



**2022 ANNUAL
REPORT**



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CHAIRMAN'S MESSAGE



Fellow Stakeholders,

As we turn the page to 2022, I am proud to present the Malaysian Timber Certification Council's (MTCC) Annual Report for the year. This past year has been a time of both challenges and triumphs for the Malaysian timber industry, and the MTCC has stood firm in its commitment to promoting sustainable forest management and responsible timber trade.

The global pandemic continued to cast its shadow in 2022, disrupting supply chains and impacting market demand. Despite these difficulties, the Malaysian timber industry demonstrated its resilience and resourcefulness. We saw a renewed focus on domestic consumption, innovation in product development, and a deepening commitment to sustainable practices.

The MTCC's robust timber certification system is at the heart of this resilience. Our internationally recognised certification schemes ensure that timber harvested in Malaysia meets the highest standards of environmental and social responsibility. In 2022, we saw a significant increase in the number of certified forests and companies, demonstrating the growing recognition of the value of certification in accessing premium markets and securing consumer trust.

Beyond certification, the MTCC has actively engaged in various initiatives to promote sustainable forest management in Malaysia. We collaborated with government agencies, NGOs, and industry players to develop and implement best practices, share knowledge, and raise awareness about the importance of responsible forestry. We also played a crucial role in advocating for policies that support sustainable forest management and timber trade.

As we look ahead to 2023 and beyond, we are confident that the Malaysian timber industry has the potential to thrive. However, this success will depend on our continued commitment to sustainability. The MTCC remains dedicated to working with all stakeholders to ensure the Malaysian timber industry is a global leader in responsible forestry and timber trade.

This Annual Report provides a detailed account of the MTCC's activities and achievements in 2022. Please read it carefully and join us in our mission to ensure that the forests of Malaysia are managed sustainably for the benefit of present and future generations.

YB Datuk Wetrom Bahanda

MTCC Chairman

FOREWORD BY THE CHIEF EXECUTIVE OFFICER



Promoting the Malaysian Timber Certification Scheme (MTCS) continued to be among MTCC's main agenda, with the year kickstarted with the Council introducing the scheme to the international audience at Expo 2020 Dubai, UAE, on 23-28 January.

On the local front, the increasing significance of certification and the MTCS in Malaysia's forest conservation efforts and sustainability agenda was put in the limelight at the national-level celebration of the International Day of Forests 2022 in Pahang on 26 March. At the event, the then Minister of Energy and Natural Resources, Datuk Seri Takiyuddin Hassan, called for the state governments to step up their efforts to increase the number of certified forests in their respective states in line with the country's sustainable forest management commitment. He highlighted that implementing MTCS will bring various benefits to the nation, such as maintaining the sustainability of forest resources, protecting water catchment areas and water quality, conserving the environment, and improving the livelihoods of forest-dependent communities.

Obtaining certification under the MTCS has been impeded by the strict requirements under Criterion 6.10 of the Malaysian Criteria and Guidelines for Sustainable Forest Management (MC&I SFM). The criterion disqualifies the certification of forest plantations established in areas converted from natural forests after the cut-off date, 31 December 2010. Aiming to address this challenge, the MTCC Stakeholder Dialogue 2022-themed Certification of Forest Plantations (Post 2010) and Guidance on Non-Timber Forest Products were organised on 31 October-1 November.

At the dialogue, MTCC also gathered feedback from the participants on the draft guidance document titled Guidelines on Application of Requirements for Non-Timber Forest Products Certification in MTCS ST 1002:2021 Malaysian Criteria and Indicators

for Sustainable Forest Management under the Malaysian Timber Certification Scheme. The document is meant to clarify the certification requirements of non-timber forest products such as bamboo and rubber under the MC&I SFM standard. The development of this document is in line with the MTCC Strategic Plan 2020-2025, one of its goals being to expand the scope of certification beyond timber.

Concerning the progress of MTCS, we are pleased to note that the total number of certified forest areas under the scheme as of 31 December is 5.81 million ha, comprising 28 Forest Management Units (FMUs) and nine Forest Plantation Management Units (FPMUs). Three hundred sixty companies are certified under the PEFC Chain of Custody certification as of 31 December. The cumulative total export of MTCS-PEFC certified timber products as of December is 2.97 million m³, with 72 export destinations across the globe.

Aiming at inspiring university students taking up forestry- or sustainability-based studies to excel in their education and consequently pursue a career in the relevant sectors, MTCC continued to present academic awards (MTCC Academic Award on Sustainable Forest Management and Timber Certification and Freezailah Forest Sustainability Award) to nine deserving graduates from Universiti Malaysia Sarawak, Universiti Putra Malaysia and Universiti Malaysia Sabah who were outstanding during the 2020-2022 academic years.

Fulfilling the demand of the timber industry while sustaining forest resources is tricky and challenging, but not impossible. As the National Governing Body of the MTCS, MTCC is committed to make an impact through the scheme by creating value for forest products, improving forest governance, and promoting safeguards of forest ecosystem as well as environmental, social and governance (ESG). And to make this happen, MTCC always looks forward for continued support from the stakeholders.

Dr. Farrah Shameen Mohamad Ashray

MTCC Chief Executive Officer

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) was formerly known as the National Timber Certification Council (NTCC), following the endorsement made during the Thirteenth Meeting of the National Forestry Council (NFC) on 4 July 1997 to establish the NTCC as the organisation responsible for the planning and operation of the national timber certification scheme in Malaysia.

The NTCC was incorporated on 29 October 1998 under the Registrar of Companies as the National Timber Certification Council, Malaysia (NTCC Malaysia), an independent and nonprofit company limited by guarantee and not having a share capital, and started operation on 1 January 1999.

NTCC Malaysia was renamed the Malaysian Timber Certification Council on 30 June 2001.

After nearly three years of preparations, which included the convening of multistakeholder consultations to develop the certification standards, field-testing of the standards, development of assessment procedures, training of auditors, registration of independent assessor companies, registration of peer reviewers, formulation of rules governing the use of the MTCC logo, appeals mechanism, and familiarisation of potential certification applicants on the scheme and its certification requirements, it was decided that the MTCC scheme (renamed as the MTCS in 2008) would be implemented in October 2001 using a phased approach.

When the MTCS was implemented in October 2001, MTCC played the role of the National Governing Body (NGB), overall in charge of the scheme, as well as the role of the certificate-issuing body. However, MTCC subsequently found it necessary to implement a new institutional arrangement for the MTCS on 1 July 2008 to strengthen its governance and enhance the acceptance of the MTCS in the international market. It was also part of its preparations for the submission of the MTCS for endorsement by PEFC.

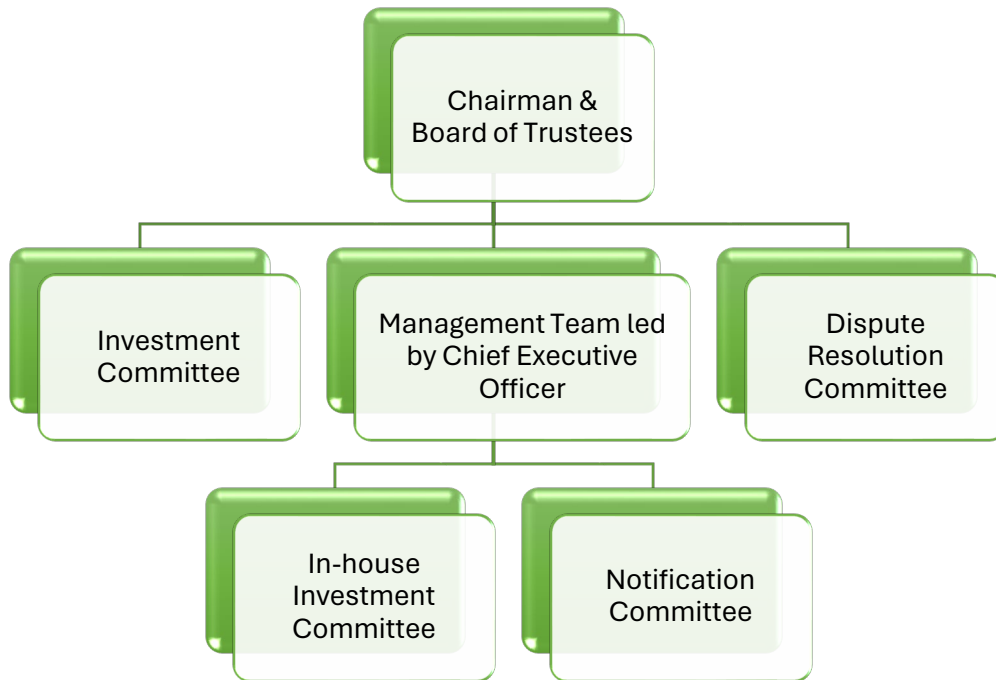
Under the new institutional arrangement, which is also the current arrangement, MTCC continues its role as the NGB. At the same time, the independent assessors become the Certification Bodies (CBs), which have to obtain accreditation from the Department of Standards Malaysia (STANDARDS MALAYSIA) – the national accreditation body (AB) – to carry out Forest Management or Chain of Custody certification under the MTCS.

As the National Governing Body (NGB), MTCC is responsible for the implementation of the MTCS in carrying out the following main activities:

- support the standard setting process by serving as the secretariat to the appropriate standard setting body in formulating standards related to timber certification and keeping them under review periodically,
- process the applications for MTCS notification of Certification Bodies (CBs) operating forest management system and/or chain of custody (CoC) certification, and the issuance of logo usage licences to certificate holders,
- implement the procedure for the investigation and resolution of disputes, complaints and appeals related to its role as the NGB,
- liaise closely with the national accreditation body and other certification organisations in matters related to timber certification,
- coordinate with national, regional and international bodies related to timber certification to facilitate cooperation and mutual recognition arrangements, and
- conduct programmes to promote and publicise the MTCS both locally and internationally.

ORGANISATION OF MTCC

MTCC is organised as shown in the structure below for the performance of its various roles and functions, and achievement of its organisational objectives.



BOARD OF TRUSTEES












CHAIRMAN



Kamaruzaman Mohamad

(up to 16 December 2022)

MEMBERS

<p>Ministry of Plantation Industries and Commodities</p>  <p>Pubadi Govindasamy <i>(up to 31 October 2022)</i></p>	<p>Ministry of Plantation and Commodities</p>  <p>Wan Ahmad Asmady Wan Md Din <i>(w.e.f 1 November 2022)</i></p>	<p>Ministry of Energy and Natural Resources</p>  <p>Norsham Abdul Latip</p>	<p>Timber Exporters' Association of Malaysia</p>  <p>Wong Kar Wai</p>
<p>Sabah Timber Industries Association</p>  <p>Chua Yeong Perng</p>	<p>Universiti Putra Malaysia</p>  <p>Prof. Dr. Hazandy Abdul Hamid</p>	<p>Universiti Malaysia Sarawak</p>  <p>Prof. Dr. Ismail Jusoh</p>	<p>Malaysian Nature Society</p>  <p>Prof. Dr. Ahmad Ismail</p>
<p>Sabah Wetlands Conservation Society</p>  <p>Datuk Haji Zainie Abdul Aucasa</p>	<p>Persatuan Orang Asli Perak</p>  <p>Dato' Suki Mee</p>	<p>Union of Forestry Employees Sarawak</p>  <p>Mohamad Ali Yacob</p>	

The establishment of a Board of Trustees is provided for under the Memorandum and Articles' of Association (MAA) of MTCC, Article 10(a): "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:

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

Table 1: List of Board of Trustees as at 31 December 2022

Role	Organisation	Name	Date of Appointment
Chairman	Malaysian Timber Certification Council	Kamaruzaman Mohamad	1 November 2021 – 16 December 2022
Member <i>(government representative)</i>	Ministry of Plantation Industries and Commodities	Pubadi Govindasamy	<i>1 September 2020 – 31 October 2022</i>
Member <i>(government representative)</i>	Ministry of Plantation and Commodities	Wan Ahmad Asmady Wan Md Din	1 November 2022
Member <i>(government representative)</i>	Ministry of Energy and Natural Resources	Norsham Abdul Latip	15 June 2020

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Role	Organisation	Name	Date of Appointment
Member <i>(private sector representative)</i>	The Timber Exporters' Association of Malaysia	Wong Kar Wai	1 January 2022
Member <i>(private sector representative)</i>	Sabah Timber Industries Association	Chua Yeong Perng	20 July 2019
Member <i>(academic/ research institution representative)</i>	Universiti Putra Malaysia	Prof. Dr. Hazandy Abdul Hamid	20 July 2021
Member <i>(academic/ research institution representative)</i>	Universiti Malaysia Sarawak	Prof. Dr. Ismail Jusoh	20 July 2019
Member <i>(non-government organisation, environment interest representative)</i>	Malaysian Nature Society	Prof. Dr. Ahmad Ismail	20 July 2019
Member <i>(non-government organisation, environment interest representative)</i>	Sabah Wetlands Conservation Society	Datuk Haji Zainie Abdul Aucasa	3 September 2018
Member <i>(non-government organisation representative)</i>	Persatuan Orang Asli Perak	Dato' Suki Mee	20 July 2017
Member <i>(non-government organisation, social interest representative)</i>	Union of Forestry Employees Sarawak	Mohamad Ali Yacob	20 July 2019

BOARD OF TRUSTEES MEETING

The Board of Trustees met four times in 2022.



