

ALL FOR AFRICA
For **the world**

2021

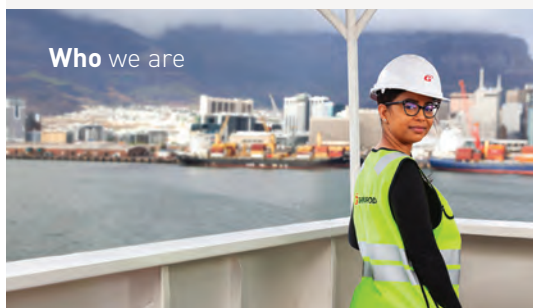
GRINDROD LIMITED INTEGRATED ANNUAL REPORT
for the year ended 31 December 2021



PORT
TERMINALS
LOGISTICS
BANK



CONTENTS



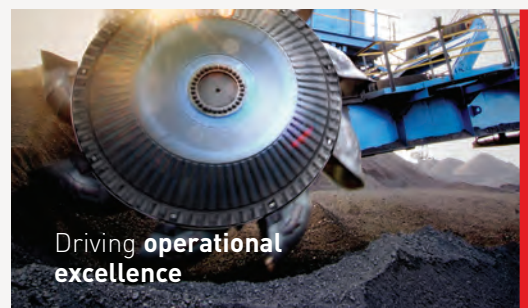
Who we are

ABOUT THIS REPORT

- 2 Scope, assurance and approval
- 3 Key highlights

ABOUT GRINDROD

- 5 Our business profile and structure
- 6 Our leadership team
- 8 How we create value



Driving operational excellence

OUR OPERATING ENVIRONMENT

- 10 Chairman's message
- 11 Material matters
- 12 Our operating environment
- 15 Stakeholder relationships
- 17 Risk review

OUR STRATEGY

- 25 Report of the Chief Executive Officer
- 27 Strategic review

We provide **customer solutions** for **efficient** and **cost-effective** cargo flow



How we create value

PERFORMANCE REVIEW

- 30 Report of the Chief Financial Officer
- 33 Five-year review
- 34 Operational reviews
- 36 – Port and Terminals
- 38 – Logistics
- 40 – Bank
- 41 – Non-core businesses
- 42 Capital reviews

GOVERNANCE PRINCIPLES AND PRACTICES

- 59 Corporate Governance report
- 64 Committee reports
- 66 Managing performance through remuneration
- 74 Limited assurance report on certain non-financial information

SHAREHOLDERS' INFORMATION

- 76 Share analysis of ordinary shareholders
- 77 Share analysis of cumulative, non-redeemable, non-participating, non-convertible preference shares
- 77 Notice of the Annual General Meeting
- 82 Form of proxy
- 82 Notes to the form of proxy
- 83 Electronic participation in the Grindrod Annual General Meeting



Creating shareholder value

SUMMARISED FINANCIAL STATEMENTS

- 85 Approval of the summarised financial statements
- 85 Compliance statement by the Group Company Secretary
- 85 Preparation of the summarised financial statements
- 86 Independent auditors' report on the summarised financial statements
- 86 Summarised financial statements

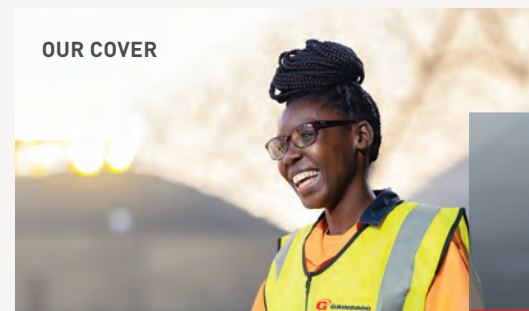
GENERAL INFORMATION

- 98 List of abbreviations
- 99 Company information



Click through to **www.grindrod.com** to read more about our history, business structure, footprint and how we can add value for you.

OUR COVER



STHABISO MLAMBO embodies the spirit of tenacity that flows through the veins of Grindrod people. She started as a cleaner and is now a trainee traffic controller. Sthabiso says "I am so grateful that Grindrod saw enough in me to offer that second chance that is changing my life."

ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

The report, together with the audited Annual Financial Statements and other supplementary information available on the Grindrod website, provides a complete and fair review of Grindrod's economic, social and environmental performance, inclusive of the information on subsidiaries, joint ventures and associates, within the context of its strategy, risks and opportunities for the financial year ended 31 December 2021. Disclosure is guided by the material factors that our directors believe will substantially impact on Grindrod's ability to create and preserve value for stakeholders.

WHO WE ARE AND OUR CORE SERVICES

PORT AND TERMINALS

LOGISTICS

BANK¹

Refer to pages 36, 38 and 40

MATERIAL MATTERS IN OUR EXTERNAL ENVIRONMENT

- **Environmental factors** [page 54]
- **Stakeholder relationships** [page 15]
- **Risks and opportunities** [page 17]

HOW WE CREATE VALUE

- **Our strategy** [page 27]
- The **performance of our business divisions** (including subsidiaries, joint ventures and associates) in terms of:



OUR MONEY [page 43]



OUR PEOPLE [page 48]



OUR ASSETS [page 45]



OUR RELATIONSHIPS [page 51]



OUR SKILLS [page 46]



OUR ENVIRONMENT [page 54]

- **Our corporate governance** [page 59]

In compiling its integrated annual report and supplementary information, Grindrod has applied the principles contained in the King Report on Corporate Governance™ for South Africa, 2016 (King IV)², the Johannesburg Stock Exchange Limited (JSE) Listings Requirements, International Financial Reporting Standards (IFRS) and the South Africa Companies Act No 71 of 2008, as amended (Companies Act).

The integrated annual report is also compiled in accordance with the concepts, guiding principles and content elements contained in the International Integrated Reporting (<IR>) Framework issued by the Value Reporting Foundation, including disclosures based on the six identified capitals. Sustainability reporting is guided by the Global Reporting Initiative (GRI)'s Universal Standards, as updated in 2021.

¹ Note: In line with regulatory requirements, Grindrod Bank Ltd issues a separate integrated report, available at Grindrod Bank – Library. In the interest of conciseness, this Grindrod integrated annual report may provide limited coverage of Grindrod Bank Ltd.

² Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

The Grindrod Limited (Grindrod) integrated annual report aims to provide stakeholders with a balanced assessment of Grindrod's ability to create and sustain value.



ASSURANCE

Grindrod adheres to a combined assurance model as outlined by King IV:

Annual Financial Statements	Grindrod's external auditor, Deloitte & Touche
Selected sustainability performance indicator disclosures	Grindrod's internal audit function
Carbon footprint and other sustainability data	Promethium Carbon
Compliance with B-BBEE regulations	The First Verification Network

REPORT APPROVAL

Grindrod's Board of Directors acknowledges responsibility for ensuring the integrity of the integrated annual report. Following collective assessment, the Audit committee, responsible for oversight of the integrated annual report, recommended approval of the report by the Board of Directors.

In the Board's opinion, the integrated annual report provides a fair and balanced representation of the integrated performance of Grindrod within the context of its identified material aspects. The Board accordingly approved the 2021 integrated annual report on 8 April 2022 for release to shareholders and other stakeholders.

The Board confirms that Grindrod is in compliance with the provisions of the Companies Act relating to its incorporation, and that it is operating in conformity with its Memorandum of Incorporation.

BOARD APPROVAL

Mike Hankinson
Non-executive chair
Grindrod Limited

Cheryl Carolus
Independent
non-executive director

Nkululeko Sowazi
Lead independent
non-executive director

Grant Gelink
Independent
non-executive director

Walter Grindrod
Non-executive director

Ben Magara
Independent
non-executive director

Deepak Malik
Independent
non-executive director

Pieter Uys
Non-executive director

Zimkhitha Zatu Moloi
Independent
non-executive director

Willem van Wyk
Non-executive
alternate director

Andrew Waller
Chief Executive Officer
Grindrod Limited

Fathima Ally
Chief Financial Officer
Grindrod Limited

Xolani Mbambo
Chief Executive Officer
Grindrod Freight Services

David Polkinghorne
Chief Executive Officer
Grindrod Bank Limited

KEY HIGHLIGHTS

SOCIAL

**LTIFR
(Port and Terminals and Logistics)** √ 19.0%
0.47
(2020: 0.58)

Fatalities √ 100.0%
0
(2020: 1)

Social responsibility spend ^ 315.8%
R7.9 million
(2020: R1.9 million)

Training provided ^ 16.2%
1 258
(2020: 1 083)

B-BBEE Level 2
(Grindrod Limited)
(2020: Level 2)

ENVIRONMENTAL

GHG emissions (CO₂e³) √ 18.2%
127 737 tons
(2020: 156 200 tons)

Electricity intensity ^ 27.2%
4 694 kWh/FTE
(2020: 3 690 kWh/FTE)

Water intensity ^ 26.5%
49.6 kl per Rand revenue
(2020: 39.2 kl per Rand revenue)

**GHG emissions intensity
(grams CO₂ per Rand value)** √ 19.0%
34
(2020: 42)

ECONOMIC

Revenue ^ 10.2%
R18 037 million
(2020: R16 370 million)

Trading profit ^ 71.5%
R1 664 million
(2020: R970 million)

HEPS ^ 468.0%
92 cents headline earnings
(2020: 25 cents headline loss)

Cash generated from operations ^ 19.3%
R1 039 million
(2020: R871 million)

Net asset value per share ^ 9.4%
1 176 cents
(2020: 1 075 cents)



Drybulk terminal | RICHARDS BAY

ABOUT GRINDROD



GRESHIN PRETORIUS, operations co-ordinator at Grindrod Intermodal, is passionate about her job and ensures all parties are kept informed on all aspects of vessel operations. Greshin is honing her skills and hopes to one day be the first female vessel agent for the company.

Seafreight | CAPE TOWN

WE LIVE OUR **PURPOSE** EVERY DAY

To make a **positive difference** in Africa's trade with the world, **touching lives** of the communities in which we operate.

- 5 Our business profile and structure
- 6 Our leadership team
- 8 How we create value

OUR BUSINESS PROFILE AND STRUCTURE

Grindrod Freight Services uses cost-effective and efficient solutions for its customers' cargo flow of commodities, which span mining, agriculture, project and containerised cargo.



PORT AND TERMINALS page 36

PORT

Our investment in Maputo Port Development Company (MPDC) holds the concession for the Maputo port in Mozambique, a convenient gateway to international export markets.

TERMINALS

Our infrastructure is designed to handle a variety of bulk, break-bulk commodities, vehicles and containers.

SHAREHOLDING	Port	
	PORT CONCESSION	
	24.7%	Maputo Port Development Company (MPDC)
	Terminals	
	CAR TERMINAL	
	100%	Maputo Car Terminal Limitada (MCTL)
	DRYBULK TERMINALS	
	65%	Terminal de Carvão da Matola Limitada (TCM)
	100%	Grindrod Mozambique Limitada (GML)
	100%	Grindrod Terminals (Richards Bay), a division of Grindrod (South Africa) Proprietary Limited
	59.7%	RBT Grindrod Terminals Proprietary Limited (RBTG) (Richards Bay)
	75%	Walvis Bay Bulk Terminals Proprietary Limited (Namibia)
	LIQUID BULK TERMINALS	
	30.5%	Oil Tanking Grindrod Calulo (OTGC)
	STEVEDORES	
	100%	Grindrod Stevedores (Richards Bay), a division of Grindrod (South Africa) Proprietary Limited
	49%	Grindrod Namibia Stevedoring Proprietary Limited (Namibia)

We offer tailored solutions across the supply chain for the efficient, end-to-end delivery of diversified cargo to the ports and on to global markets.



LOGISTICS SOLUTIONS page 38

Logistics

INTERMODAL

100%	Grindrod Intermodal, a division of Grindrod (South Africa) Proprietary Limited
100%	Grindrod Logistics Mozambique Limitada (GLM)
74.3%	Indicus Dry Terminal Limitada

CROSS-BORDER AND PROJECT LOGISTICS

100%	Grindrod Logistics Africa (South Africa, Kingdom of eSwatini, Malawi and Zambia)
12.5%	East Africa Marine Transport Company Limited

CLEARING AND FORWARDING

50%	Röhligh-Grindrod (South Africa and Mozambique)
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SHIPS AGENCY AND MARITIME TECHNICAL SERVICES

100%	Sturrock Grindrod Maritime (SGM) (Australia, UAE, Kenya, Madagascar, Mozambique, Namibia, Papua New Guinea, Singapore, South Africa, Tanzania and Thailand)
100%	Novagroup Proprietary Limited
100%	Novatech Proprietary Limited

SEAFREIGHT LOGISTICS

100%	Ocean Africa Container Lines (OACL), a division of Grindrod (South Africa) Proprietary Limited
-------------	--

RAIL SERVICES

73.9%	NLP Group
42.3%	Railco Africa Group
42.3%	Grindrod Rail Consultancy Services Proprietary Limited
100%	RRL Grindrod Limited (Sierra Leone) (SL1)
100%	RRL Grindrod SL2 Limited (Sierra Leone)

FUEL ROAD TRANSPORTATION

100%	Petrologistics Botswana Proprietary Limited
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MARINE FUEL

50%	Cockett Group
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INTERMODAL

We provide solutions through our warehousing, distribution, container depot solutions and transport capabilities.

CROSS-BORDER AND PROJECT LOGISTICS

With offices in all the major transit corridors in southern Africa, we can manage projects from start to finish for customers across many industries.

CLEARING AND FORWARDING

We offer freight forwarding, customs brokerage and related logistics solutions across five continents.

SHIPS AGENCY AND MARITIME TECHNICAL SERVICES

With a footprint in 12 countries around the Indian Ocean region, we provide a diverse range of solutions to the maritime, offshore and oil and gas sectors.

TRANSPORTATION

We assess all rail, road, and sea freight options for transporting bulk/breakbulk cargo to a hub for storage, distribution or export. Our rail business provides locomotive leasing and rail operations solution and our sea freight business provides a container feeder and coastal service solution along the southern African coastline. Road transportation is integrated into our logistics operations.

GRINDROD BANK has been an authorised financial services and credit provider for more than 25 years. It is regulated by the South African Reserve Bank (SARB).

BANK page 40

OUR SERVICES INCLUDE

Cash deposit management along with competitive investment rates on call deposits, fixed deposits and prime-linked notice deposits.

Corporate and SME banking solution providing short-term facilities to clients.

Investment banking providing mezzanine, growth and acquisition finance to corporates.

Specialised property finance for development and investment opportunities, focusing on traditional commercial and industrial property funding.

Platform banking solutions that enable partners to offer fully digital and fully compliant financial services to their end-customers.

SHAREHOLDING

	BANKING
100%	Grindrod Bank Limited

GROUP

Grindrod holds shares and investments in various companies.

100%	GFS Holdings Proprietary Limited
100%	Grindrod Property Private Equity Proprietary Limited

GRINDROD'S TOP SHAREHOLDERS page 76

31 December 2021

REMGRO LIMITED	24.81%
GRINDROD INVESTMENTS PROPRIETARY LIMITED	11.02%
PSG KONSULT	10.10%
GOVERNMENT EMPLOYEES PENSION FUND (GEPF)	9.99%

OUR LEADERSHIP TEAM

comprises industry leaders with diverse and extensive experience



Michael Hankinson (72)

Non-executive chair,
Grindrod Limited

BCom, CA(SA)

Appointed 15 December 2009

Mike was appointed as chair of Grindrod Limited in 2014 after serving as a non-executive director from 2009.

During 2017, Mike assumed the position of executive chair as an interim arrangement to manage stakeholder value-creation in terms of Grindrod's revised restructuring strategy. He resumed his position as non-executive chair on 22 November 2018.

He is a former non-executive director of numerous listed and unlisted companies. He served as chair of the Spar Group from 2004 until 2021 and previously as CEO of Romatex Limited and Dunlop Tyres International Proprietary Limited.

MIC, CNC, MRC, MSE, MRI



Cheryl Carolus (63)

Independent
non-executive director

BA Law, B.Ed, Honorary Doctorate in Law (UCT)

Appointed 01 October 2021

Cheryl will be appointed as chair of the Company on the retirement of current chair Mike Hankinson at the 3 June 2022 AGM.

Cheryl served on the boards of numerous listed companies, including De Beers and Investec, and as chair of Gold Fields. Cheryl also previously served as chair of South African Airways, on the South African National Parks Board and on the boards of public and private partnerships that focus on socioeconomic and empowerment challenges. She has a long history of serving on the boards of non-profit organisations such as the International Crisis Group, Soul City, World Wildlife Fund, the British Museum and the SA Constitution Hill Education Trust.

To join MIC, CNC, MRC, MSE, MRI during 2022



Nkululeko Sowazi (58)

Lead independent
non-executive director

MA (UCLA)

Appointed 25 February 2014

Nkululeko has considerable experience in investment management and has vast knowledge of and exposure to the mining, infrastructure and financial services sectors. Nkululeko chairs the boards of Litha Healthcare Holdings, Kagiso Tiso Holdings, and Tiso Investment Holdings (which he co-founded). He also currently serves as a non-executive director on the boards of Idwala Industrial Holdings, Actom Holdings, Vanguard Group (in Ghana), MTN Group, and industrial conglomerate Bud Group.

He previously served on the boards of, inter alia, Aveng Limited and Exxaro Resources Limited.

MIC, CNC, MRC, MSE, MRI



Grant Gelink (72)

Independent
non-executive director

CA(SA), BCompt (Hons), BCom (Hons), H Dip Education, Dip Public Administration

Appointed 1 January 2013

Grant is a non-executive director of Altron Limited, MTN Zhakele Limited and First Rand Limited. His extensive work experience with Deloitte & Touche spans over 26 years and he served as Chief Executive from 2006 until his retirement from the firm in 2012.

CAC



Walter Grindrod (55)

Non-executive director

Appointed 23 August 2019

Walter joined Grindrod in 1990 and worked across numerous divisions, covering services offered by Grindrod in warehousing and container services, road transportation, marine tally, ships agency and Unicorn coastal service.

He was executive director for Grindrod International Freight, which later became Röhlig-Grindrod, from 1999 to 2007, before being appointed as head of business development for Grindrod until 2017. Walter is a director of several companies and a trustee of various charitable trusts.

MIC, CSE



Ben Magara (54)

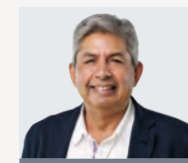
Independent
non-executive director

BSc Mining Engineering (Hons)

Appointed 30 January 2020

Ben has extensive executive experience across all facets of the mining industry, as a former Anglo American executive and CEO of Anglo Coal South Africa. Most recently, Ben served as Chief Executive of Lonmin Plc. His previous board directorships also include chairship of Richards Bay Coal Terminal. He is the founder and chair of Africa Mining and Metals Group Proprietary Limited.

MRI



Deepak Malik (64)

Independent
non-executive director

CA, BCom (Hons)

Appointed 1 December 2021

Deepak has extensive experience and knowledge of the investment and financial services sector. He was CEO of Arise and previously served as the head of the Financial Institutions Department of Norfund, CEO of the Development Bank of Zambia, senior executive in Zambia Consolidated Copper Mines Limited, and Audit Manager at KPMG. He has been instrumental in promoting investment in Southern Africa and in unlocking economic potential in Africa.

MAC



Pieter Uys (59)

Non-executive director

MSc (Engineering), MBA

Appointed 30 August 2013

Pieter serves as director on several major local and international companies, including the Remgro Management Board. Pieter is a former CEO of Vodacom Limited.

