFC's revised international standards, including ST 1004:2024 and the EUDR Due Diligence System. Stakeholder consultations were wide-ranging and inclusive, drawing feedback from FMUs, government agencies, Indigenous and community representatives, and the private sector. This collaborative process ensured that Malaysia's certification framework remains robust, credible, and globally benchmarked.

At the same time, MTCC played a key role in facilitating market access. The number of Chain of Custody-certified companies reached 370, with notable growth in the sawmill, biomass, and furniture sectors. Despite a slight net reduction in total certified forest area due to compliance-related suspensions, the increase in certified forest plantations and steady audit performance among retained FMUs signaled continued confidence in the scheme.

MTCC also increased investment in capacity building, training auditors and companies to meet new standards, including the EUDR module. Efforts to bridge compliance gaps were proactive and strategic, ensuring that certification remained a value-added asset rather than a regulatory burden.

What & Where
we envision to be by 2025

- Greater Uptake of MTCS Certification**
To increase the uptake of forest management certification from the current certified forest management units (FMUs) of 22 to 40 FMUs and the number of forest companies certified under the chain of custody certification from 245 to 400 forest companies.
- MTCS is Mainstreamed and its Position Further Enhanced in National Policies related to Sustainability**
To mainstream and further enhance the position of the MTCS in national policies related to sustainability covering natural resources, biological diversity and climate change.
- Expansion of Scope of Certification under the MTCS**
To expand the scope of certification to cover both forest and non-forest products including ecosystem services, to take on board additional values and contributions of forests.
- Greater Acceptance and Recognition of MTCS-Certified Products both Domestically and Internationally**
To achieve greater acceptance of MTCS-certified timber and timber products domestically through support from local producers to brand their products for the domestic market, and policy by the federal and state governments, financial institutions and private corporations to specify the use of MTCS-certified products under their respective procurement policies. To strengthen engagement and collaboration with APIC and other relevant regional and international bodies for continued acceptance and recognition of the MTCS.
- Greater Collaboration with Stakeholders, and Increase Efforts in Communication, Education and Public Awareness (CEPA)**
To foster closer collaboration with relevant stakeholders to garner their better support and acceptance of the MTCS, both domestically and internationally. To increase efforts in CEPA to create greater awareness on the importance of sustainable forest management through certification under the MTCS.
- MTCC is Strengthened Institutionally**
To cope with the expanded scope of responsibility and the anticipated growth in volume of certification, it is imperative that the MTCC is strengthened institutionally through additional financial and human resources.
- Embedding Innovation and Technology Advancement**
To embrace innovation to keep in pace with technology advancement to deliver certification that is robust, cost efficient, and accessible to accelerate uptake. The use of innovative approaches would also ensure greater transparency, better governance and accountability of information for its certified entities.

MTCC's 2025 targets guiding MTCC's efforts to scale up certification, expand scope, and strengthen MTCS recognition at home and abroad.



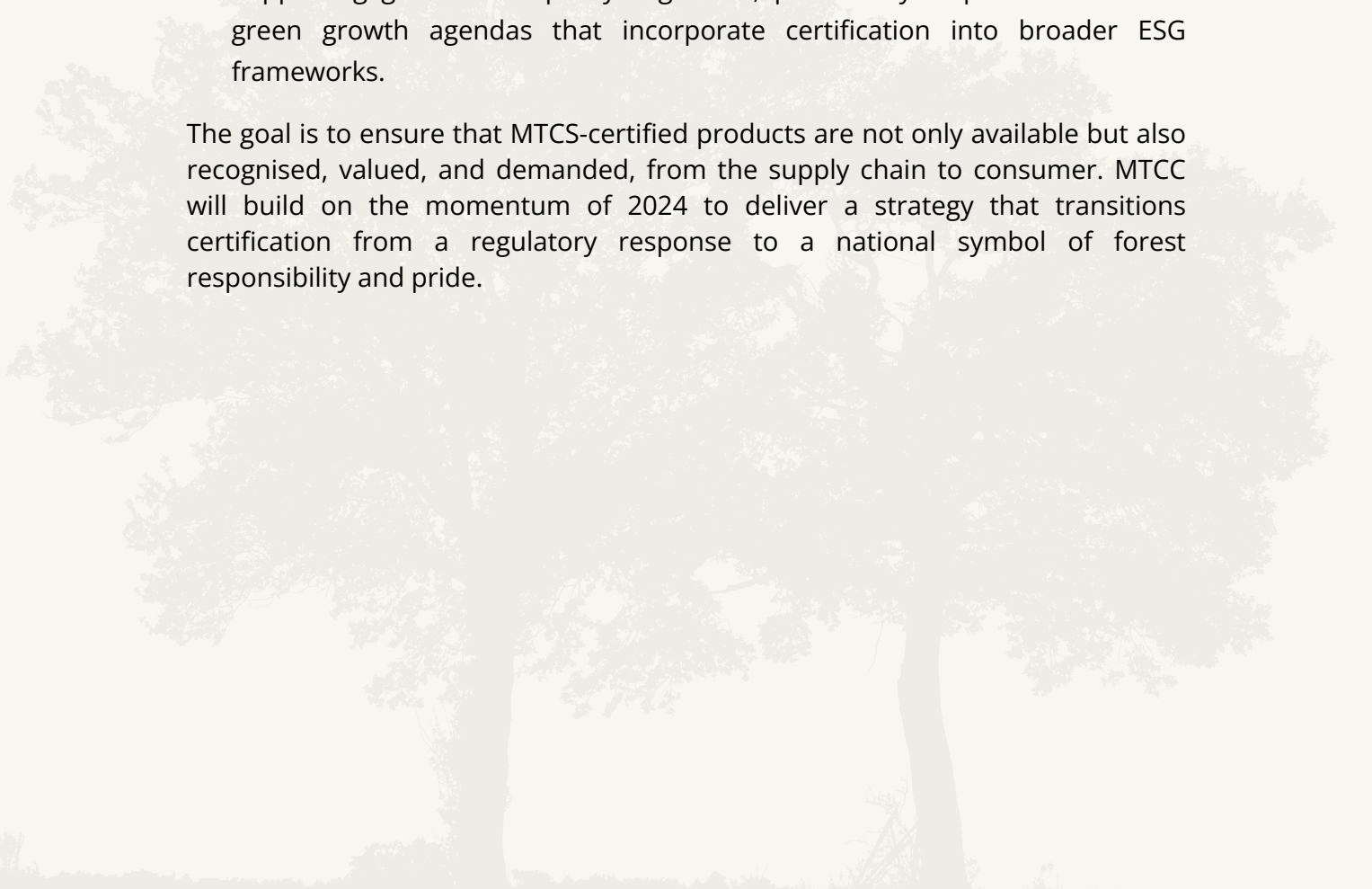
Looking Ahead to 2025: Visibility, Trust, and Demand

As the final year of the current strategic cycle approaches, MTCC's focus will shift toward broadening public and market engagement. While technical alignment and coverage expansion remain priorities, the long-term success of the MTCS depends on its visibility, trustworthiness, and relevance beyond forestry and industry circles.

In 2025, MTCC will place greater emphasis on:

- Reaching everyday consumers, households, students, and designers who care about the origin of the products they use.
- Positioning MTCS as a trusted sustainability mark, synonymous with legal, ethical, and environmentally sound forest products.
- Supporting government policy alignment, particularly in procurement and green growth agendas that incorporate certification into broader ESG frameworks.

The goal is to ensure that MTCS-certified products are not only available but also recognised, valued, and demanded, from the supply chain to consumer. MTCC will build on the momentum of 2024 to deliver a strategy that transitions certification from a regulatory response to a national symbol of forest responsibility and pride.









OPERATIONS & PERFORMANCE

Reports on certification activities, technical standards, and industry engagement demonstrating MTCC's delivery against its core mandate.

Overview: Sustainable Forest Management and the MTCS

Malaysia's forest landscapes are among the most biologically diverse in the world, supporting rich ecosystems, vital water catchments, carbon sinks, and the livelihoods of Indigenous Peoples and local communities. Recognising the ecological, social, and economic value of its forest resources, Malaysia has long adopted the principles of Sustainable Forest Management (SFM) as the foundation of its forest policy and development agenda.

The Malaysian Timber Certification Scheme (MTCS), operated by the Malaysian Timber Certification Council (MTCC), plays a critical role in translating the implementation of SFM principles into credible and verifiable practices on the ground. Since its establishment in 2001, the MTCS has provided an internationally recognised framework to demonstrate responsible forest management, with assurance mechanisms that conform to global expectations of transparency, inclusivity, and environmental integrity.

At the core of the MTCS is the Malaysian Criteria and Indicators for Sustainable Forest Management (MC&I SFM) [MTCS ST 1002:2021], which outlines a comprehensive set of criteria and indicators aligned with the PEFC Sustainable Forest Management Standard [PEFC ST 1003:2018]. The standard addresses key sustainability pillars, environmental protection, social equity, and economic viability, and incorporates requirements on High Conservation Value (HCV) forests, Free, Prior and Informed Consent (FPIC), and continuous improvement in forest operations.

Introduction

In 2024, MTCC continued to promote the adoption of the current MC&I SFM standard across all Forest Management Units (FMUs), supported by capacity building, technical guidance, and coordination with State Forestry Departments and relevant stakeholders. This collective effort reaffirms Malaysia's position as a committed producer of sustainably managed tropical timber.

2024 was also a significant year for strengthening alignment between the MTCS and the EU Regulation on Deforestation-Free Products (EUDR), in tandem with the Programme for the Endorsement of Forest Certification (PEFC).

This strategic alignment is expected to enhance the international acceptance and market access of MTCS-certified timber products, particularly in the European Union.

Additionally, a new Forest Management (FM) team assumed responsibility at MTCC in 2024 following the departure of the previous team. Despite the transition, there was no gap or disruption in the services provided by MTCC's FM Unit, ensuring continued support to stakeholders and seamless implementation of certification activities throughout the year.



Natural Forest Certification

As of 31 December 2024, 6.29 million hectares of natural forests within the Permanent Reserved Forests (PRFs) of Peninsular Malaysia, Sabah, and Sarawak were certified under the Malaysian Timber Certification Scheme (MTCS). These certified areas highlight Malaysia's ecological diversity and the ongoing commitment of State Forestry Departments and forest concession holders to Sustainable Forest Management (SFM).

This figure marks a decrease of about 294,000 hectares, or 4.47%, from the 6.58 million hectares certified at the start of 2024. The reduction is mainly due to the suspension and withdrawal of certification for several Forest Management Units (FMUs) in Sarawak, reflecting the MTCS's rigorous assurance system and its dedication to upholding the rights of Indigenous Peoples and local communities.

Despite this decline, most FMUs retained their certification and performed well in surveillance audits, particularly in forest resource monitoring, biodiversity conservation, and forest zoning.

There were also improvements in engagement with Indigenous and local communities, as well as greater transparency and inclusivity in forest management planning.

Throughout 2024, the Malaysian Timber Certification Council (MTCC) strengthened its internal audit and compliance processes. In partnership with State Forestry Departments, MTCC's FM Unit conducted joint field reviews and technical support sessions to help FMUs meet MC&I SFM requirements. These efforts enabled FMUs to better address audit findings and Corrective Action Requests (CARs), supporting long-term certification continuity.

Although the certified area saw a temporary reduction, this underscores the MTCS's strict adherence to sustainability standards. The continued efforts of FMUs and state agencies demonstrate the resilience and maturity of Malaysia's forest certification system.

Forest Plantation Certification

As part of Malaysia's dual-track strategy for forest sustainability and stable timber supply, forest plantations have grown increasingly important. By 31 December 2024, about 172,000 hectares of plantations were certified under the Malaysian Timber Certification Scheme (MTCS), marking a 32.4% increase since early 2024.

This growth reflects rising industry confidence in sustainable plantation forestry and alignment with national and international standards. The expansion was driven by several factors:

- **New license holders joining** the certification system, especially in Sarawak, encouraged by state-level initiatives.
- **Successful re-certification** of established plantation sites in Peninsular Malaysia, demonstrating ongoing compliance and maturity.
- **Enhanced support and training** for plantation managers to meet MC&I SFM standards.

MTCS-certified plantations meet the same strict sustainability requirements as natural forests, including soil and water conservation, appropriate species selection, regulated chemical use, buffer zone protection, and safeguarding workers' rights.

In 2024, operators invested in advanced monitoring technologies, biodiversity assessments, and environmental safeguards, demonstrating commitment beyond timber production. Stakeholder engagement improved, particularly where plantations border Indigenous and local communities, with collaborative platforms addressing land use, wildlife corridors, and ecosystem restoration.

The steady rise in certified plantations signals stronger industry alignment with sustainable practices and recognises plantations' strategic role in meeting timber demand. By easing pressure on natural forests and supporting rural development and ecosystem services, certified plantations are a key pillar of Malaysia's sustainable forest economy.

Trends in Forest Management and Forest Plantation Certification

As of 31 December 2024, the total forest area certified under the Malaysian Timber Certification Scheme (MTCS) comprised approximately 6.29 million hectares of natural forests and 172,000 hectares of forest plantations, amounting to a combined total of 6.46 million hectares. This reflects an overall net decrease of around 122,000 hectares, or 1.85%, compared to the beginning of the year, when the total certified area stood at approximately 6.75 million hectares (6.58 million hectares of natural forests and 130,000 hectares of forest plantations).

YEAR	NATURAL FOREST (HA)	FOREST PLANTATION (HA)	TOTAL CERTIFIED AREA (HA)
2023	6,580,000	130,000	6,710,000
2024	6,290,000	172,000	6,462,000

Note: The 2023 Annual Report recorded 6,394,062.13 hectares of certified forest area, comprising 32 Forest Management Units (6,264,083.07 ha) and 9 Forest Plantation Management Units (129,979.06 ha). The figures presented in this section reflect year-end reconciliations and updates.

The 4.47% reduction (294,000 hectares) in certified natural forest area was mainly due to certification suspensions and withdrawals of several Forest Management Units (FMUs) in Sarawak for non-compliance with MTCS social and environmental safeguards. These decisive actions highlight the scheme's strong assurance system and commitment to protecting Indigenous Peoples' and local communities' rights, reinforcing its credibility.

Conversely, forest plantation certification grew significantly by 32.4% (about 42,000 hectares), driven by new license holders, especially in Sarawak, successful re-certification of established plantations in Peninsular Malaysia, and targeted technical support for plantation managers. This growth reflects increasing industry alignment with sustainable practices and confidence in certification.

Despite the setback in natural forest certification, most FMUs maintained their status and showed positive audit results in 2024, with improvements in forest resource monitoring, biodiversity conservation, community engagement, and inclusive management planning. Joint field reviews and technical support by MTCC and State Forestry Departments helped FMUs address Corrective Action Requests (CARs) and enhance compliance.

In summary, 2024's certification trends reveal a dynamic but resilient forest sector.

The decline in natural forest certification underscores MTCS's zero-tolerance policy on non-compliance, while the strong plantation certification growth demonstrates the scheme's adaptability and vital role in Malaysia's dual-track forest sustainability strategy. These trends affirm MTCS's evolution as a robust mechanism promoting sustainable forest management across diverse forest types and governance settings.



Updates on MTCS MC&I Sustainable Forest Management Standard and Technical Documents

In 2024, MTCC focused on aligning the Malaysian Timber Certification Scheme (MTCS) with the revised PEFC Sustainable Forest Management Standard [PEFC ST 1003:2024] and the EU Deforestation Regulation (EUDR).

Two national consultations in July engaged over 120 stakeholders from FMUs, State Forestry Departments, Indigenous groups, NGOs, certification bodies, and researchers. Key topics included updated definitions of deforestation, geolocation and traceability requirements, strengthened social safeguards, and operationalising PEFC's Due Diligence System (DDS) for EU exports.

Over 180 written submissions were compiled into Malaysia's formal position paper to PEFC International, ensuring the standard reflects Malaysia's forestry realities and legal frameworks.

MTCC also finalised technical standards enhancing audit quality and international recognition, including MTCS ST 3002:2024 (dual-logo certification)

and MTCS ST 1004:2024 (auditor competency and stakeholder consultation). Additionally, MTCC adopted the optional PEFC DDS module to support EUDR compliance through improved traceability and risk management.

These efforts reinforce MTCC's role as a national hub linking local stakeholders with global standards, strengthening MTCS as a forward-looking system ready to meet rising international expectations and support sustainable forest governance.



Notification of Forest Management Certification Bodies

In 2024, the Malaysian Timber Certification Council (MTCC) maintained a strong and transparent notification framework for Certification Bodies (CBs) under the Malaysian Timber Certification Scheme (MTCS), ensuring credible and consistent audits for both Forest Management (FM) and Chain of Custody (COC) certifications.

A significant milestone was the notification of CSIM Certification Sdn. Bhd. for Chain of Custody certification on 4 April 2024, increasing Malaysia-based PEFC-notified COC CBs to six. By year-end, 20 PEFC-notified CBs, both local and international, were authorized to conduct COC certification in Malaysia, improving audit coverage and client access.

For Forest Management certification, SIRIM QAS International and SGS (Malaysia) remained the only PEFC-notified CBs, maintaining their status without suspensions or withdrawals. This reflects adherence to MTCC's national procedures and PEFC's international safeguards.

To support the transition to the updated MTCS ST 1004:2024 standard, which includes enhanced auditor competence, remote auditing,

and stakeholder consultation, all CBs have until 1 January 2025 to align their systems. MTCC facilitated this through technical briefings, guidance notes, and field engagement to ensure consistent implementation.