1 April 2022

91st BOT Meeting

Ministry of Plantation and Commodities,
Putrajaya



15 June 2022

92nd BOT Meeting

MTCC, Kuala Lumpur



8 September 2022

93rd BOT Meeting

MTCC Kuala Lumpur



15 November 2022

94th BOT Meeting

MTCC, Kuala Lumpur

MANAGEMENT TEAM AND SUPPORT STAFF



Sitting left to right: Noor Eshah Yat, Siti Syaliza Mustapha, and Sabrina Mawasi.

Standing left to right: Aznira Kasim, Nurul Aiman Mohd Amin, Melvin Ku, Muhammad Hasif Azizan, Adibah Mohamad Aris, Ahmad Muzhaffar Razali, Haniff Salleh, Norashida Mat Zin, Rasyidah Abdul Rahman, Syafiqah Aslah Sohaimi, and Akmal Saarani.

INVESTMENT COMMITTEE

The Investment Committee of MTCC was formed in 1999 when MTCC received its initial allocation of Endowment Fund totalling 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 mandated that the Investment Committee should comprise the following members:

- i. The MTCC Chairman;
- ii. The MTCC Chief Executive Officer (CEO);
- iii. A representative from the Ministry of Plantation and Commodities (MPC); and
- iv. A Representative from the Ministry of Finance (MOF)

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. In 2022, the Investment Committee met two times as follows:

Table 2: Investment Committee meeting dates throughout 2022

Meeting	Date	Location
19 th Meeting	24 February 2022	Putrajaya
20 th Meeting	19 July 2022	Putrajaya

Table 3: Members of Investment Committee

<ul style="list-style-type: none"> • MTCC Chairman Kamaruzaman Mohamad 	<ul style="list-style-type: none"> • Ministry of Plantation Industries and Commodities Pubadi Govindasamy
<ul style="list-style-type: none"> • MTCC Chief Executive Officer Siti Syaliza Mustapha 	<ul style="list-style-type: none"> • Ministry of Finance Yasmin Banu Yusuf

DISPUTE RESOLUTION COMMITTEE

The Dispute Resolution Procedure, MTCS GD 3003:2021 (15 December 2021) describes the Dispute Resolution Committee (DRC) as the independent committee established by the Board of Trustees of the MTCC 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 in the MTCS, covering (i) the scope in terms of the types of disputes that can be referred to the 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.

Table 4: Members of the Dispute Resolution Committee

- Tan Sri Dato' Seri Dr. Salleh Mohd Nor (Chairman)
- Dato' Dr. Baharuddin Ghazali
- Dato' Shahrudin Mohamad Ismail
- Dr. Ramy Bulan
- Chew Lye Teng

IN-HOUSE INVESTMENT COMMITTEE

The In-House Investment Committee monitors the implementation of the decisions of the Investment Committee, as well as formulates investment recommendations for the consideration and decision of the Investment Committee.

Table 5: Members of the In-House Investment Committee

- Siti Syaliza Mustapha – Chairman
- Sabrina Mawasi
- Noor Eshah Yat (Secretary)

NOTIFICATION COMMITTEE

The Notification Committee, which is responsible for the notification of certification bodies (CBs) and issuance of logo usage licences to certificate holders under the Malaysian Timber Certification Scheme (MTCS), met ten times in 2022 as follows:

Table 6: Notification Committee meeting dates throughout 2022

111 th Meeting on 4 February 2022	112 th Meeting on 18 February 2022
113 th Meeting on 25 March 2022	114 th Meeting on 21 May 2022
115 th Meeting on 24 June 2022	116 th Meeting on 1 July 2022
117 th Meeting on 30 August 2022	118 th Meeting on 4 October 2022
119 th Meeting on 15 December 2022	120 th Meeting on 21 December 2022

Table 7: Members of the Notification Committee

- Siti Syaliza Mustapha - Chairman
- Noor Eshah Yat
- Sabrina Mawasi

COMPANY SECRETARY

Zainal Abidin Pit (MAICSA 7014057)

ZAP Management Services Sdn. Bhd.

15B, 2nd Floor

Jalan Tengku Ampuan Zabedah F9/F

40100 Shah Alam, Selangor

COMPANY AUDITOR

Due to the discontinuation of Messrs Mazars during the 89th MTCC Board of Trustees Meeting held on 30 September 2021, the MTCC Board of Trustees, via Circular Resolution dated 31 December 2021, approved the appointment of Khairuddin Hasyuddin & Razi (KHR) as MTCC external auditor.

A formal request for approval to appoint KHR as the new external auditor was sent to Jabatan Audit Negara on 28 January 2022, in accordance with the "Tatacara Pengurusan dan Pentadbiran Dana Endowment MTCC".

On 11 February 2022, MTCC received an official letter from Jabatan Audit Negara approving the appointment of KHR as the new external auditor for MTCC.

KHAIRUDDIN HASYUDEEN & RAZI

B-5-7 Megan Avenue 2

12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

(AF 1161)

ANNUAL GENERAL MEETING



MTCC Annual General Meeting in progress

The Twenty-Third Annual General Meeting was held on 18 August 2022. During the meeting, the Members tabled and adopted the Audited Accounts for the Financial Year ended 31 December 2021, the Reports of the Trustees and Auditors, and the Annual Report for the Year 2021.

Table 8: List of Members Present at the Twenty-Third Annual General Meeting

No	Name	Authorised Representative
1	Kamaruzaman Mohamad	Malaysian Timber Certification Council
2	Kamaruzaman Othman	Malaysian Timber Industry Board
3	Azharizan Mohamad Norizan	Forest Research Institute Malaysia
4	Mukhtar Suhaili	Malaysian Timber Council
5	Chua Yeong Perng	Sabah Timber Industries Association
6	Jamie Chan Shin Syn	Sarawak Timber Association
7	Hamzah Morshidi	Sarawak Timber Industry Development Corporation
8	Nur Edora Abdullah	Sarawak Timber Industry Development Corporation



OPERATIONS

OPERATIONS: FOREST MANAGEMENT

Natural Forest

In Peninsular Malaysia, seven forest management units (FMUs) have successfully maintained their certification. These FMUs include Johor, Negeri Sembilan, Pahang, Perak, Selangor, Terengganu, and Kedah. The certification was obtained after undergoing successful surveillance audits.

In Sarawak, ten FMUs have maintained their certification after their annual surveillance audit. These FMUs are Anap Muput FMU, Ulu Trusan FMU, Raplex FMU, Melatai Para FMU, Pasin FMU, Gerenai FMU, Gaat-Mengiong FMU, Entulu-Melatai FMU, Danum FMU, and Mujong Melinau FMU. Additionally, three FMUs, namely Kapit FMU, Ravenscourt FMU, and Linau FMU, have successfully renewed their certificates after undergoing recertification audits.

Furthermore, five new FMUs have been awarded certificates after undergoing successful Stage-2 audits. These FMUs are Segaham FMU, which was awarded a certificate on 4 October 2022, Taman FMU, awarded on 28 October 2022 by Perakayan Sukma Sdn Bhd, Patah-Tutoh, awarded on 28 October 2022 by Timberlus Sdn Bhd, Mengiong-Gaat, awarded on 30 November 2022 by Pyramid Intan Sdn Bhd, and Nibong FMU, awarded on 30 December 2022 by Shin Yang Sdn Bhd.

In Sabah, all three FMUs, namely Segaliud Lokan FMU, Bornion Timber FMU, and Sapulut FMU, have successfully maintained their certification following their respective annual surveillance audits. All FMUs have been audited against the new MC&I SFM by SIRIM QAS International Sdn Bhd.

Forest Plantation

Kuala Baram FPMU, under the management of Syarikat Samling Timber Sdn Bhd, has been awarded a new certificate against the MC&I SFM by SIRIM QAS International on 27 December 2022.

Furthermore, the other eight FPMUs, namely Bornion Timber FPMU, Gerak Saga FPMU, Segan FPMU, Penyuan FPMU, Lana FPMU, Marudi FPMU, Masama FPMU, and Kejin Long Lama FPMU, have successfully maintained their certification for the year.

On the other hand, Sapulut FPMU has voluntarily withdrawn its certificate on 15 November 2022 due to internal management decisions.

Details regarding the PEFC-certified FMUs and FPMUs are as shown in Table 9 and Table 10, respectively:

Table 9: Details of PEFC-Certified FMUs (Natural Forest)

No.	FMU	Certification body	Certificate Number	Validity of certificate	Area (ha)
1	Johor	SIRIM QAS International Sdn. Bhd.	FMC-NF 00126	3 Jul 2020 to 2 Jul 2025	285,292.87
2	Negeri Sembilan	SIRIM QAS International Sdn. Bhd.	FMC-NF 00002	28 Dec 2018 to 27 Dec 2023	155,143.72
3	Pahang	SIRIM QAS International Sdn. Bhd.	FMC-NF 00008	1 Jun 2019 to 31 May 2024	1,504,407.35
4	Perak	SIRIM QAS International Sdn. Bhd.	FMC-NF 00004	11 Jul 2019 to 31 May 2024	987,675.83
5	Selangor	SIRIM QAS International Sdn. Bhd.	FMC-NF 00007	1 Jun 2019 to 31 May 2024	238,747.00
6	Terengganu	SIRIM QAS International Sdn. Bhd.	FMC-NF 00115	19 Apr 2019 to 31 Mar 2024	540,308.80
7	Kedah	SIRIM QAS International Sdn. Bhd.	FMC-NF 00131	1 October 2021 to 30 September 2026	341,976.00
Total Certified Natural Forest (Peninsular)					4,053,551.57
8	Segaliud Lokan (FMU 19B)	SIRIM QAS International Sdn. Bhd.	FMC-NF 00001	2 December 2018 to 1 December 2023	57,247.00
9	Bornion Timber (FMU 11)	SIRIM QAS International Sdn. Bhd.	FMC-NF 00009	21 October 2019 to 20 October 2024	40,924.72
10	Sapulut Forest (FMU 14)	SIRIM QAS International Sdn. Bhd.	FMC-NF 00117	11 June 2018 to 10 June 2021	54,643.00
Total Certified Natural Forest (Sabah)					152,814.72

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No.	FMU	Certification body	Certificate Number	Validity of certificate	Area (ha)
11	Anap Muput	SIRIM QAS International Sdn. Bhd.	FMC-NF 00006	25 Jul 2019 to 24 Jul 2024	83,535.00
12	Ulu Trusan	SIRIM QAS International Sdn. Bhd.	FMC-NF 00120	19 December 2018 to 18 December 2023	92,751.00
13	Raplex	SIRIM QAS International Sdn. Bhd.	FMC-NF 00122	28 June 2019 to 27 June 2024	63,993.00
14	Melatai Para	SIRIM QAS International Sdn. Bhd.	FMC-NF 00123	27 Nov 2019 to 26 Nov 2024	49,524.00
15	Pasin	SIRIM QAS International Sdn. Bhd.	FMC-NF 00124	16 March 2020 to 15 March 2025	132,151.00
16	Gerelai	SIRIM QAS International Sdn. Bhd.	FMC-NF 00125	12 Apr 2020 to 11 Apr 2025	148,305.00
17	Gaat-Mengiong	SIRIM QAS International Sdn. Bhd.	FMC-NF 00127	10 Jul 2020 to 9 Jul 2025	66,190.00
18	Entulu-Melatai	SIRIM QAS International Sdn. Bhd.	FMC-NF 00128	24 Jul 2020 to 23 Jul 2025	55,112.00
19	Danum	SIRIM QAS International Sdn. Bhd.	FMC-NF 00129	8 August 2020 to 7 August 2025	200,383.00
20	Mujong-Melinau	SIRIM QAS International Sdn. Bhd.	FMC-NF 00130	24 August 2020 to 23 August 2025	41,303.00
21	Ravenscourt	SIRIM QAS International Sdn. Bhd.	FMC-NF 00116	13 May 2022 to 3 June 2026	117,941.00
22	Kapit	SIRIM QAS International Sdn. Bhd.	FMC-NF 00118	8 February 2022 to 10 June 2026	149,877.00
23	Linau	SIRIM QAS International Sdn. Bhd.	FMC-NF 00119	16 Jul 2018 to 15 Jul 2021	72,710.00
24	Segaham	SIRIM QAS International Sdn. Bhd.	FMC-NF 00132	4 October 2022 to 3 October 2027	38,984.00
25	Taman	SIRIM QAS International Sdn. Bhd.	FMC -NF 00133	28 October 2022 to 27 October 2027	34,317.00
26	Patah-Tutoh	SIRIM QAS International Sdn. Bhd.	FMC-NF 00134	28 October 2022 to 27 October 2027	38,687.00
27	Mengiong Gaat	SIRIM QAS International Sdn. Bhd.	FMC-NF 00135	30 November 2022 to 29 November 2027	36,091.00
28	Nibong	SIRIM QAS International Sdn. Bhd.	FMC-NF 00136	30 December 2022 to 29 December 2027	54,143.00
Total Certified Natural Forest (Sarawak)					1,475,997.00
Total Natural Forest: 5,682,363.29 ha					