MIC, MNC, CRC, CRI



Zimkhitha Zatu Moloi (38)

Independent
non-executive director

BCom, H Dip Accountancy, MSc Corporate Finance, CA(SA)

Appointed 30 January 2020

Zimkhitha is a chartered accountant with external audit experience in the automotive, pharmaceutical and industrial manufacturing industries. She has worked with the IDC, PPC and Standard Bank. She is currently a non-executive director of Sun International and Safcol SOC Ltd and a board member of various trusts and organisations.

MAC, MSE



Willem van Wyk (43)

Non-executive director

CA(SA), BAcc (Hons), BCom (Hons) (Taxation)

Appointed 30 January 2020

Willem is a chartered accountant employed as a corporate investment manager at Remgro. He joined Remgro as Group tax manager before transferring to the Corporate Finance Division. Willem contributes extensive experience in tax, due diligence and valuations, across a wide range of industries.



Andrew Waller (59)

CEO, Grindrod Limited

CA(SA)

Appointed 1 March 2011

Andrew joined Grindrod Limited in 2011 as financial director, after working at Deloitte & Touche in Scotland and South Africa for 15 years.

He was appointed as CEO on 1 September 2018 and serves as a director on the boards of various local and international Grindrod Limited subsidiaries. He serves as a non-executive director of the Spar Group Limited.

CEC, CIC, MSE, MRI



Fathima Ally (41)

CFO, Grindrod Limited

CA(SA)

Appointed 1 September 2020

Fathima is a director of various local and international Grindrod subsidiaries. Before joining Grindrod, Fathima was a partner at Deloitte from 2013. She has extensive audit and assurance experience, having worked with multi-national listed companies across various industries.

MEC



Xolani Mbambo (47)

CEO, Grindrod Freight Services

CA(SA), AMP (Harvard)

Appointed 1 September 2018

Prior to joining Grindrod in March 2013, Xolani spent over a decade in the mining industry in various roles. He worked in Anglo American's offices in Johannesburg and London, its then mining operation in Mpumalanga and its gas exploration office in Gaborone. Having spent time as Grindrod's Freight Services CFO since 2013, Xolani accepted a Group Financial Director role in September 2018. In February 2021, he returned to Freight Services to assume the CEO responsibilities.

MEC, MRI



David Polkinghorne (57)

CEO, Grindrod Bank Limited

BCom, MA (Oxon)

Appointed 22 November 2006

David has been involved in the financial services sector for more than 30 years. Besides serving as CEO of Grindrod Bank Limited, David serves as director of several companies, trustee of various charitable trusts and foundations, and chair of the Grindrod Provident Fund. He has had exposure to all areas of corporate and investment banking and, in particular, has extensive experience in commercial property finance, private equity and corporate finance.

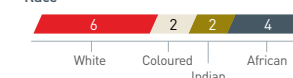
MEC, MRI

OUR BOARD PROFILE

Directors



Race



Gender



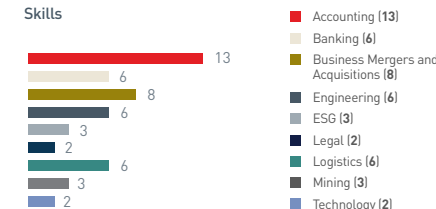
Age



Tenure



Skills



Committees key

MAC	Member of the Audit committee
MEC	Member of the Executive committee
MIC	Member of the Investment committee
MNC	Member of the Nomination committee
MRC	Member of the Remuneration committee
MRI	Member of the Risk committee
MSE	Member of the Social and Ethics committee
CAC	Chair of the Audit committee
CEC	Chair of the Executive committee
CIC	Chair of the Investment committee
CNC	Chair of the Nomination committee
CRI	Chair of the Risk committee
CSE	Chair of the Social and Ethics committee

OUR LEADERSHIP TEAM attendance at meetings

	DATE OF APPOINTMENT	DESIGNATION	OVERALL ATTENDANCE	BOARD A/B	EC A/B	SE A/B	AC A/B	RI A/B	IC A/B	NC A/B	RC A/B	DIRECTORS STANDING FOR RE-ELECTION
FB Ally	09/01/2020	Executive director	100%	4/4	4/4	1/1 ³	5/5 ³	2/2 ³	3/3 ³			
CA Carolus¹	10/01/2021	Independent non-executive director	100%	1/1		1/1 ³		1/1 ³				
GG Gelink	01/01/2013	Independent non-executive director	100%	4/4			5/5					
WJ Grindrod	22/08/2019	Non-executive director	91% ⁵	4/4		2/2			4/5			Re-election
MJ Hankinson	15/12/2009	Non-executive director	100%	4/4		2/2	5/5 ³	2/2	5/5	2/2	2/2	
B Magara	30/01/2020	Independent non-executive director	100%	4/4				2/2				Re-election
D Malik²	12/01/2021	Independent non-executive director	n/a									
XF Mbambo	09/01/2018	Executive director	100%	4/4	4/4	2/2 ³	4/4 ³	2/2	3/3 ³			
DA Polkinghorne	22/11/2006	Executive director	100%	4/4	4/4			2/2	1/1 ³			
NL Sowazi	24/02/2014	Lead independent non-executive director	82% ⁶	3/4				1/2	1/1 ³	2/2	2/2	
PJ Uys	30/08/2013	Non-executive director	82% ⁷	4/4			2/2 ³	1/2	3/5	2/2	2/2	
WO Van Wyk⁴	30/01/2020	Alternate non-executive director to P Uys	100%	4/4		1/1 ³	5/5	2/2 ³	1/1 ⁴	1/1 ³	1/1 ³	
AG Waller	02/01/2011	Executive director	92% ⁵	4/4	3/4	2/2	5/5 ³	2/2	4/5	2/2 ³	2/2 ³	
ZP Zatu Moloi	30/01/2020	Independent non-executive director	100%	4/4		2/2	5/5					Re-election

A indicates the number of meetings which the director attended.

B indicates the number of meetings which the director could have attended.

¹ Appointed as independent non-executive director on 01 October 2021.

² Appointed as independent non-executive director on 01 December 2021.

³ Attended by invitation.

⁴ Alternate director to Pieter Uys.

⁵ Travelling.

⁶ Illness.

⁷ Illness, alternate in attendance.

AC – Audit committee

RC – Remuneration committee

NC – Nomination committee

RI – Risk committee

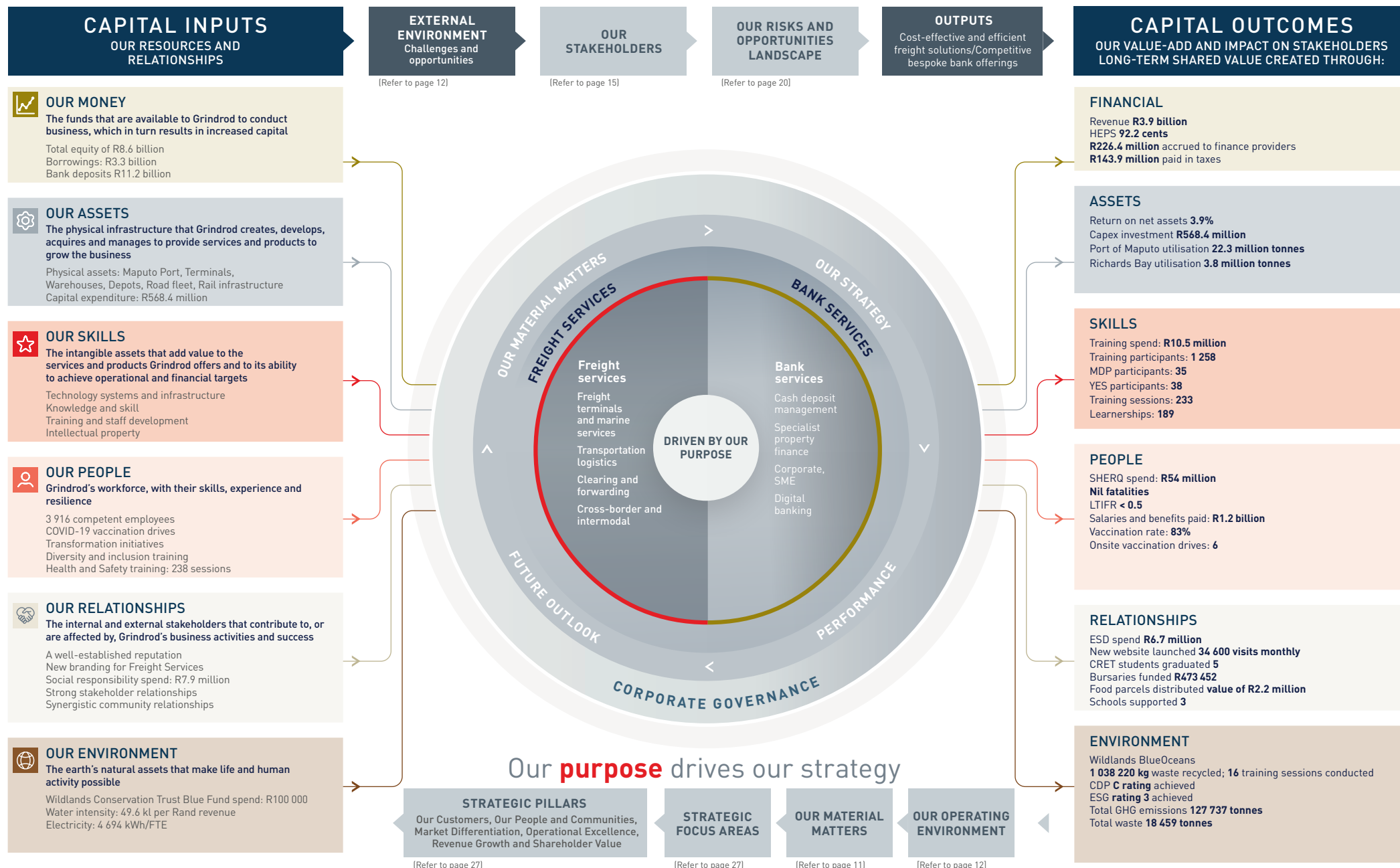
SE – Social and Ethics committee

IC – Investment committee

EC – Executive committee



HOW WE CREATE VALUE



OUR OPERATING ENVIRONMENT



Drybulk terminal I MATOLA

OUR EXTERNAL ENVIRONMENT

Extraordinary efforts by our **employees** to take advantage of favourable mining commodity markets saw **exceptional outcomes** in the face of challenging socioeconomic events and the ongoing impacts of the pandemic during 2021.

- 10 Chairman's message
- 11 Material matters
- 12 Our operating environment
- 15 Stakeholder relationships
- 17 Risk review

CHAIRMAN'S MESSAGE



Our strategy continues to bring about successful outcomes, underpinned by the Freight Services focus to provide customer solutions for efficient and cost-effective cargo flow.

Grindrod achieved a strong recovery during 2021, with headline earnings from core operations, inclusive of joint ventures, of R886 million, up 166 percent from 2020 (2020: R333 million). Cash generated from operations reached R1 billion (2020: 0.9 billion). This performance was accomplished under difficult circumstances which challenged logistics supply chains and included extreme weather conditions in Maputo, unrest in KwaZulu-Natal and Gauteng, port congestion, the fire at the Richards Bay port terminal and security concerns in northern Mozambique.

By enabling supply chains, opening up new routes to markets and partnering with our stakeholders to provide efficient, innovative and cost-effective solutions, Grindrod continues to play an important role in our customers' success and South Africa's economic advancement.

Grindrod supported its efforts in combatting the effects of COVID-19 by arranging numerous successful on-site vaccination drives for staff and their families in partnership with the Department of Health, and continues to provide vaccination support programmes. Following the unprecedented unrest experienced in July, we provided food parcels and logistics support to our employees and our communities in response to the dire shortages experienced, and ongoing counselling support for our staff and their families.

Health and safety is of paramount importance to us. We ensure a safe and healthy workplace for all, maintaining occupational health and safety management systems in accordance with international standards and hold our people accountable for complying with our policies and requirements. We are gratified to be able to report nil fatalities during the year, and a reduction in injuries.

STRENGTHENING OUR BOARD

Grindrod has a long-held reputation as a well-governed, ethically sound and responsible Group. Our commitment to good governance goes beyond mere regulatory compliance, recognising that a strong governance foundation is integral to sustainable business. Each Board member brings specific skills and insights that combine to deliver invaluable support to the executive and management of the Group's businesses.

In the year under review, the Board was strengthened by the appointment of two exceptional new members. Cheryl Carolus was appointed as an independent non-executive director on 1 October 2021 and will step in as Chair of the Board when I retire at our June 2022 AGM. Cheryl is an immensely experienced director and an inspirational leader who has played a critical role in driving South Africa's transformation.

Deepak Malik was appointed as an independent non-executive director and member of the Audit committee with effect from 1 December 2021. Deepak brings with him vast experience in investing and operating in Africa following his previous roles at Arise, the Development Bank of Zambia and in the African mining industry.

Grindrod looks forward to benefitting from the experience and the diverse skills and insights of these two highly regarded individuals.

BEYOND COMMERCIAL OBJECTIVES

We recognise that the success of our business depends significantly on our ability to contribute to a more sustainable society and environment, and the interdependent nature of this relationship. We are always mindful of the impact we have on our environment and the communities in which we operate and we are committed to contribute positively to social and economic development.

From a social sustainability perspective, Grindrod is actively involved in various projects and initiatives such as our long-standing relationship with the Adopt-A-School Foundation and the Cyril Ramaphosa Education Trust.

Our commitment to transformation has created a diverse and inclusive workforce. We prioritise indigenisation in the countries in which we operate and place a strong emphasis on skills development, investing significantly in training and upskilling programmes to support our transformation and business goals and ensure the professional and personal advancement of our people. Grindrod successfully launched the YES (Youth Employment Services) initiative and our Internship Programme continues to focus on providing essential skills and training to candidates from previously disadvantaged backgrounds.

Our core values underpin Grindrod's zero-tolerance for bribery, fraud, extortion and all other forms of corruption. Our Anti-corruption policy lays down the behavioural standards required to comply with anti-corruption laws and covers the aspects of conflict of interest, gifts and whistleblowing. Our ethics policies have a wide application in order to strengthen our efforts to comply with international best practises.

Grindrod is also committed to ensuring that personal information is used appropriately, transparently and securely, in line with the Protection of Personal Information Act, which came into effect in July 2021.

As my term as chairman draws to a close, I take this opportunity to express my gratitude to the Grindrod team for the partnership and support that they have provided. This is an exceptional business, driven by dedicated, focused and determined people who have all been a great inspiration.

Thank you to my fellow Board members for your valued support and insight, not just in 2021, but throughout my tenure as chairman. I wish the entire Grindrod 'family' every success going forward.

Mike Hankinson

Chairman

8 April 2022

MATERIAL MATTERS

OUR 2021 MATERIAL MATTERS

Material matters are those issues that are directly relevant to Grindrod's value chain which have the potential to impact on our value creation and preservation in the short-, medium- and long-term.

Grindrod continually assesses material matters that have the biggest potential impact on our stakeholders and the sustainability of our business through our comprehensive Enterprise Risk Management (ERM) process, which includes the detailed identification of risk and opportunities, and allied mitigations. The Board, board committees and the executive review material matters and inherent risks on a regular basis. These material matters are integrated into our strategy, our various governance and risk frameworks, management and operational processes and continuously monitored through our integrated risk management and combined assurance processes.

The material matters affect, and are affected by, movements in the six capitals defined in the <IR> Framework which consist of financial capital, social and relationship capital, human capital, natural capital, manufactured capital and intellectual capital.

To augment the above processes, surveys were completed and a workshop attended by a wide cross-section of internal stakeholders to evaluate the importance of each material matter. The impacts of these material matters on the Group's stakeholders, strategy, performance and risk matrix were considered, and materiality themes prioritised accordingly.

The Grindrod Board assesses material matters and approves the basis used in their determination, which in turn informs on the context-specific disclosures throughout this report.

Customer focus and operational excellence

- Customer-solutions focused strategy.
- Value-driven innovation and customer service satisfaction.
- Optimisation and integration for efficiency and seamless solutions.
- Effective management systems.
- Agility for evolving customer needs.

Employee wellbeing and empowerment

- Training and skills development.
- Transformation, diversity and inclusion.
- Gender equality.
- Safe, healthy working environment.

Trade facilitation and logistics capabilities

- Port, terminals and border infrastructure.
- Trade corridor development and management.
- Mobility and transportation efficiencies.
- Vulnerabilities of global supply chains and commodity volatility.
- Market access, concessions, cargo flows, restrictions, and tariff costs.

The role of the business in environmental and social impacts

- Corporate social responsibility and community upliftment.
- Collaboration and partnership with stakeholders.
- Integration of ESG into strategy and processes.
- Disclosure and reporting standards.
- Supply chain efficiency and reduction of emissions.

Profitability and transition to core business focus

- Delivering shareholder value.
- Strategic resilience and competitive advantage.
- Streamlining service offerings and refocus to core business.
- Operational excellence.
- Sound financial management and capital allocation.
- Capital and credit adequacy.

Technology adoption for operational efficiency

- Smart Port and Terminals.
- Digitisation and automation to consolidate value chains.
- Cybersecurity, cyber resilience and data protection.
- Innovation, efficiency and modernisation.

Macroeconomic and socio-political conditions

- Pandemics.
- Emerging economies and growth prospects across Africa.
- Urbanisation, unemployment, inequality and resource constraints.
- Civil unrest, industrial action and insurgency.
- Force majeure events and market restrictions.

Regulatory changes and good governance requirements

- Business integrity and ethics.
- Sound risk management.
- Comprehensive legal compliance.
- Data privacy and information security.
- Managing corruption and fraud.



RE-DEPLOYING LOCOMOTIVES IN SIERRA LEONE

Following the reopening of the Tonkolili mine in Sierra Leone, eight of Grindrod's locomotives stationed in Freetown were deployed to move iron ore from the mine to Pepel port. In November 2021, the team celebrated the milestone of delivering two million tonnes of cargo to the port.

In addition to leasing the locomotives, Grindrod also performs maintenance, manages the train operations and provides drivers, planners and controllers.

The on-site team's knowledge and experience, some of whom worked in Sierra Leone since 2012, has ensured the success of the project.

In South Africa, the refurbishment and modernisation of the locomotive fleet, including the twenty locomotives repatriated from Sierra Leone in 2019, is underway and planned to be completed in the next 12 to 18 months. About 70% of the R230 million programme will be spent with South Africa suppliers.

OUR OPERATING ENVIRONMENT

In early 2022, the global economy continued to show signs of recovery, driven by improved vaccine access and early policy support. SADC rallied on the back of elevated commodity prices, the relaxation of stringent pandemic measures and the recovery in global trade.

MACROECONOMIC FACTORS

Global economic recovery during a pandemic

The global economy entered 2022 in a weaker position than previously expected. Rising energy prices and supply disruptions resulted in higher and more broad-based inflation than anticipated. Global growth was expected to moderate from 5.9 percent in 2021 to 4.4 percent in 2022, half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies.

Growth projections prior to the Russian-Ukraine conflict

Region	Growth	Projected growth	
	2021	2022	2023
Global economy	5.9%	4.4%	3.8%
Advanced economies	5.0%	3.9%	2.6%
Emerging market and developing economies	6.5%	4.8%	4.7%

International demand and supply

Despite the constrained global environment, freight volumes were buoyant going into 2022. Both the mineral and citrus markets are critical to South Africa's economy. Mineral demand was high and with the American stimulus, expectations were that this would continue.

High export demand combined with pandemic restrictions did, however, cause logistical challenges, such as container shortages in key locations. As more new vessels come on-stream in the next 24 months, we expect this imbalance to begin normalising.