These efforts highlight MTCC's commitment to a high-quality certification system that supports continuous improvement and market confidence. Competent, well-supported CBs remain vital to upholding MTCS's integrity amid evolving sustainability regulations like the EU Deforestation Regulation (EUDR).



Overview of Chain of Custody Certification and Standards

Chain of Custody (COC) certification is a third-party audited process that verifies timber and wood-based products are sourced from forests certified for sustainable management, whether natural or plantation forests. Under the Malaysian Timber Certification Scheme (MTCS), COC certification ensures traceability and responsible sourcing throughout the supply chain, from forest harvesting to manufacturing and export.

The certification follows the PEFC ST 2002:2020 standard, which sets out requirements for tracking certified material through all stages of processing and trade. Certification Bodies operate under PEFC ST 2003:2020, which governs the competence and consistency of auditors and certification decisions.

In 2024, MTCC continued to promote and expand COC certification across diverse sectors including sawmilling, furniture manufacturing, trading, biomass, and paper products, reflecting strong industry commitment to supply chain transparency and sustainability.

The COC system also supports compliance with international regulations such as the EU Deforestation Regulation (EUDR). To facilitate this, MTCC adopted the PEFC EUDR Due Diligence System (DDS) standard, providing exporters with a comprehensive framework for due diligence and risk management aligned with EUDR requirements.

MTCC oversees the accreditation and notification of competent Certification Bodies (CBs), ensuring consistent application of standards and maintaining the integrity of the certification process. Regular surveillance audits and periodic re-certifications foster continuous improvement and market confidence.

By upholding rigorous Chain of Custody standards, Malaysia strengthens its position as a trusted supplier of certified timber products, supporting sustainable forest management and responsible trade in global markets.

Updates on Chain of Custody Certifications and New Certificate Holders

In 2024, the total number of Chain of Custody (COC) certified companies increased from 355 in 2023 to 370, demonstrating continued growth and commitment within Malaysia's timber industry to responsible sourcing and supply chain transparency.

MTCC welcomed 36 new companies awarded the MTCS/PEFC Chain of Custody certificate by eight PEFC-notified Certification Bodies (CBs). These new certificate holders span a diverse range of sectors, reflecting broad industry engagement in sustainable practices.

List of newly certified MTCS/PEFC COC certificate holders

COMPANY	CERTIFICATE NUMBER	PRODUCT SCOPE
Panelbase System Industries Sdn. Bhd.	BVCMY-PEFC-COC-000020	Purchase of PEFC-certified and PEFC-controlled sources particle board, MDF, decorative papers; manufacturing and sales of PEFC-certified ready-to-assemble indoor furniture.
Success Wonder Resources (M) Sdn. Bhd.	CU-PEFC-COC-895817	Purchased of PEFC-certified forest-based materials; sale of PEFC-certified products (030100 sawn wood).
PMH Timber Industries Sdn. Bhd.	CSIM-PEFC-COC-0008	Trading of PEFC-certified sawn timber, moulding products, garden furniture and decking.
Nibong Tebal Paper Mill Sdn. Bhd.	BVCMY-PEFC-COC-000021	Manufacturing and trading of PEFC-recycled toilet paper/bathroom tissue, PEFC-certified tissue products, toilet paper/bathroom tissue, kitchen paper, tablecloths and napkins, sanitary products and other household and sanitary paper.
Mypellet Biomass Sdn. Bhd.	PSV-PEFC-COC-101122	Trading of PEFC-certified sawn timber; purchase of PEFC-certified and PEFC-controlled sources sawmill waste (saw dust, off-cut, wood-chips, bulk, wood slab) and wood pellets; manufacture and sales of PEFC-certified and PEFC-controlled sources wood pellets.
Astar Woodland Sdn. Bhd.	SIRIM-PEFC-COC-00247	Purchase of PEFC-certified and PEFC-controlled sources logs; manufacture and sales of PEFC-certified and PEFC-controlled sources of plywood.

COMPANY	CERTIFICATE NUMBER	PRODUCT SCOPE
Fang & Pai Industries Sdn. Bhd.	CSIM-PEFC-COC-00011	Purchase of PEFC-certified chipboard, Medium Density Fiberboard (MDF), overlay paper, lamination; manufacturing and sales of PEFC-certified in-door furniture.
Taishi-Tech Industries Sdn. Bhd.	CSIM-PEFC-COC-0012	Purchase of PEFC-certified decorative paper, plywood, Medium Density Fiberboard (MDF) and chipboard, lamination; sales of PEFC-certified laminated plywood, MDF and chipboard.
Panelink Intertrade Sdn. Bhd.	PSV-PEFC-COC-101123	Purchase of PEFC-certified panels (plywood, particle board, MDF and HPL), engineered flooring and veneer and PEFC-controlled sources veneer; trading, production and sales of PEFC-certified plain and veneer laminated panels and engineered flooring.
MCBIO Sabah Sdn. Bhd.	CSIM-PEFC-COC-0013	Purchase of PEFC-certified and controlled sources logs, sawmill waste (saw dust, off-cut, wood slab); manufacture and sales of PEFC-certified and wood pellets.
Deret Mewah Sdn. Bhd.	CSIM-PEFC-COC-0014	Purchase of 100% PEFC-certified logs; manufacturing, and sales of PEFC-certified sawn timber.
Ecosense Environmental Technology Sdn. Bhd.	SCS-PEFC-COC-100092	Production of PEFC-certified paper dinnerware.
Thay Fui Timber Industries Sdn. Bhd.	CSIM-PEFC-COC-0017	Purchase of PEFC-certified logs; manufacturing and sales of PEFC-certified sawn timber, sawmill wastes (including saw dust, bark, timber slab/off-cut).
Yen Sim Trading Sdn. Bhd.	CSIM-PEFC-COC-0019	Purchase of PEFC-certified logs, sawmilling; sales of PEFC certified sawn timber, moulding products and sawmill wastes (slabs, off-cuts and saw dusts).
Triswift Designs Sdn. Bhd.	CSIM-PEFC-COC-0021	Purchase of PEFC-certified Medium Density Fiberboards (MDF) and PEFC-controlled sources sawn timber and veneer; manufacture and sales of PEFC-certified indoor furniture,
Usaha Bersatu Jaya Sdn. Bhd.	PSV-PEFC-COC-101124	Purchase of PEFC-certified logs, sawmilling; sales of PEFC-certified sawn timber and sawmill waste (slabs, offcuts and sawdust).
Lucky Woodworks Engineering Centre	SGSMY-PEFC-COC-MY24/00000428	Purchase of PEFC-certified sawn timber and fiberboard; manufacturing and sales of PEFC-certified door and door components, windows and windows components.

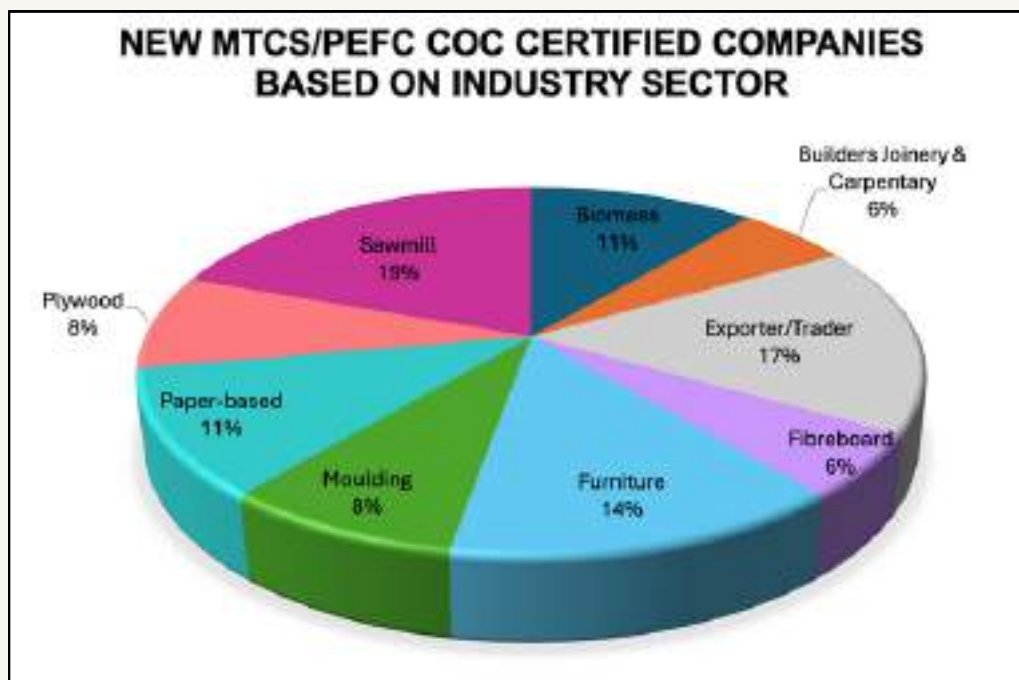
COMPANY	CERTIFICATE NUMBER	PRODUCT SCOPE
Mahaas Sdn. Bhd.	ICMY-PEFC-COC-T10354088	Purchasing and trading of PEFC-certified wood products.
Veisheng Timber Sdn. Bhd.	CSIM-PEFC-COC-0022	Purchase of PEFC-certified logs and veneer; manufacture and sales of PEFC-certified plywood and veneer.
Segamat Panel Boards Sdn. Bhd.	CSIM-PEFC-COC-0023	Purchase of PEFC-certified logs (tropical wood) and PEFC-controlled sources logs (rubber wood) and decorative paper; manufacture and sales of PEFC-certified Medium Density Fiberboards (MDF) and laminated MDF.
GreenMax Timber Sdn. Bhd.	CSIM-PEFC-COC-0025	Purchase of PEFC-certified logs; sawmilling; sales of PEFC-certified sawn timber and sawmill waste (sawdust, off-cut, slabs).
MR Wood Sawmill Sdn. Bhd.	CSIM-PEFC-COC-0024	Purchase of PEFC-certified logs; sawmilling; sales of PEFC-certified sawn timber and sawmill waste (sawdust, off-cut, slabs).
VS Concept Furniture Sdn. Bhd.	CSIM-PEFC-COC-0026	Purchase of PEFC-certified Medium Density Fiberboards (MDF) and chipboard, and PEFC-controlled source decorative paper; manufacture and sales of PEFC-certified indoor furniture.
Vinda Malaysia Sdn. Bhd.	SGSMY-PEFC-COC-MY24/00000477	Purchases of PEFC-certified pulp, tissues, air-laid and release paper; manufacture and sales of PEFC-certified disposable hygiene products; purchases and sales of PEFC-certified tissue products.
HeveaPac	ICMY-PEFC-COC-T1037488	Purchase of PEFC-controlled source and PEFC-certified from PEFC-certified suppliers; production of PEFC-controlled source and PEFC-certified furniture and furniture components.
QF Bioenergy Sdn. Bhd.	PSV-PEFC-COC-101126	Purchase of PEFC-certified and PEFC-controlled source sawmill waste (saw dust, wood-chips); manufacture and sales of PEFC-certified and PEFC-controlled sources wood pellets and sawdust.
Kulim Wood Trading	PSV-PEFC-COC-101125	Purchase of PEFC-certified Logs; sawmilling; sales of PEFC-certified sawn timber.
Grand Universal Trading Sdn. Bhd.	CSIM-PEFC-COC-0027	Purchase of PEFC-certified tissue, out-source paper convertor; manufacturing and sales of PEFC-certified tissues products.

COMPANY	CERTIFICATE NUMBER	PRODUCT SCOPE
Gladstone Timber Sdn. Bhd.	PSV-PEFC-COC-101127	Purchase of PEFC-certified and PEFC-controlled sources logs and sawn timber; outsource sawmilling and kiln drying; manufacturing, trading and sales of PEFC-certified and PEFC-controlled source sawn timber, moulding products, garden stakes, garden pegs, trellis, wood chips and wood waste (slabs, off-cuts, shavings and sawdust).
Bidasari Sdn. Bhd.	CU-PEFC-COC-905912	Purchased of PEFC-certified forest-based materials; sale of PEFC-certified products (030107 sawn wood, 040200 finger jointed lumber, 090302 Doors, 090304 Flooring, 090305 architectural joinery items and 090307 other wood material).
Evergreen Fiberboard Berhad	BVCMY-PEFC-COC-000023	Purchase of 100% PEFC-certified and PEFC-controlled source logs, sawmill waste (wood chips, off-cut, slabs & sawdust) and MDF; manufacture and sales of 100% PEFC-certified and PEFC-controlled sources wood chips, wood pellet and MDF.
L&L Wood Products Sdn. Bhd.	CSIM-PEFC-COC-0009	Trading of 100% PEFC-certified and PEFC-controlled sources wood pellet, wood chip and sawmill wastes including off-cut, slab and bark.
ME Industries Sdn. Bhd.	SIRIM-COC 0044	Purchase and sale of PEFC-certified solid wood flooring, engineered flooring, decking, plywood, staircase board, mouldings, blockboard and particleboard, sawn timber and Medium Density Fiberboard (MDF), veneer, furniture, outdoor furniture, engineered wood products, wood in chip or particles and skirting.
Zahan Resources Sdn. Bhd.	CSIM-PEFC-COC-0015	Purchase of sawn timber, finger jointed and moulded timber outsourcing of moulding and finger joint process; sales of finger jointed and moulded timber.
Jasa Harapan Sdn. Bhd.	SGSMY-PEFC-COC-MY24/00000323	Purchase of PEFC-certified sawn timber, manufacturing and sales of PEFC-certified S4S timber and moulding products.
Sinora Sdn. Bhd.	ICMY-PEFC-COC-T1034088	Manufacturing of PEFC-certified plywood.

Number of new certificate holders by Certification Bodies (CBs)

CERTIFICATION BODIES (CBS)	NUMBER OF CERTIFICATE ISSUED
Bureau Veritas Certification (M) Sdn. Bhd.	3
Control Union Certification B.V.	2
CSIM Certification Sdn. Bhd.	16
Intertek Certification International Sdn. Bhd.	3
Platinum Shauffmantz Veritas Sdn. Bhd.	6
Scientific Certification Systems	1
SGS (Malaysia) Sdn. Bhd.	3
SIRIM QAS International Sdn. Bhd.	2
Total	36

New MTCS/PEFC COC certified companies based on industry sector



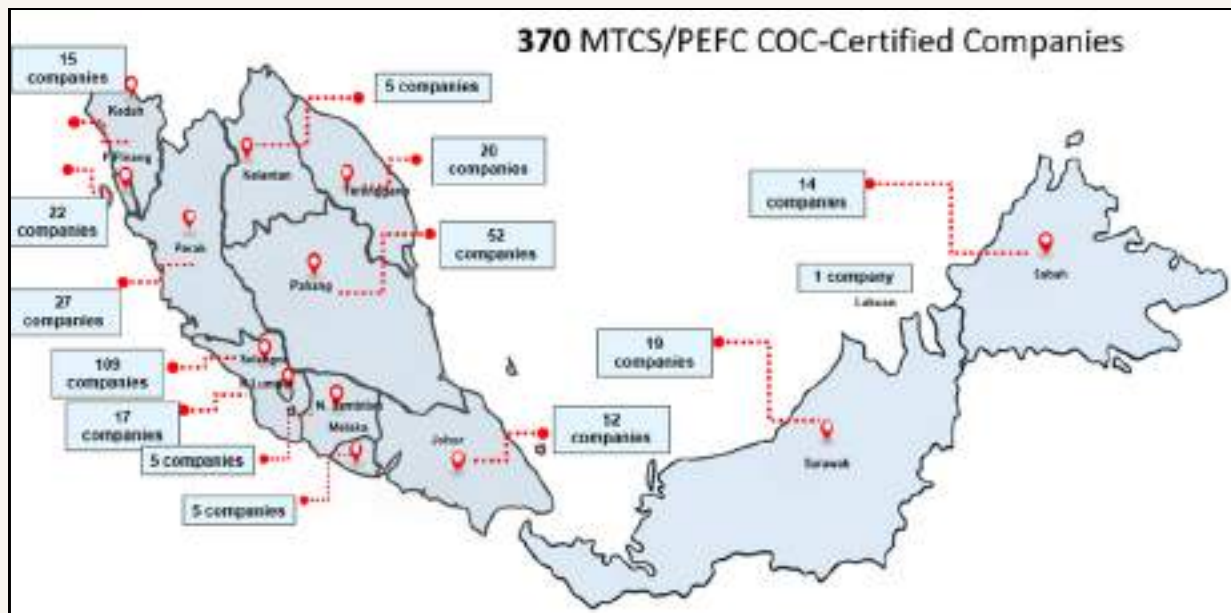
Source: MTCC, December 2024

Analysis of the new certifications by industry sector reveals that the sawmill industry leads with 19% of new certifications, followed by exporters and traders at 17%, and the furniture sector at 14%. Together, these three sectors account for half of the new certifications, highlighting strong momentum in primary processing, trade, and value-added manufacturing.

Mid-level representation is observed in the biomass and paper-based sectors, each comprising 11%, indicating growing interest in sustainability within renewable energy and packaging industries. Moulding and plywood sectors each account for 8%, while fibreboard and Builders Joinery & Carpentry (BJC) represent 6% each. This diverse sectoral uptake underscores a widespread shift toward responsible sourcing aligned with increasing market demand for certified timber products.

