

RISK DISCLOSURE

At Insimbi Industrial Holdings Limited (“Group” or “Company”) emphasis is placed on the board of directors (“Board”) to govern risk in a manner that supports the Group in setting and achieving its strategic goals. During the year under review the Board delegated the task of overseeing the risk management processes to the Audit and Risk Committee (“the Committee”).

The Committee’s responsibilities include providing oversight on all material non-financial issues influencing strategy and the long-term viability of the Group, namely sustainability (including safety, health and environmental matters), as well as risk management and compliance methodologies, processes and performance. The Committee remains accountable for financial risk and compliance.

Management is committed to maintaining and monitoring the best possible strategies to minimise the risks and to ensure the growth of the Group in the interest of all stakeholders. The Group is committed to creating safe and healthy working environments to minimise the risk of injury or disease to its employees, to prevent the loss of property and to conserve the environment. The Health, Safety and Environmental Committee is responsible for ensuring that employees’ working conditions are safe and healthy.

INTERNAL CONTROLS

The Committee acknowledges the King IV recommendation that the Board should ensure that an effective risk-based internal audit function is in place. The internal audit function completed internal audits of all operating entities and provided written reports to the Committee on a quarterly basis. The Committee has satisfied itself that the Group’s internal controls are designed to provide reasonable assurance as to the reliability and integrity of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. In carrying out its tasks, the Committee has a wide range of powers to consult both internally and externally in order to acquire the necessary resources and information to complete its duties and make an assessment in this regard.

Pursuant to paragraph 8.63(s) of the JSE Listings Requirements, please find below a description of immediately identifiable material risks at a Group level. The risk disclosure contained herein should be read together with Group’s 2021 annual report:

	Risk description
1	Market volatility causing fluctuations in pricing of metals.
2	Threat of Cyber-attacks.
3	Natural disasters and pandemics such as COVID-19 affecting shipping resulting in delays for imported materials.
4	Current economic climate in the country impacting business.
5	Lost sales due to not having 100% credit insurance cover on debtors thereby affecting group risk exposure.