Table 10: Details of PEFC-Certified FPMUs (Forest Plantation)

No.	FPMU	Certification body	Certificate Number	Validity of certificate	Area (ha)
1	Bornion Timber (FPMU 11)	SIRIM QAS International Sdn. Bhd.	FMC 00113	13 Jan 2020 to 12 Jan 2025	25,536.71
2	Gerak Saga FPMU 2	Control Union Certifications	CU-MTCS /FMC-873356	1 Jun 2021 to 31 May 2024	6,476.00
Total Certified Forest Plantation (Sabah)					32,012.71
3	Segan (LPF/0014)	SIRIM QAS International Sdn. Bhd.	FPMC 0002	18 Jul 2020 to 17 Jul 2025	10,332.00
4	Masama (LPF/0019)	SIRIM QAS International Sdn. Bhd.	FPMC 0003	30 Dec 2019 to 11 Aug 2024	11,946.00
5	Penyuan (LPF/0018)	SIRIM QAS International Sdn. Bhd.	FMC-FP 00004	18 Oct 2019 to 20 Oct 2024	15,261.00
6	Lana (LPF/0006)	SIRIM QAS International Sdn. Bhd.	FMC-FP 00116	12 May 2020 to 11 May 2025	9,393.00
7	Marudi (LPF/0008)	SIRIM QAS International Sdn. Bhd.	FMC-FP 00117	15 Jan 2019 to 14 Jan 2024	19,941.00
8	Kejin Long Lama (LPF/0017)	SIRIM QAS International Sdn. Bhd.	FMC-FP 00114	21 Sep 2020 to 2 Feb 2025	28,093.35
9	Kuala Baram	SIRIM QAS International Sdn. Bhd.	FMC-FP 00119	27 Dec 2022 to 26 Dec 2027	3000.00
Total Certified Forest Plantation (Sarawak)					97,966.35
Total Forest Plantation: 129,979.06 ha					
Grand Total (Natural Forest & Forest Plantation): 5,812,342.35 ha					

OPERATIONS: CHAIN OF CUSTODY CERTIFICATION

In 2022, a total of 19 companies were awarded the PEFC *Certificate for Chain of Custody* (CoC) by five PEFC-notified Certification Bodies (CBs), as presented in Table 11.

Out of these, 19 certificates were issued by local CBs, specifically, 13 by Platinum Shauffmantz Veritas Sdn. Bhd., two by SIRIM QAS International Sdn. Bhd., two by Bureau Veritas Certification (M) Sdn. Bhd., and one by SGS (Malaysia) Sdn. Bhd. Additionally, Control Union Certifications B.V., an overseas-based CB, issued one certificate.

Table 11: List of PEFC-notified Certification Bodies

Certification Body	Number of Certificate issued
Platinum Shauffmantz Veritas Sdn. Bhd.	13
SIRIM QAS International Sdn. Bhd.	2
SGS (Malaysia) Sdn. Bhd.	1
Bureau Veritas Certification (M) Sdn. Bhd.	2
Control Union Certifications B.V.	1
Total	19

However, during the same year, 32 certificates were withdrawn, three certificates expired, and eight certificates were suspended. Consequently, there was a net decrease of 24 in the number of PEFC *Certificate for Chain of Custody* holders for the year, resulting in a total of 360 PEFC CoC certificate holders as of 31 December.

The comprehensive list of PEFC certificate holders for chain of custody is available on the PEFC website at <https://www.pefc.org/find-certified>

NOTIFICATION OF CERTIFICATION BODIES

In 2022, a Certification Body (CB) based in the United Kingdom was granted notification to operate Chain of Custody certification under the MTCS. The PEFC notification to GCL International Ltd. was approved by the Notification Committee on 1 July 2022.

Following this addition, the total number of PEFC-notified CBs operating chain of custody certification has now reached 20, while those operating forest management certification has increased to two, as depicted in Table 13.

Table 13: PEFC-notified CBs under the MTCS

Type of Certification	PEFC-notified CB	Notification Date
Forest Management Certification	1. SIRIM QAS International Sdn. Bhd.	10 December 2009
	2. Control Union (Malaysia) Sdn. Bhd.	3 August 2021
CoC Certification	1. SIRIM QAS International Sdn. Bhd.	2 September 2009
	2. Japan Gas Appliances Inspection Association	2 October 2009
	3. SGS South Africa Pty Ltd - Qualifor Programme	2 October 2009
	4. SGS (Malaysia) Sdn. Bhd.	24 December 2009
	5. Intertek Certification International Sdn. Bhd.	20 August 2010
	6. Scientific Certification Systems	20 August 2010
	7. Warringtonfire Testing and Certification Ltd T/A BM Trada	14 September 2012
	8. Holz und Wald Zertifizierungsgesellschaft mbH	14 September 2012
	9. Bureau Veritas Certification France	17 May 2013
	10. Bureau Veritas Sverige AB	6 September 2013
	11. Bureau Veritas Certification (Malaysia) Sdn. Bhd.	26 March 2015
	12. Control Union Certifications B.V.	16 October 2015
	13. NEPCon OÜ (Estonia)	25 November 2015
	14. DQS CFS GmbH	24 June 2016
	15. Platinum Shauffmantz Veritas Sdn. Bhd.	4 July 2017
	16. SGS Société Générale de Surveillance SA	11 July 2017
	17. DIN CERTCO GmbH	8 July 2019
	18. Double Helix Tracking Technologies Pte Ltd	11 August 2020
19. TÜV SÜD Czech s.r.o.	11 August 2020	
20. GCL International Ltd.	1 July 2022	

NOTIFICATION FEE

The Notification Fee for Forest Management and Chain of Custody Certification as approved by the 58th Meeting of the Board of Trustees as shown in Table 14 remain unchanged.

Table 14: The Notification Fee for Forest Management and Chain of Custody Certification

Notification Category	Subset	Annual Fee (RM)
A. Forest Management Certificate	Natural Forest and Forest Plantations	0.020 per ha of certified forest
B. CoC Certificate	Based on annual total turnover (RM):	
	Up to 5 Million	300.00
	Over 5 Million and up to 20	500.00
	Over 20 Million and up to 50	750.00
	Over 50 Million and up to 100	1,000.00
	Over 100 Million	2,000.00

In 2022, notification fee collections for Forest Management Certificate totalled RM36,123.68, whereas Chain of Custody Certificate accounted for RM135,312.00. Together, these fees contributed RM171,435.68 to the overall revenue.

EXPORT OF TIMBER PRODUCTS CERTIFIED UNDER MTCS

In 2022, Japan retained its position as the leading importing country of timber products certified under the MTCS, accounting for 100,335.69 m³ or 41% of the total export volume. The Netherlands followed as the second-largest destination with 25%, followed by Germany (5%), the United Kingdom (4%) and Yemen (3%) as the top five destinations. However, there was a decline in the volume of exported certified products by 6.36%, decreasing from 261,588.27 m³ in 2021 to 244,946.45 m³ in 2022. Since the operation of the MTCS in 2001, a total of 72 destinations have imported timber products certified under the MTCS.

An analysis of the export destinations revealed a significant increase in total exports to Japan, rising by 41% from 70,846.96 m³ to 100,335.69 m³, where 52% of the export volume was attributed to woodchip imports by Japan. The Netherlands, being the second highest importer, experienced a slight reduction of 6% in plywood imports in 2022, with a total of 60,439.92 m³ compared to 64,514.62 m³ in 2021. Similarly, exports to the UK and Germany decreased by 42% and 3%, respectively, reaching volumes of 10,227.36 m³ and 11,485.14 m³. Yemen significantly increased its plywood purchases in 2022, acquiring a total of 8,669.63 m³, compared to no purchases in 2021. Additionally, Singapore experienced significant growth in its purchasing activities, with a 132% increase from 2,778.42 m³ in 2021 to 6,471.67 m³ in 2022, of which 88% of the total volume comprised woodchips. (Figures 1 and 2)

Moulding, plywood, and sawn timber remained the most significant products exported. Moulding exports showed an increase of 23%, rising from 48,993.51 m³ in 2021 to 60,411.35 m³ in 2022. The Netherlands and Germany increased their purchases by 32% and 107%, respectively, with volumes reaching 40,655.17 m³ and 4,845.45 m³. The global construction market is influenced by factors such as population growth, urbanisation, and domestic manufacturing expansion. However, there was a decline in the export of plywood and sawn timber, with a decrease of 28% and 48%, respectively, resulting in export volumes of 59,283.72 m³ and 59,075.19 m³. As the primary purchaser of plywood, Japan experienced a significant decline in imports, with a

reduction of 34% from 70,166.59 m³ in 2021 to 46,030.71 m³ in 2022. On the other hand, the UK and Ireland did not make any purchases of plywood in 2022. As for sawn timber, the Netherlands, the largest importer, reduced its buying activities by 36% from 29,950.24 m³ in 2021 to 19,107.72 m³ in 2022. In contrast, the export of woodchips saw a substantial increase of 2021%, rising from 2,747.51 m³ in 2021 to 58,274.99 m³ in 2022. This surge was mainly driven by the export of woodchips to Japan and Singapore. (Figures 3 and 4).

The export performance in 2022 contributes to a cumulative export of MTCS-certified timber products, reaching a total of 2,971,954.90 m³. (Figure 5).

Figure 1: Export of timber products certified under MTCS by destination, 2022

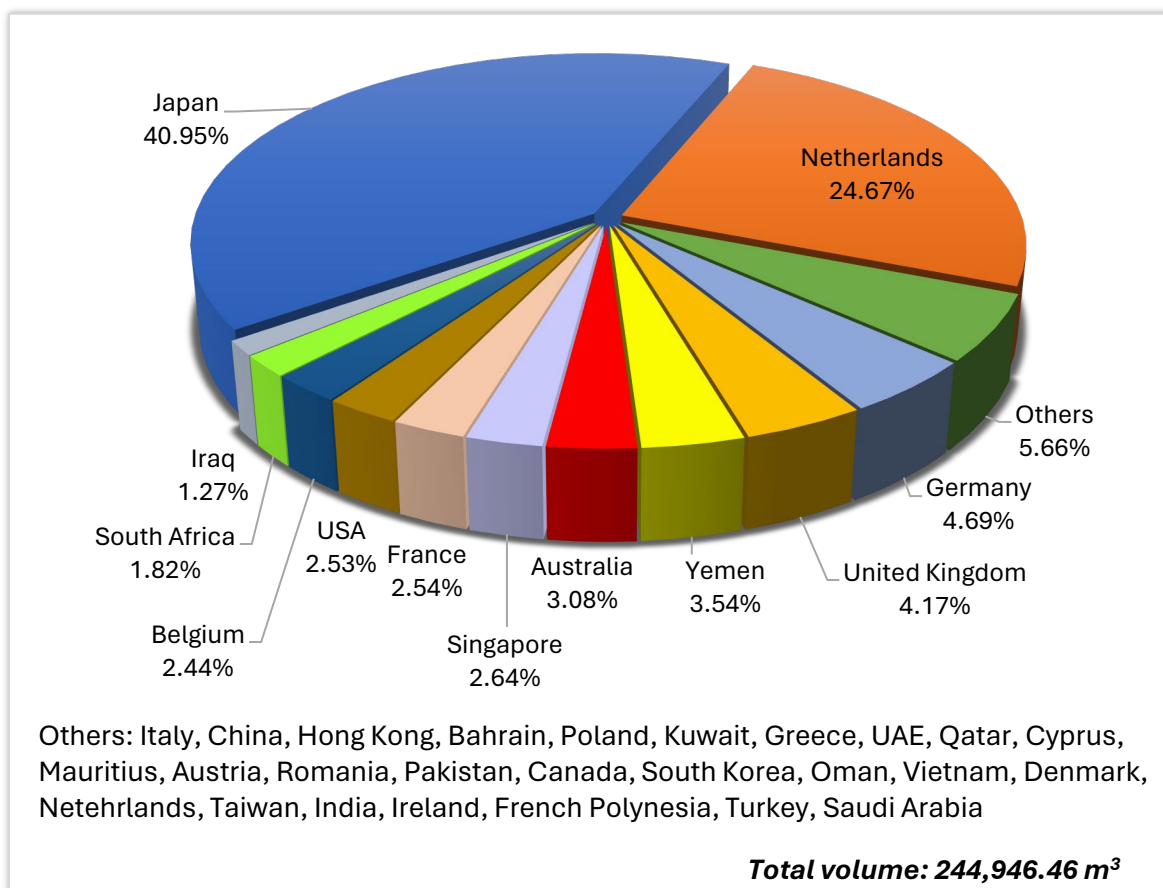


Figure 2: Comparison of MTCS Certified Timber Products Export by Destination, 2022 vs 2021