Russian invasion of Ukraine

At the time of writing, the onset of the Russo-Ukrainian conflict was resulting in extraordinary uncertainty. Energy and commodity prices surged, adding to inflationary pressures from supply chain disruptions and the rebound from the pandemic. Whilst this is certain to significantly impact the global economy, the situation is fluid and the full effects are still to be fully understood.

An impact on the global economy is expected through three main channels: financial sanctions, commodities prices and supply-chain disruptions. Commodity prices are expected to remain elevated during 2022, particularly oil, gas, minerals and metals, and agricultural products. It is currently projected that global inflation will exceed six percent in 2022, offsetting the higher commodity prices. A slowdown of global growth is expected, and it remains to be seen how central banks will respond to the crisis.

SOUTH AFRICAN FACTORS

Economy

South Africa's economy is in its longest downward cycle since World War II and has grown by less than three percent annually since 2012 (Bloomberg, 2021). Economic growth has been dampened by the pandemic, civil unrest and electricity interruptions. The downgrading of South Africa's credit rating in 2020 had a lasting impact on the economy as a whole. Standard & Poor announced on 19 November 2021 that South Africa remained on its BB-rating with a stable outlook. Although Moody's also left their rating unchanged, theirs was a negative outlook, suggesting that a downgrade may follow. On 15 December 2021 Fitch decided to keep South Africa's foreign and local currency ratings at BB- (three levels below investment grade), but unexpectedly updated its South Africa outlook to stable from negative.

Despite this, South Africa's trade surplus with the rest of the world widened to a record high in the second quarter of 2021 as the value of net gold and merchandise exports increased to a new all-time high (SARB, 2021). An ongoing trade surplus potentially bodes well for Grindrod's core business.

At the time of writing, the impacts of the conflict in Ukraine were still unfolding. The global sanctions on Russia will have a significant impact on the global economy and financial markets. While South Africa's trade with Russia is limited to 0.4 percent of total exports and 0.7 percent of total imports (2021), there will be an adverse impact on container markets and on Africa's food supply. Citrus producers and fruit exporters are especially susceptible.

Geopolitical uncertainty, higher commodity prices, escalating sanctions and regional business disruptions will weigh on market sentiment (Moody's).

Interest rates

The reduction in interest rates of 3 percent in 2020 has had an ongoing impact on banking sector returns. On 18 November 2021, the South African Reserve Bank increased its key lending rate for the first time in three years by 25 basis points to 3.75 percent, in response to growing inflation risks. This is likely to have a positive impact on the banking sector as a whole. Because of the likely adverse domestic growth impacts of higher fuel and food prices, as well as the downside global growth risks, the Bureau for Economic Research stated that it expected the South African Reserve Bank to increase the policy interest rate by another 75 basis points during 2022.

Civil unrest

Grindrod provided ongoing support to clients, staff and their families during the social unrest experienced in KwaZulu-Natal and Gauteng during July 2021. Food and essential supplies were provided to alleviate the extreme shortages experienced. Precautions were taken to protect business sites and ensure that services were able to resume as soon as safe to do so.



Seafreight | CAPE TOWN



OUR OPERATING ENVIRONMENT continued

AFRICAN FACTORS

Sub-Saharan Africa emerged from the 2020 recession with a rebound driven by increased base commodity prices, a relaxation of stringent pandemic measures and the recovery in global trade. However, recovery remained tenuous given the low rates of vaccination on the continent, protracted economic damage and a slow pace of recovery.

The Mozambique economy experienced a decline in exports, an increase in public debt and major projects being delayed. The planned resumption of the natural gas projects will improve the recovery.

East Africa was the only region on the continent to avoid a recession in 2020 due to agriculture, sustained public spending on large infrastructure projects, increased regional prices and growing economic diversification.

Despite gains made in 2021, debt and high inflation, and the burden of low vaccine availability and uptake make it harder for African countries to access foreign investment. Africa's fuel and food security is especially at risk of the fallout of the Russo-Ukraine conflict. The impacts of the surge in commodity prices, particularly that of oil and wheat, and spiraling inflation that could result from this, will present significant challenges to African economies.

Security issues in northern Mozambique

Due to the security issues in northern Mozambique and the suspension of the gas project, our integrated service offering for the liquefied natural gas project has been put on hold, with austerity measures in place. These activities, as well as further development of the Palma Intermodal facility, will only resume once the security situation has been declared safe. Grindrod identified and mitigated risks to ensure our trucks and premises remained secure.



Drybulk terminal | MATOLA

MARKET OUTLOOK

The following table outlines the commodities that are an important part of Grindrod's strategy in the short- and long-term.

Commodity	Current exposure	Short-term fundamentals	Long-term fundamentals
Chrome/Ferro	9.4 mtpa	●	●
Iron ore	7.3 mtpa	●	●
Coal	4.2 mtpa	●	●
Manganese	0.3 mtpa	●	●
Graphite	0.4 mtpa	●	●
Copper	0.1 mtpa	●	●
Agriculture	*Nil	●	●
Containers (TEU)	300 000m ²	●	●

* Citrus and grapes currently limited to container volumes only.

MARKET OUTLOOK POSITIVE ● VOLATILE ● NEGATIVE ●

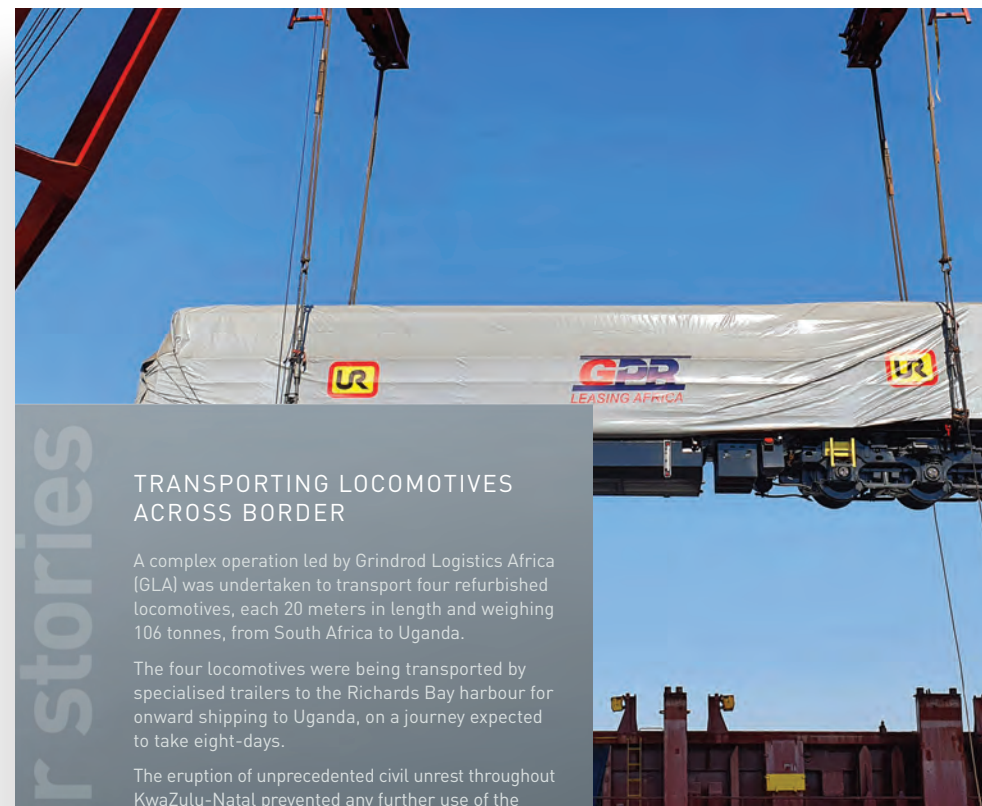
Commodity prices

Global commodities performed well in 2021, supported by the global economic recovery which was driven by increased base commodity prices, expansionary monetary policy and fiscal stimulus implemented by several governments. The rebound, particularly in Chinese manufacturing, has resulted in strong demand for minerals.

Container rates remain high due to supply constraint and increased global demand.

Coal

The future of coal depends on its continued role as a vital energy baseload feedstock. South Africa's thermal coal exports rallied strongly during 2021 based upon the increased export volumes destined for China. At the same time, India's coal inventory has deteriorated significantly. South Africa still faces strong export competition in this market from Australia, Botswana and Zimbabwe. It appears, however, that most countries in Europe, China and India are facing electricity shortages due to high natural gas prices and the current inability of energy alternatives to fulfil demand, exacerbated by the conflict in Ukraine, which has created a global energy crunch.



TRANSPORTING LOCOMOTIVES ACROSS BORDER

A complex operation led by Grindrod Logistics Africa (GLA) was undertaken to transport four refurbished locomotives, each 20 meters in length and weighing 106 tonnes, from South Africa to Uganda.

The four locomotives were being transported by specialised trailers to the Richards Bay harbour for onward shipping to Uganda, on a journey expected to take eight-days.

The eruption of unprecedented civil unrest throughout KwaZulu-Natal prevented any further use of the N2 highway and the enormous trucks had to be turned around and navigate through the tight turns in Hluhluwe. They were subsequently hidden in a sugarcane plantation, where they remained for five days until it was considered safe to resume their journey. The locomotives covered the last 100 km to the port without incident, escorted by security teams, and set sail for Mombasa.

While the circumstances that complicated this particular mission were extraordinary, years of experience, solution orientated-thinking and solid teamwork got the locomotives to where they needed to be.

OUR OPERATING ENVIRONMENT continued

our stories

HALFWAY STOPOVER FOR OUR LONG-DISTANCE DRIVERS

The Grindrod team in Mozambique celebrated the grand opening of the Chiure halfway station situated between the Balama mine and Nacala. Our trucks transport graphite from the mine to our Intermodal facility in Nacala, a distance of almost 500km. This facility will form an integral part of our risk management protocols on this route and fully endorses our management philosophy of providing a safe working environment for our employees. The facilities will allow the opportunity for our drivers to rest and perform the necessary vehicles safety checks before continuing on their journey. The site also boasts a reduced environmental footprint with a solar-enabled water pump.





Iron ore

Iron ore prices reached 10-year highs during the first half of 2021, but declined in the second half due to steelmaking restrictions in China. Despite this, good volumes were still recorded. Infrastructure projects in China and the USA will create ongoing strong demand for iron ore and other commodities.

Manganese

Manganese prices are expected to increase slowly based on growing global steelmaking demand. With 80 percent of manganese resources found in South Africa, Grindrod is well positioned to take advantage of increases in demand.

Copper

As the Dollar strengthens and China releases base metals held as state reserves, the copper price is expected to decline from its previous high. Demand for electrical copper is expected to remain strong as advanced economies repair and modernise infrastructure; developing economies urbanise, digitise and expand power grids; and consumers' financial security improves, thereby increasing demand for consumer electronics, appliances and electric vehicles.

Chrome

Chrome ore prices were volatile due to high stainless steel demand in China in the first half of 2021 and disruption of South African exports. Prices have declined from their initial highs as supply concerns eased. Volume flows into China were impacted by higher freight rates while ferrochrome continues to fulfil supply contracts.

New energy commodity prices are expected to rise

Commodity	Reason for expected price rise
Lithium	Electric vehicles
Cobalt	Batteries for electric vehicles and electronics
Nickel	Nickel-based lithium-ion batteries, steel production
Graphite	Batteries for electric vehicles and electronics
Vanadium	Batteries, steel production

Soft commodities

Agriculture is one of Africa's most important economic sectors, making up 23 percent of Africa's GDP at around US\$35 billion to US\$40 billion a year in exports. In East Africa, the export of coffee, sugar, cotton, rice, maize and tobacco provide an attractive market due to the relatively stable global demands.



THE RISE OF DIGITAL BANKING

The South African banking sector is increasingly moving towards a 'marketplace without boundaries', shaped by the fast-approaching entry of new digital players challenging the status quo and driving unprecedented levels of innovation (PWC). New digital players include Challenger banks (banks with full banking licences that offer digital facilities), Neobanks (entities with no banking licence that partner with financial institutions to offer bank-licensed services) and Non-banks (entities with no licence that provide services by other means). The four major South African banks continue to follow intensive programmes aimed at digital transformation. Agility and transformation will be critical to the sustainability of existing banking institutions.

STAKEHOLDER RELATIONSHIPS

Grindrod's approach to managing relationships is based on King IV, which recognises that stakeholder inclusivity and sustainable value creation are interdependent and interconnected. Transparent, proactive, two-way engagement is seen as the foundation for the creation of mutually rewarding benefits for the stakeholder groupings that rely and thrive on the sustainability of the business.

Our core values guide us in our interactions with stakeholders. To meet and improve on our stakeholder commitments, we continually strive for:

- A safe and healthy working environment
- Ongoing and clear communication
- Driving a culture that views change as an opportunity to improve our customer solutions
- Delivering customer focused business interactions and solutions
- Creating collaborative relationships with regulators and SOEs



STAKEHOLDER GROUP	Why they are important	How we engage	Key issues/areas of interest	Our response
Employees 3 916 employees 4 continents	Employees are the cornerstone for Grindrod's sustainable business growth and performance.	Communication through: <ul style="list-style-type: none"> • Face-to-face meetings. • Campaigns. • Emails. • Newsletters. • Roadshows. • Workshops. • Surveys. 	Grindrod's provision of: <ul style="list-style-type: none"> • A safe working environment. • Employment security. • Competitive remuneration/a living wage. • Workplace transformation. • Information and two-way dialogue. • Participation and empowerment opportunities. • Information on strategy and direction. 	<ul style="list-style-type: none"> • R1.2 billion wealth distributed to employees. • Ongoing health and safety initiatives. • Continued investment in training and development. • Living wage adjustments. • Strategic transformation targets. • A robust talent pipeline. • Bursary schemes.
Trade unions and bargaining councils 6 unions:- 462 employee members 1 council:- 46 employee members	With a contingent of our employees being part of unions and bargaining councils, these organisations can and do affect our operations.	<ul style="list-style-type: none"> • Meetings. • Direct negotiations. 	<ul style="list-style-type: none"> • The fair treatment and remuneration of employees. • Safe working conditions at Grindrod. • Benchmarking of remuneration. • Good employee relationships and a positive workforce. • Securing, retaining and developing necessary skills. 	<ul style="list-style-type: none"> • Wage negotiations for 2021 were settled without major industrial action, through fair and equitable negotiation. • Skills training and development of staff. • Strong focus on health and safety in the workplace. • Transformation and diversity policies to promote inclusiveness.
Communities, including community based and non-governmental organisations We support Adopt-a-School, Cyril Ramaphosa Education Trust, The Wildlands Conservation Trust, Blue Fund, Home Run for Education; Rally to Read; and Thembelihle School, to name a few.	Establishing and maintaining respectful relationships with the communities in which we operate is central to our sustainability as a company and Grindrod is committed to contribute positively to social and economic development. Our social responsibility favours investments in education and the environment and supports staff who are involved in these initiatives. Engaging and supporting the NGO's and communities in which we operate is not only the right thing to do, but it builds goodwill and upholds our social license to operate.	<ul style="list-style-type: none"> • Meetings. • Teleconferences. • Emails. • Site visits. • Career exhibitions. • Breakfast sessions. • Round table discussions • Workshops. • Memorandum of Understanding. 	<ul style="list-style-type: none"> • Job opportunities for communities near our operations. • Small business development opportunities for local businesses. • Development of community infrastructure through ESD and CSI programmes. • Compliance with laws and regulations • Positive impact on fiscus. 	Continued contribution to community interest and well-being through: <ul style="list-style-type: none"> • Support for key community and environmental initiatives. • Sponsorships and donations. • Employment opportunities. • Social and environmental responsibility. • Local procurement. • Social upliftment. • Funding for community projects.

STAKEHOLDER RELATIONSHIPS continued

STAKEHOLDER GROUP	Why they are important	How we engage	Matters that are material to them	Our response
Investors Business partners and providers of financial capital including banks 10 844 beneficial ordinary shareholders 1 836 preference shareholders	<p>Investors support Grindrod's long-term growth.</p> <p>Our business partners enable Grindrod to expand its service offering and footprint to provide efficient solutions to customers.</p> <p>Decision makers influence shareholder perception and confidence.</p>	<p>Grindrod aligns to the King IV guidelines in how we adopt a proactive investor relations (IR) engagement process with stakeholders, through:</p> <ul style="list-style-type: none"> Investor relations presentations. Media. SENS announcements. Website. Conferences. Roadshows. <p>Grindrod aspires to communicate our investment case clearly and transparently to stakeholders.</p>	<ul style="list-style-type: none"> Sustainable business growth and return on investment. Net asset value to share price equity. Responsible ESG management. Safety and reliability of operations. Balance sheet management. Ability to manage capital projects Efficient and cost-effective solutions for customers. Diversification of revenue sources. 	<ul style="list-style-type: none"> IR conferences. Independent interviews to gain insight into communication, reporting enhancements, risk analysis, valuation clarifying information and the need for deeper engagement. Enhanced IR website tools. Maintenance of an accurate investor communication database.
Customers 6 000+ customers >R5 billion in revenue from core businesses	<p>Customers are the core of our business; our primary focus is on providing efficient and cost-effective cargo flow solutions.</p> <p>Grindrod provides integrated customer solutions to match and exceed customer expectations.</p>	<ul style="list-style-type: none"> One-on-one interactions. Site visits. Meetings. Community forums. Project management. Consultation. 	<ul style="list-style-type: none"> Building and improving relationships with stakeholders. Competitive pricing. Convert business inquiries into solutions. Reduce the cost of logistics. Customer service. Regional economic growth. 	<ul style="list-style-type: none"> We continue to enforce a one-touch point approach for customer relationships. We are focusing on integrated initiatives by providing customer-centric, end-to-end freight solutions with improved service delivery to current and new customers. We are exploring new business opportunities that will reduce the costs of doing business. We continue to conduct customer engagements. We continue to pursue cross-border opportunities.
Suppliers 2 200+ suppliers >R1.4 billion in procurement spend	<p>Long-term, sustainable and mutually beneficial relationships with suppliers and within Grindrod's supply chain support operational efficiency and customer service.</p>	<ul style="list-style-type: none"> Site visits. Meetings. Performance audits. 	<ul style="list-style-type: none"> Ethical business. Strong anti-corruption policies and practices. Enterprise supplier development. Fair and transparent procurement. Fair payment terms. Responsible ESG. 	<ul style="list-style-type: none"> Focus on economic development spend to help grow SMMEs. Establish supply contracts, with performance management metrics. Foster partnerships and mentoring as required. Work with suppliers to strengthen commitment to sustainability and ESG performance, aligned with Grindrod's responsible purchasing standards and supplier performance management system.
Government departments and regulatory bodies 23 countries	<p>Municipal, regional, local, national and international governments and governmental departments, the JSE, Takeover Regulation Panel (TRP), Competition Commission, SARS, Prudential Authority and SOE's all contribute toward an enabling environment for Grindrod.</p>	<ul style="list-style-type: none"> Routine engagement through required reports and submissions. <i>Ad-hoc</i> engagement to raise or respond to issues. 	<ul style="list-style-type: none"> Compliance in all aspects related to governance, the environment and society. Contribution to the national fiscus of the countries in which we operate. Sound governance policies and procedures. 	<ul style="list-style-type: none"> Compliance to law and regulations. Skills development. Transformation. Employment equity. Gender diversity.

RISK REVIEW

RISK MANAGEMENT

Grindrod has embedded risk management processes throughout all business operations. Group management is accountable for designing and implementing risk management systems and processes and reporting on these to the Board and its sub-committees.