Distribution of MTCS/PEFC COC certified companies in Malaysia

The distribution of MTCS/PEFC COC certified companies in Malaysia



Source: MTCC, December 2024

Geographically, MTCS/PEFC COC-certified companies are concentrated primarily in Peninsular Malaysia, particularly in Selangor, Johor, and Perak. These states are major industrial hubs where certification adoption correlates with high levels of industrial activity. Selangor stands out as the principal industrial center, emphasising its importance as a driver of certification uptake.

The expanding geographic distribution of certified companies across various states signals a strengthening commitment to sustainable practices and certified supply chains within Malaysia's timber industry. This positive trend is expected to continue, supported by growing global emphasis on environmental responsibility and sustainability.

A comprehensive list of MTCS/PEFC COC certificate holders is available on the MTCC website at <https://mtcc.com.my/certified-chain-of-custody> and on the PEFC International website at <https://pefc.org/find-certified>.

Withdrawn and Suspended Chain of Custody Certified Companies (2023–2024)

Withdrawals in 2023

In 2023, a total of 33 COC certified companies withdrew their certification. The reasons for withdrawal, summarised in Table 13, show that the majority (28 out of 33) were voluntary withdrawals, suggesting that many companies may not perceive sufficient value in maintaining certification or chose to discontinue it for operational or strategic reasons.

Three companies cited lack of market demand for certified products, indicating limited commercial viability in certain sectors. One company withdrew due to closure of operations, focusing on other certifications, and another cited financial or management instability affecting certification maintenance.

Reasons for withdrawal, number of companies and the percentage in 2023

REASON FOR WITHDRAWAL	NUMBER OF COMPANIES	PERCENTAGE (%)
Voluntary withdrawal	28	84.84
No demand on the market for certified product	3	9.09
Closed operation	1	3.03
Company unstable	1	3.03
Total	33	100

Withdrawals and Suspensions in 2024

In 2024, 26 companies withdrew their certification, and 2 companies were suspended. The leading cause of withdrawal was lack of market demand for certified products, cited by 10 companies, reflecting challenges in securing customers willing to pay a premium. Nine companies withdrew due to business closure, highlighting economic and operational difficulties. Only four withdrawals were voluntary, a notable shift from previous years, indicating that external pressures increasingly influence certification retention. Additionally, three companies withdrew due to instability or operational challenges such as financial struggles or restructuring.

Suspensions involved one company due to outstanding payment issues to SIRIM, resulting in a one-month suspension effective 19 December 2024, and another company suspended for six months from 14 October 2024 for failing to conduct required surveillance audits within the stipulated timeframe.

Reasons for withdrawal, number of companies and the percentage in 2024

REASON FOR WITHDRAWAL	NUMBER OF COMPANIES	PERCENTAGE (%)
Voluntary withdrawal	4	15.38
No demand on the market for certified product	10	38.46
Closed operation	9	34.62
Company unstable	3	11.54
Total	26	100

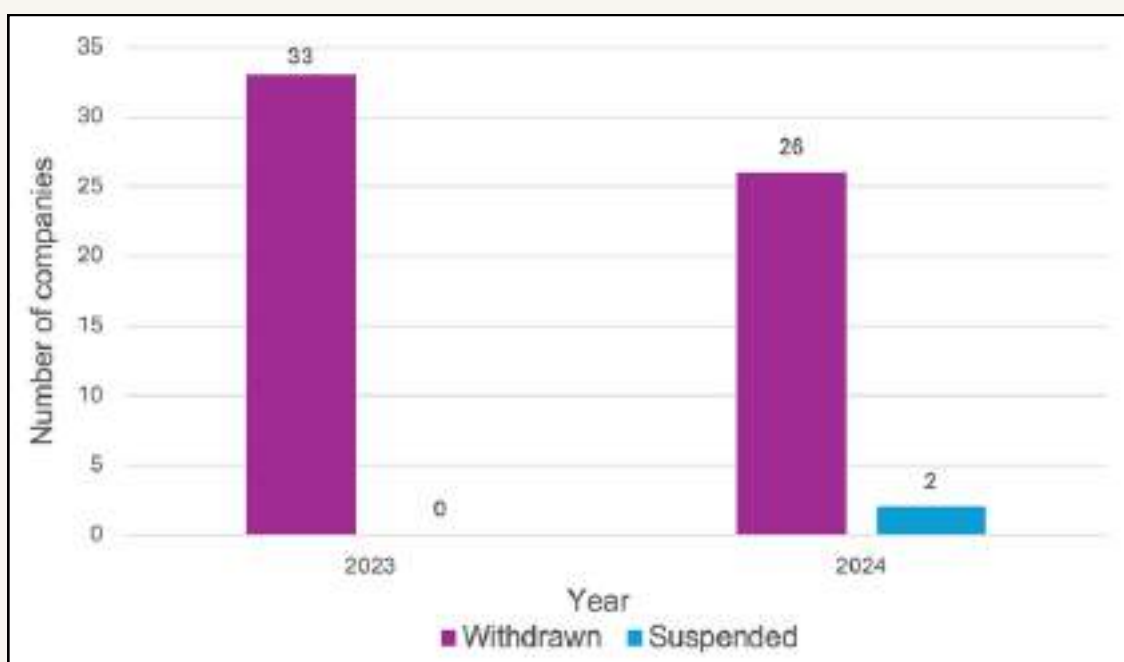
Reasons for suspension, number of company and percentage in 2024

REASON FOR SUSPENSION	NUMBER OF COMPANIES	PERCENTAGE (%)
Outstanding payment	1	50
Not conducting surveillance audit within given timeframe	1	50
Total	2	100

Trends in Withdrawals and Suspensions

The figure below compares the number of withdrawals and suspensions over 2023 and 2024. Withdrawals declined by 11.87% from 33 in 2023 to 26 in 2024, suggesting early signs of improved retention possibly due to stronger market demand or better company adaptation. Suspensions increased from zero in 2023 to two in 2024, reflecting challenges some companies face in meeting certification requirements such as audit payments and timely surveillance.

Withdrawal and Suspension Trends (2023–2024)



Source: MTCC, December 2024

MTCC remains committed to the continuous improvement of the COC certification system by addressing key challenges such as market demand, compliance support, and operational sustainability.

Through ongoing collaboration with industry stakeholders, policymakers, and Certification Bodies, MTCC aims to enhance the value and uptake of certified products, strengthen support mechanisms for companies, and foster an enabling environment that sustains certification retention.

These efforts will reinforce Malaysia's position as a trusted supplier of sustainable timber products in global markets.

Updates on MTCS/PEFC Chain of Custody Standards and Technical Documents

In 2024, MTCC continued to enhance the Chain of Custody (COC) certification framework by updating relevant standards and technical documents to align with evolving market and regulatory requirements. Key developments include:

1. Revision of MTCS Technical Document MTCS ST 3002:2024

- The MTCC Board of Trustees approved revisions to the MTCS ST 3002:2024 – Procedure for PEFC Notification of Certification Bodies Operating Forest Management System or COC Certification. The updated document requires the inclusion of the MTCC logo on certificates issued by Certification Bodies in Malaysia, ensuring consistent branding and recognition of MTCS certification.

2. Adoption of PEFC EUDR Due Diligence System (DDS) Standard

- To support exporters targeting the EU market, MTCC adopted the PEFC ST 2002-1:2024 – Requirements for the Implementation of PEFC EUDR Due Diligence System. Effective from 20 July 2024, this modular standard complements the existing PEFC COC standard by providing a comprehensive framework for due diligence and risk management in compliance with the EU Deforestation Regulation (EUDR).

These updates demonstrate MTCC's commitment to maintaining a robust, internationally aligned certification system that meets market expectations and regulatory demands.



MTCS ST 3002:2024 – Procedure for PEFC Notification of Certification Bodies Operating Forest Management System or Chain of Custody Certification



PEFC ST 2002-1:2024 – Requirements for the Implementation of PEFC EUDR Due Diligence System

Notification of Chain of Custody Certification Bodies

In 2024, two Certification Bodies (CBs) were granted notification to operate Chain of Custody (COC) certification under the Malaysian Timber Certification Scheme (MTCS): CSIM Certification Sdn. Bhd. (CSIM) and PT Mutuagung Lestari Tbk (MUTU).

CSIM, a local CB, received accreditation from Standards Malaysia on 4 April 2024 after fulfilling the requirements for accreditation under the PEFC-endorsed scheme. Meanwhile, MUTU, based in Indonesia, holds accreditation from the Komite Akreditasi Nasional (KAN) valid from 7 September 2022 to 7 September 2027, under the PEFC/IFCC ST 2002:2020 Chain of Custody of Forest and Tree Based Products – Requirements.

Following these additions, the total number of local PEFC-notified CBs operating COC certification increased to six, contributing to a combined total of 21 PEFC-notified CBs, both local and international, authorised to conduct COC certification activities in Malaysia. The number of CBs operating forest management certification remains at two.

Following these additions, the total number of local PEFC-notified CBs operating COC certification increased to six, contributing to a combined total of 21 PEFC-notified CBs, both local and international, authorised to conduct COC certification activities in Malaysia. The number of CBs operating forest management certification remains at two.

PEFC-notified CBs under the MTCS

TYPE OF CERTIFICATION	PEFC-NOTIFIED CB	NOTIFICATION DATE
Forest Management Certification	SIRIM QAS International Sdn. Bhd.	10 December 2009
	Control Union (Malaysia) Sdn. Bhd.	3 August 2021
COC Certification	SIRIM QAS International Sdn. Bhd.	2 September 2009
	Japan Gas Appliances Inspection Association	2 October 2009
	SGS (Malaysia) Sdn. Bhd.	24 December 2009
	Intertek Certification International Sdn. Bhd.	20 August 2010
	Scientific Certification Systems	20 August 2010
	Holz und Wald Zertifizierungsgesellschaft mbH	14 September 2012
	Bureau Veritas Certification France	17 May 2013
	Bureau Veritas Sverige AB	6 September 2013
	Bureau Veritas Certification (Malaysia) Sdn. Bhd.	26 March 2015
	Control Union Certifications B.V.	16 October 2015
	NEPCon OÜ (Estonia)	25 November 2015
	DQS CFS GmbH	24 June 2016
	Platinum Shauffmantz Veritas Sdn. Bhd.	4 July 2017
	SGS Société Générale de Surveillance SA	11 July 2017
	DIN CERTCO GmbH	8 July 2019
	Double Helix Tracking Technologies Pte Ltd	11 August 2020
	TÜV SÜD Czech s.r.o.	11 August 2020
	GCL International Ltd.	1 July 2022
	Soil Association Certification Ltd	15 March 2023
	CSIM Certification Sdn. Bhd. (CSIM)	21 May 2024
	PT Mutuagung Lestari Tbk	31 July 2024

Notification Fees for Forest Management and Chain of Custody Certification under MTCS

MTCC maintains a structured and transparent notification fee system for Certification Bodies (CBs) under the Malaysian Timber Certification Scheme (MTCS). These fees support the administration, oversight, and continuous improvement of the certification scheme, ensuring its credibility and sustainability. The fee framework is designed to be proportional to the scale of certification activities, covering both Forest Management (FM) and Chain of Custody (COC) certifications.

The notification fees, as approved by the 58th Meeting of the Board of Trustees, remained unchanged in 2024 (see table below).

Notification Fee Structure for Forest Management and Chain of Custody Certification under MTCS (2024)

NOTIFICATION CATEGORY	SUBSET	ANNUAL FEE (RM)
Forest Management Certificate	Natural Forest and Forest Plantations	0.020 per ha of certified forest
Chain of Custody Certificate	Based on annual total turnover (RM):	
	Up to 5 million	300.00
	Over 5 million and up to 20 million	500.00
	Over 20 million and up to 50 million	750.00
	Over 50 million and up to 100 million	1,000.00
	Over 100 million	2,000.00

Note: Fee structure has been in effect since 18 March 2014.

In 2024, notification fee collections for the FM Certificate totaled RM46,784.94, whereas the COC Certificate accounted for RM524,350.00. The total amount of notification fees collected for the year 2024 amounted to RM571,134.94.

Notification Fee for Forest Management

The notification fee structure for Certification Bodies (CBs) operating under MTCS remained unchanged in 2024, reflecting MTCC's commitment to maintaining a stable and accessible certification ecosystem for both forest management and timber supply chain actors.

For Forest Management (FM) certification, the notification fee continued to be set at RM0.02 per hectare of certified forest area. This per-hectare approach ensures that costs remain proportionate to the scale of operations, thereby accommodating Forest Management Units (FMUs) of varying sizes across Peninsular Malaysia, Sabah, and Sarawak. The fee supports MTCC's administration of the certification system, including compliance oversight, standards development, and international endorsement activities.

All fees are collected by CBs on behalf of MTCC and include the right to use the PEFC and MTCC logos on valid certificates and promotional materials. Notably, MTCC does not impose additional or separate charges for logo usage, a deliberate policy that simplifies the licensing process, reduces administrative burden, and encourages the broader application of sustainability claims in domestic and international markets.

This transparent and consistent fee policy plays a key role in sustaining the operational effectiveness of MTCS while supporting market uptake, credibility, and brand visibility for certified entities. As demand for responsibly sourced timber grows, particularly under emerging regulations like the EU Deforestation Regulation (EUDR), MTCC's fee model remains a vital enabler for companies seeking to align with global legality and sustainability expectations.

Export of MTCS/PEFC-Certified Timber Products

MTCS/PEFC-certified timber products export volume trend from 2002–2024

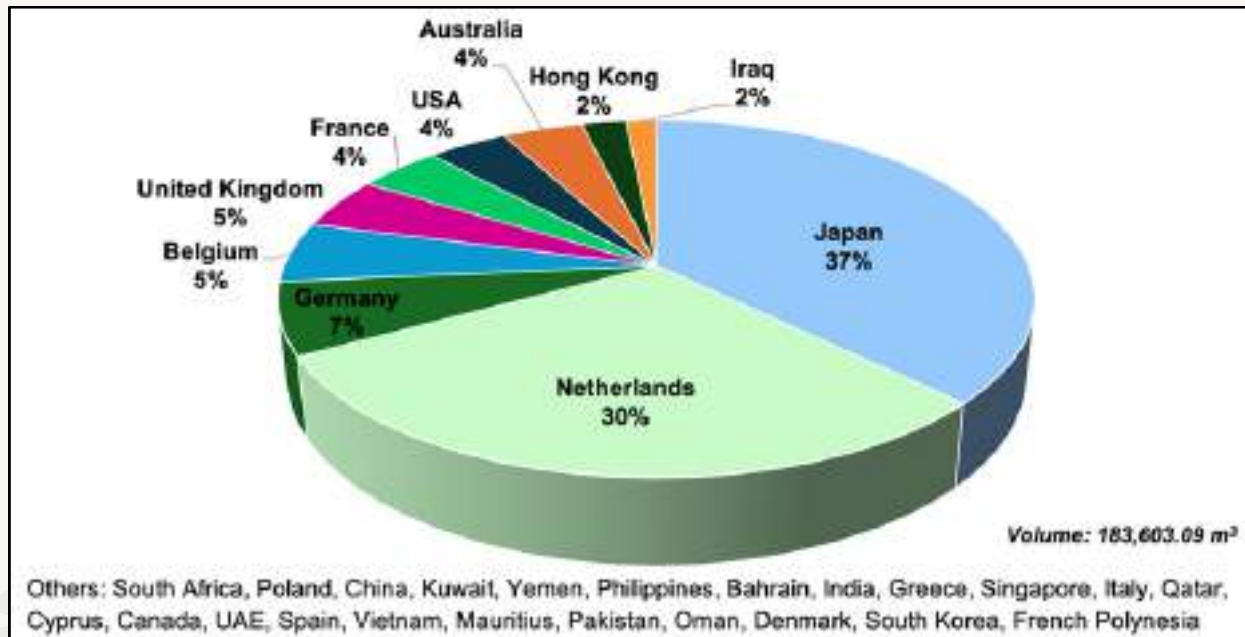


Source: MTCC, December 2024

The export performance in 2024 contributed to a cumulative export of MTCS/PEFC-certified timber products reaching a total of 3,419,223.20 m³ since the scheme's inception. This cumulative figure highlights the long-term growth and global acceptance of MTCS/PEFC-certified timber products, emphasising the importance of sustainable forest management practices.



Export of timber products MTCS/PEFC-certified by destination in 2024



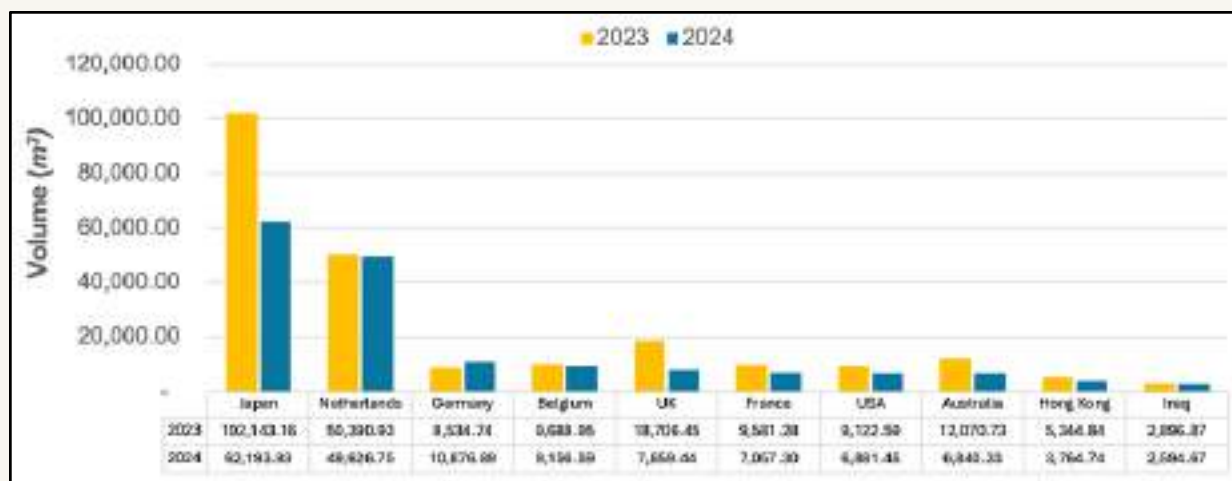
Source: MTCC, December 2024

In 2024, exports of MTCS/PEFC-certified timber products totaled 183,603.09 m³, with a strong concentration in a few key markets. Japan emerged as the leading destination, accounting for 37% of exports, closely followed by the Netherlands at 30%. Together, these two countries comprised over two-thirds of the total volume. Other notable European destinations included Germany (7%), Belgium (5%), the United Kingdom (5%), and France (4%). Beyond Europe, the USA and Australia each represented 4% of exports, while Hong Kong and Iraq each accounted for 2%, indicating minor but present market penetration.

