



PRECIOUS WOODS

Precious Woods Holding Ltd
Untermüli 6
CH-6300 Zug (Switzerland)
Phone: +41 41 726 13 13
Fax: +41 41 726 13 19
www.preciouswoods.com

Precious Woods Climate Change Risk Assessment



Version 01 April 2021

Content

About this Assessment.....	3
Scope and Methodology	3
Climate Risk Assessment Precious Woods.....	4

Cover picture: Forest Landscape inside Precious Woods' Gabonese forest concession



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About this Assessment

This assessment has been realized to analyse the climate change related risks that occurs in Precious Woods operations. All other relevant information about Precious Woods can be found in our [Annual Reports](#) and [Sustainability and Transparency Report](#) and other [documentation](#) available on our website.

Scope and Methodology

This assessment covers all Precious Woods' operations, all forest estates, and all forest concessions. It based in the methodology suggested by the Food and Agriculture Organization of the United Nations¹.

¹ FAO. 2013. Climate change guidelines for forest managers. FAO Forestry Paper No. 172. Rome, Food and Agriculture Organization of the United Nations.

Climate Risk Assessment Precious Woods

01 April 2021

Description of the Risk				Risk Assessment				Management Actions
Areas of risk	Aspect	Description	Impact	Materiality/ Significance	Probability	Control	Ponderation	Suggested Actions
				1: No significant impact -> 5: Very important impact	1: Very low and very rare -> 5: Existing fact or very high probability and very frequent.	1: yes 2: partially 3: no	C: low risk B: medium risk A: high risk	If risk ponderation is A or B
Forest productivity	Yield	Reduced yields of forest products due to changes in temperature or precipitation	Economic loss	5	1	3	C	
Forest productivity	Yield	Increased yields of forest products due to higher temperatures or precipitation	Non, harvesting volume is restricted by the law	1	1	3	C	
Biodiversity	Fauna species	Change in the viability of species and varieties in the managed area	Non, many different species in natural forest will mitigate the risk and natural forests are a safe haven for the fauna	1	3	1	C	
Biodiversity	Fauna species	Species moving into a management area	Non, certified natural forests are a safe haven for the fauna	1	5	1	C	
Biodiversity	Fauna species	Aquatic species declining	Loss of biodiversity and supply in proteins	4	3	3	A	Discuss the development of a monitoring system for aquatic species or research on the abundance of aquatic species in the framework of our fauna management activities to allow clear analyses if the problem exists and if yes, to what extend.
Biodiversity	Fauna species	Forest fragmentation	Non, no fragmentation under FSC and PEFC certification	5	1	1	C	
Water availability and quality	Water supply to nature	Water scarcity/ stress and increased drought	Non. Economic loss due to reduced timber quality due to droughts is not an issue in natural tropical forests.	3	1	3	C	
Water availability and quality	Rainfall	Increased precipitation and changes in seasonal rainfall patterns	Economic loss due to reduced harvesting volumes	5	4	1	B	Harvesting schedules are adapted accordingly. All negative impacts can be avoided so far.
Fire	Wildfire	Increase in the number, frequency, size or severity of wildfire	Non, sustainably managed, natural tropical forests are very humid and not exposed to this risk	5	1	3	C	
Pests and Diseases	Vermis	Increased outbreaks of insects, pathogens and invasive native and exotic plant species	Economic loss due to reduced timber quality	4	3	2	B	Integrated Pest Management is part of FSC requirements and thus implemented. We also monitor the timber closely to identify new risks as early as possible.
Extreme Weather Events	Flood	Increased flood frequencies and intensities	Non, not applicable on Precious Woods	0	0	0	not applicable on Precious Woods	
Extreme Weather Events	Storms	Increased storm intensities and frequencies	Economic loss due to windfalls	5	1	3	C	