Our risk management processes are based on the ISO 31000 risk management standard. The Group's risk management function operates through a Risk and Opportunity Governance Framework and formal risk management plan.

Risk management is listed as a key performance area for all Grindrod line managers.

Management utilises risk management to identify key risks and associated opportunities, while monitoring the processes and plans to manage identified key risks. Key risks are consolidated into key risk areas and evaluated on their potential impact and probability in terms of the likelihood of occurrence and negative or positive impact on the capitals.

The effectiveness of risk management efforts is assessed in terms of the Group's King IV-aligned combined assurance model, providing five levels of assurance:



Roles and responsibilities

Every committee of the Board is responsible for the management of relevant risks falling within its area of responsibility. The Risk committee has overall responsibility for the risk management framework. This provides a basis for:

- Enhancing strategic planning by identifying risks and opportunities linked to Grindrod's strategic objectives;
- Proactively tackling issues likely to positively or negatively impact Grindrod's strategic objectives;
- Improving the quality of decision-making by providing structured methods for exploring risks and allocating resources;
- Supporting consistent behaviours and decision-making towards risks and opportunities;
- Identifying recurring/strong themes and pervasive risks;
- Developing complete risk responses by comprehensively understanding their causes, effects and consequences;
- Aligning risk appetites and defined risk tolerance levels for each key risk with Group strategy; and
- Improving Grindrod's agility to anticipate, identify, adapt and respond to changes.

The committees of the Board assist the Board in discharging its duties and responsibilities. Each committee operates within a Board-approved committee Terms of Reference, which are reviewed annually.

Independent non-executive directors chair all Board committees. Committees have a minimum of three members with the necessary capacity, knowledge, skills and experience.

ROLE	Responsibility
Board	Retains the ultimate responsibility for risk and opportunity governance, including compliance and performance-related aspects. Determines the appropriate level of risk that Grindrod is willing to tolerate and opportunities it is willing to pursue.
Risk committee	Assists the Board in carrying out its risk governance responsibilities. Grindrod Bank's Risk and Capital Management committee is responsible for the Bank's capital management policy, capital planning initiatives and overseeing the implementation of effective risk management. The Credit Risk committee is responsible for assessing and managing credit risk, including concentration and counterparty risks.
Investment committee	Assists the Board in setting Grindrod's strategic direction, within the context of identified risks and opportunities. Advises on capital and other strategic applications.
Audit committee	Ensures the integrity of internal financial controls and manages financial and related IT risks.
Social and Ethics committee	Assists the Board in discharging its corporate governance responsibilities relating to sustainable development across the three domains of economic, social and environmental. Aspects include ethics, anti-bribery and corruption, the environment, health and public safety, legal compliance, stakeholder relations, transformation, labour and employment.
Nomination committee	Reviews the skills and experience base and performance of the Chair, the Board and its committees. Oversees executive management succession planning to promote business continuity. Oversees the sourcing and selection process for Board appointments.
Remuneration committee	Assists the Board to perform its remuneration governance responsibilities.
Executive management	Designs, implements and monitors integrated risk management processes. Encourages a risk-conscious business culture by embedding agreed internal controls and mitigating actions through all levels of management and supervisory staff.
Divisional executives	Develop and implement risk management systems and processes within their divisions.
Group risk management	Co-ordinates risk and opportunity management activities throughout the Group, continually reviews the system and process of risk management against accepted standards and best practices and coordinates appropriate reporting within the Group.
Employees	Report on risks and opportunities they become aware of and implement actions in line with the risk management processes.
Internal audit	Performs an independent assessment of the effectiveness of risk governance.

RISK REVIEW continued

ASSURANCE OF GRINDROD'S RISK MANAGEMENT FUNCTION

In 2021, BDO South Africa was contracted to undertake an independent assessment of Grindrod's enterprise risk management (ERM) function. The key objectives of this ERM review were to:

- evaluate Grindrod's current framework against leading guidelines and recommendations;
- provide best practice recommendations for improving our risk processes; and
- review the current risk and control registers and assess the overall effectiveness of the risk management processes.

BDO's conclusions

BDO concluded that Grindrod's risk and opportunity governance framework was adequate and aligned to King IV, ISO 31000 and the COSO ERM framework. More specifically, BDO concluded that:

- Grindrod's risk management principles are being continuously improved;
- the Group's risk culture is driven from the top in a positive manner; and
- risk management processes are well defined and complied with at each level.

RISK RATING METHODOLOGY

We analyse, mitigate and subsequently rank our risks from the following broad perspectives:

GLOBAL PERVASIVE RISKS

Far-reaching and universally pervasive risks may significantly impact Grindrod's sustainability. While these external risk factors are largely beyond our control, we constantly monitor and take steps to manage their actual or potential impacts.

KEY INDUSTRY RISKS

Material risks to the industries in which Grindrod operates are identified with due consideration of the key national, regional and global risks relevant to Grindrod's operations. These are categorised according to the World Economic Forum's five threat categories.

RESIDUAL RISKS

Residual risk is defined as the threat that remains after every effort has been made to identify and eliminate risks in a given situation. The residual risk is calculated in the same way as the initial risk, by determining the likelihood and consequence, and then combining them in a risk matrix.

Post-reporting events: The Russian-Ukraine conflict has resulted in extraordinary uncertainty, with surging energy and commodity prices adding to inflationary pressures from supply chain disruptions. Resulting price shocks and the effect of sanctions on Russia will have a considerable impact on the global economy and financial markets, adding complexity to the global stage as the world economy recovers from the pandemic crisis. At the time of writing, the situation is fluid and still unfolding.

INDUSTRY KEY RISK AREAS

Material risks to the industries in which Grindrod operates are identified with due consideration of the key national, regional and global risks relevant to Grindrod's operations and categorised according to the World Economic Forum's five threat categories, namely Economic, Environmental, Geopolitical, Social and Technological, ranked in order of perceived imminent risk.

Consideration is given to selected external sources, including the World Economic Forum's Global Risk Report, IRMSA Perspective, IoDSA Sentiment Index, Allianz's Risk Barometer and Marsh Top Global Maritime Risks. Internally, the Grindrod Global Risk Sensitivity Model, Top Risks and Opportunities Report read with the Pervasive Risk Report and insights of operational and senior executives lend further input.

Industry risks shifted during the year following changes in global dynamics driven by the COVID-19 pandemic. Recessionary conditions and the associated increase in business and industry failure and unemployment influenced key economic risk areas and impacted society at large. Dramatic changes in the application of technology as a business driver heightened the associated technological risk.

The table below outlines the key risk areas for the current and previous years relevant to the industry in which Grindrod operates. The risk ratings are not residual risk ratings, and hence do not factor in controls or mitigations. Grindrod considers the controls and mitigations when analysing the risk areas for the Group.

Risk category	Key risk area	2021		2020	
		Risk ranking	Risk rating	Risk ranking	Risk rating
Economic	Business interruption	6	High	4	High
	Global economic crisis and trade wars	7	High	6	High
	Commodity demand, price volatility and customer concentration	8	High	8	High
	Declining regional investment	12	Medium	12	Medium
	Energy and water cost fluctuation	13	High	13	High
	Infrastructure and SOE deficiencies	14	High	14	High
Environmental	Climate change and extreme weather	2	High	7	High
Social	COVID-19 pandemic	4	Medium	1	High
	Social unrest and inequality	1	High	2	High
	Local political instability and economic uncertainty	5	High	5	High
Geopolitical	Governance, legislation and regulations	9	Medium	9	Medium
	Global regulatory compliance	10	Medium	10	Medium
	Fraud and corruption	11	Medium	11	Medium
Technological	Cyber	3	High	3	High

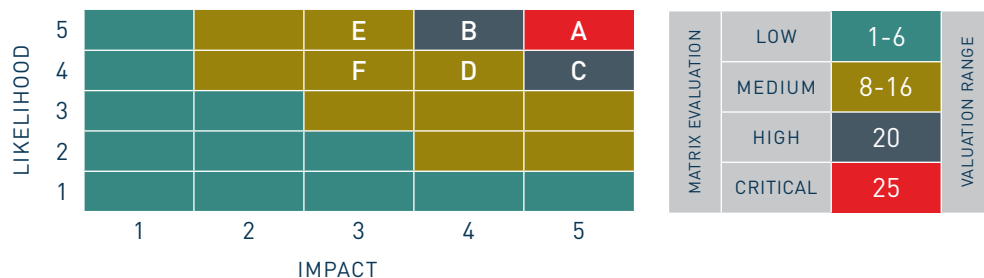
RISK REVIEW continued

OUR TOP RISKS 2021

The tables below outline the top 10 principal risks in order of priority that have a material impact on Grindrod's ability to create value, as at 31 December 2021.

RESIDUAL RISKS	BANK Exposure	FREIGHT Exposure		2021 residual risk rating	2020 residual risk rating
Credit and capital adequacy	✓		–	B	B
Political and sovereign risk	✓	✓	–	B	B
Key logistic providers' engagement		✓	▲	B	C
Regulatory compliance	✓	✓	▲	B	E
Liquidity	✓	✓	–	C	C
SHERQ	✓	✓	–	C	C
Customer and commodity concentration	✓	✓	▲	C	D
Transformation		✓	▼	C	B
Cyber and ICT	✓	✓	–	D	D
Fraud, bribery and corruption	✓	✓	–	E	E

Residual Risk Heat Map November



Marine technology and servicing | CAPE TOWN

RISK REVIEW continued

A detailed analysis of each identified risk and how management is mitigating each, is shown below:

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Credit and capital adequacy By the nature of its operations, Grindrod's banking division is exposed to the risk of financial loss resulting from the failure of a counterparty to meet its financial or contractual obligations when due. This risk remains high because of the impacts of the COVID-19 pandemic as well as the downgraded credit status of South Africa.	<ul style="list-style-type: none"> Financial loss resulting from the failure of a counterparty to honour its financial and contractual obligations fully. Grindrod Bank relies on the security underpinning credit facilities in certain instances. Tangible or enforceable security might not exist, compromising the Bank's recourse if a client defaults and the Bank must act on security to recover its position. Complex non-standard products (investment banking) are not fully understood or rushed through due to pressure to clinch the deal. Non-adherence to Grindrod's Credit Risk Management policies and procedures could result in the deal/customer being incorrectly assessed. Customers can expose Grindrod Bank to risks of defaults. 	<ul style="list-style-type: none"> Well-defined and actively monitored risk tolerance levels. Amplify credit decision-making governance structures, including ESG assessment during vetting processes. Manage exposure levels in different sectors in line with macroeconomic expectations. Increase engagement with and assess clients at various stages using formalised robust procedures. Ensure acceptable security where applicable. Regular monitoring of client debt-servicing, financial performance, concessions and industry conditions. Communication of early warning signs to management. Enhanced effectiveness of collections capability. Credit proposals, and ultimately adherence to the Credit policy are reviewed and signed off by the relevant Board and management committees. Periodic review of debtor policies and procedures by internal audit. Inclusion of working capital management as a key performance indicator (KPI) for business unit divisional heads. 	<ul style="list-style-type: none"> Maximise the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Improve the efficiency of lending decisions by identifying high-risk loans which could lead to financial loss if accepted.
Political and sovereign risk Grindrod operates in countries where political and forex decisions, conditions or events, may affect the viability or value of its business. This risk remains high due to the effects of the COVID-19 pandemic and South Africa's weak economic fundamentals. These are exacerbated by slow structural reforms and challenges at state-owned enterprises.	<ul style="list-style-type: none"> Operational disruption caused by political turmoil. Value erosion due to credit-rating downgrades. Expropriation of assets or concessions. Increased cost of capital. Reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> Manage and monitor exposure levels of foreign exchange risks. Partner with investors that invest in these regions, such as development finance institutions. Identify strategic markets with strong prospects for political reform. Perform thorough country and investment assessment before investing. Insure political risk where appropriate. Engage collaboratively and consultatively with regional governments and communities. Invest in meaningful social upliftment initiatives. 	<ul style="list-style-type: none"> Develop new infrastructure and integrated logistics opportunities across Africa in line with Grindrod's strategy. The returns are likely to be high if Grindrod can operate successfully in all jurisdictions.



RISK REVIEW continued

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Key logistic providers' engagement <p>Grindrod's Freight Services operations rely on agreements with suppliers and partners to optimise infrastructure utilisation and ensure efficient cargo flow. Income losses could jeopardise business outcomes due to business interruptions.</p> <p>Grindrod maintains proactive relationships with key strategic suppliers and partners, notwithstanding the current challenges in our business environments.</p>	<ul style="list-style-type: none"> • A loss of sustainable income if a crucial supplier or partner defaults on an agreement. • Underutilised capacity due to lack of competitive pricing and rail resource allocation. • Rail/road challenges impacting Grindrod's SA ports operations. • Reduced infrastructural asset efficiencies due to inefficiencies in the strategic supply chain. • Reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> • Well-defined and actively monitored risk tolerance levels. • Constructive engagement with suppliers and partners at strategic and operational levels. • Agreements with suppliers that maximise asset utilisation through diversification. • Create and maintain customer-centric solutions. • Establish governance structures to manage key strategic supplier relationships effectively. • Memorandum of Understanding signed with Transnet to enable diversification of RBTG from coal. • Engagement with Transnet to support the repair and restoration of the export belt in Richards Bay. • Shareholding with government in key strategic assets in Mozambique. • Lodge interlocutory application to court to address insurance claim. • Promote key stakeholder involvement in the ownership of key strategic assets. 	<ul style="list-style-type: none"> • Engagement with Transnet on strategic and operational issues.
Regulatory compliance <p>Grindrod's licence to operate is subject to its divisions ensuring continued compliance with all laws and regulations applicable to its diverse operations. Inadequate compliance could result in reputational damage that will impact on the sustainability of Grindrod's operations.</p> <p>This risk remains high due to continuous change in regulatory compliances and heightened monitoring of regulatory compliance requirements. However, robust controls and governance processes have reduced the level of residual risk.</p>	<ul style="list-style-type: none"> • Litigation and claims from customers. • Fines and increased audits from regulators. • Negative impact on the Grindrod brand. • Loss of competitive advantage. • Financial losses, reduced share price. • Lack of employee commitment and engagement. • Reduced employee commitment and loss of key personnel. • Reputational damage. • Loss of competitive advantage with reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> • Well-defined and actively monitored risk tolerance levels. • Ongoing monitoring of compliance utilising a combined assurance approach. • Embedding a compliance-based culture across business divisions. • Prompt responses to all queries from regulators, with strict adherence to deadlines. • Implementation of incoming JSE requirements and ongoing monitoring. • Compliance with POPI and the Conduct Standards for Banks. 	<ul style="list-style-type: none"> • Create a culture of compliance and good governance. • Save costs associated with potential fines. • Build trust with regulators by demonstrating commitment to good governance and compliance with laws and regulations.
Liquidity <p>The potential mismatch between short-term deposits and long-term advances can negatively affect liquidity at Grindrod Bank. Poor market conditions can influence cash flow within the Port and Terminals and Logistics businesses and restrict the ability to execute on strategic projects and acquisitions.</p> <p>The risk of a negative cumulative on-balance sheet contractual maturity mismatch in any time period remains relevant to the Bank, while cash flow in the Port and Terminals and Logistics divisions are impacted by continued local and global economic growth constraints of the COVID-19 pandemic can reduce cash and cash flow generation.</p>	<ul style="list-style-type: none"> • Funding term mismatch resulting in the funding of short-term assets with long-term funds (expensive) or the funding of long-term assets with short-term funds (high risk). • Deposit and funding lines could be withdrawn, creating a funding mismatch at Grindrod Bank. • Failing to maintain the mandatory level of liquid assets (prescribed investments) and noninterest reserve account funding (cash at SARB) as required by the Banks Act, leading to corrective measures and potential financial penalties. • A shortage of liquidity available to cover unexpected payments at short notice can lead to overdrawn transactional accounts, leading to substantial overnight interest to be paid. • Cash shortage in the Group can result in a failure to service debt and fund investment opportunities. These would lead to high interest expenses on borrowings and breaches of covenants. 	<ul style="list-style-type: none"> • Well-defined and actively monitored risk tolerance levels. • Active monitoring and reporting on facilities, cash flows and covenants through our centralised Treasury function. • Adherence to SARB's collateral and liquidity requirements. • Ongoing monitoring by the Balance Sheet Management (BSM) committee supported by regular cash flow forecasts. • Drive working-capital management. • Maintain an optimal balance between equity and debt funding, as well as committed and uncommitted bank facilities. • Regular cash forecasts for USD and ZAR Group funds reported to the Board in our quarterly Treasury report. 	<ul style="list-style-type: none"> • Make the most effective use of the Bank's surplus cash while adhering to SARB's collateral and liquidity requirements. • Responsibly leverage the Grindrod balance sheet to ensure maximum shareholder return on investment.

RISK REVIEW continued

RISK	Implications for value creation	Mitigating actions	Associated opportunities
SHERQ Grindrod operates in an environment that exposes its employees, other stakeholders and the environment to potential risks. The impact of the COVID-19 pandemic has emerged as an unpredictable global systemic risk that impacts the economic, social, geopolitical and environmental domains.	<ul style="list-style-type: none"> Fatalities, injuries, occupational disease: <ul style="list-style-type: none"> As at 31 December 2021 Grindrod had reported 618 positive COVID-19 infections, with 11 COVID-19 related deaths and 480 recoveries (98 percent recovery rate). Heightened mental health challenges potentially impacting workforce. Adverse impact on staff health and welfare. Significant environmental events. Sub-standard quality of service delivery. Reputational damage. Insurance claims. Legal non-compliance exposing S16.1 and S16.2 appointees according to OHS Act 85 of 1993. Stakeholder relations. Employee retention. 	<ul style="list-style-type: none"> COVID-19 specific risk assessments conducted. Employees that can work remotely are encouraged to do so. Policies and procedures developed and implemented – COVID-19 managers' handbook. Rollout of vaccines within the organisation. Awareness campaigns/toolbox talks etc. Implement SHERQ and legal compliance KPIs for senior employees. Improve SHERQ risk management through a refresher campaign across the Group. Drive community engagement to prevent road fatalities. 	<ul style="list-style-type: none"> Operate in environments that support safe and secure working conditions for all employees, while ensuring compliance with all applicable legislation. Minimise negative impacts on the environment and communities. Provide goods and services that meet customer and quality requirements, while complying with relevant legislation and voluntary adopted frameworks.
Customer and commodity concentration Grindrod's Freight Services business is exposed to the risks of customer concentration and continued cyclical commodity demand and prices, which results in volatility in asset-utilisation and resultant earnings. Furthermore, the sustainability of the Bank can be adversely impacted through single large exposures on its deposit and lending books. Our risk rating increased as a result of COP 26 initiatives to transition to a low carbon economy. Falling iron ore prices could impact our rail leasing contracts.	<ul style="list-style-type: none"> Concentrated exposure to cyclical commodity demand and prices results in volatility of earnings and asset utilisation. This will affect enterprise and stakeholder value, and earnings predictability. Undue dependency on specific suppliers could hurt Grindrod's performance should defaults occur. Increasing environmental pressure on coal as a primary electricity source will reduce demand for this commodity in the long run. Single large exposures on deposit and lending books can impact the sustainability of the Bank. 	<ul style="list-style-type: none"> Ongoing market trend analysis and understanding to identify new opportunities. Engage major customers and suppliers to optimise logistics solutions and mutually align objectives. Investigate opportunities to bulk up the division through targeted acquisitions. Engage constructively with suppliers and partners to secure mutual commitment to unlocking the potential of infrastructural assets and corridors. Improve capacity utilisation through commodity, customer and geographic diversification. Continued engagement with key logistics services providers to deliver contracted coal and magnetite volumes. Secure bulk commodities that are in line with the future bulk terminal strategy. Diversified deposit books and well managed concentration exposures in the Bank. 	<ul style="list-style-type: none"> Revenue streams based on new commodities while maintaining optimal infrastructure efficiencies. New customers and markets, e.g., graphite, vanadium and hematite.
Transformation Grindrod is continually transforming itself to maintain its social contract with stakeholders as the commercial world evolves. Adequately addressing these requirements is integral to retaining and growing the group's position as a preferred service provider. Our transformation efforts pay heed to any regulatory changes or revisions to applicable B-BBEE codes.	<ul style="list-style-type: none"> Loss of existing client business. Failure to secure new business to drive organic growth. Fines imposed due to non-compliance. Reputational damage. Reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> Drive compliance across the business through clear strategies and communication. Regular reporting on the status of each business through the Social and Ethics committee. Identify compliance gaps in the light of the draft Maritime and Transport Sector Codes. Ongoing monitoring to achieve B-BBEE ownership targets. 	<ul style="list-style-type: none"> Making Grindrod more diverse through preferential procurement, supporting B-BBEE enterprises and upskilling our employees.