This distribution highlights a significant reliance on Asian and European markets, underscoring the importance of sustainable certification in accessing these key international demands. It also suggests potential opportunities for market diversification to mitigate dependency risks. Since the MTCS began exports in 2002, timber products certified under the scheme have reached a total of 76 destinations worldwide.



Comparison of MTCS/PEFC-certified timber products export by destination, 2023 vs 2024

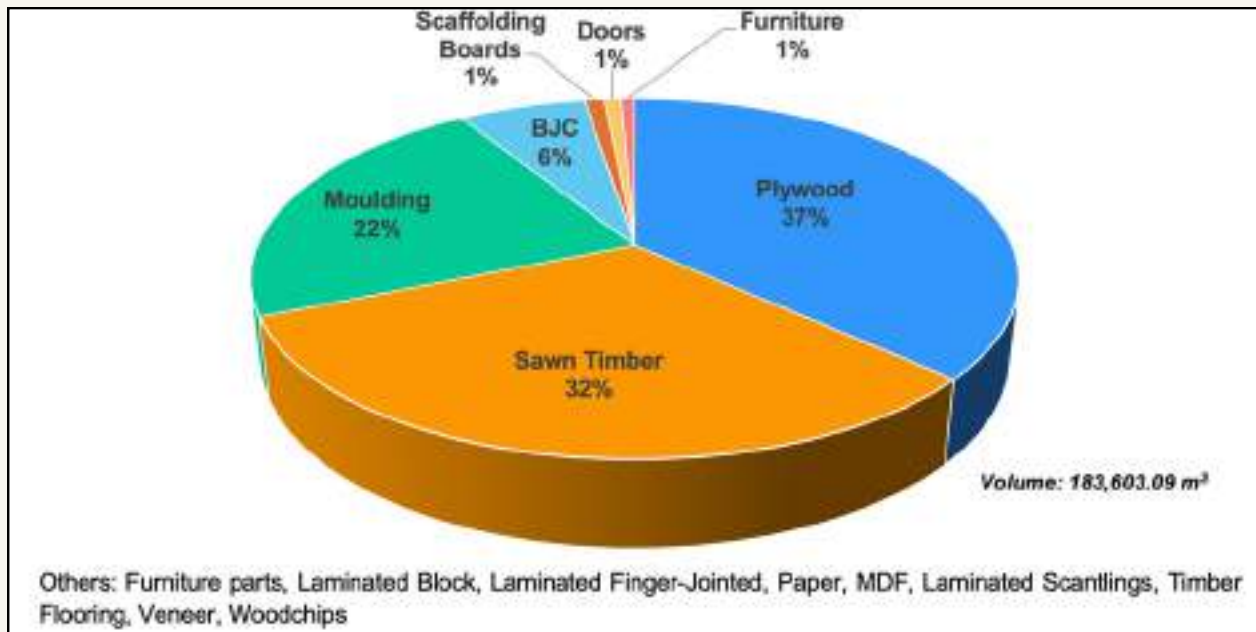


Source: MTCC, December 2024

A year-on-year comparison shows a general decline in export volumes to most major destinations in 2024. Japan retained its position as the leading importer, despite a significant drop in volume from over 102,143.16 m³ in 2023 to just over 62,193.93 m³ in 2024. The United Kingdom and Australia also experienced noticeable decreases, with the UK's exports falling from nearly 18,706.45 m³ to around 7,859.44 m³. The Netherlands maintained relatively stable volumes, while Germany stood out with a moderate increase in certified timber imports. Other destinations, such as Belgium, France, the USA, Hong Kong, and Iraq, saw either slight decreases or remained relatively stable.

This overall downturn in key markets during 2024 may reflect shifting global demand patterns or broader economic factors affecting the certified timber industry. The trend underscores the need to reassess export strategies and consider focusing on resilient or emerging markets, such as Germany, which have demonstrated continued or growing demand.

Export of MTCS/PEFC-certified timber products by product type in 2024

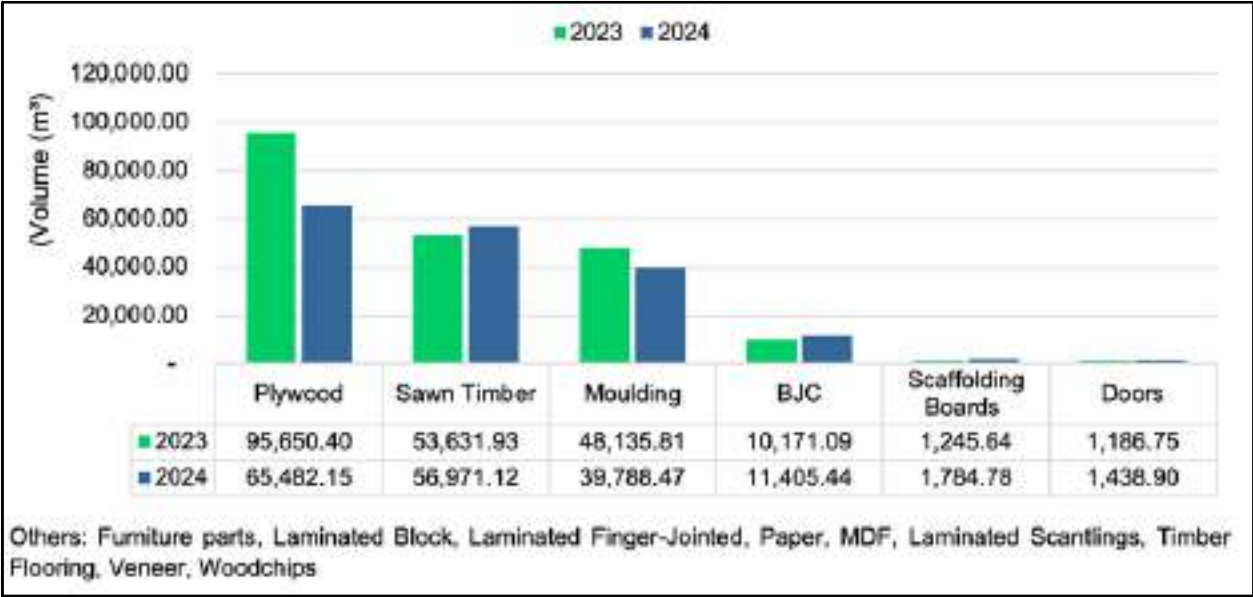


Source: MTCC, December 2024

Plywood continues to dominate exports, accounting for 37% of the total volume, followed closely by sawn timber at 32% and moulding at 22%. Together, these three product types make up 91% of all certified timber exports, indicating a clear market preference for structural and semi-finished wood products. Builders' Joinery and Carpentry (BJC) contributes a moderate 6%, while scaffolding boards, doors, and furniture each represent only 1%, reflecting their more limited export demand. Other products such as laminated blocks, veneer, Medium Density Fiberboard (MDF), paper, and woodchips are grouped under a minimal category, suggesting they play a minor role in export figures.

The current export pattern suggests an opportunity to diversify and add value by expanding the share of higher-margin finished products like furniture and BJC, while maintaining strong performance in core product categories.

Comparison of MTCS/PEFC-certified timber product export by product, 2023 vs 2024



Source: MTCC, December 2024

A comparison between 2023 and 2024 reveals mixed trends across product types. Plywood, the leading export product, experienced a significant decline of approximately 31.5%, dropping from 95,650.40 m³ in 2023 to 65,482.15 m³ in 2024.

Moulding also saw a notable decrease of around 17.3%. In contrast, sawn timber recorded a moderate increase of 6.2%, making it the only major product category to grow in volume, rising to 56,971.12 m³ in 2024.

Builders’ Joinery and Carpentry (BJC) exports rose by 12.1%, while scaffolding boards and doors showed even stronger growth of 43.3% and 21.2%, respectively, though their absolute volumes remained relatively small.

These shifts suggest a decline in demand for bulk structural products like plywood, while value-added and niche products such as BJC, scaffolding boards, and doors gained traction.



Technical Training and Stakeholder Capacity Building

Capacity building is integral to MTCC's mandate to strengthen the implementation of sustainable forest management and chain of custody certification under the Malaysian Timber Certification Scheme (MTCS). In 2024, MTCC delivered a series of targeted training programs, technical workshops, and stakeholder engagement sessions to support forest managers, plantation operators, manufacturers, auditors, and certification bodies in meeting evolving certification standards and regulatory requirements.



PEFC Chain of Custody Training for Shin Yang Plywood Sdn. Bhd.

Date: 28 February 2024

Location: Online

A training session on the PEFC International Chain of Custody (COC) Standards was conducted by the COC Unit for Shin Yang Plywood Sdn. Bhd., an MTCS/PEFC certificate holder. The session aimed to enhance participants' understanding of the PEFC COC and Trademark Rules requirements, supporting the company's ongoing compliance with the latest standards and ensuring all relevant personnel are equipped to implement these requirements effectively.

The course covered two key PEFC standards: PEFC ST 2002:2020 (Chain of Custody of Forest and Tree Based Products – Requirements), focusing on management system requirements, identification of inputs and declaration of outputs, chain of custody methods, and due diligence system (DDS) requirements; and PEFC ST 2001:2020 (PEFC Trademarks Rules – Requirements).

The session, delivered by Mr. Akmal Saarani and Ms. Adibah Aris, provided practical guidance and opportunities for discussion and clarification, ensuring continued alignment with PEFC certification expectations.



Participants joining the online briefing to enhance understanding of the PEFC Chain of Custody and Trademark Rules requirements.

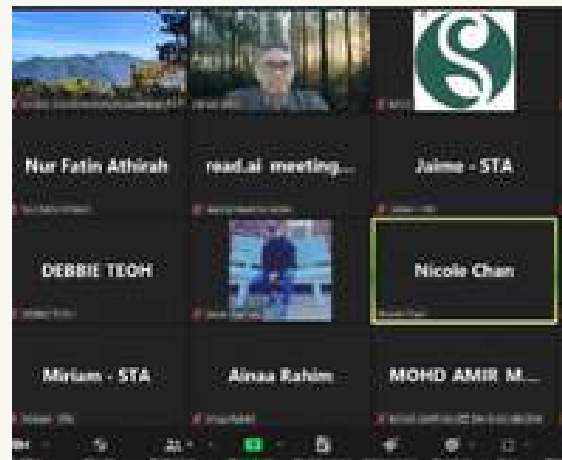
Online Briefing: Unlocking Market Potential – Sustainable Practices through COC Certification

Date: 6 August 2024 and 30 September 2024

Location: Online

The Chain of Custody (COC) Unit organised two online briefing sessions to highlight the role of COC certification in supporting sustainable business practices and expanding market opportunities. Attended by representatives from MTCS/PEFC COC certificate holders, timber associations, certification bodies, and other industry stakeholders, the sessions focused on how certification can enhance market access, strengthen sustainability credentials, and meet the growing demand for responsibly sourced products.

Participants received practical information on the benefits of COC certification and strategies for leveraging certification to unlock new markets. The briefings also provided a platform for stakeholders to discuss challenges and share experiences related to certification and sustainable supply chains, reinforcing MTCC's commitment to industry engagement and capacity building.



Industry stakeholders joining the online briefing on sustainable market opportunities through COC certification.

In-person Briefing Session: “Beyond Certification: Leveraging PEFC for Sustainable Business Growth”

Location: 15 August 2024

Date: Impiana Hotel, Ipoh, Perak

MTCC organised an in-person briefing session titled “Beyond Certification: Leveraging PEFC for Sustainable Business Growth” to engage stakeholders on the latest MTCS and PEFC Chain of Custody (COC) standards. The session brought together 30 participants from across the timber sector, including COC certificate holders, industry representatives, certification bodies, state forestry officials, associations, and consultants. The briefing aimed to enhance understanding of certification requirements and promote sustainable forestry practices within the industry.

Led by MTCC COC Director, Mr. Akmal Saarani, the session covered key topics such as traceability, documentation, and compliance obligations for MTCS/PEFC COC certification. Participants had the opportunity to raise questions and clarify issues during a dedicated Q&A segment. Feedback was highly positive, with participants noting that the insights shared would support their ongoing efforts to achieve and maintain certification standards.



MTCC team and industry stakeholders at the 2024 “Beyond Certification: Leveraging PEFC for Sustainable Business Growth” briefing in Ipoh.



Physical and Online Briefing: Navigating Compliance – Implementing PEFC & EUDR Due Diligence Systems for Chain of Custody (COC) Certification

Dates & Locations:

Selangor: 9 October 2024	Sabah: 13 November 2024	Online: 5 December 2024
Johor: 23 October 2024	Sarawak: 27 November 2024	



MTCC organised a series of briefings across Malaysia and online to guide stakeholders on compliance with PEFC and EU Deforestation Regulation (EUDR) Due Diligence Systems for Chain of Custody certification. Participants included COC certificate holders, timber associations, certification bodies, state forestry departments, government agencies, and related associations. The sessions provided practical guidance on implementing due diligence, risk assessment, and maintaining robust compliance frameworks aligned with international legal and regulatory standards.

Key topics included the latest requirements under PEFC and EUDR, practical approaches to risk management, and the benefits of strong due diligence systems for market access and credibility. The briefings supported participants in aligning their practices with evolving expectations, reinforcing MTCC's commitment to capacity building and regulatory readiness throughout the timber supply chain.

MTCC conducted a nationwide series of briefing sessions, equipping timber industry stakeholders with practical guidance on implementing PEFC and EUDR due diligence systems to strengthen compliance and market access.

Chain of Custody Initial Training Course for PEFC-Notified Certification Bodies under the MTCS

Date: 18–19 November 2024

Location: Menara PGRM, Kuala Lumpur



COC Director delivering the training.

The course covered key PEFC standards, including the latest requirements for EUDR due diligence. Completion of this training is required before certification bodies can audit to the new EUDR standard under the MTCS.

MTCC conducted a two-day PEFC Chain of Custody (COC) Auditor Initial Training for new auditors, reviewers, and certification decision-makers from PEFC-notified certification bodies. Ten participants attended the session, which was delivered by Mr. Akmal Saarani (COC Director) and Ms. Adibah Aris (COC Executive) using PEFC International training materials.



MTCC team and the participants of the PEFC COC Auditor Initial Training.

Chain of Custody Refresher Training Course for PEFC-Notified Certification Bodies under the MTCS

Date: 21–22 November 2024

Location: Mercure Living Putrajaya

MTCC conducted its annual PEFC Chain of Custody (COC) Auditor Refresher Training to ensure that existing auditors, reviewers, and certification decision-makers from PEFC-notified certification bodies remain current with international standards and best practices. Sixteen participants attended the two-day program, which was facilitated by Mr. Akmal Saarani (COC Director) and Ms. Adibah Aris (COC Executive). The training combined presentations, case studies, and knowledge assessments, and focused on four key PEFC standards: Chain of Custody Requirements, Trademark Rules, Certification Body Requirements, and the newly adopted EUDR Due Diligence System module.

Special emphasis was placed on the PEFC ST 2002-1:2024 standard, which supports compliance with the European Union Deforestation Regulation (EUDR). This refresher course is critical for maintaining auditor competency and ensuring the consistent, credible application of PEFC standards under the MTCS. Participants reported that the training enhanced their understanding of recent updates and reinforced their ability to implement certification requirements effectively.



MTCC team and auditors during the 2024 PEFC COC Refresher Training.

National Stakeholder Consultation on the revised PEFC ST 1003:2024 Sustainable Forest Management Standard

Date: Physical session – 2 July 2024; Online session – 10 July 2024

Location: Kuala Lumpur

MTCC hosted a National Stakeholder Consultation on 2 July 2024 in Kuala Lumpur to gather input on the revised PEFC ST 1003:2024 Sustainable Forest Management Standard. The session aimed to support alignment with the EU Deforestation Regulation (EUDR) and enhance understanding of the updated MC&I SFM standard.

The consultation brought together over 120 participants, including representatives from FMUs, state forestry departments, NGOs, Indigenous communities, the private sector, and academia, who collectively contributed more than 180 substantive comments. These inputs will inform Malaysia's approach to international requirements on deforestation-free supply chains and traceability. An online session was also conducted on 10 July 2024 to broaden participation.



Stakeholders convening for the 2024 National Consultation on the revised PEFC Sustainable Forest Management Standard.