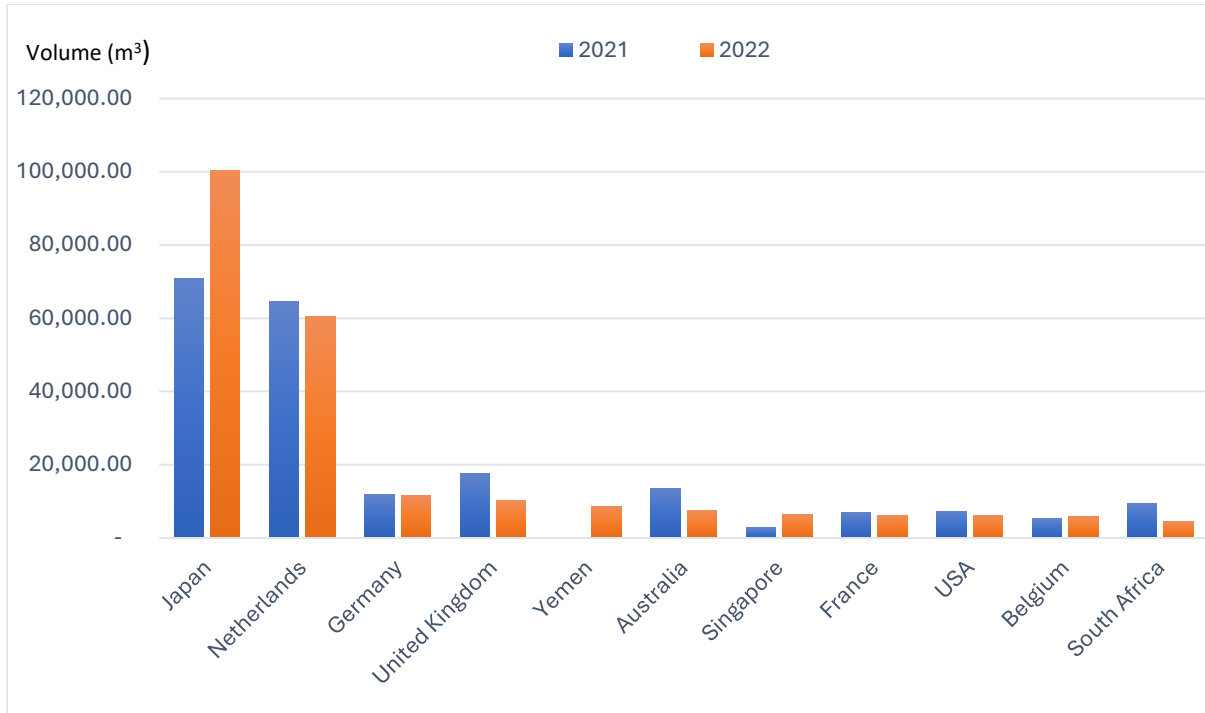


Figure 3: Export of timber products certified under MTCS by product type, 2022

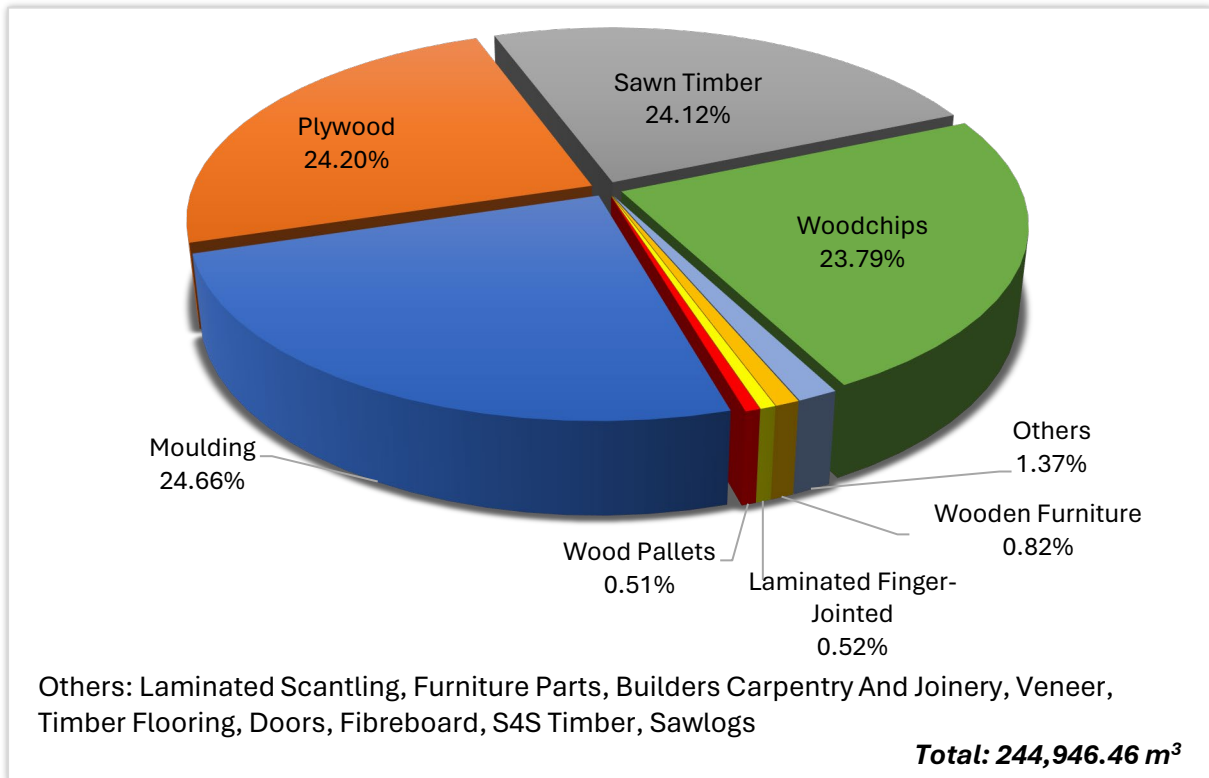


Figure 4: Comparison of MTCS Certified Timber Products Export by Product, 2022 vs 2021

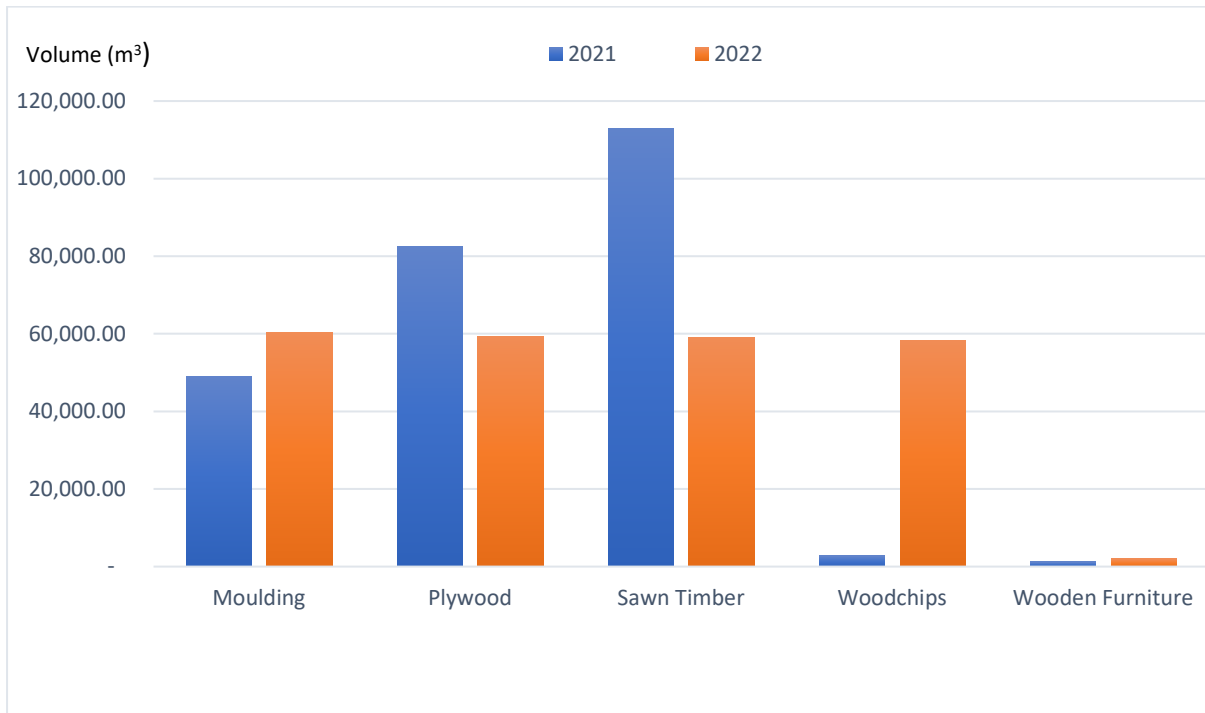
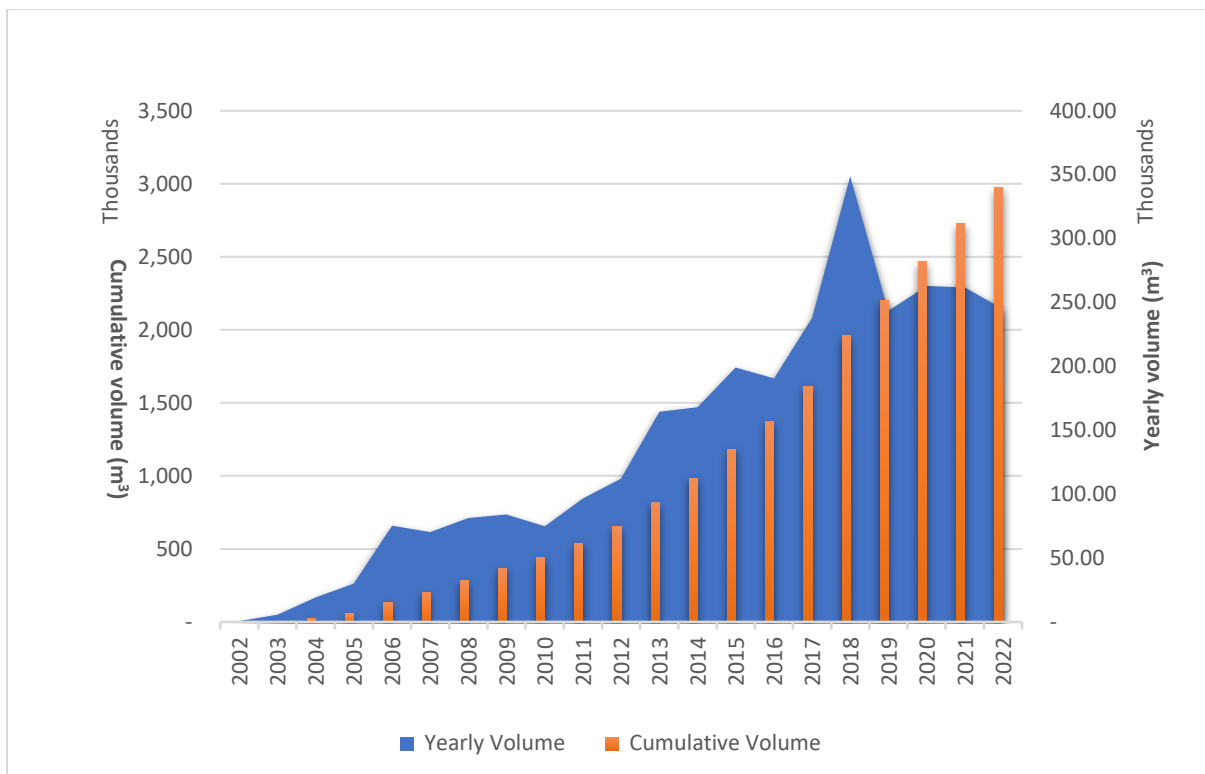


Figure 5: Export of timber products certified under MTCS, July 2002 – December 2022



CAPACITY BUILDING

Training on MTCS ST 1002:2021 to STANDARDS MALAYSIA

In collaboration with the Department of Standards Malaysia (STANDARDS MALAYSIA), MTCC organised a two-day training course from 17 to 18 May 2022 in Cyberjaya, Selangor. A total of 16 participants from STANDARDS MALAYSIA attended the course, which aimed at familiarising assessors with the requirements for forest management certification perusing the MTCS ST 1002:2021 *Malaysian Criteria and Indicators for Sustainable Forest Management (MC&I SFM)* standard.