RISK REVIEW continued

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Cyber and ICT Grindrod's operations rely on technology platforms to facilitate service delivery. The increased use of digital platforms, changes in working environments and continuous advancement in digital technology, particularly in the financial services sector, increases the risk of cybercrime. This necessitates maintaining the integrity and stability of key IT systems to protect client interests against increasingly sophisticated cyber attacks.	<ul style="list-style-type: none"> Financial losses resulting from the theft of information or money, corruption of data, business disruption losses and the loss of clients. Reputational damage, including loss of clients. Fines and regulatory sanctions. Reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> Formalised cyber security strategy, policies, charters, processes and systems specifically focused on POPIA compliance. IT Governance, IT general controls and cyber security risks are reviewed quarterly through a comprehensive cybersecurity framework. Cyber insurance minimum requirements have been re-evaluated by insurers. Business Continuity/Disaster Recovery requirements, practices and processes to ensure IT impacted disruptions. ICT performance and the alignment of people, process and technology, ensuring IT is staffed with suitably skilled, empowered people. 	<ul style="list-style-type: none"> Collaboration and alignment of overall objectives between business operational IT and Group IT e.g., using integrated platforms and focused digital strategy. Standardised network and security standards across the Group enable cost-effective integration of business, while supporting cyber security resilience. Controlled application management, including security protocols and governance standards.
Fraud, bribery and corruption Grindrod operates in an environment where instances of fraud, bribery and corruption are pervasive. Sound governance and internal control structures may be compromised should employees operate outside the framework of Grindrod's core values of transparency, respect, integrity, professionalism, fairness and accountability. Fraud, bribery and corruption remains a key risk in the Group due to its pervasive nature.	<ul style="list-style-type: none"> Reputational damage to the Group, its directors, employees and potentially its stakeholders, including shareholders. Volatility in share price, with the potential of a significant drop in the share price as a result of negative publicity and investor rules. Regulatory fines and/or criminal prosecution – criminal prosecution may result in "blacklisting" from government work in a multitude of jurisdictions. Investigation and remedial costs – legal fees and possibility of having a monitor imposed. Financial losses, impacting the profitability of the Company. The inability to secure adequate and applicable insurance cover. Breaching obligations in debt funding agreements, with the potential for funding to be withdrawn at short notice. 	<ul style="list-style-type: none"> Anti-bribery and corruption workshop held for Grindrod Freight Services executive committee and other senior managers. Fraud, bribery and corruption interactive training for entire employee base. Implementation of recommendations received from ENS. Rollout of Grindrod EthicsDefender usage survey. Comprehensive overhaul of Whistleblowing and Anti-Corruption Policies. Annual Ethics Declaration and Sign Off by all staff. Robust monitoring of compliance with the Code of Ethics through internal audit. 	<ul style="list-style-type: none"> Safeguard an ethical culture based on the Grindrod core values of transparency, respect, integrity, professionalism, fairness and accountability with no instances of fraud, bribery or corruption in or connected to the Group and its subsidiaries.

OUR STRATEGY



Intermodal facility | DURBAN

CUSTOMER SOLUTIONS

Our **can-do attitude**, **tenacity**, **courage** and **vision** have seen us grow from humble beginnings into a global powerhouse.

We provide **customer solutions** for an efficient and cost-effective cargo flow, efficiently **moving cargo by road, rail, sea and air**, providing **integrated logistical** and **specialised services** across **trade corridors**.

25 Report of the Chief Executive Officer

27 Strategic review

REPORT OF THE CHIEF EXECUTIVE OFFICER



Our strong performance validates our strategic decision to move forward with divesting from identified non-core assets and focusing on realigning our key freight services and bank operations.

Our freight volumes have remained strong, driven mainly by robust global mineral demand and the high citrus yields delivered by good rains. With the help of our strong customer relationships, we managed to overcome several logistical challenges in the year.

Grindrod Bank achieved pleasing financial results by building on the solid foundation laid in recent years. The SARB's 25 basis point increase to the key lending rate in November, coupled with the likelihood of further increases in 2022, should support Grindrod Bank's performance fundamentals in the short to medium term.

Port and Terminals

Overall, Port and Terminals reported robust earnings growth of 70 percent on 2020, comfortably surpassing its pre-COVID-19 performance level. Maputo port volumes handled grew 21 percent to a record 22.3 million tonnes, compared to the prior year.

The berth rehabilitation expanded footprint and dedicated rail siding capital projects are now complete, with the dredge of the quayside having commenced. The Matola drybulk terminal handled a record 8.3 million tonnes, up 50 percent on the prior year and reported a monthly record volume of one million tonnes in September 2021.

The focus at Port and Terminals is to deliver efficient and cost-effective customer solutions by regularly seeking alternative and additional logistics routes to market for the customer's cargo. This is in addition to continually harnessing our existing routes via Matola, Maputo, Durban, Richards Bay and Walvis Bay, and relentlessly engaging our key stakeholders to ensure sustained relevance.

Logistics

The coastal shipping and container depot business achieved earnings growth of 33 percent, with the remaining logistics businesses delivering consistent performance for the year.

During November 2021, Grindrod announced a joint venture with Maersk, wherein the logistics activities of Grindrod's Intermodal business will complement the current Maersk operations, the execution of which is subject to various conditions.

The clearing and forwarding business delivered solid results and secured extension of key customer contracts during the year.

During 2021, Grindrod's activities relating to the liquefied natural gas project in Northern Mozambique ceased, due to the security issues in the Cabo Delgado province, which necessitated impairments and provisioning of R78.2 million.

The impact of this indefinite stoppage was mitigated by the resumption of the graphite logistics business in Nacala.

The Rail business redeployed eight of its 10 locomotives at Sierra Leone's Tonkolili iron ore mine following its reopening and successfully completed the disposal of four locomotives for US\$11.3 million (Grindrod's share is US\$4.8 million) to Uganda Rail.

The disposal of the car carrier business is complete, and the disposal of the fuel carrier businesses has progressed. This process has necessitated the impairment of goodwill and assets of R266.6 million in the current year.

Bank

Grindrod Bank's earnings improved by 157 percent from the prior year, despite remaining cautious in its lending activities and retaining surplus liquidity in excess of R5 billion as at 31 December 2021. The Bank's lending and core deposit books increased by 5 percent and 20 percent to R8.3 billion and R10.3 billion respectively, from December 2020. During the year, Grindrod Bank concluded an agreement with Shoprite Checkers as a key new platform partner. Grindrod Bank recommenced the project to raise further capital to enable growth and enhance returns.

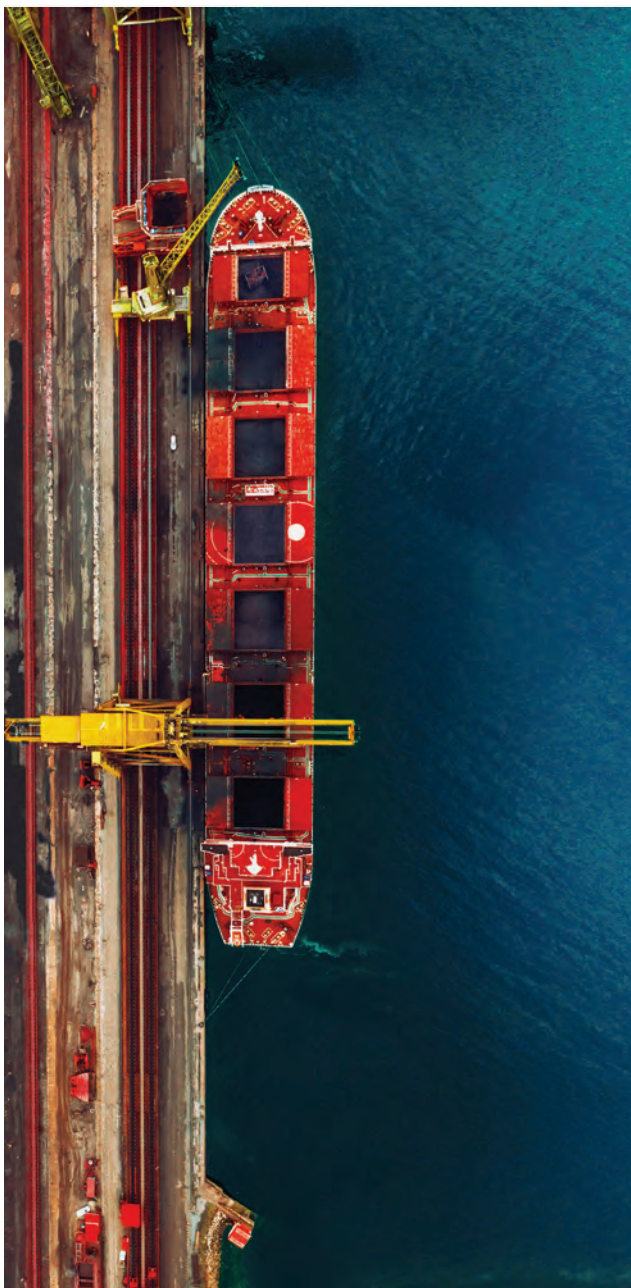
Non-core businesses

The Private Equity portfolio now consists of only two significant investments. The disposal of the offshore real estate investment was concluded during November 2021 for £17.4 million in addition to several smaller investments. The strategy is to exit the remaining two investments at the right valuations. Disposal proceeds of R311.7 million have been received in the current year. Results include impairments and fair value losses on the private and property equity portfolio of R318.7 million. The carrying value of these investments, after impairments and fair value losses, is R622.0 million.

Progress has been made by the various owners of the KwaZulu-Natal north coast properties. Management continues to work with the principals to manage this exposure and settle the loans. Current year results include impairment reversals and fair value gains of R166.8 million.

The marine fuels business generated earnings of R40.0 million in the current year. Management continues to work with the marine fuels management and co-shareholder in order to exit this investment.

REPORT OF THE CHIEF EXECUTIVE OFFICER continued



Sustaining our success through a purpose-led strategy

Grindrod's strong performance during 2021 is proof that clear purpose and robust strategy are arguably the two most effective defences against external pressures and influences. Our recently revised and enhanced strategies implemented across our freight services and banking businesses were critical in ensuring that the Group could deliver attractive solutions over the past two years. Freight Services has remained steadfastly focused on its customer solutions-driven strategy, ensuring efficient and cost-effective cargo flows. This strategy is driven by a clear purpose: to make a positive difference in Africa's trade with the world while strengthening the well-being of the communities in which we operate.

Importantly, our Group-wide strategy is already delivering positive results, as evidenced by the strong performance of our terminals in 2021. Our Matola Terminal in Mozambique twice set new records for freight handling volumes during the year. Our container and seafreight businesses also achieved notable successes over the period, far exceeding their revenue targets.

The Bank focused on building its SME value proposition, digitising its offerings and developing its platform banking model all with the ultimate goal of delivering on its purpose to become the preferred provider of targeted financial services based on strong customer relationships. Grindrod Bank achieved strong capital and liquidity positions.

Outstanding people and culture

While clarity of purpose and a robust and comprehensive strategy are invaluable ingredients of Grindrod's long-term success as a business, neither of these on their own is capable of taking our business forward. That requires the efforts of innovative, talented and passionate people, which our Group is privileged to have in abundance. For many of these employees, the past two years have been challenging on all fronts.

Most employees in other businesses around the world could take advantage of the relative safety of work-from-home arrangements, but the nature of Grindrod's business is such that many of our staff members, particularly in

the freight services business, were required to still be on site. It has been their commitment to our business that has ensured that they have turned up and delivered every day. Their contribution to our 2021 performance and ongoing sustainability cannot be overemphasised.

The year ahead

We are saddened by the human cost of the conflict in Ukraine, which will also have a ripple effect on global markets. This is especially constraining coming out of the impacts of the pandemic. The IMF had projected a global growth of 4.4 percent for 2022 (2021: 5.9 percent). Whilst South Africa's trade links with Russia are relatively limited (0.4 percent of total exports and 0.7 percent of total imports in 2021), there will be an adverse impact on container markets, and on Africa's food supply. Citrus producers and fruit exporters are especially susceptible to a downturn. Global inflation, higher food and fuel prices impact on cost-push pressures, resulting in secondary price effects. This being said, there may be economic benefits where African countries fill the breach in the supply of natural gas and minerals. Grindrod will step up to play our part to assist with food and fuel security.

Gratitude

My heartfelt thanks to my executive teams, managers and all Grindrod employees for your unwavering commitment to our Group and our customers over the past year, and to our Board members, my gratitude for your invaluable guidance and consistent support.

Finally, I extend a personal thank you to our outgoing chairman, Mike Hankinson, whose vast experience and knowledge has added immense value to our business over the past years. Mike has been the embodiment of a hands-on, always informed and available Chair. Your passion for our businesses, dedication and commitment will be sorely missed. We wish you well in whatever endeavours your next chapter brings.

My heartfelt thanks to my executive team, managers and all Grindrod employees for your unwavering commitment to our Group and our customers over the past year, and to our Board members, my gratitude for your invaluable guidance and consistent support.

Andrew Waller
Andrew Waller

Chief Executive Officer

8 April 2022

STRATEGIC REVIEW

FREIGHT SERVICES Freight Services and Bank are Grindrod's two core divisions, each with its own strategy.

Grindrod Freight Services unveiled a new strategy in 2021. Our purpose drives our strategy to provide customer solutions for an efficient and cost-effective cargo flow.

OUR PURPOSE

To make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate.

Our purpose is two-pronged.

- We recognise Africa's trade potential with international markets. We are a proudly African company that is well-positioned to bring African products to the world and vice versa, for the good of the continent.
- Community inclusiveness is embedded in our strategy – not only to maintain our social licence to operate and thereby our viability as a business, but because we value people.

Our purpose influences **everything** we do.

PROVIDE CUSTOMER SOLUTIONS FOR AN EFFICIENT AND COST-EFFECTIVE CARGO FLOW

CUSTOMER

Focus areas

- Customer-focused solutions.
- Customer satisfaction.
- Customer growth and retention.

At Grindrod, care is taken and time is invested in understanding the specific needs of each of our Customers. We utilise our vast experience, infrastructure, footprint and access to trade corridors to provide our Customers with innovative, efficient and cost-effective cargo flow solutions with an unyielding drive to exceed expectations.

MARKET DIFFERENTIATION

Focus areas

- Efficient and cost-effective customer solutions.
- Operational efficiencies.
- Strategic assets.
- Market insight.
- Agility.

We are differentiated by our strategic assets, institutional knowledge, divergent thinking and agility. With our extensive experience in Africa, and in connecting Africa to the World, Grindrod consistently provides our Customers with bespoke, innovative, efficient and cost-effective end-to-end logistics solutions, with unparalleled execution.

OUR PEOPLE & COMMUNITIES

Focus areas

- A sustainable and high-performance corporate culture driven by a united purpose.
- Training, development and transformation.
- Community inclusiveness and engagement with direct CSI interventions.
- Creation of business opportunities/enterprise development.

Our employees live our values and form winning teams that deliver on our purpose. Our purpose reflects our belief in community inclusiveness, the creation of local employment opportunities and enterprise development with direct community upliftment projects that focus on education and local procurement.

REVENUE GROWTH

Focus areas

- Value adding partnerships.
- Acquisitions.

Providing innovative, efficient and cost-effective Customer solutions with disciplined balance sheet management to ensure sustainable revenue growth. Value-adding commercial relationships, collaboration and partnerships across the supply chain, the establishment of pioneering new businesses and processes, coupled with augmenting acquisitions to consistently meet and exceed Customer expectations, drives sustainable growth.

OPERATIONAL EXCELLENCE

Focus areas

- Operational metrics.
- ISO certification.
- Operational system and process modernisation.
- Compliance with equipment maintenance scheduling.
- Asset replacement.
- Automation.

Grindrod seeks both organic and inorganic growth by implementing revenue-enhancing brownfield and greenfield projects and exploring value-adding acquisitions and adjacencies. Collaboration and partnership across the value chain also enhances revenue growth.

SHAREHOLDER VALUE

Focus areas

- Free cash flow.
- Return on equity.
- Dividends.

Shareholder value is an outcome of the other five pillars. It signifies our commitment to creating shareholder value through earnings growth, cash generation, appropriate return on investment and enhanced sustainability.

STRATEGIC REVIEW continued

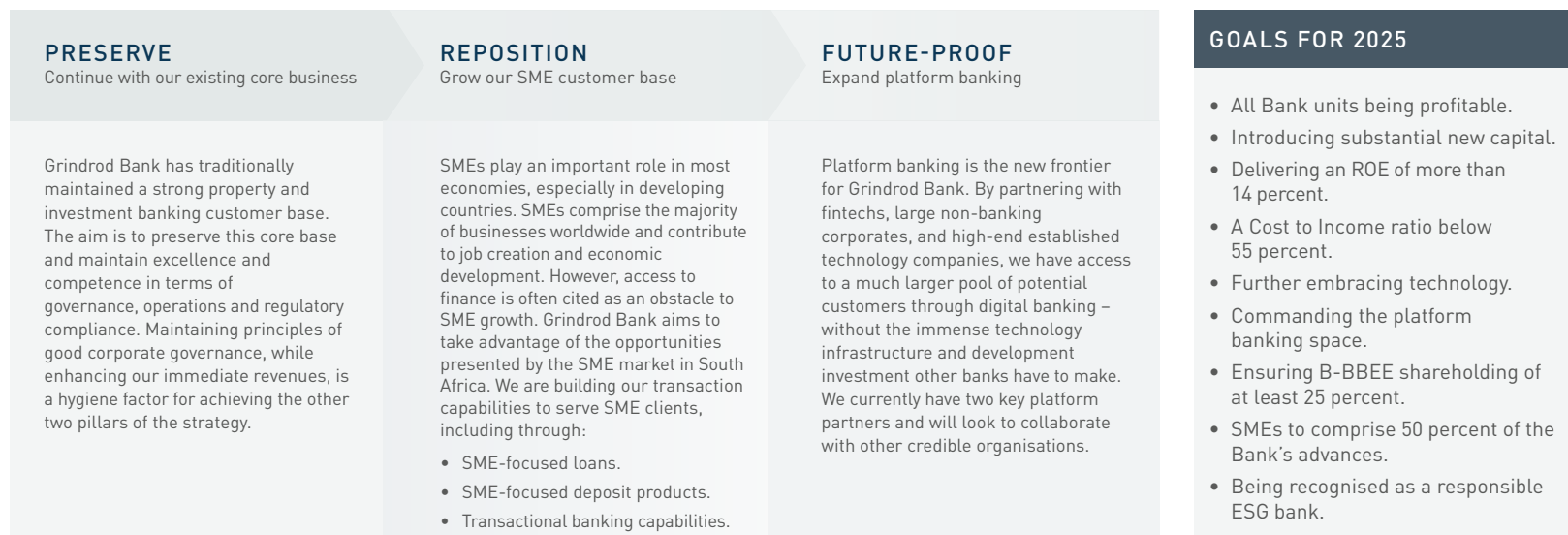
KEY METRICS ACROSS THREE HORIZONS The strategy is being executed across three horizons:



BANK

Grindrod Bank's strategy consists of three pillars that aim to maintain the Bank's strengths, while positioning it for sustainable long-term growth.