MC&I Training for Natural Forest and Forest Plantation Certification

Date: 24 October 2024

Location: Rainforest Discovery Centre, Sepilok

In collaboration with the Sabah Forestry Department, MTCC conducted targeted training on the Malaysian Criteria and Indicators (MC&I) for Natural Forest and Forest Plantation certification in October 2024 at the Rainforest Discovery Centre, Sepilok. The training brought together over 100 Sabah Forestry Department officers and Sustainable Forest Management (SFM) licensees for interactive sessions focused on standard requirements, audit preparedness, and EUDR compliance.

Participants responded positively, citing the training's relevance, clarity, and practical value. The sessions reinforced confidence in the MTCS and strengthened stakeholder readiness for both local implementation and global sustainability benchmarks.



Sabah Forestry Department officers and SFM licensees participating in MC&I training with MTCC at the Rainforest Discovery Centre, Sepilok.





INTERNAL OPERATIONS & DEVELOPMENT

Covers organisational improvements and capacity-building initiatives aimed at strengthening MTCC's effectiveness and resilience.

Organisational Improvements and Staff Development

In 2024, MTCC continued to strengthen its internal foundations, recognising that a productive work environment and skilled workforce are essential for delivering on its mandate.

Through strategic investments in both workplace infrastructure and staff development, MTCC aimed to foster operational excellence, enhance staff well-being, and ensure the organisation remains resilient and adaptable in a dynamic industry landscape.

Office Renovation: A Purpose-Built Space for a Sustainable Future

In 2024, MTCC undertook a major renovation of its office premises, its most significant workplace transformation to date. More than just a visual refresh, the initiative was part of a broader strategy to enhance operational efficiency, support staff well-being, and reflect MTCC's values through purposeful design and sustainable sourcing.

The renovation commenced on 19 August and was completed by 9 December, with all staff reoccupying the upgraded space on 16 December. Delivered in collaboration with Renkon Holdings (main contractor), Afnan Aamir Architect (interior design), and Almaz Architects (lead consultant), the project transformed the office into a modern, open-plan workplace built for collaboration, flexibility, and future growth.

Design Concept

The design incorporated elements of Japandi style, balancing Japanese minimalism and Scandinavian functionality. This included the use of natural textures, ergonomic furniture, and a muted palette to create a calm and focused environment.



Renovation works underway at the MTCC office in 2024, transforming the workspace to enhance functionality, comfort, and sustainability for staff.

Key Enhancements

Board Room Relocation

The Board Room was moved to a new location with natural lighting and outdoor views.



A custom-built conference table made from MTCS/PEFC-certified Meranti anchors the space, enhancing comfort and visual warmth during meetings. The Meranti timber was donated by the Timber Exporters' Association of Malaysia.

New Discussion and Multipurpose Rooms

To support MTCC's expanding internal operations and external activities, a discussion room and multipurpose room was added.



Multipurpose Room equipped for training sessions and stakeholder engagements.



Discussion Room for informal meetings and collaborative work.

Dedicated Prayer Facilities

A designated surau for both male and female staff was introduced to support inclusivity and staff well-being.



New female surau.



New male surau.

Other Upgrades

The renovation included practical improvements to lighting, ventilation, and Heating, ventilation, and air conditioning (HVAC) systems, alongside the integration of smart storage, energy-efficient appliances, and ergonomic furniture to support staff comfort and operational efficiency.

Use of MTCS/PEFC-Certified Timber

Throughout the renovation, MTCC demonstrated its commitment to sustainability by prominently using MTCS/PEFC-certified timber. A signature feature wall at the office entrance showcases different types of locally sourced certified timber, reflecting the diversity of Malaysia's forests such as Balau, Melunak, Meranti, Nyatoh, Gerutu, Mersawa, and Kembang Semangkuk (KSK). The Meranti timber used in the boardroom and other features was donated by the Timber Exporters' Association of Malaysia (TEAM).



The MTCC office entrance now features a signature wall crafted from seven MTCS/PEFC-certified timber species, symbolising Malaysia's rich forest diversity and MTCC's commitment to sustainable sourcing.

These timbers were also used in furniture and decorative finishes across the office. All timber elements were supplied by One Tech (M) Sdn. Bhd., including the boardroom table, custom shelves, and bench.

Supporting Growth and Collaboration

The office layout was reconfigured to accommodate future growth and improve internal mobility. With open-plan workstations and multi-use spaces, the new environment fosters team interaction, flexible engagement, and a more vibrant work culture.



The open-plan layout supports collaboration, flexibility, and future expansion.

Staff Development and Training Programs

MTCC maintained its commitment to continuous professional development by facilitating various training and upskilling initiatives for its staff throughout the year. These programs focused on quality management systems, ESG frameworks, documentation skills, and industry engagement.

Key Training Sessions in 2024:

- Pool of Expert Update Session – 16 April 2024
 - Participants: Ms. Sabrina Mawasi, Mr. Akmal Saarani
- ISO 9001:2015 Foundation (Program No: 1000163180) – 12 August 2024
 - Participants: Dr. Agkillah Maniam, Mr. Mohd Nur Azad
- Internal Auditor Training (ISO 19011-based) – 13–14 August 2024
 - Participants: Dr. Agkillah Maniam, Mr. Mohd Nur Azad
- ESG Framework for Malaysian Timber Industry – 4–5 September 2024
 - Participant: Ms. Adibah Mohamad Aris
- In-House Writing Skills Workshop – 10–11 December 2024
 - Participants: All staff from Forest Management, Chain of Custody, Communications & Marketing, Finance, and HR Units

These development efforts have strengthened MTCC's internal capacity and prepared staff for greater performance alignment with industry expectations.



MTCC staff participated in capacity-building programs to enhance skills and support continuous improvement across the organisation.





STAKEHOLDER ENGAGEMENT & PROMOTION

Highlights the organisation's efforts to engage and collaborate with stakeholders, promoting awareness and support for sustainable forestry practices.



Strategic Outreach in 2024

The Malaysian Timber Certification Council (MTCC) continued to play an active role in promoting sustainable forestry through targeted stakeholder engagement efforts throughout 2024. These initiatives aimed to strengthen understanding of the Malaysian Timber Certification Scheme (MTCS), reinforce trust in its credibility, and support its adoption across key segments of the timber supply chain.

Engagements ranged from outreach to industry and government stakeholders to technical exchanges with regional and international counterparts. In light of evolving global expectations around legality and sustainability including regulatory shifts such as the EU Deforestation Regulation (EUDR), MTCC placed greater emphasis on collaborative dialogue, knowledge sharing, and capacity-building support.

Through these efforts, MTCC contributed to building stronger networks, encouraging uptake of certification, and ensuring alignment between national sustainability goals and international market requirements.

Participation in MIFF and EFE 2024

Date: 1–4 March 2024 (MIFF), 4–7 March 2024 (EFE)

Location: WTCKL (MIFF), KLCC (EFE)

As part of its ongoing efforts to promote sustainable timber certification, MTCC participated in two major international trade fairs, the Malaysian International Furniture Fair (MIFF) and the Export Furniture Exhibition (EFE), held in early March 2024.

At both exhibitions, MTCC engaged with local and international businesses to raise awareness of the Malaysian Timber Certification Scheme (MTCS) and its endorsement by the Programme for the Endorsement of Forest Certification (PEFC). Visitors to the MTCC booths received guidance on how to:

- Enhance market competitiveness through sustainable, certified timber products.
- Identify and connect with suppliers of MTCS/PEFC-certified materials.
- Navigate the certification process to gain access to global markets.

MTCC's presence at MIFF and EFE reflected its commitment to supporting industry players in meeting growing demand for responsibly sourced timber and expanding the visibility of MTCS in the international furniture trade.



Promotional posters for EFE and MIFF 2024.

Ministerial Briefing on MTCS Implementation

Date: 18 March 2024

Location: Ministry of Plantation and Commodities, Putrajaya

MTCC held a strategic briefing with the Minister of Plantation and Commodities to provide updates on the implementation of the Malaysian Timber Certification Scheme (MTCS) and to discuss key challenges and opportunities facing the timber industry.

During the meeting, MTCC reaffirmed its commitment to advancing sustainable forestry and maintaining the integrity of the MTCS as a credible, internationally recognised certification scheme. The session covered recent achievements, certification performance, and MTCC's strategy for strengthening global market access amid evolving regulatory landscapes.

The dialogue also addressed pressing industry issues, with MTCC seeking the Minister's support and guidance in navigating compliance, trade, and policy-related challenges. The engagement reinforced the importance of collaboration between MTCC and the Ministry to uphold Malaysia's reputation as a responsible and sustainable timber-producing nation.



MTCC Chief Executive Officer (CEO), Dr. Farrah Shameen Mohamad Ashray alongside Deputy CEO Ms. Sabrina Mawasi presenting a token to Minister of Plantation and Commodities, YB Datuk Seri Johari bin Abdul Ghani.

Engagement with the Timber Exporters' Association of Malaysia

Date: 1 April 2024

Location: Menara PGRM, Kuala Lumpur

MTCC met with the Timber Exporters' Association of Malaysia (TEAM) to discuss challenges and opportunities related to timber certification, with a particular focus on the implementation of the European Union Deforestation Regulation (EUDR).

The meeting, led by MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray and Deputy CEO Ms. Sabrina Mawasi, provided a platform for open dialogue on industry concerns and the operational realities of exporters navigating international compliance requirements. TEAM was represented by its President, Hon. Treasurer, and senior committee members.

Both MTCC and TEAM reaffirmed their commitment to strengthening cooperation and supporting a more sustainable, competitive, and regulation-ready timber export sector for Malaysia.



MTCC CEO, Dr. Farrah Shameen Mohamad Ashray and Deputy CEO Ms. Sabrina Mawasi with representatives from TEAM.

Visit from Myanmar Forest Certification Committee (MFCC)

Date: 14 June 2024

Location: MTCC Office, Kuala Lumpur

MTCC received a courtesy visit from the Myanmar Forest Certification Committee (MFCC) delegation, led by National Secretary Mr. Barber Cho and Technical Officer (System Documents) Ms. Moh Moh Maung Zin. The delegation was welcomed by MTCC Chief Executive Officer Dr. Farrah Shameen Mohamad Ashray, Deputy Chief Executive Officer Sabrina Mawasi, Forest Management Director, Dr. Agkillah Maniam, and Communications and Marketing Acting Director, Muhammad Hasif Azizan.

During the visit, Dr. Farrah briefed the delegation on MTCC's establishment and the operations of the Malaysian Timber Certification Scheme (MTCS), including challenges faced and strategies implemented. The MFCC delegation shared insights on Myanmar's Timber Legality Assurance System (MTLAS), certification processes, and recent forestry and logging policies.

Both parties discussed challenges related to deforestation and timber certification, and explored ways to strengthen Asia's representation within the Programme for the Endorsement of Forest Certification (PEFC).



MTCC hosts MFCC to discuss sustainable forest management and timber certification.

Meeting with EUROCHAM Malaysia

Date: 3 July 2024

Location: EUROCHAM Office, Kuala Lumpur

MTCC held a meeting with EUROCHAM Malaysia, led by MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray. The EUROCHAM delegation was represented by CEO Mr. Steven Rouché, Membership and Events Manager, Ms. Syafiqah Sidik Khan, and Government Relations Executive, Ms. Najla Bustaman.

The discussion focused on potential collaboration opportunities, as both organisations share a commitment to sustainability. EUROCHAM Malaysia expressed support for promoting sustainable supply chains within the EU business community, helping members meet growing demand for environmentally responsible products.

This collaboration aims to enhance compliance with environmental and social regulations related to timber sourcing and sustainability reporting, while bolstering the reputation of EUROCHAM Malaysia and its members.



MTCC and EUROCHAM Malaysia explore collaboration to promote sustainable timber supply chains.

27th ASEAN Senior Officials Meeting and ASEAN Working Group on Forest Product Development

Date: 15–20 July 2024

Location: Bogor, Indonesia

MTCC joined the Malaysian delegation at the 27th ASEAN Senior Officials Meeting on Forestry (ASOF 27) and the 27th ASEAN Working Group on Forest Product Development (AWG-FPD) in Bogor, Indonesia.

MTCC's Forest Management Director, Dr. Agkillah Maniam, represented the Council alongside officials from various Malaysian ministries. At ASOF 27, ASEAN countries shared progress on Sustainable Forest Management.

Dr. Agkillah presented Malaysia's forest certification system and its alignment with the ASEAN Phased Approach to Forest Certification (PACt) at the AWG-FPD meeting, also contributing to discussions on market access, forest legality, and forest products.

MTCC emphasized the need for a unified ASEAN response to the upcoming European Union Deforestation Regulation (EUDR) through an ASEAN Common Statement, which was well received and circulated to all ASEAN Member States.



MTCC joins ASEAN officials in Bogor to advance sustainable forestry and regional cooperation on forest certification and EUDR.



MTCC discusses internal audit findings with FDPM and State Forestry Departments to support continuous improvement in certified FMUs.

Meeting with Forestry Department of Peninsular Malaysia

Date: 9 August 2024

Location: Forestry Department of Peninsular Malaysia

On 9 August 2024, the MTCC team, led by Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray, met with YBhg Dato' Rahim bin Rani, Deputy Director-General of Forestry (Operations and Technical) from the Forestry Department of Peninsular Malaysia (FDPM).

MTCC was represented by Forest Management Director, Dr. Agkillah Maniam, Chain of Custody Director, Mr. Akmal Saarani, and Forest Management Executive, Mr. Mohd Nur Azad Rushidi. The FDPM also invited representatives from the respective State Forestry Departments.

The meeting focused on discussing MTCC's observations from internal audits conducted in the Perak, Pahang, and Negeri Sembilan Forest Management Units (FMUs). The Forestry Department acknowledged the findings and committed to implementing improvements based on MTCC's recommendations.



MTCC visits Nibong Tebal Paper Mill to learn about their sustainable production and MTCS/PEFC certification.

Industry Visit to MTCS/PEFC Certified Tissue Paper Manufacturer, Nibong Tebal Paper Mill Sdn. Bhd.

Date: 14 August 2024

Location: Nibong Tebal, Penang

On 14 August 2024, the Malaysian Timber Certification Council (MTCC) delegation, led by Chain of Custody (COC) Director, Mr. Akmal Saarani, visited Nibong Tebal Paper Mill Sdn. Bhd. (NTPM) in Penang. The delegation was welcomed by Ms. Oh Sook, Quality System Manager, and Mr. Ooi Guan Hai, Senior Procurement Manager.

The visit provided insights into NTPM's operations, environmental commitments, and certification status. NTPM received its MTCS/PEFC COC certification on 26 February 2024 from Bureau Veritas Certification Malaysia. The certification covers the manufacturing and trading of PEFC-Recycled Toilet Paper/Bathroom Tissue, PEFC-Certified Tissue Products, Kitchen Paper, Tablecloths and Napkins, Sanitary Products, and other household and sanitary paper products.

NTPM demonstrates its commitment to sustainability through significant use of recycled paper and various environmental certifications, including MTCS/PEFC.

Global Legal Sustainable Timber Forum

Date: 11 September 2024

Location: Macau

MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray participated as a panelist at the Global Legal Sustainable Timber Forum organized by the International Tropical Timber Organization (ITTO) from 11-12 September 2024 in Macau.

Speaking in Session 2: Updates on National Forest Certification Schemes to Support Legal and Sustainable Supply Chains, Dr. Farrah presented a case study titled "25 Years On: The Case of the Malaysian Timber Certification Scheme (MTCS)". Her presentation highlighted MTCS's development and impact in supporting legal and sustainable timber supply chains.

The session also featured speakers from India, Ghana, Thailand, and Guyana, who shared country-level updates and strategies on forest certification and sustainable timber trade.



MTCC CEO presents MTCS case study at ITTO Global Forum on legal and sustainable timber in Macau.



Visit from WWF Malaysia

Date: 19 September 2024

Location: MTCC Office, Kuala Lumpur

MTCC welcomed a delegation from WWF Malaysia for a courtesy visit and knowledge exchange on 19 September 2024. The WWF team delivered presentations on key conservation themes, including tiger habitat protection, sustainable markets, and broader environmental efforts.

The delegation included Dr. Henry Chan (Conservation Director), Dr. Jason Hon (Head of Peninsular Malaysia and Conservation Science), Mr. Allen Lian (Responsible Forestry Manager), Ms. Amirah Liyana Ibrahim (Tiger Habitat Conservation), Mr. Elangkumaran Sagtia Siwan (Manager, Protected Area Peninsular Malaysia – Ulu Muda), and Ms. Nurul Fatin (Responsible Forestry Executive).

The visit opened up opportunities for future collaboration between MTCC and WWF Malaysia in advancing sustainable forestry and conservation initiatives.



WWF Malaysia explores potential collaboration with MTCC on sustainable forestry and conservation efforts.

Visit from CEO of PEFC International

Date: 11 October 2024

Location: MTCC Headquarters, Kuala Lumpur

MTCC had the honor of hosting Mr. Michael Berger, CEO of the Programme for the Endorsement of Forest Certification (PEFC) International, for a meeting at its headquarters in Kuala Lumpur on 11 October 2024.

The discussion with MTCC's CEO Dr. Farrah Shameen Mohamad Ashray, Forest Management Director, Dr. Agkillah Maniam, and Communications & Marketing Director, Mr. Muhammad Hasif Azizan focused on strengthening collaboration and aligning efforts to advance forest certification globally.