Group photograph of the participants



Day 1 of the training



Day 2 of the training



Yong Teng Koon conducting the briefing

Training Course on Strengthening the Implementation of Forest Management Certification According to MC&I SFM Standard

Recognising the need for continuous improvement in ensuring the implementation of requirements of the MC&I SFM (Malaysian Criteria and Indicators for Sustainable Forest Management) standard, Forestry Department Peninsular Malaysia (FDPM) organised a series of training in 2022 for the officers from the State Forestry Departments in Peninsular Malaysia:

- Series I – 22-25 February in Port Dickson, Negeri Sembilan
- Series II – 28-31 March in Sungai Petani, Kedah
- FDPM Internal Auditors – 23-26 May in Kuala Terengganu, Terengganu

MTCC was invited as trainers to provide an introduction and understanding of the requirements of MC&I SFM to the officers on the ground in the respective states.

The four-day training for each series included a one-day field exercise to familiarise the officers with the aspects of field assessment in applying the knowledge of documentation review, interview with stakeholders, and site assessment.

Over 100 officers from FDPM were trained during the training series.



Participants of the training course



MTCC trainers conducting field exercise



Auditor Training Course on Forest Management Certification under the Malaysian Timber Certification Scheme

MTCC conducted the auditor training course on the MC&I SFM standard on 26-29 September in Bintulu, Sarawak, to equip the potential auditors with the necessary knowledge and skills to conduct forest management certification audit, as well as to fulfil the competency requirements for accreditation by STANDARDS MALAYSIA.

The training included interactive classroom sessions and field training, emphasising the requirements of the forest management certification standards, audit assessment tools, accreditation requirements covering auditor competency, audit duration, peer review process, and stakeholder consultation.

22 participants from certification bodies, forest managers, STANDARDS MALAYSIA and WWF-Malaysia attended the four-day auditor training course. The field audit training was conducted at Samling Segan FPMU LPF 0014, a PEFC-MTCS certified forest plantation, since 2014.



Participants of the auditor training course



Interactive classroom session

Second Workshop to Identify Gaps and Opportunities in Implementing Forest Management Certification in Sarawak

In addition to conducting requisite training courses, MTCC collaborates with relevant agencies and organisations on capacity-building programmes for their employees and contractors.

MTCC was invited to the second workshop to identify gaps and opportunities in implementing forest management certification Sarawak, held from 6 to 7 September in Kuching, Sarawak. Jointly organised by Forest Department Sarawak (FDS) and Sarawak Timber Association (STA), the workshop allowed participants to address the primary obstacles encountered during the implementation and maintenance of forest management certification in Sarawak. Moreover, it served as a platform to identify potential opportunities and key resources to overcome these challenges.

In her welcoming remarks, Ms. Annie Ting, CEO of STA, highlighted the workshop's timeliness in relation to the recent adoption of the revised standard for sustainable forest management in Malaysia. She urged all participants to seize the opportunity to share their experiences and challenges encountered during the implementation of forest management certification.

Datu Hamden bin Haji Mohammad, Director of Forests, FDS delivered the opening remarks. He emphasised that implementing forest management certification would enable Malaysia to fulfill its international commitments, adhere to national policies concerning the environment, biodiversity, and climate change, and contribute to the country's national sustainable development objectives.

The workshop included three presentations by Mr. Andy Wong from Shin Yang Sdn Bhd, Mr. Wong Ing Yung from Zedtee Sdn Bhd, and Tn. Hj. Hamzah bin Haji Morshidi from Sarawak Timber Industry Development Corporation focused on the journey and obstacles encountered while implementing forest management certification in Sarawak. They highlighted several key challenges, such as managing unauthorised land

use within the permanent forest estate, addressing unverified land claims, and ensuring the security of license tenure for long-term investment planning.

Furthermore, Ms. Siti Syaliza Mustapha, the CEO of MTCC, updated the MTCS, which included revisions to the certification standard. She also discussed the recognition of MTCS, the export of certified products, and the utilisation of certification as a tool to meet environmental, social, and governance criteria.

Afterwards, the participants were divided into groups to discuss the principles outlined in the MC&I SFM. During these group sessions, various gaps and challenges were identified, including the need for capacity building through training, implementing control mechanisms to combat encroachment, illegal harvesting, and prohibited activities within forest management units, and establishing effective engagement strategies with local communities.

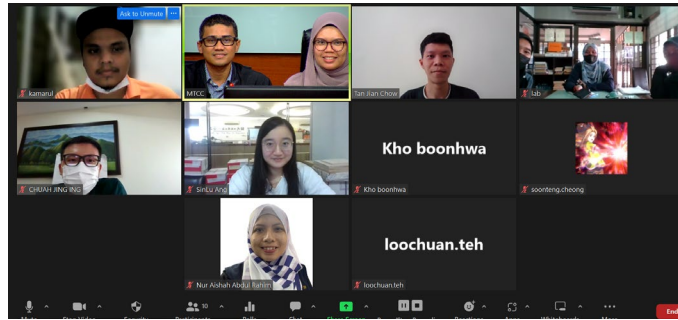


MTCC CEO, Siti Syaliza Mustapha provide updates on the Malaysian Timber Certification Scheme



Discussion with MTCC representative in progress

Briefing Session on Use of Revised PEFC International Chain of Custody Standard PEFC ST 2002:2020 – Chain of Custody of Forest and Tree Based Products – Requirements



MTCC Senior Executive (Product) Akmal Saarani, answering questions raised by participants

On 21 April 2022, MTCC organised an online briefing on the Chain of Custody (CoC) for CoC certificate holders. The purpose of the briefing was to provide an overview of the main changes in the revised PEFC ST 2002:2020 - Chain of Custody of Forest and Tree-Based Products - Requirements, as well as the PEFC ST 2001:2020 - PEFC Trademarks Rules - Requirements. The briefing included 132 participants, including CoC certificate holders, non-certified companies, associations, and consultants.

The annual briefing aimed to enhance understanding and facilitate a smooth transition to the PEFC ST 2020 standards. On the half-day briefing, participants had the opportunity to familiarise themselves with the new requirements outlined in the revised CoC standard, PEFC ST 2002:2020. Additionally, the revised PEFC ST 2001:2020 standard addressed the usage of PEFC initials by PEFC trademark license holders, technical changes concerning trademark usage on and off products, and provided a list of alternative promotional label messages. The briefing was delivered by Puan Sabrina Mawasi, Manager (Product), Akmal Saarani, Senior Executive (Product), and Adibah Aris, Executive (Product).

On 24 December 2022, MTCC conducted a similar online briefing for Besgrade Group on 24 December 2022 which was attended by ten key personnel from the company. The purpose of the briefing, as requested by Besgrade Group, was to enhance their staff's understanding and familiarity with the requirements outlined in the PEFC ST 2002:2020 standard.

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



Participants of the training course for CoC auditors

MTCC organised a two-day Chain of Custody (CoC) Training Course for CoC auditors, reviewers and certification decision makers of certification bodies operating CoC audit under the MTCS from 29 to 30 December 2022 in Kuala Lumpur. The training was attended by 11 participants from local Certification Bodies and governmental organisations.

The training was conducted to fulfil the training requirement for fresh new auditors, reviewers and certification decision makers of certification bodies as stipulated in para 6.1.2.1 and 6.1.1.4.3 of the PEFC ST 2003:2020 Requirements for Certification Bodies operating Certification, so that they are familiar with and knowledgeable on the requirements of the CoC standard PEFC ST 2002:2020 Chain of Custody of Forest and Tree-Based Products-Requirements and PEFC ST 2001:2020 PEFC Trademarks Rules – Requirements.

The training was conducted Ms. Sabrina Hj Mawasi, Manager (Product) and Mr. Akmal Saarani, Senior Executive (Product) of MTCC, who are listed as PEFC CoC Pool of experts.

PEFC CoC Pool of Experts Meeting

The PEFC International Chain of Custody Pool of Experts programme offers a continuous and voluntary opportunity for experienced technical experts in the Chain of Custody (CoC) to become part of the PEFC Pool of Experts. Participating in the Pool allows these experts to coordinate with CoC technical experts from other PEFC National Governing Bodies (NGBs). Additionally, they gain access to international-level feedback and tools and training materials developed by PEFC International.

Ms. Sabrina Mawasi, Manager (Product) and Mr. Akmal Saarani, Senior Executive (Product) represented MTCC as recognised members of the Pool of Experts. The participants convened virtually three times via the online meeting platform Zoom. These meetings provided a platform for sharing updates on current issues, CoC trainings, discussing guidelines, and gathering valuable feedback from the members.



PROMOTION

PROMOTION

MTCC's Participation in World Expo Dubai

As an agency operating under the Ministry of Plantation Industries and Commodities (MPIC), MTCC was invited to participate in the Malaysia Pavilion during week 17 of the World Expo Dubai. This event, focusing on sustainable agricommodities (non-food sector), took place from 23 January 2022 to 28 January 2022.

Led by the Malaysian Timber Council (MTC), the Malaysian delegation for week 17 consisted of various MPIC agencies, including the Malaysian Timber Industry Board (MTIB), Malaysian Rubber Board (MRB), Malaysian National Kenaf and Tobacco Board (LKTN), and Malaysian Rubber Council (MRC). MTCC was represented by its Chief Executive Officer (CEO), Siti Syaliza Mustapha, and Senior Executive (PR & Marketing), Muhammad Hasif Azizan.

Alongside the MPIC agencies, 16 other companies associated with the agricommodity sector also participated in the event, including the MTCS Chain of Custody certificate holder, One Tech International (M) Sdn. Bhd.

During the week, MTCC showcased informative materials about the organisation and its Malaysian Timber Certification Scheme (MTCS) through a modular display. In addition, MTCC hosted three seminars and two pocket talks, providing valuable insights throughout the event.

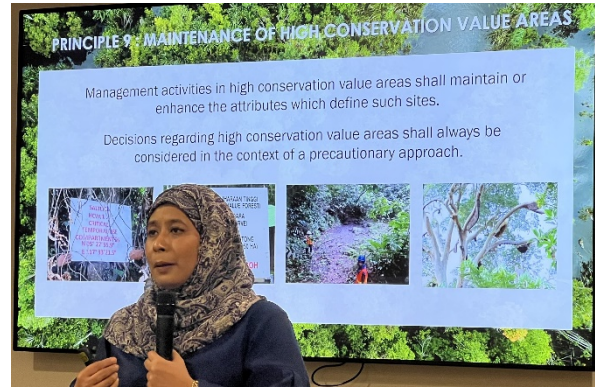
Moreover, MTCC had the opportunity to engage in two interview sessions on 26 January. The first interview took place with Dubai One TV, the official television channel of the event, while the second interview was conducted with the International Wood Culture Society. In both interviews, CEO Siti Syaliza reaffirmed Malaysia's commitment to maintaining at least 50% of the country's total land area under forest cover. She also emphasised that the timber facade of the Malaysia Pavilion was sourced from a certified forest, briefly explaining the concept of sustainable forest management and highlighting the significance of timber certification in Malaysia.

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Aside from that, MTCC was further invited to be a speaker and panellist in a conference, "Growing our cities - Sustainable Forestry and Timber Construction", a collaboration between Sweden and Malaysia Pavilions, on 15 March 2022.



Pocket talk sessions happening at the Malaysian Pavilion



Two interview sessions with Dubai One TV and International Wood Culture Society



Briefing to official visitors to the Malaysian Pavilion



Siti Syaliza Mustapha deliver her presentation at a conference organised by Sweden and Malaysia Pavilions

Building bridges for sustainability: The MTCC strengthens connections with certified companies in 2022

As part of its stakeholder engagement and industry outreach efforts, the Malaysian Timber Certification Council (MTCC) visited two certified companies in 2022. These visits provided valuable insights into the production of certified timber products and helped to raise awareness of the MTCC's Chain of Custody (CoC) Certification Scheme.

Visit to HeveaPac Sdn Bhd



Manager (Product) Sabrina Mawasi presenting a token of appreciation to HeveaPac management

On 2 August 2022, an MTCC team led by Product Manager Sabrina Mawasi visited HeveaPac Sdn Bhd in Negeri Sembilan. HeveaPac manufactures PEFC-controlled sourced furniture and has been awarded the CoC Certification under the Malaysian Timber Certification Scheme since 2018. The team had the opportunity to observe the company's production process and discuss current timber issues with HeveaPac's management.