While the pillars overlap operationally, each serves to sustain the Bank in the immediate, medium and long term.



PERFORMANCE REVIEW



Drybulk terminal | MATOLA

SHARED VALUE CREATION

We draw on **all our resources** to create **shared value** and **ignite opportunity** across the African continent.

- 30 Report of the Chief Financial Officer
- 33 Five-year review
- 34 Operational reviews
- 42 Capital reviews
- 43 – Our money
- 45 – Our assets
- 46 – Our skills
- 48 – Our people
- 51 – Our relationships
- 54 – Our environment

REPORT OF THE CHIEF FINANCIAL OFFICER



Grindrod's focus in 2021 was to deliver efficient and cost-effective customer solutions whilst driving operational excellence and exiting poor performing and non-core investments and businesses.

Grindrod achieved a commendable performance in its core businesses in 2021 underpinned by record mineral and container volumes in the Freight Services business. Grindrod Bank also performed well as it continued its focus on quality lending and growing its platform banking footprint. Core operations, inclusive of joint ventures, reported headline earnings of R886 million, up 166 percent from 2020, and the Group generated cash from operations in excess of R1 billion.

Port and Terminals achieved headline earnings of R388 million up 40 percent on the prior year. Results were bolstered by the record mineral volumes handled due to the strong commodity prices. Whilst the commodity outlook appears optimistic for South Africa this continues to remain sensitive to global influences.

The coastal shipping and container depot business reported headline earnings growth of 31 percent benefiting from exceptional container volumes during the reefer season.

Northern Mozambique headline earnings was down 22 percent on the prior year, impacted by the cessation of oil and gas activities in the area. Impairments of R78 million were recorded, however these were abated, to an extent, by the resumption of the graphite logistics contract in Nacala.

The disposal of four locomotives to Uganda Rail for US\$11 million (US\$5 million at the Group's effective share) together with the redeployment of a further eight locomotives in Sierra Leone boosted earnings from the Rail Leasing business.

Impairment of goodwill and assets of R267 million were recorded on the exit of the car and fuel carrier road transportation businesses in South Africa and Namibia.

Grindrod Bank delivered solid results with headline earning of R97 million, up 157 percent on the prior year.

Grindrod successfully disposed of its Grindrod Shipping shares, generating proceeds of R338 million. A fair value gain of R238 million has been recorded in the current year.

The Agricultural Logistics investment was disposed for R376 million. The process to exit the Marine Fuels business is ongoing.

Significant progress was made on the exit strategy of the Private Equity portfolio with only two significant investments remaining. Disposals proceeds realised were R312 million and results include impairments and fair value losses offset by a release of foreign currency translation reserves on the portfolio of R319 million.

Additional mortgage bonds were registered over the KwaZulu-Natal north coast properties as further collateral for the advances, resulting in impairment reversals and fair value gains of R167 million.

FINANCIAL REVIEW

Key segmental income statement metrics (includes share of joint ventures)

Rmillion	2021	2020	Variance %
Revenue	18 037	16 370	10
Core operations	5 170	4 750	9
Non-core operations	12 867	11 620	11
Trading profit	1 664	970	72
Core operations	1 786	1 356	32
Non-core operations	(122)	(386)	68
Share of associate earnings	115	89	29
Non-trading items	(450)	(234)	(92)
Net profit/(loss) attributable to ordinary shareholders	176	(415)	142
Core operations	540	329	64
Non-core operations	(364)	(744)	51

Revenue and trading profit from core operations increased nine percent and 32 percent due to the performance in the Terminals business as well as the coastal shipping and container depot business and the Bank. Trading profit from core businesses was also impacted by the fair value gain of R238 million on the Grindrod Shipping shares.

The increase in revenue from non-core operations relates to the Marine Fuels segment and arose due to the higher oil prices. The non-core trading loss is largely attributable to the Private Equity and Property segment which includes fair value losses of R356 million (2020: R248 million) on the private equity and property portfolio offset by R167 million of impairment reversals and fair value gains (2020: R162 million impairments and fair value losses) on the north coast property loans.

Share of associates earnings relates to Grindrod's investment in the port of Maputo which delivered strong results due to improved volumes in 2021.

Non-trading items net of tax effects amounted to R443 million and is explained further in the headline earnings reconciliation below.

OUR MONEY: REPORT OF THE CHIEF FINANCIAL OFFICER continued

2021 Headline earnings reconciliation

Rmillion	Core operations	Non-core operation	Total
Net profit/(loss) attributable to ordinary shareholders	540	(364)	176
Add:			
Loss on remeasurement to fair value less costs to sell	240	–	240
Impairment of investments, goodwill, PPE and intangibles (including goodwill)	111	13	124
Loss on disposal of investments	2	134	136
Less:			
Gain on bargain purchase	(7)	–	(7)
Foreign currency translation reserve release	–	(51)	(51)
Headline earnings/(loss)	886	(268)	618

Core headline earnings adjusted for the fair value impacts of the Grindrod Shipping shares as well as the oil and gas project impairments, amounts to R707 million and represents a 70 percent uplift from the 2020 adjusted core headline earnings of R415 million.

STATEMENT OF FINANCIAL POSITION

Key segmental statement of financial position metrics (includes share of joint ventures)

Rmillion	2021	2020	Variance %
Property, plant and equipment, right of use assets and intangible assets	5 561	5 682	(2)
Investments, other assets and non-current assets held for sale	2 537	3 301	(23)
Current assets and bank and cash	6 647	5 741	16
Liquid assets and negotiable securities	3 936	2 469	59
Loans and advances	9 537	8 933	7
Total assets	28 218	26 126	8
Total equity	8 571	7 975	7
Total interest-bearing debt	4 785	5 252	(9)
Current and other liabilities	3 641	3 465	5
Deposits from bank customers	11 221	9 434	19
Total equity and liabilities	28 218	26 126	8

PPE, right of use assets and intangible assets decreased largely due to the derecognition of fleet and goodwill on the disposal of the road transportation business.

The 23 percent decrease in investments, Other assets and non-current assets held for sale relates to disposals of private equity investments and the Grindrod Shipping shares. The private equity portfolio reduced by R0.9 billion of which deferred proceeds of R245 million from the disposal of the UK Real Estate investment will be received according to agreed payment terms.

Current assets and bank and cash increased due to improved trading, as well as proceeds from the fuel carrier business disposals of R127 million owing at year end of which R93 million was received at the end of February 2022.

Depositors funds have been invested in liquid assets and negotiable securities to ensure that there is no negative carry on these funds.

Five percent of the increase in loans and advances relates to growth in the bankbook and two percent on the north coast property loans due to the additional collateral secured.

Exchange rate and current year profits contributed to the increased equity. Grindrod shares continue to trade at a discount to net asset value and hence the share buy-back process will continue into 2022 in accordance with the Board approval.

Proceeds from disposals of non-core investments have been utilised to settle interest-bearing debt which was offset by additional loans raised in the current year as well as the Bank's loan note issuance in June 2021.

CAPITAL ALLOCATION

Grindrod's capital allocation fundamentals aim to safeguard the strength of the Balance Sheet, whilst reinvesting to ensure sustainability of the business and simultaneously deliver returns to shareholders.

The Group generated positive cash from operations in excess of R1 billion. R150 million of which was utilised to settle interest, taxation and dividend obligations, R460 million was utilised for capital expenditure and R270 million was used to make lease liability payments in the year.

Proceeds from the disposal of non-core investments (in excess of R1 billion) were mainly applied to the overdraft as well as private equity debt. R30 million was used to execute share buy-backs in 2021 and R25 million was used to buy out the minority shareholders in the Bank.

The legal net debt to equity ratio, excluding Bank, is 26 percent (2020: 38 percent). Group net debt excluding Bank decreased from R4 billion in 2020 to R3 billion in 2021.

The private equity debt will continue to be settled in 2022 such that the gearing can be introduced into the Freight Services business in line with where returns for the Group are generated.

In 2021, the Group set out to achieve a legal net debt to EBITDA ratio, excluding Bank, of less than 2.5.



Drybulk terminal | RICHARDS BAY

OUR MONEY: REPORT OF THE CHIEF FINANCIAL OFFICER continued

CAPITAL PROJECTS

Capital commitments of R269 million (2020: R361 million) were approved as of 31 December 2021, relating predominantly to the acquisition of existing property leases, the expansion of container depot facilities as well as yellow equipment. 65 percent of current year capital expenditure, including joint ventures, of R568 million (2020: 54 percent of R404 million) was expansionary.

Annually, Grindrod sets weighted average cost of capital (WACC) and project hurdle rates to ensure that all projects are assessed in detail and a robust process for the allocation of capital is adhered to. All projects are deemed to be high risk, unless substantiated otherwise for factors such as guaranteed contractual off-take, solid counter-party or low country risk, amongst others.

The project hurdle rates, using project internal rate of return have remained largely unchanged from the prior year and are set out in the table below:

	High Risk	Medium Risk	Low Risk
Hurdle rate	18%	15%	13%

DIVIDEND DECLARATION

The improved trading performance from core businesses, progress made on the disposal of non-core assets as well as reduced debt has allowed for the Board to resume dividends in the second half of 2021. Accordingly, a final gross ordinary dividend of 20.1 cents has been declared.

Total preference share dividends of R46 million (2020: R51 million) were declared to preference shareholders during the 2021 financial year.

FOREIGN CURRENCY EXPOSURES

Grindrod has US\$227 million (2020: US\$208 million) net assets based outside South Africa, with US Dollar cost bases and generating US Dollar revenues, thereby reducing the exposure of the Group to any one country or currency. It is worth noting that Grindrod's operations in Mozambique trade in US Dollar currency, mitigating exposure to the Metical. Foreign exchange risks are monitored and mitigated in terms of approved policies.

FINANCIAL CONTROLS AND RISK MANAGEMENT

Key financial personnel are employed across Grindrod to manage the financial departments which monitor and support the operations through the analysis and reporting of results. These finance teams, with enabling financial systems, ensure that financial information reported is complete, accurate, relevant and timely.

Internal control systems are designed to provide reasonable assurance against material losses and the misstatement of financial results and are intended to manage all significant risks. Safeguarding and preventing the misuse of assets are other important aspects of internal control.

Principal features of the Group's internal financial controls are:

- an organisational structure comprising clearly defined reporting lines, responsibilities and levels of authority;
- policies, procedures and guidelines to ensure that best practice standards are maintained and achieved;
- a system of financial planning, budgeting and reporting, which enables performance to be monitored against predetermined objectives;
- internal financial controls which are supported by the Group's IT systems;
- a finance team with the appropriate level of skill and technical training; and
- independent oversight by the internal audit division through the development and testing of financial control frameworks.

During 2021, internal financial control frameworks were tested by the internal audit division at several locations. Areas of non-compliance or deficiency were reported to and discussed with management, following which action plans were drafted and implemented to address the risk of material misstatement of financial results. In line with the requirements of JSE listing rule 3.84(k), the deficiencies and remediation plans were also shared with the Audit committee and external auditors.

ACCOUNTING POLICIES

The accounting policies adopted, and methods of computation used in the preparation of the consolidated financial statements are in terms of IFRS and are consistent with those of the Annual Financial Statements for the year ended 31 December 2020. Refer to the Accounting Policies section of the Annual Financial Statements available on Grindrod's website for further detail on new standards and interpretations not yet adopted. Key accounting estimates and judgements are disclosed in note 1 of the Annual Financial Statements.

EVENTS AFTER THE REPORTING DATE

There are no material post balance sheet events to report.

MANDATORY EXTERNAL AUDITOR ROTATION

The mandatory rotation of the external auditors, Deloitte & Touche, as mandated by the amended Independent Regulator Board for Auditors Code of Professional Conduct for Registered Auditors, will be required for Grindrod's 2024 financial year. A tender process will commence during the latter part of 2022.

Grindrod's capital allocation fundamentals aim to safeguard the strength of the Balance Sheet, whilst reinvesting to ensure sustainability of the business and simultaneously deliver return to shareholders.

Fathima Ally

Chief Financial Officer

8 April 2022

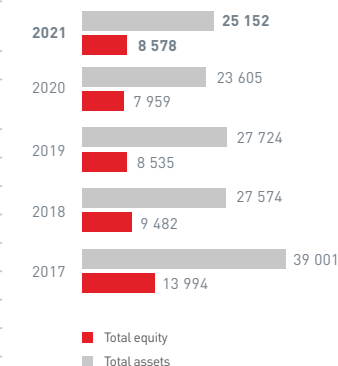
FIVE-YEAR REVIEW

		2021	2020	2019*	2018	2017
Group income statement						
Revenue		3 905	3 751	3 834	3 467	3 059
Trading profit before expected credit loss, interest, taxation, depreciation and amortisation	(Rm)	1 074	547	1 097	871	622
Expected credit loss**	(Rm)	(12)	(213)	(561)	–	–
Trading profit before interest, taxation, depreciation and amortisation	(Rm)	1 062	334	536	871	622
Depreciation and amortisation	(Rm)	(488)	(526)	(501)	(462)	(196)
Operating profit/(loss) before net interest and taxation	(Rm)	574	(192)	35	409	426
Non-trading items	(Rm)	(401)	(194)	(335)	(482)	129
Net interest received/(paid)	(Rm)	(127)	(211)	(142)	96	167
Profit/(loss) before associated and joint venture companies	(Rm)	46	(597)	(442)	23	722
Associated and joint venture companies	(Rm)	307	306	(117)	211	172
Profit/(loss) before taxation	(Rm)	353	(291)	(559)	234	894
Taxation	(Rm)	(102)	(120)	9	(180)	(173)
Profit/(loss) after taxation including associated companies	(Rm)	251	(411)	(550)	54	721
Outside shareholders' interest	(Rm)	(30)	47	–	(8)	(7)
Profit/(loss) for the year before preference dividends	(Rm)	221	(364)	(550)	46	714
Preference dividends	(Rm)	(45)	(51)	(66)	(66)	(68)
Profit/(loss) attributable to ordinary shareholders	(Rm)	176	(415)	(616)	(20)	646
Ordinary shareholders' interest in non-trading items	(Rm)	442	247	463	500	(75)
Headline earnings/(loss)	(Rm)	618	(168)	(153)	480	571
Group statement of financial position						
Non-current assets	(Rm)	8 391	8 777	9 666	9 241	9 093
Loans and advances to bank customers	(Rm)	9 537	8 933	8 431	7 997	7 370
Current assets	(Rm)	7 224	5 894	9 627	10 336	22 538
Total assets	(Rm)	25 152	23 605	27 724	27 574	39 001
Total equity	(Rm)	8 578	7 959	8 535	9 482	13 994
Non-current liabilities	(Rm)	2 066	1 603	2 581	2 156	1 663
Deposits from bank customers	(Rm)	11 221	9 434	11 180	10 506	14 640
Current liabilities	(Rm)	3 287	4 609	5 428	5 430	8 704
Total equity and liabilities	(Rm)	25 152	23 605	27 724	27 574	39 001
Group cash flows						
Cash available from/(used in) operations (excluding dual purpose assets)	(Rm)	798	(1 993)	472	(5 191)	439
Distribution/dividends received/(paid)	(Rm)	198	218	(134)	31	56
Cash retained from/(utilised in) operations	(Rm)	996	(1 775)	338	(5 160)	495
Net cash proceeds on disposal of property, plant and equipment and other items	(Rm)	655	35	397	351	178
Cash available for investment/(utilised)	(Rm)	1 651	(1 740)	735	(4 809)	673
Cash invested	(Rm)	(393)	(311)	(305)	(789)	(525)
Net cash available for financing/(utilised)	(Rm)	1 258	(2 051)	430	(5 598)	148

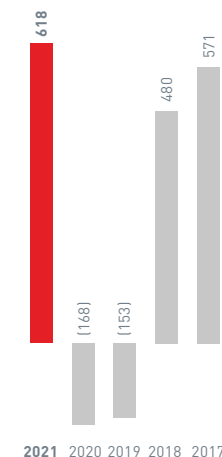
* Restated for impact of equity accounted earnings of Marine Fuel.

** Expected credit loss as per the IFRS 9 standard that came into effect in 2019.

Total equity and assets (Rm)



Headline earnings/(loss) (Rm)



2021 2020 2019 2018 2017

EXPANDING GRINDROD'S FOOTPRINT AND CAPACITY

We are proud of our new Grindrod Intermodal facility, situated at 296 Magwaza Maphala Street (previously Gale Street) in Durban. It is a prime location for staging full reefer containers packed ahead of vessel stacks. With 12 000m² of space and 160 reefer plugs, the site can accommodate almost 2 000 TEUs. Grindrod's investment in this new intermodal facility creates further efficiencies in the route to market by providing a link for transporters stacking containers for export.

United Container Depots (UCD) also moved to larger premises in Parow, Western Cape. The new premises boasts a container stacking area of over 20 000m², warehouse space of 4 000m², a dedicated controlled atmosphere (CA) gassing area for up to four trucks, 120 reefer plug points, and dedicated collection and drop-off truck lanes. With a laydown area double the size of the previous depot, the new depot is able to accommodate a capacity of over 3 600 TEU.

OPERATIONAL REVIEWS

DIVISIONAL REVIEW

Revenue

^ 10.2%

R18 037 million
(2020: R16 370 million)

Port and Terminals

R1 413 million
(2020: R1 082 million)

Logistics

R3 242 million
(2020: R3 232 million)

Bank

R488 million
(2020: R378 million)

Group

R28 million
(2020: R57 million)

**Marine fuels and
agricultural logistics**

R12 814 million
(2020: R11 505 million)

**Private equity
and property**

R52 million
(2020: R116 million)

^30.6%

^0.3%

^29.1%

▼50.9%

^11.4%

▼55.2%

Trading profit

^ 71.5%

R1 664 million
(2020: R970 million)

Port and Terminals

R580 million
(2020: R461 million)

Logistics

R895 million
(2020: R907 million)

Bank

R140 million
(2020: R38 million)

Group

R171 million
(2020: R50 million loss)

**Marine fuels and
agricultural logistics**

R43 million
(2020: R104 million)

**Private equity
and property**

R165 million loss
(2020: R490 million loss)

^25.8%

▼1.3%

^268.4%

^442.0%

▼58.7%

^66.3%



Port | MAPUTO

Transições | MOIANI PHOTOGRAPHY

OPERATIONAL REVIEWS / DIVISIONAL REVIEW continued

CONTRIBUTION TO FINANCIAL PERFORMANCE

Revenue (management) by business area (%)



Trading profit/(loss) from core operations (management) by business area (%)



Total assets (management) by business area (%)



Capital expenditure by business area (Rm)

	2021	2020	2019	2018	2017
Port and Terminals	65	49	98	93	165
Logistics	499	355	356	395	329
Bank	4	-	2	2	8
Marine Fuels and Agriculture Logistics	-	-	-	-	1
Shipping*	-	-	-	266	155
Total capital expenditure**	568	404	456	756	658

* Grindrod Shipping unbundled in June 2018.