As the first tropical timber certification scheme in Asia Pacific to receive PEFC endorsement, MTCC reaffirmed its commitment to promoting sustainable forest management and supporting other tropical timber-producing countries on their certification journey.



MTCC and PEFC discuss closer collaboration to strengthen global forest certification and sustainability efforts.



Industry Visit to United Kotak Berhad

Date: 21 October 2024

Location: United Kotak Berhad, Kulai, Johor

As part of its Chain of Custody (COC) outreach initiative, MTCC visited United Kotak Berhad (UKB), a corrugated carton and sheet board manufacturer in Johor, on 21 October 2024.

Led by COC Director, Mr. Akmal Saarani, the MTCC delegation was welcomed by Mr. Yazid Zakaria (Assistant Manager HSE) and Ms. Liza. UKB, a member of Japan's Oji Group since 2012, has over 30 years of experience in the packaging industry, serving the Southern Malaysian market.

During the visit, MTCC shared insights into the benefits of PEFC certification and encouraged UKB to explore sustainable sourcing through the MTCS, supporting the push toward responsible packaging and certified supply chains.



MTCC engages United Kotak Berhad to explore PEFC certification and promote sustainable packaging practices.



Industry Visit to Yat Guan (M) Sdn. Bhd.

Date: 22 October 2024

Location: Yat Guan (M) Sdn. Bhd., Johor

On 22 October 2024, the Malaysian Timber Certification Council (MTCC) visited Yat Guan (M) Sdn. Bhd., a long-established manufacturer of wooden pallets, crates, and packaging materials.

The MTCC delegation, led by Chain of Custody Director, Mr. Akmal Saarani, was received by Managing Director Mr. Ryan, Import & Receiving Senior Executive Mr. Aadon, and Sales & Logistics Executive Ms. Nadiah.

Founded in 1931 and headquartered in Singapore, Yat Guan is committed to sustainability through its use of PEFC-certified timber and circular solutions such as pallet rental, recycling, and repair services to reduce carbon emissions.

MTCC briefed the team on the value of PEFC certification and sustainable sourcing, while Yat Guan shared insights into their operations and sustainability practices across Singapore and Malaysia.



MTCC visits Yat Guan to promote PEFC certification and support sustainable packaging supply chains.



Industry Visit to Woodsfield Glulam Manufacturing Sdn. Bhd.

Date: 22 October 2024

Location: Woodsfield Glulam Manufacturing Sdn. Bhd., Johor

On 22 October 2024, MTCC visited Woodsfield Glulam Manufacturing Sdn. Bhd. for a firsthand look at their production facility and innovative timber applications.

Established in 1998, Woodsfield has evolved from a timber trading business into one of Malaysia's leading manufacturers of finger-jointed and glulam timber. Their products support sustainable building practices and low-carbon construction, aligning with climate-smart development goals.

The visit also included a stop at the Grumpy Goat & Friends Forest Feast Café, a unique showcase of glulam timber architecture by Woodsfield.



MTCC visits Woodsfield Glulam to explore innovative, low-carbon timber solutions and sustainable construction practices.



MTCC shares insights on forest plantation certification at MTIB's program to strengthen sustainable forestry development.

“Program Pemantapan Perladangan Hutan Yang Mampan”

Date: 24 October 2024

Location: Putrajaya

MTCC participated in the *“Program Pemantapan Perladangan Hutan Yang Mampan,”* organised by the Malaysian Timber Industry Board (MTIB) and officiated by its Director-General, YBrs. Tuan Saiful Bahri bin Salleh.

The program provided updates on forest plantation regulations and the Forest Plantation Development Program (PPLH), while also facilitating dialogue on its future direction to ensure long-term raw material supply for the timber industry.

MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray presented a session titled *“Pensijilan Ladang Hutan di Malaysia: Cabaran & Peluang,”* highlighting the importance of certification in advancing sustainable forestry. The event drew over 130 participants from government, academia, industry associations, and stakeholders.



MTCC visits Carl Ronnow to learn about blockchain-powered traceability for MTCS-certified timber.

Industry Visit to Carl Ronnow (M) Sdn. Bhd.

Date: 12 November 2024

Location: Kota Kinabalu, Sabah

On 12 November 2024, MTCC visited Carl Ronnow (M) Sdn Bhd (CR), a Sabah-based timber trading company established in 1989, specialising in timber, veneer, logs, and panel products.

MTCC was represented by Product Executives Ms. Adibah Aris and Ms. Nur Fatin Athirah Ahmad Rizal, and Communications Executive Ms. Marissa Rusli. The team was welcomed by CR's Environmental Executive, Ms. Augusta Ng, who shared the company's global reach across markets in the Middle East, India, the Philippines, Gabon, Spain, and the United Kingdom.

A key highlight was the introduction of CR's blockchain-based Timber Chain traceability platform, developed by iov42, which has supported MTCS-certified timber shipments to the EU for the past three years. The platform enhances transparency and aligns with stringent EU due diligence requirements.

The visit offered valuable insight into CR's sustainability efforts and innovative digital traceability system.

Industry Visit to Lamitech International Sdn. Bhd.

Date: 12 November 2024

Location: Lamitech International Sdn Bhd, Papar, Sabah

On 12 November 2024, MTCC visited Lamitech International Sdn Bhd in Papar, Sabah. The MTCC team was welcomed by Lamitech's Director, Mr. Chung Learn Chai, and Manager, Mr. Conidon Wong. They toured the production site to see Lamitech's advanced machinery and timber craftsmanship.

Lamitech produces durable timber like Meranti and Keruing for construction and joinery. They practice zero waste by converting sawdust into briquettes used for energy. All timber is sourced from PEFC- and Sabah TLAS-certified forests, reflecting their commitment to sustainability.

The visit showcased Lamitech's sustainable practices and MTCC's support for certified timber companies.



MTCC visits Lamitech to learn about their sustainable timber processing and zero-waste initiatives.

Field Visit to Ladang Sungai Jernih, Kuala Kubu Bharu, owned by Clarity Crest Sdn. Bhd.

Date: 13 November 2024

Location: Ladang Sungai Jernih, Kuala Kubu Bharu, Selangor

The MTCC delegation led by Chairman YB Datuk Wetrom Bahanda visited Ladang Sungai Jernih, owned by Clarity Crest Sdn. Bhd. The site includes a 293-hectare bamboo plantation focusing on Betong bamboo cultivation.

The team, which included Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray, Chain of Custody Director, Mr. Akmal Saarani, and Forest Management Director, Dr. Agkillah Maniam, assessed the company's ongoing efforts toward meeting MTCS MC&I certification standards. While further preparation is required, the visit recognized the progress Clarity Crest has made since initial assessments in 2022.



MTCC delegation led by Chairman YB Datuk Wetrom Bahanda visits Ladang Sungai Jernih bamboo plantation to review Clarity Crest's progress towards MTCS certification.



Industry Visit to TreeOne MegaPellet Sdn. Bhd., Bintulu, Sarawak

Date: 26 November 2024

Location: TreeOne MegaPellet Sdn. Bhd., Bintulu, Sarawak

The MTCC visited TreeOne MegaPellet (TOM), a wood-based company specialising in the production of wood pellets used as renewable energy for heating and power generation.

The delegation toured TOM's production lines and laboratory, learning about the company's strict quality testing for ash content, durability, and energy output. TOM plays a key role in converting wood residues into renewable energy products, supporting global sustainability efforts.



MTCC team at TreeOne MegaPellet's production facility in Bintulu, exploring their renewable energy initiatives through wood pellet manufacturing.



MTCC delegation tours Samling Plywood's factory in Bintulu, witnessing sustainable production of certified plywood for global markets.

Industry Visit to Samling Plywood Sdn. Bhd.

Date: 26 November 2024

Location: Samling Plywood Sdn. Bhd., Bintulu, Sarawak

The MTCC delegation visited Samling Plywood (Bintulu), one of the largest plywood manufacturers with a rapidly expanding global export market. During the visit, Ms. Law shared an overview of their operations, emphasizing their commitment to sustainable forestry practices and responsible timber sourcing.

Their plywood and veneer products are known for high quality and customer focus, serving key export markets including Japan, Korea, and the US. The MTCC team toured the factory to observe the production process for certified plywood, which primarily uses Acacia, Eucalyptus, and Falcata timber species.

60th International Tropical Timber Council (ITTC) Meeting

Date: 2 December 2024

Location: Yokohama, Japan

MTCC took part in the 60th International Tropical Timber Council (ITTC) Meeting in Yokohama as part of the Malaysian delegation. Representing MTCC was Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray.

During the Committee on Economics, Statistics and Markets and Committee on the Forest Industry (CEM-CFI) session, MTCC presented the scope and expected progress of its study titled "Promoting Sustainable Wood Use for Domestic Market in Malaysia," for which MTCC is the Executing Agency. This collaboration highlights MTCC's commitment to advancing sustainable timber practices through research and stakeholder engagement.



MTCC CEO Dr. Farrah Shameen at the 60th ITTC Meeting in Yokohama, showcasing Malaysia's efforts to promote sustainable wood use domestically.



PEFC-RELATED ACTIVITIES

Describes MTCC's participation in the Programme for the Endorsement of Forest Certification (PEFC) and related international collaborations.

Advancing Forest Certification Through International Collaboration and National Leadership

As Malaysia's National Governing Body endorsed by the Programme for the Endorsement of Forest Certification (PEFC), the Malaysian Timber Certification Council (MTCC) plays a pivotal role in shaping global and local forest certification standards.

Throughout 2024, MTCC maintained active engagement in multiple PEFC technical working groups, task forces, and standard-setting initiatives.

These efforts included contributing to the development and alignment of Chain of Custody (COC) standards with emerging international regulations, supporting sustainable forest management standards tailored to Malaysia's tropical context, and driving national multi-stakeholder collaborations.

MTCC's participation not only ensures that Malaysia's forestry practices meet stringent global benchmarks but also reinforces its leadership in promoting responsible, traceable, and sustainable timber production.

PEFC Chain of Custody (COC) Technical Working Groups

PEFC Chain of Custody Working Group

As a National Governing Body endorsed by Programme for the Endorsement of Forest Certification (PEFC), MTCC actively participates in the PEFC Chain of Custody (COC) Working Group (WG) meetings. The WG members contribute to the development of the PEFC COC standards and associated documents, while addressing COC matters not explicitly covered by existing standards and guidance documents.


In 2024, the main focus is aligning the PEFC COC standard with the European Union Deforestation Regulation (EUDR). The COC WG convenes regularly, including at least one physical meeting annually. This year's meeting was held in Paris, France. Mr. Akmal Saarani, Chain of Custody (COC) Director, represented MTCC as a member of the PEFC COC WG Meeting.

PEFC Packaging Thematic Taskforce

The Packaging Thematic Taskforce (TT) held one virtual meeting in February 2024. These meetings focused on promoting of responsible packaging campaigns, development of campaign materials, and encouraging PEFC inclusivity among selected brands, and industry associations to adopt PEFC in their sourcing policies. TT members also shared updates on their efforts and initiatives in promoting sustainable paper and packaging under PEFC. MTCC actively participated through Mr. Akmal Saarani (COC Director) who represented the organisation as a TT member.

PEFC Chain of Custody Pool of Experts Meeting

The PEFC COC Pool of Experts is a voluntary program offered by PEFC International to ensure high-quality, harmonized training for experienced technical experts involved in COC certification. It aims to train experienced technical experts who provide COC training to auditors, reviewers, and certification decision-makers. By participating in this program, these experts can deliver PEFC-recognised COC training.



Additionally, they can stay updated on the latest developments in COC and connect with experts from other countries. Ms. Sabrina Mawasi (Deputy Chief Executive Officer) and Mr. Akmal Saarani (COC Director) represented MTCC as members of the Pool of Experts. The participants convened virtually via the online meeting platform Zoom in April 2024. These meetings provided a platform for sharing updates on decisions made by the COC Working Group, current issues, COC training, discussing guidelines, and gathering valuable feedback from the members.

PEFC Pool of Experts Training

The PEFC Pool of Experts Training was conducted over two days, from 2–3 September 2024. Ms. Adibah Mohamad Aris, COC Executive attended the training.

Participation in the PEFC Pool of Experts enables individuals to engage in ongoing collaboration with COC technical experts from other PEFC National Governing Bodies (NGBs). It also provides access to valuable feedback at the international level, as well as to training tools and materials developed by PEFC International. Additionally, members of the Pool are authorized to conduct PEFC COC training sessions recognised by PEFC International.

Ms. Adibah successfully completed the training and passed the required examination. As of October 2024, she is officially recognised as a qualified member of the PEFC Pool of Experts.

MTCC's Forest Management Unit's Participation in PEFC Working Groups

In 2024, MTCC's Forest Management (FM) Unit significantly deepened its international and national engagement through strategic participation in key PEFC technical working groups, task forces, and national standard-setting bodies.

These efforts positioned MTCC as a technical leader in shaping the future of forest certification and sustainable forest management, particularly in the context of global regulatory shifts and emerging data requirements.

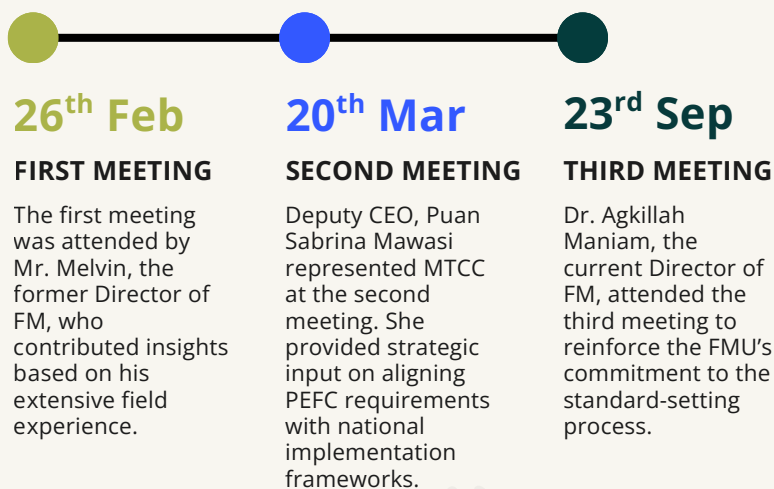
PEFC Sustainable Forest Management (SFM) Working Group (WG)

The FM Unit was involved in the PEFC Sustainable Forest Management (SFM) Working Group (WG) as one of the key stakeholders actively engaged in shaping the development and revision of sustainable forest management standards under the Programme for the Endorsement of Forest Certification (PEFC).

Representing certified forest managers and concession holders, the FM Unit contributed to practical insights and ground-level perspectives on implementing SFM practices. Their participation ensures that the standards remain realistic, locally relevant, and aligned with operational realities, while upholding international sustainability benchmarks, including environmental protection, social responsibility, and economic viability.

The PEFC SFM WG has discussed how PEFC certification can support legal compliance, particularly regarding national laws on land use, tenure, and the rights of Indigenous Peoples and local communities. These EUDR-related deliberations aim to ensure that PEFC-certified forest products continue to be accepted in the EU market while upholding robust principles of sustainable forest management.

Three PEFC Sustainable Forest Management (SFM) Working Group (WG) meetings were successfully held in 2024, with full participation by key representatives from the Forest Management (FM) Unit. The meetings were held on the following dates:



These three engagements reflect 100% participation from the FMU, underscoring their proactive role in supporting the continuous improvement of PEFC standards, particularly in relation to EUDR compliance and sustainable forest management practices.

PEFC EUDR Sustainable Forest Management (SFM) Task Force (TF)

The FM Unit has demonstrated full and consistent participation in the PEFC EUDR Sustainable Forest Management (SFM) Task Force (TF), playing an active role in shaping PEFC's response to the European Union Deforestation Regulation (EUDR).

Throughout 2024, the PEFC SFM WG has actively engaged in discussions on the European Union Deforestation Regulation (EUDR) to ensure that PEFC standards remain aligned with evolving market and regulatory requirements. These discussions have centered on several key areas, including strengthening due diligence and traceability mechanisms to demonstrate deforestation-free supply chains, in line with EUDR obligations.

The PEFC SFM WG has also focused on harmonising key definitions such as “deforestation,” “forest degradation,” and “deforestation-free” to ensure consistency across national standards and PEFC-endorsed systems. Considerable attention has been given to the inclusion of geolocation data at the Forest Management Unit (FMU) or plot level to meet EUDR’s traceability requirements, as well as the potential refinement of PEFC’s risk assessment framework to align with the Regulation’s expectations for operator due diligence. Throughout 2024, MTCC attended the following task force meetings:



PEFC Trees Outside Forest (TOF) Task Force (TF)

The FM Unit has actively contributed to the PEFC Trees Outside Forest (TOF) Task Force (TF), reflecting its commitment to expanding sustainable forest management principles beyond traditional forest boundaries.

The FM Unit was represented by Dr. Agkillah Maniam, Director of FM, at the 2nd TOF Task Force Meeting held from 26–27 November 2024. Her participation ensured that the perspectives and practical considerations of FMUs were incorporated into discussions on developing certification approaches for TOF resources, such as trees in agricultural landscapes, urban areas, and community-managed lands. This involvement supports PEFC’s efforts to create inclusive and adaptable standards that recognise the ecological and socio-economic value of trees outside forests.

This involvement supports PEFC’s efforts to create inclusive and adaptable standards that recognise the ecological and socio-economic value of trees outside forests.

