

## **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 are to ensure the group has an effective policy and risk management plan, oversee the development and review of the enterprise risk management framework and enterprise risk management, ensure risk management is integrated into business operations, ensure risk management assessments are conducted on a continuous basis, express the committee’s opinion on the effectiveness of the system and process of risk management. 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.

### **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 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.

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 2023 annual report:

<b>No</b>	<b>Risk</b>
1	Logistics Network impact – State Owned Enterprises such as Transnet, Spoornet, Portnet resulting in increased cost of freight logistics, and delays in moving material in and out of the country.
2	Government stance in sensitive geo-political issues, as it may lead to sanctions, etc.
3	Changes in the regulatory environment such as the extension of the ban on all export scrap.
4	Load shedding and power outages contributing to increased diesel costs to run operations, and affects the markets that we operate in.
5	Global Market volatility (Commodities and Exchange Rates) causing fluctuations in pricing of metals.