** 65 percent (2020: 54 percent) of capital expenditure was expansionary, and the balance relates to maintenance or replacement capital expenditure.

The biggest shipment in the Port of Maputo's history sailed from Grindrod's Matola Terminal loaded **147 545 TONNES** of magnetite destined for China



SETTING RECORD HIGHS

It was a year for breaking records at Grindrod.

Grindrod's Matola Terminal in Maputo first achieved a new monthly loading record of 900 000 tonnes in July 2021, before setting a new one million tonne cargo handling record in September.

Then the biggest shipment in the history of Port Maputo sailed from Grindrod's Matola Terminal in December 2021. A Cape size vessel, the size of three rugby fields, sailed from the terminal carrying a parcel of 147 545 tonnes of magnetite destined for China. This is the biggest shipment in the port's history – a new record since the shipment of 121 000 tonnes in May 2021.

The shipment took meticulous planning and a collaborative effort by all parties, including the customer, Maputo Port Development Company (MPDC) marine services, the vessel agent and Matola Terminal operations. It was teamwork that ensured the vessel's successful loading and departure.

"Investment in the port and exceptional teamwork has allowed us to deliver the most efficient and cost-effective customer solution," said Xolani Mbambo, CEO of Grindrod Freight Services.

In 2017, as part of the Port Maputo channel dredging and port expansion project, the TCM berth pocket was deepened to 15.5 meters chart datum to receive and load larger vessels targeting post-Panamax vessels. In 2021, TCM started to receive Cape size vessels.

OPERATIONAL REVIEWS continued

PORT AND TERMINALS

OVERVIEW

The Port and Terminals division manages investments with a capital intensive barrier to entry, which provide the backbone for offering integrated logistics solutions along key trade corridors, in partnership with the Logistics division.

Our terminal facilities are strategically positioned in Maputo, Richards Bay, Durban, Cape Town and Walvis Bay, providing an efficient service to importers and exporters. State-of-the-art supply chain management software enables real-time views of cargo status, stockpile position and performance. Dashboards track the cargo, assisting our customers in managing their shipments moving through the ports.



PORT

Maputo Port Development Company (MPDC) holds the concession for the Maputo port in Mozambique, a gateway to International markets. As part of our goal to open the world to Africa's immense opportunities, we set about ensuring that the upgraded port and infrastructure would live beyond the concession period and contribute to the economic growth of Mozambique for years to come.



TERMINALS

Grindrod's terminals provide a gateway to and from international markets, providing an efficient service to importers and exporters of various commodities. Our infrastructure is designed to handle a variety of bulk, break-bulk commodities, vehicles and containers:

- Drybulk terminals
- Car terminal
- Stevedores

Key achievements 2021

- Maputo port chrome and ferrochrome volume up 23 percent, and overall Port volumes grew by 21 percent.
- Slab capacity at the port up 89 percent to 9.3 million tonnes p.a.
- Matola terminal volume up 50 percent, overall Terminals up 38 percent.
- Capacity utilisation at Matola was 85 percent, up from the prior period's 72 percent record performance.
- Completion of the Maputo berth rehabilitation and expansion project.
- 100 percent COVID-19 vaccination coverage in Maputo port and Matola terminal.

Key challenges 2021

- A fire at the Port of Richards Bay caused extensive damage to the RBTG coal export conveyor route.
- Underperformance in rail business.
- COVID-19 lockdowns continued to disrupt operations across southern Africa.
- Rail allocation and Mozambique border congestion.
- Inclement weather.

SOCIAL

Number of employees¹

▼ 11.3%
 1 181 employees
 (2020: R1 332)

Fatalities

▼ 100.0%
 0 fatalities
 (2020: 1)

LTIFR

▼ 21.7%
 0.36
 (2020: 0.46)

ENVIRONMENTAL

Total GHG emissions (CO₂e)

^ 21.3%
 15 391 tonnes
 (2020: 12 690 tonnes)

Electricity usage

^ 8.5%
 7 421 kWh
 (2020: 6 841 kWh)

Water usage

▼ 12.6%
 70 328 kl
 (2020: 80 462 kl)

Total land-based diesel

^ 102.8%
 2 137 kl
 (2020: 1 054 kl)

ECONOMIC

Revenue

^ 30.6%
 R1 413 million
 (2020: R1 082 million)

Trading profit¹

^ 25.8%
 R580 million
 (2020: R461 million)

US Dollar based revenue

^ 34.5%
 R955 million
 (2020: R710 million)

¹ Includes joint ventures and associates at 100 percent shareholding.

OPERATIONAL REVIEWS / PORT AND TERMINALS continued

OPERATING CONTEXT AND MARKET TRENDS

Grindrod's Port and Terminals operate in environments driven by trade flows in select commodity markets. These in turn are impacted by global demand and consumption trends, commodity prices, associated logistics supply chains, the competitive landscape, regulatory and legislative compliance and social, technological and environmental aspects. Ports and port-based terminals are influenced by key trends in the maritime sector and impacted by demographic (population growth, urbanisation and the geopolitical environment), technological (innovation and the decreasing cost of technology) and sustainability (climate change, regulation and society) drivers.

Port and Terminals benefited from the increase in demand for minerals globally, together with the bumper crop experienced in South Africa. Iron ore prices reached 10-year highs throughout the first half of 2021, followed by a sharp decline in the third quarter of 2021 due to stringent steelmaking restrictions implemented in China. Thermal coal rallied strongly in 2021. Its performance was initially boosted by rising oil prices and strong Asian demand fueled by economic recovery and increased natural gas prices.

The COVID-19 pandemic adversely influenced asset utilisation and subsequent profitability through lockdown restrictions and the disruption of crucial supply chains. These lockdowns hampered the production of most commodities, disrupted the accumulation of export volumes and the delivery of inbound cargo to inland destinations.

2021 FOCUS AREAS

Grindrod's Port and Terminals operations focused on improved business resilience, efficiency and effectiveness to manage economic and social impacts – both positive and negative. These included:

- Improving rail allocation and port performance in Richards Bay.
- Optimising berth utilisation at the Maputo port and Matola terminal.
- Addressing low margins at the Matola terminal.
- Completing automation of Maputo port operations.
- Overcoming bottlenecks at the Mozambique border.
- Growing the current manganese solution beyond Maydon Wharf.
- Positioning Grindrod for terminal handling PSP opportunities.
- Rolling out the newly approved Maputo port masterplan.

PERFORMANCE

Port of Maputo

Maputo port volumes increased by 21 percent to a record 22.3 million tonnes with the port's slab capacity increased by 89 percent to 9.3 mtpa following completion of capital projects. There was also a recovery in road haulage, which grew by 28.8 percent to an average of 438 trucks per day (2020: 340).

Tonnes

	2021	2020	% change
Chrome/ferrochrome	6 538 345	5 320 112	22.90%
Sub-concession and other	15 726 330	13 063 032	20.39%
Port of Maputo	22 264 675	18 383 144	21.11%
Trucks per day into Maputo (average)	438	340	28.82%
Trains per week into Maputo (average)	11	11	0%



Port I MAPUTO

Terminals

Record volumes of 8.3 million tonnes were handled at Matola drybulk terminal, due to volume growth. Matola achieved a record-breaking one million tonnes on improved rail and terminal efficiencies for the month of September 2021. This followed the record set in July 2021 of 900 million tonnes.

Maputo Car Terminal (MCTL) volumes increased by 23 percent in vehicle units, resulting in increased earnings of more than 500 percent, further boosted by project cargo handled during the year.

On 13 October 2021, a fire at the Port of Richards Bay caused extensive damage to the coal export conveyor route, resulting in significant business interruptions at our drybulk terminal and stevedoring operations. Grindrod worked with Transnet in finding a workable interim solution for our customers.

We are more than doubling up capacity at Maputo drybulk facility (GML) to cater for an increased coal export demand.



STRATEGY AND OUTLOOK

The commodity outlook appears optimistic for southern Africa. We are investigating options to drive operational excellence as part of the new Grindrod Freight Services strategy. These include a focus on process optimisation and automation in the operations space.

KEY FOCUS AREAS 2022

- Completion of the joint venture with Maersk.
- Finalisation of the fuel transportation disposal.
- Improvement of locomotive deployment.
- Execution of East Africa strategy.
- Driving the agriculture logistics solution.
- Deliver on the manganese strategy.
- Respond to PSP opportunities.
- Matola and Maputo drybulk capacity expansion.
- Port capacity utilisation.

OPERATIONAL REVIEWS continued

LOGISTICS

OVERVIEW

Logistics provides tailored logistics solutions across the supply chain for the efficient, end-to-end delivery of diversified cargo.

Logistics forms the backbone of global and regional trade and is fundamental to the effective running of most other sectors. Our logistics solutions connect inland corridors to ports and global markets. Grindrod's long-standing strategic relationships and joint ventures have created an extensive network that provides a worldwide presence, specialised skills and exceptional services.

ECONOMIC

Revenue

^ 0.3%
R3 242 million
(2020: R3 232 million)

Trading profit¹

^ 25.8%
R580 million
(2020: R461 million)

US Dollar based revenue

▽ 2.8%
R685 million
(2020: R705 million)

SOCIAL

Number of employees¹

▽ 14.5%
2 227 employees
(2020: 2 605)

Fatalities

▽ 100.0%
0 fatalities
(2020: 1)

LTIFR

▽ 14.3%
0.54
(2020: 0.63)

ENVIRONMENTAL

Total GHG emissions (CO₂e)

▽ 21.9%
110 138 tonnes
(2020: 141 020 tonnes)

Electricity usage

^ 42.1%
9 077 kWh
(2020: 6 388 kWh)

Water usage

^ 65.0%
108 805 kl
(2020: 65 947 kl)

Total land-based diesel

▽ 16.7%
17 068 kl
(2020: 20 480 kl)

¹ Includes joint ventures and associates at 100 percent shareholding.

SHIPS AGENCY AND MARITIME TECHNICAL SERVICES

With a footprint in 12 countries around the Indian Ocean region, we provide a diverse range of solutions to the maritime, offshore and oil and gas sectors.

CLEARING AND FORWARDING

We offer an integrated service offering that encompasses freight forwarding, customs brokerage and related logistics solutions across five continents.

INTERMODAL

Our end-to-end service includes warehousing, distribution and container depot solutions.

CROSS-BORDER AND PROJECT LOGISTICS

With offices in all the major transit corridors in southern Africa, we manage projects from start to finish for many customers across multiple industries.

TRANSPORT

As part of customising a logistics solution for our customers, we opt for the most cost-effective and efficient mode of transport to move cargo to a hub for storage, distribution or export. For this purpose, we evaluate rail and road infrastructure, port facilities, border posts and reputable airlines.

Key achievements 2021

- Strong performance at the coastal shipping and container business with an earnings growth of 33 percent.
- Resumed graphite logistics operation in Nacala, mitigating impact of LNG project suspension in Cabo Delgado.
- Deployed eight locomotives in Sierra Leone's Tonkolili iron ore mine.
- Sale of four locomotives to Uganda Rail for US\$4.8 million (effective share).
- Completed buy-up of additional interest in Röhlig Grindrod.
- Progress in disposing of the road transportation business.

Key challenges 2021

- Cost of the movement of locomotives to and from Sierra Leone.
- Poor North-South corridor volumes, mainly due to COVID-19 lockdowns.
- COVID-19 pandemic continued to disrupt supply chains.
- The reduction in the vessels in service due to the security disruption in northern Mozambique that resulted in the suspension of LNG projects.

OPERATIONAL REVIEWS / LOGISTICS continued

OPERATING CONTEXT AND MARKET TRENDS

This sector is influenced by the ever-changing needs of consumers. These drive changes in supply chains, with a greater emphasis on knowledge-based activities to grow capacity and productivity. During 2021, the market experienced strong growth on the back of increased tonnages shipped in respect of economic growth, iron ore, manganese, chrome and ferrochrome, coal and container rates.

Grindrod's activities in the northern Mozambique region relating to the liquefied natural gas project have temporarily ceased due to the insurgency and subsequent indefinite suspension of the gas project at the beginning of April 2021.

The logistics businesses continued to be impacted by the COVID-19 pandemic, with supply chain disruptions driven by protracted delays being experienced at borders. Specific logistical challenges included:

- workforce health and safety.
- stakeholder engagement.
- liquidity and cash management.
- capacity utilisation.
- technological innovation.
- regulatory and legislative compliance.
- business closures.

Grindrod's Logistics businesses constantly adapt to operating environment trends and repositioning for future growth.

2021 FOCUS AREAS

- Improving margins.
- Growing the container business footprint.
- Optimising the graphite logistics solution.
- Executing on the Maersk joint venture.
- Monitoring developments in the Cabo Delgado region to ensure readiness for operational resumption.
- Pursuing value extraction from the rail businesses through locomotive disposals or deployment.
- Concluding the disposal of the road transportation business.

PERFORMANCE

The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 33 percent in 2021. This was on the back of heightened citrus and mining mineral exports while we continually provided deep sea shipping lines with innovative solutions for challenges.

Seafreight Logistics and Intermodal

Our Seafreight and landside container operation achieved earnings growth of 33 percent in 2021 on the back of Maersk contingencies and higher depot, transport and terminal volumes.

The Balama graphite mine in northern Mozambique resumed production following a COVID-19 shutdown, with volumes up 88 percent to 99 643 tonnes compared to 2020.

Earnings from East Africa are up 21 percent compared to 2020, excluding R50.4 million losses from ship charters, leases and debtor impairments and R27.8 million impairment of the Palma development.

Grindrod Logistics Mozambique

We resumed our Nacala-based graphite operations by transporting graphite by road from the mine to our Nacala intermodal facility for transfer to global markets. Our resumed graphite logistics has mitigated the negative impact of the LNG project suspension in Cabo Delgado.

Clearing, forwarding, ships agency and maritime technical services

Clearing and Forwarding recorded a good performance with earnings of R38.3 million up 39 percent on 2020. Earnings were impacted by provision releases of R11.3 million.

Ships Agency reported a loss of R5.9 million (2020: profit of R21.1 million) mainly because of losses in the Nova business and fewer port visits due to COVID-19 constraints.

Grindrod's engineering business is limited by poor dry dock infrastructure, while facing competition from dry dock facilities elsewhere.

Rail

Rail Leasing earnings of R27.3 million (2020: loss of R5.1 million) includes the sale of locomotives to Uganda for R11.8 million and the leasing of the locomotives in Sierra Leone to China Kingho for a R23.3 million profit. Driven by strong iron ore prices, six of Grindrod's locomotives stationed in Freetown Sierra Leone were deployed to haul iron ore from Tonkolili mine to Pepel port after the new Tonkolili iron ore project recommenced operations in September last year. Our diesel-driven locomotives provide an attractive alternative to electric rail options. However, Rail Logistics continued to report significant losses resulting from poor transit volumes due to strong competition from road and other corridors competition.

Automotive and fuel transportation

Operating losses for the year amounted to R27.8 million (2020: R80.5 million). The Group took an executive decision to sell Grindrod Fuelogic (South Africa and Namibia) and Grindrod Automotive, effective the end of August 2021, to specialist road transportation businesses within the fuel and car carrier industries. The disposal of the fuel carrier fleet in Botswana was completed on 1 April 2022.

STRATEGY AND OUTLOOK

The South African government has announced its commitment to creating an efficient and competitive freight transport system, including allowing third-party access to South Africa's rail system. In anticipation of increased demand for readily available locomotives, Grindrod Rail Consultancy Services (GRCS) has commenced the refurbishment of the remaining 14 locomotives that were extracted from Sierra Leone.

Our strategic intent is to diversify and grow the logistics footprint beyond northern Mozambique into East Africa and we are seeking appropriate business partners to enable this plan. Key to this is the integration of the Grindrod Logistics Africa business into this East Africa segment, which was completed in May 2021.

KEY FOCUS AREAS 2022

- Driving the agriculture logistics solution.
- Execution of East Africa growth strategy.
- Increase of cross-border footprint.
- Respond to PSP opportunities.
- Alternative growth initiatives in northern Mozambique.
- Improvement of locomotive deployment.



Project logistics I RICHARDS BAY

OPERATIONAL REVIEW continued

BANK

Key achievements 2021

- Earnings growth of 157 percent, with surplus liquidity in excess of R5 billion.
- A- credit rating and Level 1 B-BBEE.
- Substantial increase in deposit levels.
- Large liquidity surplus.
- Introduction of flexible hybrid working model.
- Zero COVID-19 deaths.
- Over 80 percent of staff vaccinated.
- Launch of Shoprite Checkers platform banking solution.
- Growth in Easy Pay Everywhere accounts (over 1 million active accounts).
- Maturing Domestic Medium Term Notes (DMTNs) were refinanced and increased at a 50 basis point improvement in pricing.

Key challenges 2021

- Ongoing COVID-19 waves delayed ability to raise Tier 2 capital.
- Low economic growth.
- High unemployment.
- July civil unrest impacted credit quality and staff anxiety levels.
- SASSA residual balances remain on the books pending signature of agreements to transfer to National Treasury.
- Muted advances growth due to loan settlements and competitor pricing pressure, especially affecting the property market.

Grindrod Bank significantly improved its overall performance by focusing on quality lending and client and regulator relationships. Banking activities generated a large liquidity surplus of over R5 billion and capital adequacy ratio was 15.7 percent as at year-end, comfortably above regulatory minimums, establishing the Bank as a standalone, self-sustainable contributor to the Group. Although profit for the period was up 157 percent from last year, the Bank remains cautious in its lending activities.

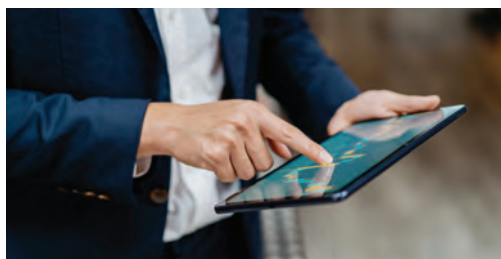
Our strategic focus on platform banking attracted new accounts, proving that ongoing demand and opportunity can be tapped in this area. During the year the Bank entered into an agreement with Shoprite Checkers, which will help future-proof the Bank and attract the clients needed for sustainable growth.

As with most businesses, the shift from in-person to remote working hampered our client engagements and placed pressure on our employees. During 2020 and 2021 the Bank assisted its clients by providing temporary relief on loan obligations.

Grindrod Bank's long-term aim is to be seen as a relevant and responsible mid-tier bank generating an acceptable return to the shareholders. Achieving this requires us to focus on our core business: business banking and platform banking.

KEY FOCUS AREAS 2022

- Continue focused lending, particularly property.
- Grow SME banking.
- Raise Tier 1 or 2 capital to support SME banking growth.
- Consolidate position on platform banking offering.
- Continue with improved deal flow.
- Capitalise on increasing economic activity.
- Introduce strategic partners to support growth.
- Increase return on capital/equity.



This section provides an overview of Grindrod Bank's performance during FY 2021. For more information about the Bank's operating context, strategy and performance, visit the Bank's integrated report at <https://www.grindrodbank.co.za/Library>.