PEFC Project Appendix 3 (PA3) Task Force (TF)


The Forest Management (FM) Unit has been actively engaged in the PEFC Project Appendix 3 (PA3) Task Force (TF), which was established to revise and develop specific requirements for PEFC Chain of Custody certification for specified projects, collectively known as the PEFC Project Certification requirements.

This initiative, introduced by the Programme for the Endorsement of Forest Certification (PEFC), aims to develop a complementary technical document to the PEFC ST 1003 Sustainable Forest Management (SFM) standard, specifically addressing plantation forests and Trees Outside Forests (TOF) established through forest conversion between 2010 and 2020.

The inaugural PA3 TF meeting, held on 20 November 2024, outlined the objectives of the initiative, presented findings from EUDR alignment efforts, and set key milestones with the aim of completing the Appendix 3 document by June 2025. It was also agreed that a dedicated in-person meeting would be held to collaboratively draft the document, preceded by a survey to gather stakeholder input.

To facilitate Malaysia's contribution to this global effort, the Malaysian Timber Certification Council (MTCC) established the Project Appendix 3 Malaysia Working Group (MTCC PA3 MY WG), with its first meeting convened on 12 November 2024. This national-level group plays a crucial role in shaping Malaysia's position and technical input for the PA3 TF discussions.

Relevant insights and proposals from this meeting were subsequently communicated during the PA3 TF meeting. A PEFC-led survey was distributed on 3 January 2025 to gather feedback from Non-Governing Bodies (NGBs) on plantation and TOF certification. MTCC actively disseminated the survey among members of the MTCC PA3 MY WG and compiled the responses for submission to PEFC. The survey results were reviewed during the online PA3 TF meeting held on 26 February 2025.



The FM Unit, represented by Dr. Agkillah Maniam, Director of FM, has been instrumental in contributing to these discussions and providing practical field-level perspectives.

The Unit will also participate in the upcoming in-person PA3 TF meeting scheduled for 7–12 April 2025 in São Paulo, Brazil, which includes both working sessions to develop Appendix 3 and field visits to Parque das Neblinas, plantation sites, and local cultural attractions.

The FM Unit's involvement underscores its commitment to supporting credible, context-sensitive, and forward-looking certification approaches under the evolving PEFC framework.

National-Level Technical Leadership: MTCC PA3 MY Working Group

To support Malaysia's engagement in the PEFC Project Appendix 3 Task Force (PA3 TF) at the international level, the Malaysian Timber Certification Council (MTCC) established the MTCC Project Appendix 3 Malaysia Working Group (MTCC PA3 MY WG). The FM Unit serves as the secretariat of this committee.

This national multi-stakeholder body was formed to ensure that Malaysia's contributions to the PA3 TF reflect a holistic, country-wide perspective, and to develop a Malaysia-specific interpretation of the forthcoming PEFC Appendix 3, which sets out minimum forest management requirements for certification, particularly for plantation forests and Trees Outside Forests (TOF) established through forest conversion between 2010 and 2020.

Through extensive consultation and technical deliberation, the Working Group finalised the National Interpretation Guidance in late 2024. This document, scheduled for implementation in 2025, provides Forest Management Units (FMUs) with clear, practical, and context-sensitive guidance to comply with PEFC's evolving requirements, including:

- Core labour standards and social safeguards;
- Requirements for biodiversity conservation, chemical use, and ecosystem services;
- Procedures for Free, Prior and Informed Consent (FPIC) with Indigenous Peoples and local communities.

By offering this clarity, the guidance not only aids FMUs in implementation but also helps certification bodies apply consistent audit criteria across Malaysia's certified forest areas. This national-level coordination ensures Malaysia's voice is well-represented in global PEFC processes while strengthening the credibility and coherence of forest certification domestically.



On 12 November, MTCC chaired the inaugural meeting of the Project Appendix 3 Malaysia Working Group (MTCC PA3 MY WG) to finalize national guidance on PEFC forest management safeguards, supporting alignment with upcoming EUDR-related changes.

Conclusion

Through these strategic engagements at both international and national levels, MTCC not only ensured that Malaysia's unique forest management context is reflected in global certification frameworks, but also solidified its reputation as a technically credible and forward-thinking partner within the PEFC alliance.

By contributing to the evolution of forest certification standards, particularly in areas intersecting with ESG expectations, supply chain traceability, and regulatory compliance (e.g., EUDR), MTCC reinforced its commitment to ensuring that the Malaysian Timber Certification Scheme (MTCS) remains internationally benchmarked, operationally relevant, and future-ready.

PEFC-Related Activities

MTCC Participation at the 30th PEFC Forest Certification Week and General Assembly

On 16 May 2024, MTCC reaffirmed its commitment to global forest sustainability by participating in the 30th PEFC Forest Certification Week and General Assembly, held at the Hilton Paris Charles de Gaulle Airport hotel. The event coincided with PEFC's 25th anniversary, bringing together members from across the international PEFC network to review progress, share experiences, and shape the future of sustainable forest certification.

During the General Assembly, members approved the revised PEFC ST 1004:2024 – Requirements for Certification Bodies operating Certification against PEFC-Endorsed Forest Management Standards, further strengthening the integrity of PEFC certification systems. The Assembly also welcomed Mr. Gustavo Andres Zurita as the newest member of the PEFC Board.

Representing Malaysia as the National Governing Body (NGB), MTCC's Deputy Chief Executive Officer (CEO), Ms. Sabrina Mawasi, and Chain of Custody (COC) Director, Mr. Akmal Saarani, attended the assembly, contributing national insights and reinforcing Malaysia's role in global sustainability efforts.



Photo credit: PEFC International



MTCC's Deputy CEO and COC Director represented Malaysia at the 30th PEFC General Assembly on 16 May 2024 in Paris, where members marked PEFC's 25th anniversary and adopted key updates.

The Forest Certification Week concluded with a Field Dialogue in the Auvergne Rhône-Alpes region, where participants took part in knowledge-sharing sessions and site visits focused on PEFC group forest certification. This mechanism enables small forest owners to collaborate in obtaining sustainable forest management certification. The sessions highlighted the real-world impact of certification on forest communities, biodiversity, and responsible forest use.



Participants of PEFC Forest Certification Week joined a Field Dialogue in Auvergne Rhône-Alpes, gaining firsthand insights into group certification and its benefits for smallholders, communities, and sustainable forest management.







PARTNERSHIPS & COLLABORATION

Outlines strategic partnerships and joint initiatives that advance MTCC's mission locally and globally.



Driving Impact Through Strategic Engagements

In advancing sustainable forest management and responsible timber trade, the Malaysian Timber Certification Council (MTCC) recognises that collaboration is key. This chapter highlights the strategic partnerships, knowledge-sharing platforms, and joint initiatives that shaped our outreach and impact throughout the year.

From multilateral projects supported by international partners such as ITTO and the Japanese Forestry Agency to capacity-building engagements with universities and local stakeholders, these efforts collectively underscore MTCC's commitment to strengthening Malaysia's sustainability agenda at home and abroad.

Through meaningful partnerships, we not only expand the reach of certification but also foster a deeper understanding of the value and importance of sustainably sourced timber.

“Sustainable Wood Use for Domestic Market in Malaysia” (SWU) Study

Project title:

Promoting Sustainable Wood Use for Domestic Market in Malaysia PD935/23 Rev. 1 (I)

Objective:

To enhance and diversify domestic consumption and promote local markets of sustainable wood and wood products in Malaysia.

Expected Outcome:

1. Comprehensive understanding of the domestic timber supply chain.
2. Identified and recommended improvement in SFM practices.
3. Assessed key players' commitment to ESG and IR4.0 requirements.
4. Development of recommendations and policy guidelines.
5. Establishment of Integrated Data Collection platform.
6. Feasibility analysis of mandatory timber certification.

Funding details (e.g. source, amount, allocation)

In 2023, Malaysia was nominated by the Japanese government, through the Japanese Forestry Agency (JFA) to become the 4th International Tropical Timber Organization (ITTO) member country participating in a Japanese-sponsored project on sustainable wood use (SWU) in tropical countries.

Project proposal PD 935/23 Rev.1 (I) was presented during the 59th Session of the International Tropical Timber Council (ITTC-59), which was held in Pattaya, Thailand from 13 to 17 November 2023. On 16 November 2023, JFA agreed and pledged USD212,088 for the PD 935/23 Rev.1 (I) project during the ITTC-59 council session.

The project titled PD935/23-Rev.1(I) Promoting Sustainable Wood Use for Domestic Market in Malaysia (SWU) project valued at USD212,088 which is equivalent to RM998,935.

An agreement between ITTO and MTCC was signed on 5 April 2024, reaffirming MTCC's commitment to carry out the SWU project and ensuring ITTO's financial support.

Funding details of the project

SOURCE	CONTRIBUTION IN USD
International Tropical Timber Organization (ITTO)	212,088
Malaysian Timber Certification Council (in-kind)	92,124
Total	304,212

Parties involved (implementing agency, collaborators, consultants, etc.):

MTCC was appointed as the Executing Agency (EA) by the Ministry of Plantation and Commodities, which also serves as the national focal point for the project. Other collaborators include Ministry of Natural Resources and Environmental Sustainability, Malaysian Timber Industry Board, Malaysian Timber Council, Sabah Forestry Department, Forest Department Sarawak and Sarawak Timber Industry Development Corporation.

Project location(s): The project will cover the three regions of Malaysia, namely Peninsular, Sabah and Sarawak.

SWU-related Activities:

Meeting with International Tropical Timber Organization (ITTO) Projects Manager

Date: 24 October 2024

Location: MTCC Office, Kuala Lumpur

MTCC hosted a meeting with Dr. Tetra Yanuariadi, Projects Manager at the International Tropical Timber Organization (ITTO), to discuss progress and implementation plans for the ITTO project “Promoting Sustainable Wood Use for Domestic Market in Malaysia (SWU),” funded by the Japanese Forestry Agency (JFA).

The session was chaired by MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray and attended by project collaborators from Universiti Putra Malaysia Consultancy & Services (UPMCS), including Prof. Dr. Shahwahid Othman, Assoc. Prof. Dr. Norizah Kamarudin, and Mr. Abdul Rahim M. Yusoff.

The meeting served as a platform to align strategies, share insights, and reaffirm the shared commitment to promoting responsible wood use and expanding the domestic market for sustainably sourced timber in Malaysia.



MTCC met with ITTO Projects Manager Dr. Tetra Yanuariadi and UPMCS representatives to discuss the implementation of the SWU project, aimed at promoting sustainable wood use and strengthening Malaysia's domestic timber market.

Inception Workshop for ITTO-Supported Sustainable Wood Use Project

Date: 18 December 2024

Location: Mercure Living, Putrajaya

The Inception Workshop for the ITTO-funded project “Promoting Sustainable Wood Use for Domestic Market in Malaysia” convened 36 participants from key ministries, agencies, and timber industry associations. The session reviewed the inception report and gathered stakeholder input to guide project implementation.

Funded by the Government of Japan through ITTO, the project aims to boost domestic consumption and strengthen policies and supply chains for sustainable wood products in Malaysia. MTCC serves as the Executing Agency, with UPM Consultancy & Services (UPMCS) as Project Coordinator.



MTCC convened stakeholders from across government and industry for the Inception Workshop of the ITTO-funded project to promote sustainable wood use in Malaysia's domestic market.

Other Collaborative Activities:

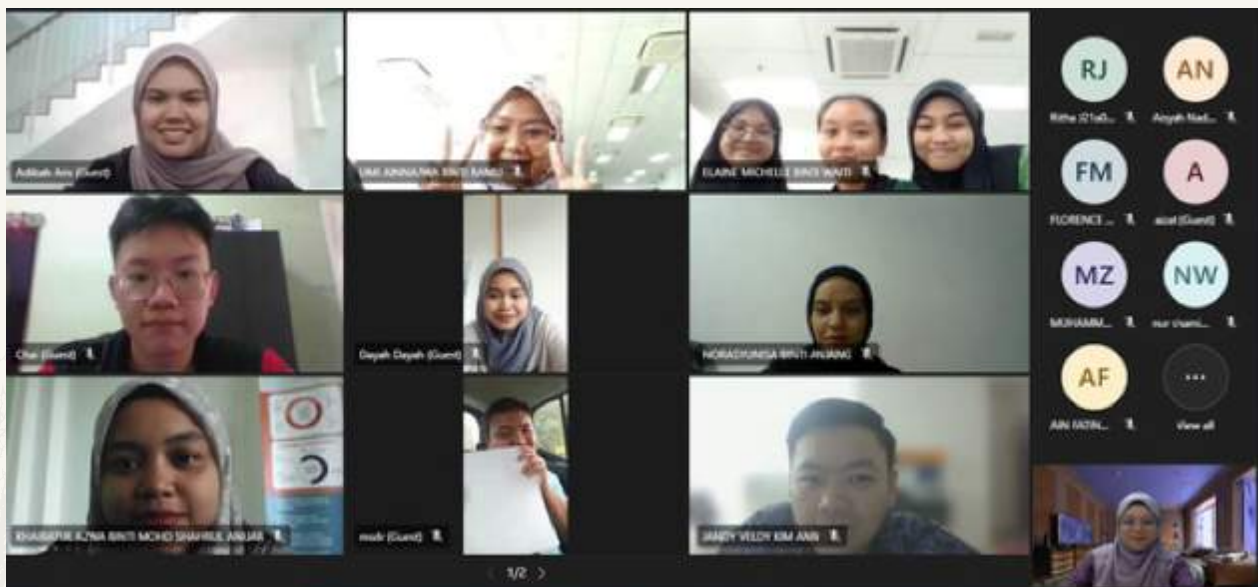
MTCC Shares Expertise on PEFC Chain of Custody Certification with Universiti Malaysia Kelantan (UMK) Undergraduates

Date: 24 June 2024

Location: Virtual

MTCC delivered an educational sharing session organised by the Faculty of Bioengineering and Technology at Universiti Malaysia Kelantan (UMK) on 24 June 2024. Held virtually, the session was attended by 51 undergraduate students enrolled in the subject *EWE33003 – Piawaian Produk Hutan & Pensijilan Industri*.

The session was presented by Ms. Adibah Aris, Chain of Custody (COC) Executive, and introduced students to the Malaysian Timber Certification Scheme (MTCS) and the PEFC COC certification. The talk also covered the evolution of forest certification systems, the implementation of MTCS, and the benefits of certification in the timber industry.



MTCC shared insights on MTCS and PEFC Chain of Custody certification with UMK undergraduates during a virtual industry engagement session.

MTCC Honours Outstanding Graduates at Universiti Putra Malaysia Academic Awards Ceremony

Date: 2 December 2024

Location: Universiti Putra Malaysia, Selangor

MTCC presented its Academic Awards to Esther Look Kher Shein and Muhammad Nur Hazim bin Bahrudin during the 2023/2024 Academic Awards Ceremony at Universiti Putra Malaysia (UPM). The awards were presented by Dr. Agkillah Maniam, MTCC Director of Forest Management, and witnessed by Professor Dr. Azlizam Aziz, Dean of the Faculty of Forestry and Environment.

Both recipients, graduates with honors in Bachelor of Wood Science and Technology, were recognised for their academic excellence. Esther achieved a CGPA of 3.96 and authored a thesis titled "Effect of Activated Carbon to Bentonite Clay Ratios on the Adsorption Capacity of Activated Carbon Micro Discs for Carbon Dioxide Adsorption." Muhammad Nur Hazim earned a CGPA of 3.739 and completed a study on "Termite Resistance of Wood Impregnated with Wood Vinegar from Palm Oil."

Each awardee received a cash prize of RM1,000 and a certificate of achievement. The MTCC Academic Awards reflect the MTCC's commitment to encouraging academic excellence and cultivating interest in sustainable forest management among future professionals.



MTCC recognised two outstanding UPM graduates for their academic excellence and research contributions during the university's 2023/2024 Academic Awards Ceremony.

MTCC Presents Freezailah Forest Sustainability Award at Universiti Malaysia Sabah Convocation

Date: 9 December 2024

Location: Universiti Malaysia Sabah, Kota Kinabalu

MTCC presented the Freezailah Forest Sustainability Award during the 26th Convocation Ceremony of Universiti Malaysia Sabah (UMS) on 9 December 2024. The award was conferred to Celine Jimmey Lucas, a Bachelor of Science graduate with honours in Conservation Biology from the Faculty of Tropical Forestry.

The award was presented by UMS Pro-Chancellor, Tan Sri Azman Hashim, together with Mr. Muhammad Hasif bin Azizan, MTCC Communications and Marketing Director. Celine was recognised for her outstanding academic performance, including a CGPA of 3.96 and her thesis on "Effects of Plant Growth Regulators (PGRs) and Organic Additives on Shoot and Root Induction of *Coelogyne rochussenii* de Vriese." She also received the Royal Education Award during the ceremony.

The Freezailah Forest Sustainability Award, also known as the MTCC Academic Award, carries a cash prize of RM2,000. It is named in honour of MTCC's founding Chairman, Dato' Dr Freezailah Che Yeom, and reflects MTCC's commitment to inspiring future leaders in sustainable forest management.



Celine Jimmey Lucas received the Freezailah Forest Sustainability Award from MTCC at UMS's 26th Convocation Ceremony in recognition of her academic excellence and commitment to conservation.





EVENTS & OUTREACH

Summarises significant events and outreach activities that enhance MTCC's visibility and stakeholder engagement.



Events and Engagements That Strengthen MTCC's Visibility and Impact

The Malaysian Timber Certification Council's (MTCC) commitment to sustainable forestry extends beyond certification, it is equally rooted in public engagement, policy dialogue, and awareness-building initiatives.