Visit to DSG (Malaysia) Sdn Bhd



Senior Executive (Public Relations & Marketing) Muhammad Hasif Azizan provided a briefing on MTCC and MTCS to the DSG (Malaysia) Sdn Bhd management



MTCC team witnessing the production of MTCS-PEFC certified diapers at the factory

On 21 December 2022, an MTCC team led by CEO Siti Syaliza Mustapha visited DSG (Malaysia) Sdn. Bhd. (DSGM) in Kuala Langat, Selangor. DSGM is the first MTCS-PEFC certified diaper manufacturer in Malaysia. During the visit, Senior Executive (Public Relations & Marketing) Muhammad Hasif Azizan enlightened the DSGM team about MTCC and its scheme. At the same time, a presentation from DSGM showcased their innovative approach to producing disposable diapers with sustainability at its core. This exchange fostered a deeper understanding of the challenges and opportunities within sustainable timber products.

The visit culminated in a comprehensive tour of the DSGM factory. Witnessing the meticulous production process firsthand allowed the MTCC team to appreciate the dedication and expertise required to achieve MTCS-PEFC certification.

The site visits to HeveaPac and DSGM provided valuable insights into the production of sustainable timber products. The MTCC is committed to working with stakeholders to promote the use of sustainable timber in Malaysia.

Sowing passion and raising and raising awareness on SFM through MTCC Academic Award



UNIMAS graduate Elvia Chong Qi Ern received MTCC Academic Award 2021 for sustainability-related academic excellence



Hiew Suet Enn, who graduated with a Bachelor's Degree in Forest Plantation and Agroforestry, received RM2,000 cash and a certificate of achievement from MTCC



Students from the Faculty of Forestry and Environment, Universiti Putra Malaysia (UPM) were awarded the MTCC Academic Award for their outstanding final year project theses and overall academic excellence in 2020 and 2021.

MTCC has continued its efforts to instil passion and raise awareness among future generations through the MTCC Academic Award on Sustainable Forest Management and Timber Certification (MTCC Academic Award), this time partnering with Universiti Malaysia Sarawak (UNIMAS). The Academic Award was initially established in 2016 in collaboration with Universiti Putra Malaysia (UPM) and Universiti Malaysia Sabah (UMS)

to promote academic excellence and foster a love for forests among university students.

The Deputy Minister of Plantation Industries and Commodities, Datuk Willie Anak Mongin, presented the inaugural MTCC Academic Award with UNIMAS during the 25th convocation ceremony of UNIMAS. Aileen Allysha Jack and Elvia Chong Qi Ern, two graduating students from the Faculty of Resource Sciences and Technology, were chosen by MTCC as the recipients of the MTCC Academic Award for their outstanding final-year project theses and overall academic excellence in 2021.

In addition to UNIMAS, MTCC awarded four graduating students from the Faculty of Forestry and Environment at UPM for their overall academic excellence in 2020 and 2021. Wan Nur Azlin Wan Ariffin, from the Bachelor of Wood Science and Technology Programme, and Ahmad Syakir Sulaimi, from the Bachelor of Forestry Science Programme, were the recipients for the 2020 academic year. The award recipients for the 2021 academic year were Zulhelmi Mohd Ali from the Bachelor of Wood Science and Technology Programme and Nurfarhana Khairi from the Bachelor of Parks and Recreation Science Programme.

Due to the COVID-19 pandemic, UMS held multiple convocation ceremonies in a year to accommodate all graduates from previous years. Chai Lee Ting, who graduated with a Bachelor's Degree in Forestry Science (Hons) (Nature Parks and Recreation), was awarded for her academic achievements in 2020. Hiew Suet Enn, who graduated with a Bachelor's Degree in Forest Plantation and Agroforestry, was chosen as the award recipient for her achievements in 2021. As for 2022, the MTCC Academic Award belonged to Alexander Irvin Joseph, who graduated with a Bachelor's Degree in Wood Technology and Industry.

Forestry Stakeholders Brought Together to Discuss Future-Proofing Sarawak Forestry through Sustainability

On 15 February 2022, MTCC together with Forest Department Sarawak, FSC Malaysia, WWF-Malaysia and Malaysia HR Forum, teamed up with Control Union (Malaysia) Sdn. Bhd. to organise a webinar on Future-Proofing Sarawak Forestry through Sustainability.

Hosted by Control Union, a PEFC certification body under the Malaysian Timber Certification Scheme (MTCS), the free webinar was aimed at bringing together all relevant forestry stakeholders to review and analyse the key challenges being faced by the forestry sector in Sarawak and ways to address them. It was officiated by the Deputy Chief Minister of Sarawak, Datuk Amar Haji Awang Tengah Ali Hasan, who is the state's Second Minister of Urban Development and Natural Resources, and Minister of International Trade and Investment.

The half-day webinar comprised seven plenary addresses featuring research-based topics and real cases, followed by a panel discussion. The first speaker, Deputy Director (Forest Management) of Forest Department Sarawak, Abang Ahmad Abang Morni, presented a topic on Sarawak Forestry Policy Directions Towards Sustainability: Benchmarking with Global Norms. General Manager of Control Union (Malaysia), Supun Nigamuni, talked about The Changing Face of Consumerism: Perception, Belief and Acceptability and Value Proposition of Control Union to Forestry Industry.

The session highlighted two significant certification schemes in Sarawak, namely the Forest Stewardship Council (FSC) certification and the MTCS. Country Manager of FSC Malaysia, Charmaine Chee, touched on ESG (Environmental, Social and Governance) enablers with her topic titled Future-Proofing the Forestry Industry with ESG Enablers and Relevancy of FSC in Sarawak. Chief Executive Officer of MTCC, Siti Syaliza Mustapha, presented how MTCS Has Contributed to Sustainability in Sarawak Forestry: What to Expect in Future.



FUTURE-PROOFING SARAWAK FORESTRY THROUGH SUSTAINABILITY



PLENARY SPEAKER



MR. SUPUN NIGAMUNI
General Manager
Control Union Malaysia

KEYNOTE SPEAKER



**YB DATUK AMAR HAJI AWANG
TENGAH BIN ALI HASAN**
Deputy Chief Minister of Sarawak cum
Second Minister of Urban Development and Natural Resources, &
Minister of International Trade and Investment, Sarawak

WEBINAR

TUESDAY
15 FEB 2022
2-6PM



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Deputy Director (Forest Management)
Forest Department Sarawak; FDS



MS. CHARMAINE CHEE
Country Manager, Malaysia
Forest Stewardship Council®; FSC®



MS. SITI SYALIZA MUSTAPHA
Chief Executive Officer
Malaysian Timber Certification Council;
MTCC



MR. ARULKUMAR SINGARAVELOO
CO-FOUNDER Malaysia HR Forum



MS. ANNIE TING
Chief Executive Officer
Sarawak Timber Association; STA



DR. JASON HON
Head of Conservation, Sarawak
WWF-Malaysia

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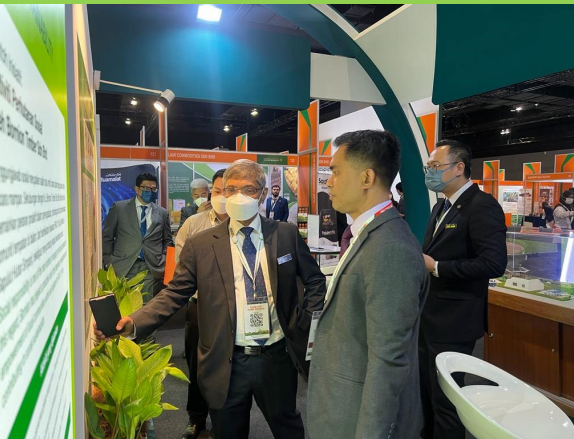
In 2022, MTCC participated in three local and one international fairs and exhibitions. Publicity brochures as well as information on the developments related to the MTCS were distributed at these fairs and exhibitions:



23 – 28 January
World Expo Dubai



7 – 9 July
Malaysian International Furniture Fair



26 – 28 July
Malaysia International Agricommodity
Expo & Summit



7 – 10 September
Malaysia International Halal Showcase



PEFC RELATED ACTIVITIES

PEFC RELATED ACTIVITIES

As the National Governing Body for the implementation of the MTCS, which is a PEFC-endorsed scheme, MTCC participates actively in PEFC-related activities, which include the PEFC Members Meeting, Technical Working Group meetings for both forest management and chain of custody as well as the PEFC Annual General Assembly. Participation in these meetings is crucial to ensure that any decisions on PEFC's policy, technical and guidance documents, and other administrative issues take into account the challenges and constraints faced by the MTCS.

Participation in the above meetings provides MTCC with the avenue and forum for more interaction, communication and sharing of experiences between national members and between PEFC International and the national members on any important issues that need further deliberation/clarification.

PEFC Forest Certification Week and General Assembly

The 27th PEFC General Assembly (GA), held virtually on 17 November, was attended by 41 national members and ten international stakeholder members (ISMs). All PEFC members gathered virtually to receive updates and discussions and make important decisions.

The GA made the following key decisions:

- i. Approved the Budget and Membership Fees for 2021.
- ii. Approved the election of David Ford as first Vice Chairman (2022-2025); Suzette Weeding as PEFC 2nd Vice Chairman (2022-2023), completing one year of a three-year term Vice Chairman position being vacated by the departing Vice Chairman; and Eva Müller (2022-2025), Guy Gleysteen (2022-2025), Kurt Ramskogler (2022-2025), and Scott Robertson (2022-2025) as new members of the Board.

- iii. Approved the re-appointment of Jan McAlpine as a member of the Nominations Committee.
- iv. Agreed to physically hold the 28th and 29th PEFC GA in Vancouver on 15 May 2023, and virtually on 15 November 2023.

PEFC Member's meeting

As the National Governing Body (NGB) for the implementation of the MTCS, which is a PEFC-endorsed scheme, MTCC participates actively in PEFC Members' meeting to ensure that any decisions on PEFC policy, technical and guidance documents to be developed, and other administrative issues, consider the challenges and constraints faced by the MTCS.

The PEFC Members Meeting was held in Dublin, Ireland, from 9 to 12 May 2022. MTCC was represented by its Chief Executive Officer, Cik Siti Syaliza Mustapha, and Cik Sabrina Mawasi, Manager (Product).

At this meeting, the following activities were conducted:

v. PEFC Updates

The various Unit Heads from the PEFC Secretariat provided an update of the PEFC programmes and activities under their respective jurisdictions, highlighting their key activities.

vi. Members' market place & Knowledge café

PEFC members were invited to highlight their activities in the 'Members Market Place' session held on 11 May. MTCC shared its activities through a presentation titled *Catching Up with Malaysian Timber Certification Council*. MTCC shared the activities conducted during *Agricommodity Week*, where MTCC undertook a number of webinars and highlighted the webinar related to the Environmental, Social and Governance (ESG) topic. MTCC also shared the information on the implementation of *The Impact of Malaysian Timber Certification Scheme (MTCS) on Forest Management, Industry and Trade* project, the latest products certified

under the MTCS, and MTCC's participation at World Expo 2020 Dubai. MTCC also highlighted the initiative to develop the Guidance for Certification of Non-Timber Forest Product (NTFP) and Small Scale/Community Forest Plantation to fulfil the MTCC Strategy 2020-2025.

MTCC also took the opportunity to host a table in the Knowledge Café session to discuss the Stop the Chop campaign by SAVE Rivers. The objective is to discuss and learn the experience of other PEFC members in dealing with such campaigns and allegations from NGOs. Other PEFC members also hosted a table to discuss the packaging campaign, ESG leadership, Austrian consumer campaign, marketing for controlled sources, Tomorrow's Timber Talk, forest ecosystem services, carbon sequestration and experiences in standards revision.

vii. PEFC Stakeholder Dialogue

The stakeholder dialogue was themed "Mitigating Climate Change: Win with Wood". Eight speakers were invited to talk on specific subject matters over three sessions.

viii. Asia-Pacific Regional Hub (APAC Hub)

The meeting focused on public forest procurement policies available in the member's country. Malaysia, Korea, Japan and Australia had shared the public procurement policies available in their country. Members discussed this matter at length and noted that there are challenges to driving for PEFC-inclusive public procurement policies, such as limited involvement in developing such policies and the cost and availability of certified supplies.

ix. Rubber Thematic Taskforce

The meeting provided an update on the activities of the Rubber Thematic Taskforce to members and interested international stakeholder members. The meeting also discussed the strategy to be taken by the taskforce to increase the acceptance and uptake of certification by the rubber industry.

PEFC Technical Working Group



Manager (Product) Sabrina Mawasi representing MTCC in PEFC Trademark Working Group meeting



PEFC Trademark Working Group meeting in progress

MTCC remained actively engaged in two working groups (WG) dedicated to the advancement and upkeep of international standards concerning sustainable forest management (SFM), chain of custody (CoC) and the PEFC trademark.

In 2022, PEFC relaunched the work on the draft standard PEFC ST 1004 *Operating Forest Management Certification* on requirements for certification bodies providing forest management certification. Implementing this new standard establishes a harmonised set of requirements for certification bodies, guaranteeing consistency in the global implementation of PEFC sustainable forest management certification. The standard is also a hybrid between a Benchmark and an International standard – which includes benchmark requirements to be further developed at the national level by national members and requirements that certification bodies shall implement directly.