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Extreme Weather Events	Landslides	Increased likelihood and size of landslides	Non, not applicable on the areas of Precious Woods	0	0	0	not applicable on Precious Woods	
Extreme Weather Events	Flood	Increased risk of coastal surges	Non, not applicable on the areas of Precious Woods	0	0	0	not applicable on Precious Woods	
Sea level rise	Sea level rise	Sea-level rise and storm surges	Non, not applicable on the areas of Precious Woods	0	0	0	not applicable on Precious Woods	
Social Consid.	Food supply	Food security and livelihoods: changes in food production, access, availability, quality and quantity; poverty exacerbated and livelihoods negatively affected	Food shortage and malnutrition	5	1	2	C	
Social Consid.	Health	Health: increase in disease; water shortages; malnutrition; fire and smoke-related hazards	Loss of employees and social problems	4	3	2	B	<p>Brazil: We provide free medical consultations to employees and their families in Brazil. We participate in national or international health related action days (e.g. breast cancer)</p> <p>Gabon: We run two infirmaries for our employees and their families in Gabon. We run regular sensitization and testing campaigns for abundant, transmittable diseases together with the authorities (e.g. HIV, tuberculosis)</p> <p>All companies: Through our FSC and PEFC certification and the related control of the areas and the fauna management plans we: •Protect forest from unauthorized activities such as agricultural encroachment, illegal logging and poaching. •Regulate the use of forest products to improve the efficiency of use and thus minimize overharvesting. •Recognize, respect and safeguard forest tenure and use rights (both statutory and customary), particularly those of indigenous peoples and local communities. •Promote the multiple values of forests (i.e. cultural, economic, environmental, political, social and spiritual) for indigenous and other communities with customary tenure systems</p>
Social Consid.	Deforestation	Increased pressure on forest resources due to economic decline or decreased land productivity	Loss of forest surface	5	4	1	B	

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Social Consid.	Harvesting	Changes in the timing of harvests or duration of harvesting cycles	Economic loss for the company and the employees	4	2	1	C	
Social Consid.	Migratory Labor	Seasonal or permanent migration for employment	Non, not applicable on the areas of Precious Woods	0	0	0	not applicable on Precious Woods	
Economic Consid.	Economic loss	Heightened risk of economic loss	Economic loss for the company and the employees	5	1	1	C	
Economic Consid.	Regulations	Changes in policies and markets	Not possible to sell products anymore	5	3	2	B	In the framework of our daily business activities, our close collaboration with authorities and branch organizations, and our engagement for research, we are constantly: <ul style="list-style-type: none"> •Monitoring new policies, regulations and financial instruments of relevance to the forest sector that provide financial incentives for climate change mitigation. •Exploring existing and new climate change driven requirements and opportunities that may affect forest operations and markets •Promoting the increased use of sustainably produced wood and other forest products as environmentally friendly construction materials and renewable energy sources •Identifying funding for research and development on species that are resilient to climate change

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Institutional Consid.	Climate policies	New climate change policies and strategies that create new obligations and opportunities for forest managers	Economic loss due to high implementation costs or economic gain due to new income streams	4	4	2	A	<p>In the framework of our daily business activities, our close collaboration with authorities and branch organizations, and our engagement for research, we are constantly:</p> <ul style="list-style-type: none"> •Monitoring policy changes and their implications for forest management through public information sources, direct contact with forestry officials, and forest producer and trade associations •Working with forest associations and other means to provide information to policy makers on the impacts of climate change and climate change policy responses on forest management, with the aim of influencing decision-making. •Supporting forest associations in their work on climate change and encourage the strengthening of their capacity in this area <p>We are participating in the development of national Carbon project of Gabon and related RIL-C guidelines. Run a cogeneration plant in Brazil that already creates CER certificates. Are the second company worldwide that achieve the FSC ecosystem services certification on carbon.</p>
Institutional Consid.	Climate policies	Need to incorporate the results of research on forests and climate change into forest management decisions	Costs due to changes of management practices	3	4	1	C	