In 2024, MTCC participated in and hosted a range of events designed to strengthen stakeholder relationships, promote informed discourse on emerging regulatory developments like the EU Deforestation Regulation (EUDR), and inspire a broader understanding of sustainability among youth and the general public.

These outreach efforts also reflect MTCC's ongoing role as a facilitator of inclusive dialogue, particularly in refining processes such as Free, Prior and Informed Consent (FPIC).

From high-level consultations to youth-led debates and nationwide creative contests, MTCC's events in 2024 reinforced the MTCC's visibility and advocacy in sustainable forest management.

MTCC Collaborates with KiniEvents to Empower Youth Voices on Sustainable Timber Policy

Date: 2 July 2024

Location: Universiti Sains Malaysia, Penang

MTCC collaborated with KiniEvents to co-host the Youth Parliamentary Debathon at Universiti Sains Malaysia (USM), marking their second collaboration to engage youth on sustainability issues.

Officiated by MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray, the event brought together 32 young debaters to deliberate the motion: Should Malaysia adopt a mandatory sustainable timber procurement policy for all public projects? Participants presented well-reasoned arguments, exploring the environmental, economic, and social implications of sustainable procurement.

The session was chaired by Arief Ferdaus bin Azmi, Penang Youth Committee Chairman, and supported by USM along with various partners from academia and civil society.



MTCC partnered with KiniEvents to co-host the Youth Parliamentary Debathon at USM, encouraging youth to explore and debate the future of sustainable timber procurement in Malaysia.



KL Green Symphony 2024: Sustainable Run and Ride

Date: 20 October 2024

Location: Dataran Dewan Bandaraya Kuala Lumpur

MTCC was pleased to support the KL Green Symphony 2024: Sustainable Run and Ride, held in conjunction with Karnival Penghijauan Malaysia and Simfoni Hutan Hujan Tahun 2024 to mark the 50th anniversary of the Bukit Nanas Forest Reserve.

The event saw 274 enthusiastic participants, 242 runners and 32 cyclists, take to the streets of Kuala Lumpur to promote health, sustainability, and urban forest appreciation. The launch was officiated by Dato' Mohd Rahim bin Rani, Deputy Director General of Forestry Peninsular Malaysia (Policy & Planning), who expressed support for initiatives that build public awareness of forest conservation.

By taking part in events like this, MTCC continues its outreach to encourage sustainable lifestyles and stronger connections between people and forests.



MTCC supported the KL Green Symphony 2024: Sustainable Run and Ride, promoting public appreciation of urban forests and sustainable living.

MTCC Celebrates 2024 Photo Contest Winners with Forest Exhibition at KLIA2

Date: 5 November 2024

Location: KLIA Terminal 2 Arrival Hall

MTCC marked its 25th anniversary with a prize-giving ceremony for the 2024 Photo Contest, held at KLIA2. Themed around Malaysia's forests and sustainable forestry, the contest drew over 800 entries from 176 participants nationwide.

The Grand Prize was awarded to Peter Lo Kong San from Sabah for his striking image of the Kota Kinabalu Wetlands, while Jasni Bin Hashim from Perlis won Best Photo in the Forest Landscapes and Ecosystems category for his vibrant capture of Perlis's seasonal forest hues.

Officiated by MTCC Chairman YB Datuk Wetrom Bahanda and Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray, the ceremony also marked the launch of a week-long photo exhibition at KLIA Terminal 2's Arrival Hall, open to the public from 4 to 10 November 2024.



MTCC honored top winners of the 2024 Photo Contest at KLIA2, including Peter Lo and Jasni Hashim, showcasing powerful images of Malaysia's forests and sustainable forestry in conjunction with its 25th anniversary.

MTCC Launches Public Consultation to Strengthen FPIC Process Under MTCS

Date: 4 December 2024 – 3 January 2025

MTCC opened a public consultation to enhance the Free, Prior and Informed Consent (FPIC) process under the Malaysian Timber Certification Scheme (MTCS). Aimed at aligning with international best practices, the initiative seeks feedback from Indigenous communities, civil society, industry, and government stakeholders to develop a clearer and more inclusive FPIC guideline.

The process will inform a follow-up stakeholder workshop in January 2025 and ultimately support stronger protection of Indigenous Peoples and Local Communities (IPLC) rights within forest management practices.

The image displays the public consultation materials. At the top is a banner for the 'Public Consultation Improving the FPIC Process under MTCS' with a consultation period from 4 December 2024 to 3 January 2025. It features the MTCC logo and a 'WE WANT YOUR FEEDBACK' call to action. Below the banner are two documents: a Google Form titled 'PUBLIC CONSULTATION: IMPROVING THE FREE, PRIOR, INFORMED CONSENT (FPIC) PROCESS UNDER THE MALAYSIAN TIMBER CERTIFICATION SCHEME (MTCS)' and a 'FEEDBACK FORM' (BORANG MAKLUM BALAS) with a table of contents.

Public Consultation Banner:

Malaysian Timber Certification Council mtcc 25th Anniversary

Public Consultation
Improving the FPIC Process under MTCS
Consultation Period: 4 December 2024 – 3 January 2025

WE WANT YOUR FEEDBACK

Public Consultation Form:

PUBLIC CONSULTATION: IMPROVING THE FREE, PRIOR, INFORMED CONSENT (FPIC) PROCESS UNDER THE MALAYSIAN TIMBER CERTIFICATION SCHEME (MTCS) / PERUNDINGAN AWAM: PENAMBAHBAIKAN PROSES PRINSIP IZIN, MAKLUM AWAL, BEBAS DAN TELUS (FPIC) DI BAWAH SKIM PENSIJILAN KAYU MALAYSIA (MTCS)

rusli.marissa@gmail.com [Switch account](#)

The name, email, and photo associated with your Google account will be recorded when you upload files and submit this form

* Indicates required question

Email *

Your email

Feedback Form (BORANG MAKLUM BALAS):

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Materials for public feedback to strengthen the FPIC process under MTCS and better uphold the rights of Indigenous Peoples and Local Communities in sustainable forest management.

MTCC Adopts Kampung Orang Asli Tun Abdul Razak Under 'Santuni Madani'

Date: 14 December 2024

Location: Kuala Kubu Baru, Selangor

In support of the *Satu Pemimpin Satu Kampung (Santuni Madani)* initiative led by the Hulu Selangor District and Land Office, MTCC adopted *Kampung Orang Asli Tun Abdul Razak* as its designated village under the programme. The initiative is aimed at fostering long-term relationships between agencies and local communities through sustained engagement and meaningful support.

On 29 October 2024, MTCC Chief Executive Officer (CEO) Dr. Farrah Shameen Mohamad Ashray met with Tuan Saiful Bahari bin Ruslan, Chief Assistant District Officer (Development), to formalise the collaboration and explore potential areas of assistance for the community.

Following the meeting, MTCC representatives visited Kampung Tun Abdul Razak to better understand the needs and priorities of the village. As an early contribution, MTCC donated surplus furniture and appliances to the Hulu Selangor Orang Asli Development Office. The items, made available following MTCC's office relocation, included work desks, chairs, a refrigerator, and air and water purifiers.

This marks the beginning of MTCC's engagement with the community, in line with its commitment to inclusive sustainability and respect for Indigenous Peoples.



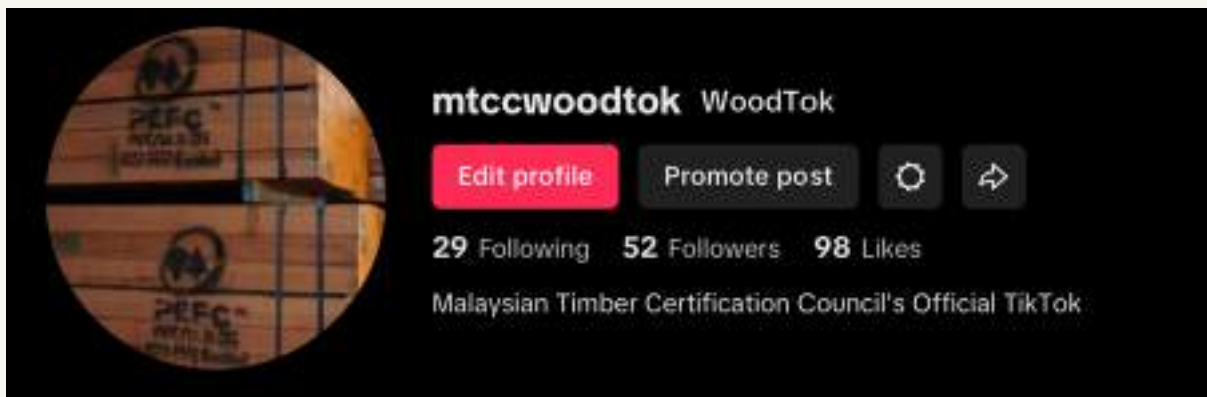
As part of its adoption of Kampung Orang Asli Tun Abdul Razak under the Santuni Madani programme, MTCC made an initial contribution of furniture and appliances to the Hulu Selangor Orang Asli Development Office.

Other Outreach Activities:

Launching of MTCC's TikTok Account

Date: 22 March 2024

In its efforts to keep up with public engagement and consumer outreach trends, MTCC launched its TikTok account (@MTCCWoodTok). The catchy word "woodtok" is widely used in TikTok, giving MTCC the opportunity to capitalise on the hype when an audience interested in wood uses it in their search.



MTCC's official TikTok account (@mtccwoodtok).

Launching of MTCC's WhatsApp Channel

Date: 6 May 2024

MTCC activated a Whatsapp Business Number and Whatsapp Channel to enhance communication and engagement with stakeholders. Important announcements that require immediate attention from stakeholders will be disseminated via WhatsApp. The Business Number is +60192793298, and the MTCC Whatsapp Channel can be found under the name "Malaysian Timber Certification Council."



Promotional image for MTCC's official WhatsApp channel.







INTEGRITY & GOVERNANCE

Details the measures in place to uphold transparency, accountability, and ethical governance within the organisation.

Summary of Integrity and Governance Measures

In a firm demonstration of its dedication to transparency, ethics, and sound governance, the Malaysian Timber Certification Council (MTCC) established the Supreme Integrity Committee (SIC) during its 99th Board of Trustees (BOT) Meeting on 19 February 2024. The SIC was created as an internal oversight body to reinforce ethical behavior and ensure that integrity remains a guiding principle across all levels of MTCC's operations.

Formation and Leadership

Chaired by YBrs. Dr. Norwati binti Muhammad, the SIC comprises a team of respected professionals who bring diverse experience and insight to the committee's mission.

Members of the Supreme Integrity Committee (SIC)

YBrs. Dr. Norwati binti Muhammad (Chairman)

Ms. Norsham binti Abdul Latip

Mr. Alexander Yee

Mr. Wong Kar Wai

Mr. Abdul Ghani bin Sulhi

This diverse representation ensures a balanced and transparent approach in addressing issues of ethics and integrity.

Purpose and Mandate

The SIC plays a pivotal role in supporting the Board of Trustees and management in monitoring and upholding standards of integrity, ethics, and governance. Its key responsibilities include:

- Investigating misconduct, ethical violations, and governance issues;
- Reviewing internal policies, regulations, and procedures to identify gaps and opportunities for improvement;
- Assessing reports or complaints related to abuse of power, dishonesty, or professional misconduct;
- Ensuring that appropriate corrective and disciplinary measures are taken when violations are confirmed.

The committee acts as a safeguard for MTCC's internal control environment, promoting accountability and maintaining the trust of stakeholders.

Roles and Responsibilities

To effectively carry out its mandate, the SIC is empowered to:

1. Recommend revisions to MTCC's internal governance framework;
2. Oversee cases involving fraud, corruption, and unethical conduct;
3. Evaluate complaints or reports by:
 - Determining the presence of criminal or ethical breaches;
 - Recommending disciplinary, legal, or administrative actions;
 - Verifying the credibility and traceability of allegations;
4. Enforce compliance through established legal and disciplinary channels;
5. Implement proactive and remedial measures;
6. Determine follow-up actions, including:
 - Investigation and verification processes;
 - Disciplinary proceedings through Human Resources;
 - Strengthening governance practices;
 - Referral to appropriate authorities or enforcement agencies;
 - Administrative action or closure of baseless complaints.

The committee's inaugural meeting is currently being scheduled, signifying the beginning of its operational journey.

Integrity and Governance Activities in 2024

In line with the SIC's formation, MTCC's Integrity and Governance Unit also undertook a range of initiatives in 2024 to further embed a culture of integrity.

Awareness and Capacity Building

1. **Internal E-Awareness Campaigns:** Integrity-related materials and the National Anti-Corruption Strategies (NACS) 2024–2028 were shared with staff to promote awareness and understanding.
2. **SSM National Conference 2024 (27–28 August):** MTCC participated in this virtual conference, which addressed pressing governance topics, including:
 - Beneficial Ownership
 - AML/CFT Compliance
 - Digital Solutions for Good Governance
 - Corporate Resilience in the Age of AI
 - The Companies (Amendment) Act 2024
3. **Certified Integrity Officer Programme (7–30 May):** Integrity & Governance Executive, Ms. Faranuratika Saifuddin represented MTCC in the program conducted by MACC. Certification is anticipated in 2025, following successful completion of the Organisational Anti-Corruption Plan (OACP) and Corruption Risk Management (CRM) assignment.
4. **Strategic Planning and KPI Workshop (22–24 February):** Held at Hotel Maya, Kuala Lumpur, this workshop was facilitated by Dr. Agkillah Maniam and Dr. Naina Mohamed to enhance staff capacity in KPI development and execution. It was attended by 12 MTCC staff members, including CEO, Dr. Farrah Shameen Mohamad Ashray.

Compliance and Reporting

1. **Biannual Reports:** Submitted to the Integrity Unit of the Ministry of Plantation and Commodities.
2. **MACC Integrity Updates:** Periodic updates shared with the Integrity and Governance Division (BPIA), MACC.
3. **Annual Submissions:** Included updates on OACP progress, complaint statistics, disciplinary records, and integrity initiatives submitted to the KPK Integrity Council.

National Engagement and Networking

MTCC actively participated in key national-level events, including:

1. The Certified Integrity Governance Officer (CIGO) Symposium 2024.
2. The National Integrity Unit Leaders' Meeting (4 July 2024), held at Mercu UEM, Kuala Lumpur, these platforms provided networking and collaborative opportunities with other government-linked agencies.

Integrity Risk Assessment

In the 2023 reassessment by the MACC's Integrity and Governance Division (BPIA), MTCC was rated under the "Moderate Risk" category. This rating remains valid through 2025, with the next review scheduled for 2026.

Conclusion

The formation of the Supreme Integrity Committee and the proactive steps taken throughout 2024 reflect MTCC's unwavering commitment to institutional integrity. Through structured oversight, policy enhancement, national collaboration, and continuous capacity building, MTCC is not only meeting governance expectations but setting a benchmark for transparency and ethical conduct in the timber certification sector.



Integrity & Governance Executive, Ms. Faranuratika Saifuddin at the Certified Integrity Officer Programme graduation ceremony.



Certified Integrity Governance Officer (CIGO) Symposium 2024



MTCC team during the Strategic Planning and KPI Workshop held at Hotel Maya, Kuala Lumpur.





FINANCIAL STATEMENT

Summarises the organisation's financial performance and position, providing stakeholders with a clear view of how resources are managed.

Statement of Financial Position as at 31 December 2024

	2024 RM	2023 RM
ASSETS		
Non-Current Asset		
Property, plant and equipment	2,843,234	1,941,169
	<u>2,843,234</u>	<u>1,941,169</u>
Current Assets		
Trade and other receivables	84,323	106,088
Other investments	85,253,609	95,268,197
Tax recoverable	78,308	-
Cash and cash equivalents	12,026,845	825,579
	<u>97,443,085</u>	<u>96,199,864</u>
TOTAL ASSETS	100,286,319	98,141,033
EQUITY		
Non-distributable fund		
Endowment fund	84,000,000	84,000,000
Accumulated fund	15,408,234	12,383,612
Total Equity	99,408,234	96,383,612
LIABILITIES		
Non-Current Liability		
Retirement benefit obligations	184,751	845,946
	<u>184,751</u>	<u>845,946</u>
Current Liabilities		
Other payables and accruals	693,334	286,749
Provision for taxation	-	624,726
	<u>693,334</u>	<u>911,475</u>
Total Liabilities	878,085	1,757,421
TOTAL FUNDS AND LIABILITIES	100,286,319	98,141,033

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2024

	2024 RM	2023 RM
Revenue	618,110	381,765
Direct costs	(1,306,192)	(1,000,904)
Gross loss	(688,082)	(619,139)
Other operating income	27,676	5,000,516
Net changes in fair value of investments at fair value through profit or loss	3,933,511	1,330,203
Administrative expenses	(3,619,311)	(3,423,780)
Surplus/(Deficit) from operations	(346,206)	2,287,800
Interest income	2,724,028	3,209,625
Surplus/(Deficit) before taxation	2,377,822	5,497,425
Taxation	646,800	(680,435)
Surplus/(Deficit) after taxation, represents total comprehensive income/(loss) for the year	3,024,622	4,816,990





MALAYSIAN TIMBER CERTIFICATION COUNCIL

UNIT C-8-5 BLOCK C, MEGAN AVENUE 2,
NO. 12 JALAN YAP KWAN SENG, 50450 KUALA LUMPUR, MALAYSIA
603 - 2161 2298 | 603- 2161 2293



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