The first meeting of the SFM WG was held on 5 May via Zoom and subsequently on 5-6 September. The public consultation on the draft PEFC ST 1004 was launched on 24 November for three months to receive feedback from all stakeholders. Melvin Ku, Senior Executive (Forest Management), represents MTCC in this technical working group and participated in the online meetings.

The PEFC Tree Outside Forest (TOF) Taskforce was established in October 2022 under the SFM WG to monitor and analyse the implementation and interpretation of PEFC's

benchmark standard for Trees outside Forests management certification, PEFC ST 1003, Sustainable Forest Management – Requirements Annex 2 and advise the PEFC International Board.

The TOF Taskforce held two meetings in 2022. The first meeting, conducted on 19-20 October, focused on the diverse approaches adopted by different National Governing Bodies (NGBs) with endorsed schemes for their Tree Outside Forest Standards. Some NGBs integrated TOF guidelines into their Sustainable Forest Management (SFM) standard as annexes, while others developed a standalone TOF standard separate from SFM. This meeting aimed to discuss and elaborate on these approaches. The second meeting, held on 30 November – 1 December, centered around defining TOF and examining how NGBs determine TOF areas within their respective countries. Haniff Salleh, Executive (Forest Management), represents MTCC in this task force and participated in the online meetings.

Seven meetings were lined up for CoC and Trademark WG in 2022 with six online meetings and one physical meeting in Brussels to finalise the GD 2001 document. The PEFC CoC and Trademark Usage WG continue its discussion on revising the PEFC GD 2001 Chain of Custody of Forest and Tree Based Products – Guidance for Use document. The final draft of the guidance was recommended for approval by the PEFC Board of Directors and voted upon by the PEFC Board of Directors on 26 October 2022. MTCC Manager (Product), Sabrina Mawasi is a CoC and Trademark WG member who has participated in all the online and physical meetings.

PEFC Thematic Taskforce



PEFC Thematic Taskforce meeting took place in Dublin

Throughout 2022, MTCC has been actively involved in the PEFC thematic taskforces (TT) under the PEFC Marketing Communications and Advocacy Working Group (MCA WG). Siti Syaliza Mustapha Siti, Akmal Saarani, Sabrina Mawasi and Hasif Azizan represent MTCC in the Advocacy TT, Packaging TT, Rubber TT and Communications TT, respectively. The update for each TT is as follows:

i. Advocacy Thematic Taskforce

Throughout 2022, the Advocacy TT members worked on crafting internationally pertinent messaging on critical advocacy subjects. Members also identify and consolidate endorsements, statements, research findings, and other relevant evidence that illustrates the beneficial effects of PEFC certification. Aside from that, this TT extends its support and assistance to PEFC members in their advocacy efforts.

ii. Packaging Thematic Taskforce

The Packaging TT convened virtually on three occasions: in March, July, and September. Packaging TT focused on promoting responsible packaging campaigns and providing valuable input for developing campaign materials. The TT members collaborated throughout these meetings, sharing their collective efforts and initiatives in promoting sustainable paper and packaging under the PEFC. One of the Packaging TT objectives is to reach out to end-users,

particularly in the food and beverage and e-commerce packaging industries, intending to encourage them to obtain PEFC CoC certification.

iii. Rubber Thematic Taskforce

Rubber TT's first meeting for 2022 was held in March 2022, followed by three subsequent meetings in May, October, and December 2022. The aim of the Rubber TT for 2022 is to improve market access and productivity of rubber products. The discussions focus on the potential market linkages and pilot projects, continuing Supporting Sustainable Rubber (SSR) campaign activities that was launched in 2021 and brainstorming for social media content.

iv. Communications Thematic Taskforce

The Communications TT was established to provide an international communications framework that helps guide the global communication activities of the PEFC alliance. Its mission extends to spearheading globally relevant communication initiatives and ensuring these endeavours are accessible and beneficial to all PEFC members. Throughout 2022, TT members collaboratively planned and executed various social media campaigns. These campaigns encompassed the International Day of Forests, Earth Day, Biodiversity Day, Stockholm +50, and the International Day of Rural Women. In addition, the Communications TT is responsible for curating and disseminating the #ForestFactFriday series, a year-long social media posting initiative that serves as a valuable resource for all PEFC members. All discussions and meetings occurred virtually in February, March, September, and October.

Asia-Pacific (APAC) 4th Regional Hub Meeting & Field Dialogue



Meeting in progress



Participants exchange views in group discussion



Field visits to research centres, PEFC-certified rubber plantations, and certified rubber production factories

On 24-27 October 2022, the Malaysian Timber Certification Council (MTCC) attended the 4th Asia-Pacific (APAC) Hub regional meeting and Field Dialogue in Ho Chi Minh City, Vietnam. The event was organised by the Programme for Endorsement of Forest Certification (PEFC) and aimed to discuss the progress and challenges of certification development activities for National Governing Bodies (NGBs) in Asia Pacific countries, share information on the Strategic Development of PEFC for 2023-2028, and visit research centres, rubber plantations, and product manufacturing factories.

The meeting began on 24 October with a hybrid format attended by 33 representatives from PEFC, Vietnam Forest Certification Office (VFCO), Myanmar Forest Certification Council (MFCC), Thailand Forest Certification Council (TFCC), Indonesia Forest Certification Council (IFCC), China Forest Certification Council (CFCC), and Responsible Wood. The main objective was to refine the PEFC strategy and Key Performance Indicators (KPIs) for 2023-2028 and identify relevant KPIs for the Asia-

Pacific region regarding certification program development strategies for the next five years.

In addition to the strategy and KPIs, the meeting discussed the APAC Hub work plan for 2023. This plan includes developing the Asia-Pacific forest certification scheme, strengthening fundraising activities, creating carbon impact projects in sustainable forest management, developing marketing plans, and improving technical support and collaboration among NGBs.

The meeting's highlights included the certification of 1,312 hectares of smallholder rubber plantations in Thailand by TFCC/PEFC in 2022. Responsible Wood reported a 300% increase in its digital footprint using search engine optimisation (SEO) technology and services.

From 25-26 October, MTCC participated in a field visit to research centres, PEFC-certified rubber plantations, and certified rubber production factories. At the Bau Bang Forest Experiment Station, Dr. Vu Tan Phuong, the Director of the Vietnam Forest Science Academy, discussed forest management for fast-growing plant species, emphasising the importance of planting multiple clones of the same species for selecting the best progeny, as well as the role of post-harvest forest management in renewing soil structure, texture, and nutrient content.

The event concluded on 27 October with the PEFC FOR-TRADE Regional Conference. This program aims to enhance trade in the ASEAN region by establishing forest certification infrastructure, reducing trade barriers, promoting sustainable wood trade, enhancing livelihoods, and contributing to biodiversity conservation. The PEFC FOR-TRADE program received funding from the United Nations Program on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) for the Sustainable Forest Trade in the Lower Mekong Region (SFT-LMR) initiative.

During the conference, the participating countries shared their progress in developing forest certification infrastructure and discussed their challenges. Capacity development programs, including those for accreditation and certification bodies, were also discussed. Joint workshop sessions were held as well.



COOPERATION

COOPERATION

The Study on the Impact of MTCS on Forest Management, Industry and Trade

Phase two activities of the study on The Impact of the Malaysian Timber Certification Scheme (MTCS) on Forest Management, Industry and Trade were continued in 2022.

The research work and activities in this phase were focused on the stakeholders such as State Forestry Departments, timber associations, timber industry players and logging companies.

The researchers conducted meetings with the State Forestry Departments of Perak, Negeri Sembilan, Pahang, Selangor, Johor, Pulau Pinang, Kedah, Sabah and Sarawak to introduce the Impact project and its objectives and to obtain feedback and information on the implementation of forest management certification by the State Forest Departments.



MTCC CEO, Siti Syaliza Mustapha provide an update on MTCS to the stakeholders in Perak



Representatives from MTCC and MTIB shared views and exchanged ideas during the discussion session

Further to the discussions with the State Forestry Departments, a series of half-day workshops were held between March 2022 and December 2022. The workshops were attended by representatives from state Forestry Departments, timber associations, timber industry manufacturers, exporters and logging companies. Representatives from MTCC and MTIB took the workshop opportunity to provide updates on MTCS and the

current market development, requirements, and various assistance available for the industry. The workshop was attended by 366 participants.

An online survey on Perspectives of the Timber Industry on Chain of Custody Certification was distributed to the timber industry in July 2021 to identify the impact of MTCS, particularly CoC certification, on the Malaysian timber industry. Due to low responses from the industry, the research team took the opportunity to collate feedback on the survey on the day the workshop was conducted. However, as of the end of December 2022, only 71 certified companies responded to the survey.



MTCC CEO Siti Syaliza Mustapha deliver her opening remarks to the stakeholders in Pahang



MTCC Manager (Product), Sabrina Mawasi provides updates on MTCS to participants

Table 15: List of Workshop on the Study of the Impact of MTCS on Forest Management, Industry and Trade

Date	Activity
14 – 16 March 2022	Bengkel Perlaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Perak & Industri Perakayuan Negeri Perak
22 March 2022	Bengkel Perlaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Sembilan & Industri Perakayuan Negeri Sembilan
28 - 30 March 2022	Bengkel Perlaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Pahang & Industri Perakayuan Negeri Pahang

Date	Activity
18 May 2022	Bengkel Pelaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Selangor & Industri Perkayuan Negeri Selangor
19 – 28 Jun 2022	Bengkel Pelaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Sarawak & Industri Perkayuan Negeri Sarawak
16 – 26 July 2022	Bengkel Pelaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Sabah & Industri Perkayuan Negeri Sabah
6 December 2022	Bengkel Pelaksanaan Malaysian Timber Certification Scheme (MTCS) Bersama MTCC, Jabatan Perhutanan Negeri Johor & Industri Perkayuan Negeri Johor

The researchers also visited MTCS-certified and non-certified forests selected through discussions between the state Forestry Departments and the research team. The visits were conducted to learn and understand the implementation of forest management certification activities by the certificate holders as well as to understand the motivation for state FD commitment in undertaking the certification. The researcher visited the non-certified forest to understand the difference in practice between certified forest managers and non-certified forest managers.

Factory visits were also conducted to learn and understand the company's role in supporting the MTCS and the motivation for their commitment in undertaking chain of custody certification under the MTCS. The visit to non-certified companies is to understand the difference in practice between certified and non-certified companies.

Table 16: List of Forests and Factories Visit

Date	State	Certified Area/ Compartment	Factory
14-15 March 2022	Perak	Hutan Simpan Kekal Piah	Kilang Papan Slim River Sdn Bhd
28 - 30 March 2022	Pahang	Hutan Simpan Berkelah	Maran Timber Sdn Bhd Kilang Perabot Green River Wood & Lumber MFG Sdn Bhd
19 – 28 Jun 2022	Sarawak	Raplex FMU	Ta Ann Plywood Sdn Bhd
16 – 26 July 2022	Sabah	KTS Plantation Sdn Bhd Jawala Plantation Industries Sdn Bhd Sapulut Forest Development Sdn Bhd	Perusahaan Kosinar Sdn Bhd Khas Permata Sdn Bhd Bidasari Sdn Bhd

Strategic meeting with Malaysian Timber Industries Board (MTIB) as also conducted in October 2022. The purpose of this Strategic Discussion Session is to obtain feedback and views regarding the implementation process and impact of MTCS to ensure the sustainability of the implementation of the scheme. The information gained from this discussion will assist the researcher to propose a strategic plan to sustain the implementation of the scheme.

25th Meeting of the ASEAN Working Group on Forest Products Development



Dr. Ismail Hj. Parlan leading the delegation



MTCC Executive (Product), Adibah Aris presenting the status update for Malaysia

The 25th Meeting of the ASEAN Working Group on Forest Products Development (25th AWG-FPD) took place on 27 July 2022 via video conference. The Meeting, chaired by Brunei Darussalam, was attended by representatives from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Viet Nam and the ASEAN Secretariat. Additionally, representatives from the European Union Forest Law Enforcement Governance and Trade (EU-FLEGT) Asia Programme were present. Malaysia had 26 delegates in attendance, with Dr. Ismail Hj. Parlan led the delegation, and Adibah Aris, Executive (Product) represented MTCC. During the meeting, Adibah provided updates on the implementation of forest certification in Malaysia, including the latest developments on the Malaysian Timber Certification Scheme (MTCS).

The 25th AWG-FPD Meeting served as a platform to enhance regional cooperation and collaboration among ASEAN Member States (AMS) and international partners to promote sustainable forest product development in the region. During the meeting, the AMS presented updates on the Forest Law Enforcement Governance and Trade (FLEG) Work Plan at the regional and national levels. The importance of timely implementing the Plan of Action for ASEAN Cooperation in Forest Products Development 2021-2025 in support of the development of forest products in ASEAN was also highlighted.

