



SCHWEIZER AGRICULTURE LIMITED

ESG RISK ASSESSMENT AND MANAGEMENT FRAMEWORK

ESG POLICY & GOVERNANCE FRAMEWORK

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Document	ESG Risk Assessment and Management Framework
Company	Schweizer Agriculture Limited
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Purpose. To provide a practical, proportionate and repeatable framework for identifying, assessing, treating, monitoring and escalating environmental, social, health, safety, governance and operational risks across SAL activities.

Disclaimer. This policy is a corporate governance and operational framework. It does not replace applicable Zambian law, regulatory permits, employment contracts, collective agreements, technical standards, professional advice or project-specific environmental and social management plans. Where a legal or contractual requirement is stricter, the stricter requirement applies.

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Date Integrity. December 2023 is presented as the policy framework reference date. The consolidated edition is prepared for current adoption and publication in 2026. If Board records confirm formal approval in December 2023, the status line may be updated to reflect that historical approval.

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1. PURPOSE AND PRINCIPLES

SAL applies risk management before committing resources, when designing projects, during implementation and whenever material conditions change. The process is intended to support informed decisions, not to eliminate all uncertainty. Risk assessment shall be proportionate to the nature, scale, location and potential impact of the activity.

- Identify hazards, impacts, affected stakeholders and compliance obligations.
- Assess likelihood and consequence before and after controls.
- Apply prevention and the hierarchy of controls where safety or environmental harm is possible.
- Escalate high and critical residual risks before proceeding.
- Document significant assumptions, controls, owners and review dates.

2. SCOPE AND RISK CATEGORIES

- Health and safety
- Environmental pollution and waste
- Water availability, abstraction and quality
- Biodiversity, land and ecosystem disturbance
- Labour and human rights
- Community and stakeholder impacts
- Ethics, corruption, conflicts and fraud
- Data protection and privacy
- Supply-chain, logistics and contractor risk
- Climate, weather and business continuity

3. RISK ASSESSMENT METHOD

1. Define the activity and decision.
2. Identify hazards, impacts, legal requirements and affected stakeholders.
3. Describe existing controls.
4. Rate inherent likelihood and consequence on a 1-5 scale.
5. Determine inherent risk rating (Likelihood x Consequence).
6. Identify additional controls using elimination, substitution, engineering, administrative controls and PPE where applicable.
7. Rate residual risk and assign a responsible owner and target date.
8. Approve, monitor and review based on the residual rating.

4. RISK RATING MATRIX

Likelihood \ Consequence	1 Minor	2 Moderate	3 Significant	4 Major	5 Severe
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

Indicative interpretation: 1-4 Low; 5-9 Moderate; 10-16 High; 17-25 Critical. High risks require documented management approval and treatment; Critical risks should not proceed until reduced or specifically approved under exceptional governance controls.

5. CONTROL HIERARCHY AND TREATMENT

- Avoid or eliminate the risk where feasible.
- Substitute lower-risk materials, methods or locations.
- Use engineering or physical controls.
- Apply procedures, training, permits, supervision, scheduling and access controls.
- Use PPE as the final layer where exposure remains.
- Transfer or share financial risk through insurance or contractual allocation where appropriate, without transferring responsibility for legal compliance.

6. PROJECT SCREENING

- Screen land, water source, permits, community interfaces, biodiversity sensitivity, chemical use, labour, machinery, traffic and waste before implementation.
- For irrigation, match production area and pump/storage design to tested water yield and crop-water demand.
- For mine-impacted or wastewater reuse, require laboratory characterisation, appropriate treatment, technical validation and regulatory approval before productive reuse.
- Escalate projects involving hazardous chemicals, significant excavation, high-voltage systems, resettlement, sensitive habitats or material community impacts.

7. SUPPLIER AND PARTNER DUE DILIGENCE

- Use risk-based checks on licences, safety performance, environmental compliance, labour practices, conflicts, sanctions/AML where relevant, insurance and capacity.
- Include corrective-action and termination rights for material ESG non-compliance where appropriate.
- Do not rely solely on self-certification for higher-risk activities.

8. INCIDENT AND CHANGE MANAGEMENT

- Reassess risk after incidents, near misses, material complaints, design changes, new locations, new contractors or significant changes in volume or operating conditions.
- Preserve evidence and document lessons learned.
- Implement and verify corrective actions.

9. MONITORING AND REPORTING

- Maintain risk registers for material programmes.
- Track overdue high-risk actions and report material residual risks to management.
- Use site inspections, audits, incident trends, stakeholder feedback and performance data to test whether controls work.

10. REVIEW

The framework shall be reviewed annually and whenever material regulatory, operational or ESG expectations change. Project-specific tools may be developed for agriculture, irrigation, logistics, market operations and community programmes.