25th Meeting of the ASEAN Senior Officials on Forestry (25th ASOF)



Head of Delegation



Group photo of the Malaysian delegation

At the 25th ASOF Meeting held on 28 July 2022 via video conference, Adibah Aris, Executive (Product), represented MTCC. During the meeting, each ASEAN Member State (AMS) provided updates on the progress of Sustainable Forest Management (SFM) implementation, covering aspects such as the extent of forest areas, certified forests, social forestry areas, national SFM strategies, regional cooperation initiatives (including REDD+ and combating illegal logging), FLEGT implementation, and response to the COVID-19 pandemic's impact on the forestry sectors, and recommendations for regional cooperation and priority areas.

Chairperson Mdm. Noralinda Haji Ibrahim emphasised the significance of AMS's activities in forestry cooperation, as it enables them to participate in competitive and socially responsible markets. She urged all ASOF bodies to collaborate in implementing the Plan of Actions (PoA) in forestry, with Brunei Darussalam committing to continue promoting Sustainable Forest Management activities under ASOF. It was highlighted that timely implementation of measures and activities under their respective POAs by all sectoral bodies under ASOF is crucial to ensure successful initiatives and programmes.

22nd Meeting of Asia Pacific Economic Corporation (APEC) Experts Group on Illegal Logging and Associated Trade (EGILAT)

The 22nd Asia Pacific Economic Corporation (APEC) Experts Group on Illegal Logging and Associated Trade (EGILAT) took place on August 21-22, 2022, at the Shangri-La Hotel in Chiang Mai, Thailand. The objective of the meeting was to enhance the efforts of member economies in combating illegal logging and associated trade, promoting trade in legally harvested forest products, and supporting capacity-building activities. With the theme "Open, Connect, Balance," the Malaysian delegation, led by Ms. Habibah, Deputy Undersecretary (Acting Undersecretary) of the Ministry of Plantation Industries and Commodities (MPIC), consisted of 14 delegates.

The meeting was chaired by Ms. Jennifer Conje of the United States of America (USA) and attended by representatives from sixteen economies, including Australia, Canada, Chile, China, Indonesia, Japan, Korea, Malaysia, New Zealand, Papua New Guinea, Peru, the Philippines, Chinese Taipei, Thailand, the USA, and Viet Nam. Non-member organisations such as the World Resources Institute (WRI), the International Tropical Timber Organisation (ITTO), and the Forest Trends Association also participated in the meeting.

During the meeting, updates were provided on two APEC-funded projects: "Advancing the Trade and Distribution of Legally Harvested Forest Products: Navigating to Legal Timber" (USA) and "Developing Integrated Timber Data to Enhance Legal Timber Trade of the APEC through Xylaria Networking" (Indonesia). Non-member organisations shared their initiatives in promoting the trade of legal forest products through capacity building, legal trade databases, tools, and cross-organisational information exchange.

In the information exchange session focused on combating illegal logging and promoting trade in legal forest products, the Sabah Forestry Department represented Malaysia and shared its efforts in strengthening forest protection in Sabah.

After the conclusion of the meeting, participants had the opportunity to join a field trip to the Forest Industry Organisation and Thaweephan Wood Products, located in Chiang Mai province. The upcoming 23rd APEC EGILAT will be held in the USA.



SIGNIFICANT EVENTS

SIGNIFICANT EVENTS

MTCC present MTCS Certificate for Forest Management to the Director of Pahang State Forestry Department



MTCS Certificate for Forest Management was presented to the Pahang state government witness by Tengku Mahkota Tengku Hassanal Ibrahim

During the national-level celebration of International Day of Forests in March 2022, held at Tanum Forest Reserve in Kuala Lipis, Pahang, MTCC had the honour of presenting the MTCS Certificate for Forest Management to the Director of Pahang State Forestry Department. The certification body, SIRIM QAS International Sdn Bhd issued the certificate following a successful recertification audit of the Pahang FMU managed by the Pahang State Forestry Department.

The certificate presentation ceremony took place in the presence of distinguished guests, including Tengku Mahkota Pahang. It marked an important milestone in recognising the Pahang state government's dedication to forest management. MTCC Chairman Kamaruzaman Mohamad presented the certificate to the Director of Pahang State Forestry Department, Dato' Dr Mohd Hizamri Mohd Yassin, as a testament to the department's exemplary efforts.

MTCC Chairman Kamaruzaman Mohamad expressed his admiration for the Pahang FMU's adherence to the stringent requirements of the MTCS standard. This accomplishment reflects the years of unwavering commitment displayed by the Pahang state government in ensuring the sustainable management of valuable forests for the well-being of society.

MTCC Organises Dialogue to Address Challenges in Certifying Forest Plantations and Non-Forest Timber Products



The MTCC dialogue was officiated by the Minister of Plantation and Commodity Industries (MPIC), Datuk Hajah Zuraida Kamaruddin

In a dynamic effort to address the multifaceted challenges surrounding forest plantation certification and non-timber forest products, MTCC (Malaysia Timber Certification Council) organised the MTCC Stakeholder Dialogue 2022. Held at Tamu Hotel & Suites Kuala Lumpur from 31 October to 1 November, the dialogue provided a platform for stakeholders to discuss and collaborate on vital issues within the industry.

Under the theme "Certification of Forest Plantations (Post 2010) and Guidance on Non-Timber Forest Products," the dialogue was officiated by the Minister of Plantation and Commodity Industries (MPIC), Datuk Hajah Zuraida Kamaruddin.

The dialogue featured a comprehensive program consisting of 12 presentations by various organisations related to forest plantation policies and development in the three regions of Malaysia, non-timber forest products, as well as mixed panel and interactive group discussions involving representatives from governmental and non-governmental groups with various interests such as environmental, social – indigenous and workers, industry as well as researchers and academician. The participants also provided feedback on the draft document, Guidelines on Application of Requirements for Non-Timber Forest Products Certification in MTCS ST 1002:2021 Malaysian Criteria and

Indicators for Sustainable Forest Management under the Malaysian Timber Certification Scheme prepared by MTCC.

The event was the first to be physically organised by the MTCC post-Movement Control Order. With a strong demonstration of commitment, a total of 138 stakeholders participated, representing various environmental and social interest groups, timber companies, certificate holders, timber associations, government agencies, and research and academic institutions.

The MTCC Stakeholder Dialogue 2022 served as a crucial platform for fostering collaboration among stakeholders and addressing the challenges associated with forest plantation certification and non-timber forest products. Through informative presentations, engaging discussions, and valuable feedback, the event reinforced the commitment of all participants to sustainable forest management under the Malaysian Timber Certification Scheme.



MTCC Chairman, Hj Kamaruzaman Mohamad deliver his welcoming remarks



Minister of Plantation and Commodity Industries (MPIC), Datuk Hajah Zuraida Kamaruddin deliver her speech



Virtual key note address by PEFC CEO, Dr Michael Berger



MTCC CEO, Siti Syaliza Mustapha giving her presentation on "MTCS – Realising Global Aspirations through National Commitments"

The Fifth Edition of MTCC Photography Contest 2022



Winners of the MTCC Photography Contest

The fifth edition of the Malaysian Timber Certification Council (MTCC) Photography Contest 2022 took place from 22 April to 30 June. Under the theme "Experience Forest, Experience MTCS-PEFC," the contest aimed to leverage the art of nature photography to raise public awareness about the distinctive qualities and advantages of Malaysia's forests and ecosystems. Simultaneously, it sought to promote the significance of appreciating nature and sustainable forest management through timber certification for the benefit of future generations.

The contest garnered tremendous participation, with 162 participants submitting nearly 1,000 captivating photographs. Participants competed across three categories: Forest Landscapes and Ecosystems, Wood for the Future, and the #reconnectwithnature category. Importantly, the contest considered Malaysia's transition into the endemic phase of COVID-19, emphasising the importance of staying connected with nature amidst these challenging times.

The contest concluded with a grand prize-giving ceremony held alongside the esteemed Kuala Lumpur Photography Festival (KLPF) 2022 at Viva Shopping Mall. Thirty-three deserving winners were presented with their well-earned prizes. Furthermore, the winning photographs are being prominently showcased at the KLPF 2022, allowing a broader audience to appreciate and admire the remarkable talent captured in these images. Visitors to the festival had the opportunity to view the captivating photographs from 23 to 25 September.

MTCC Annual Meeting with Accreditation and Certification Bodies under the MTCS



Discussion with Accreditation and Certification Bodies led by MTCC CEO, Siti Syaliza Mustapha



Group photo

On 13 January 2022, the MTCC held its inaugural meeting with accreditation and certification bodies under the MTCS. The meeting was attended by a total of 18 personnel from various organisations, including Standards Malaysia, Bureau Veritas Certification, Control Union Malaysia, Department of Standards Malaysia, Platinum Schauffmantz Veritas, SGS (Malaysia), SIRIM QAS International, and MTCC. The objective of the meeting was to discuss the overall implementation of the MTCS, foster collaboration, and encourage open communication between these entities.

The meeting, chaired by Ms Siti Syaliza, covered several key aspects of the implementation of the MTCS. The topics included updates on MTCS implementation, concerns about non-timber materials in the Chain of Custody (CoC) standard, accreditation requirements under the MTCS, the use of ISO standards between FMC and CoC audits, remote witness audits during the Covid-19 pandemic, the importance of stakeholder consultation announcement, public summaries publication timeliness, and availability of competent peer reviewers. The meeting also addressed issues related to notification fee collection, suggestions for mitigation measures, and a request for MTCC to issue a memo/letter to certified companies regarding the requirement to declare their total turnover value.

Other topics discussed during the meeting included the certification of non-timber forest products (NTFP), the tax rebate program for accredited Certification Bodies (CBs)

and their certified clients, the development of supply chain management guidelines, restructuring in PEFC, and the possibility of new CoC trainings in 2022. The meeting resulted in several decisions, including the integration of NTFP into MC&I SFM, disseminating PEFC technical working group invitations to relevant CBs, and developing guidelines for backtrack checking from the sawmill to the forest checking station.

MTCC Hari Sukan Negara

In conjunction with the Hari Sukan Negara 2022 (National Sports Day 2021), MTCC organised two exciting sports activities to inspire its staff and their family members to embrace an active and healthy lifestyle while fostering connections through enjoyable fitness activities. These initiatives promoted physical well-being and created a sense of togetherness and teamwork among the participants.

The first activity, the 200K steps virtual challenge, was designed to encourage MTCC staff members to adopt a healthy lifestyle by incorporating physical activity into their daily routines. Participants were motivated to take at least 200,000 steps collectively throughout the challenge. This virtual competition emphasised the importance of regular exercise and promoted friendly competition among the staff, fostering a supportive and encouraging environment.

The second activity, the MTCC Staff Archery Tournament, occurred on 26 November at Berjaya Times Square Mall in Kuala Lumpur. This event aimed to provide a unique and exhilarating experience for MTCC employees and their families, bringing them together for a day of fun-filled archery competition.



Bullseye! MTCC staff and family members put their archery skills to the test in a friendly tournament



FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022	2021
	RM	RM
ASSETS		
Non-current asset		
Property, plant and equipment	1,991,626	2,084,036
	<u>1,991,626</u>	<u>2,084,036</u>
Current assets		
Trade and other receivables	52,634	65,122
Other investments	89,579,478	93,381,027
Tax recoverable	93,635	60,000
Cash and bank equivalents	974,944	1,215,414
Total current assets	<u>90,700,691</u>	<u>94,721,563</u>
TOTAL ASSETS	<u>92,692,317</u>	<u>96,805,599</u>
FUNDS		
Non-distributable fund		
Endowment fund	84,000,000	84,000,000
Accumulated fund	7,566,622	10,658,709
Total Funds	<u>91,566,622</u>	<u>94,658,709</u>
LIABILITIES		
Non-Current Liability		
Retirement benefit obligations	752,169	667,692
Total liabilities	<u>752,169</u>	<u>667,692</u>
Other payables and accruals	373,526	479,198
Deferred income	-	1,000,000
Total Liabilities	<u>1,125,695</u>	<u>2,146,890</u>
TOTAL FUNDS AND LIABILITIES	<u>92,692,317</u>	<u>96,805,599</u>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	RM	RM
Revenue	210,716	230,970
Direct costs	(948,715)	(762,385)
Gross loss	(737,999)	(531,415)
Other operating income	3,594,613	3,892,550
Administrative expenses	(3,169,012)	(2,935,505)
Other operating expenses	(2,779,689)	(1,740,387)
Deficit before taxation	(3,092,087)	(1,314,757)
Taxation	-	-
Deficit after taxation	(3,092,087)	(1,314,757)
Items that will not be reclassified subsequently to be profit or loss, net of tax:-		
Remeasurement of defined benefit obligations	-	(66,105)
Total comprehensive loss for the year	(3,092,087)	(1,380,862)