SOCIAL

Number of employees

▼ 9.7%
176
(2020: 195)

Fatalities

0%
0 fatalities
(2020: 0)

Training spend

▲ 108.3%
R2.5 million
(2020: R1.2 million)

CSR spend

▲ 400.0%
R1.0 million
(2020: R0.2 million)

ENVIRONMENTAL

Water usage

▼ 15.2%
4 869 kl
(2020: 5 739 kl)

Total GHG emissions (CO₂e)

▼ 11.4%
2 205 tonnes
(2020: 2 490 tonnes)

Scope 2 GHG emission

▼ 12.6%
1 771 kWh
(2020: 2 027 kWh)

Scope 3 GHG emission

▼ 6.0%
435 kWh
(2020: 463 kWh)

ECONOMIC

Revenue

▲ 29.1%
R488 million
(2020: R378 million)

Trading profit

▲ 268.4%
R140 million
(2020: R38 million)

Core deposits

▲ 19.8%
R10.3 billion
(2020: R8.6 billion)

Advances/Lending

▲ 5.1%
R8.3 billion
(2020: R7.9 million)

OPERATIONAL REVIEW continued

NON-CORE BUSINESSES

THE PRIMARY NON-CORE BUSINESSES ARE

- Marine Fuels.
- Private Equity and Property portfolio investments.

During the year, the sale of shares held in Senwes was executed for R376.0 million. All outstanding conditions were fulfilled at the end of March 2021 and its proceeds were utilised to settle debt.

The Marine Fuels business was marginally profitable during 2021 and was reflected at a carrying value of US\$30.9 million at year-end.

In line with strategy, Grindrod progressed disposals of significant non-core private equity assets during 2021. Proceeds of R1 billion were received on the disposal of investments. The UK real estate investment disposal was concluded in November 2021 for GBP17.4 million.

Independent valuations were performed as at 31 December 2021 on the Blythedale and Addington land. Blythedale was valued at R1.2 billion (2020: R800 million) and Addington was valued at R1.8 billion (2020: R1.6 billion).

KEY FOCUS AREAS 2022

- Exit of the remaining two material investments at the right valuations.
- Settling private equity debt.
- Realising the marine fuels investment and potential settlement of the insurance claim during 2022.



THEMBELHILE SCHOOL

Thembelihle School provides holistic world-class education to children most in need in the KZN Midlands, with an academic focus on the sciences, technology, engineering, the arts and mathematics. Most of the 535 pupils are orphans living in poverty, without running water, electricity or services. The School, together with the Angels Care Centre and Feeding the Future initiative, also provides meals and access to health care assistance.

During the COVID-19 pandemic and the civil unrest in KwaZulu-Natal, pupils were provided with a hot meal daily and had learning material delivered to their place of residence.

Incredible and inspirational stories of graduates of the school pushing beyond impossible include alumni of the school achieving top results at universities and multiple A results in matric.

Grindrod is proud to be able to provide support to Thembelihle and be part of the success story of this remarkable school.

CAPITAL REVIEWS

The Board manages the Group's resources in accordance with local and global best practice guidelines with a focus on the development and implementation of our objectives, strategies, policies, work plans, evaluation tools and reporting structures. Ultimately, we aim to achieve the sustainable, ethical and socially responsible management of our people, environment, relationships, skills, assets and money.

The frameworks which guide the development of our business structures are:



KING IV aims to achieve an ethical culture, good performance, effective control, and legitimacy. According to universal principles and recommended practices, these are the four fundamental governance outcomes.



The six capitals of value creation, outlined in the International <IR> Framework, provide a meaningful framework for developing sustainable, ethical and socially responsible strategies, evaluation tools and reporting structures. Grindrod refers to these capitals as our people, environment, relationships, assets, skills and money. These factors, which provide the means to create value for all stakeholders, have been incorporated into key governance processes, including risk governance and capital investment decisions.



The Sustainable Development Goals (SDGs) give substance to a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The goals underpin the United Nations 2030 Agenda for Sustainable Development. Grindrod adopted six goals that are most relevant to its business and the communities in areas it operates in to guide business strategy and implementation.



The SDG Compass, a tool that facilitates sustainability as an outcome of core business strategy.



The UN Global Compact's Ten Principles, a value system that focuses on corporate responsibility in relation to human rights, labour, the environment and anti-corruption.



The Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.



The Rio Declaration on Environment and Development.



The OECD Anti-Bribery Convention.



The TCFD recommendations on climate-related financial-risk disclosures.

Management is responsible to ensure that these guidelines are further defined through specific international management and reporting parameters that are integrated into our management systems, being:

- the ISO 9001 quality management system;
- the ISO 14001 environmental management system;
- the ISO 27001 information security management framework;
- the ISO 30001 risk management and the COSO internal control frameworks;

- the ISO 45001 occupational health and safety management framework;
- ISO 22000 food safety management system (for business units that handle food-related products);
- the concepts and guiding principles included in the GRI's Sustainability Reporting Standards for the disclosure of the most critical impacts on the environment, society and the economy; and
- the international GHG Protocol, which defines reporting parameters for GHG or carbon (C) emissions, based on an operational-control approach.

OUR SUSTAINABILITY PILLARS

SHARED VALUE CREATION

We create shared value holistically, drawing on all our resources. We kindle opportunity across the African continent, serving as an inclusive economic enabler, delivering robust, sustainable solutions through collaboration and partnership with our stakeholders and the communities we operate in.

PEOPLE	PARTNERSHIP	PLANET	PROSPERITY	PEACE
<ul style="list-style-type: none"> • Human rights. • Quality education. • Labour rights. 	<ul style="list-style-type: none"> • Inspiring trust and confidence. • Finding win-win solutions. 	<ul style="list-style-type: none"> • Resource efficiency. • Sustainable development. 	<ul style="list-style-type: none"> • Inclusive growth in Africa. 	<ul style="list-style-type: none"> • Ethical culture. • Reputable heritage. • Equity and fairness.
<p>Human and Intellectual Capital</p>	<p>Social and Relationship Capital</p>	<p>Natural Capital</p>	<p>Financial and Manufactured Capital</p>	<p>Culture and governance</p>

OUR ALIGNMENT WITH THE SDGs

While our operations touch most of the 17 SDGs, we directly contribute to the following six goals:



Grindrod is driving inclusive and quality education and promoting life-long learning for our employees:

- industry-related training
- career development plans
- leadership and management development programmes
- learnerships and apprenticeships
- skills training and workshops

For our communities through community-focused social investments to

- improve schools
- fund tertiary education



We encourage gender equality and empower women and girls based on our Equality Framework under the custodianship of our Equity Forum through policies and principles aimed at eliminating gender-based discrimination. We promote equal access to work and provide ICAS support to all employees and their immediate families.



We safeguard access to water and sanitation through an integrated water-management policy that includes effective water-resource management, rainwater harvesting and the utilisation of used water for dust suppression.



We promote inclusive and sustainable economic growth by providing effective and cost-efficient logistics solutions.

- We provide employment and decent work:
- empowerment initiatives
 - a safe working environment
 - steps to ensure the wellness of people
 - fair treatment
 - working towards achieving B-BBEE targets
 - standardised remuneration structures acknowledging individual merit
 - the promotion of safety
 - internal and external enterprise-development initiatives



Grindrod builds resilient infrastructure, promoting sustainable industrialisation and fostering innovation through:

- stringent management systems based on international benchmarks
- investments in strategic infrastructure projects
- building integrated freight solutions
- diversification strategies in commodity handling to promote sustainable capacity utilisation, growing project-related solutions and infrastructure
- developing a platform banking offering and providing SME banking services



We are taking action to combat climate change and its impacts by implementing targeted reduction in emissions and improved water security and waste management, including on-site renewable energy installation and investigation into fuel-switching to reduce our carbon footprint.

CAPITAL REVIEWS continued

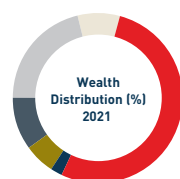


OUR MONEY

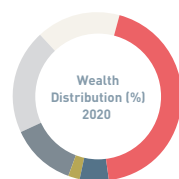
The economic resources which Grindrod uses to generate revenue, fund projects and provide shareholder returns. These resources include equity and debt funding and retained earnings.



Value added

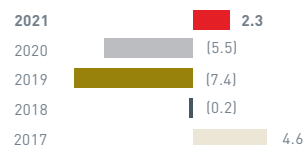


■ Employee remuneration (53%)
■ Capital providers (2%)
■ Government (6%)
■ Loan funders (10%)
■ Depreciation (21%)
■ Retained (loss)/profit (8%)



■ Employee remuneration (64%)
■ Capital providers (8%)
■ Government (3%)
■ Loan funders (18%)
■ Depreciation (29%)
■ Retained (loss)/profit (-23%)

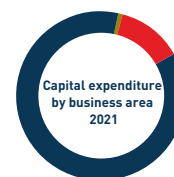
Return on ordinary shareholders' funds (%)



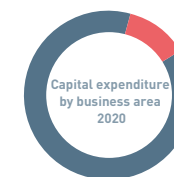
	2021 Rm	2020 Rm
Remuneration and benefits paid to employees	1 222	1 147
Rewards to providers of share capital	46	148
Payments made to governments	144	58
Providers of loan capital	226	326
Depreciation	488	526
Retained income (loss)/profit	176	(415)
Total wealth distributed	2 302	1 790

CAPITAL INVESTMENT

Capital expenditure by business area (%)

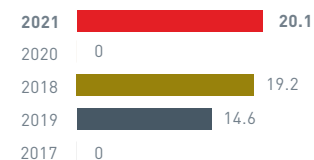


■ Port and Terminals (12%)
■ Logistics (87%)
■ Bank (1%)

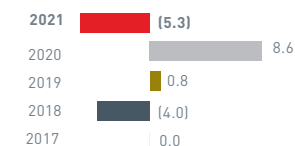


■ Port and Terminals (12%)
■ Logistics (88%)
■ Bank (0%)

Ordinary dividend per share (cents)



Net interest-bearing debt to total shareholders' funds (%)



	2021 Rm	2020 Rm	2019 Rm	2018 Rm	2017 Rm
Port and Terminals	65	49	98	93	165
Logistics	499	355	356	395	329
Bank	4	–	2	2	8
Total capital expenditure*	568	404	456	756	658

* Includes joint ventures and subsidiaries.

CAPITAL REVIEWS / OUR MONEY / DIVISIONAL FINANCIAL INFORMATION continued

	Port and Terminals			Logistics			Bank			Group			Marine fuel and agri			Private equity and property			Total		
	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %	2021 Rm	2020 Rm	Growth %
Income statement																					
Revenue	1 413	1 082	30.6	3 242	3 232	0.3	488	378	29.1	28	57	50.9	12 814	11 505	11.4	52	116	[55.2]	18 037	16 370	10.2
Trading profit	580	461	25.8	895	907	[1.3]	140	38	268.4	171	[50]	442	43	104	[58.7]	[165]	[490]	66.3	1 664	970	71.5
Operating income/(loss)	452	335	34.9	408	331	23.3	127	23	452.2	136	[52]	361.5	39	98	[60.2]	[165]	[498]	66.9	997	237	320.7
Share of associate companies' profit/(loss)	115	89	29.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	115	89	29.2
Attributable profit/(loss)	384	226	69.9	[82]	137	[159.9]	97	38	155	142	[71]	300.0	40	[70]	157.1	[405]	[675]	40.0	176	[415]	142.4
Statement of financial position																					
Non-current assets/investments	2 826	2 469	14.5	2 532	3 063	[17.3]	81	79	2.5	1 469	1 242	18.3	133	134	[0.7]	993	1 629	[39.0]	8 034	8 616	[6.8]
Bank loans, advances and liquid assets	–	–	–	–	–	–	8 320	7 933	4.9	–	–	–	–	–	–	1 217	1 000	21.7	9 537	8 933	6.8
Current assets	599	339	76.7	1 324	1 221	8.4	4 199	2 775	51.3	656	707	[7.2]	1 431	1 608	[11.0]	[107]	[242]	55.8	8 101	6 408	26.4
Bank balances and cash	343	255	34.5	670	635	5.5	1 105	908	21.7	187	216	[13.4]	231	94	145.7	9	61	[85.2]	2 546	2 169	17.4
Total assets	3 768	3 063	23.0	4 526	4 919	[8.0]	13 705	11 695	17.2	2 312	2 165	6.8	1 795	1 836	[2.2]	2 112	2 448	[13.7]	28 218	26 126	8.0
Equity	2 434	2 063	17.9	1 738	2 005	[13.3]	1 672	1 603	4.3	1 039	721	44.1	493	784	[37.1]	1 195	798	49.7	8 571	7 974	7.5
Net debts/deposits	782	656	19.2	1 224	1 325	[7.6]	11 916	9 959	[19.7]	1 178	1 327	[11.2]	143	–	[100.0]	763	1 418	[46.2]	16 006	14 685	9.0
Other liabilities	552	344	60.5	1 564	1 589	[1.6]	117	133	[12.0]	95	117	[18.8]	1 159	1 052	10.2	154	232	[33.6]	3 641	3 467	5.0
Total equity and liabilities	3 768	3 063	23.0	4 526	4 919	[8.0]	13 705	11 695	[17.2]	2 312	2 165	6.8	1 795	1 836	[2.2]	2 112	2 448	[13.7]	28 218	26 126	8.0

	Port and Terminals		Logistics		Bank		Marine Fuel and Agri		Private Equity and Property	
	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm
Return on ordinary shareholders' equity (%)	17.0	10.4	[4.4]	7.2	7.3	3.0	4.0	[9.1]	[79.6]	[121.1]
Operating margin (%)	32.0	31.0	12.6	10.2	26.1	6.1	0.3	0.9	[317.9]	[429.3]
Net debt/(cash):equity ratio	0.18:1	0.19:1	0.32:1	0.35:1	[0.86]:1	[1.07]:1	[0.18]:1	[0.122]:1	[0.39]:1	0.68:1
Return on net assets (%)	13.2	13.8	1.3	10.5	0.9	0.2	1.8	[8.0]	8.9	[26.8]
Attributable profit/(loss) per employee (R'000)	756	308	[59]	62	566	195	624	[909]	–	–

CAPITAL REVIEWS continued



OUR ASSETS

The physical infrastructure that Grindrod creates, develops, acquires and manages to provide services and products to grow the business. Infrastructure includes the Port of Maputo, terminals, warehouses, depots, feeder vessels and road fleets. Our investment in southern Africa is evident in our active commitment to building infrastructure to support customer needs.



KEY INDICATORS

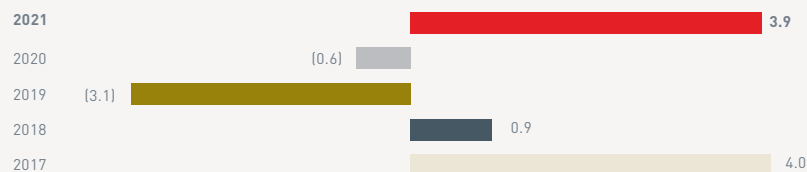
Investment
in assets (at cost)

^ **40.6%**
R568 million
(2020: R404 million)

Return on net assets

^ **550.0%**
3.9%
(2020: 0.6%)

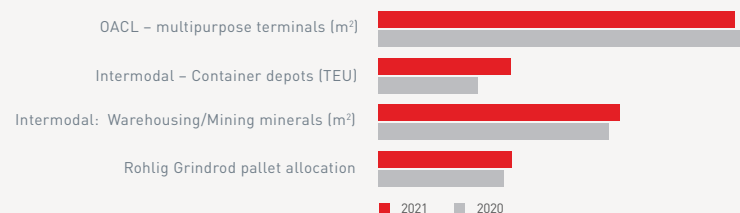
Return on assets (%)



WAREHOUSE CAPACITY

	2021	2020	% change
Warehouse capacity			
Röhlig Grindrod – warehouse (pallet locations)	41 225	38 675	6.6
Intermodal – warehousing and mining minerals (m ²)	74 341	71 000	4.7
Intermodal – container depots (TEU)	40 700	30 500	33.4
OACL – multipurpose terminals (m ²)	109 662	112 824	(2.8)

Warehouse utilisation (tonnes)



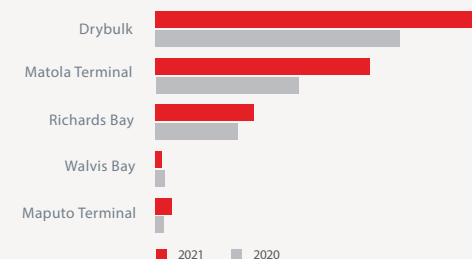
TERMINALS UTILISATION AND CAPACITY

Terminal	2021	2020	% change	Existing capacity
Drybulk (tonnes)	12 981 516	9 396 223	38.2	15 150 000
Matola Terminal ¹	8 273 036	5 501 651	50.4	7 300 000
Richards Bay	3 788 080	3 169 815	19.5	6 100 000
Walvis Bay (Namibia)	266 262	380 452	(30.0)	550 000
Maputo Terminal ^{1,3}	654 138	344 305	90.0	1 200 000
Port of Maputo (tonnes)²	22 264 675	18 383 144	21.1	–
Maputo automotive (number of vehicles)	19 407	15 667	23.9	120 000

¹ Physical tonnage, excluding take-or-pay volumes.

² Annual capacity is scalable to four million tonnes.

Terminal utilisation (tonnes)



CAPITAL REVIEWS continued



OUR SKILLS AND TECHNOLOGIES

These intangible assets add value to the services and products Grindrod offers and to its ability to achieve operational and financial targets. Elements such as information technology systems, knowledge, skills and intellectual property that enable a well-governed business through innovative, customer-centric product offerings.



TRAINING INDICATORS

233

Training sessions conducted

1 258

Training participants

35

Participants in our
Business Management
Development Programme

38

Youth Employment
Service (YES) participants

10

Internships made available,
particularly targeted
at African talent

Key achievements 2021

- Successful launch of YES initiative and internship programmes.
- MDP programmes in partnership with UKZN.
- Apprentice programme with females (Millwrights, Boilermakers).
- Internship programme.
- Level 2 B-BBEE scorecard.
- Introduction of Office 365.
- Outstanding results from external resilience competency IT assessment.
- Successful cyber insurance for the Group.
- Bot deployed.
- IT security training and awareness.

Key challenges 2021

- Flexible working arrangement.
- Employee wellbeing and mental health.
- Pay parity.
- Staff motivation and retention.
- Cyberrisk and Cybersecurity.
- Change management.
- IT skills and expertise.

People and skills development

Training spend by demographic grouping (%)

	2021	2020
African male	48	50
African female	47	46
White male	3	2
White female	2	2
Total spend	R10.5 million	R6.4 million

Staff training

HR conducted significant training during the year, including diversity, equity and inclusion training, employee relations training and training on intoxicating substances.

Management development

Grindrod places a strong emphasis on training and development. We have partnered with the University of KwaZulu-Natal and the Gordon Institute of Business Science for our management development programmes.

Youth Employment Service (YES) Initiative

YES is a business-led collaboration with government, labour and civil society to provide youth with work experiences, thereby enhancing their chances of employment in the long term.

We successfully ran YES programme with 38 young participants in 2021.

Leveraging technology for operational excellence

As a consequence of the impact of the pandemic, Grindrod launched into accelerated change and digitisation of our work with a focus on a safe and secure working environment encompassing disciplined policies and high levels of Cybersecurity across all platforms.

Enabling effective communication during lockdown periods

Grindrod rolled out modems and security devices to enable remote working and prioritised the delivery of laptops to Grindrod employees. We utilised all recognised online communication platforms, including Teams, Zoom, Cisco managed communications, and Google Meet, to seamlessly host internal and external meetings. At the same time, the Impression digital signature software was rolled out and thoroughly tested within three weeks.

Cybersecurity

Considerable resources are allocated to implementing the best Cybersecurity available. The Microsoft Office 365 upgrade provides built-in security features supported by extensive security controls that instantly detect security violations or threats. Our software deployment monitoring detects unlicensed products or out-of-date software that pose security threats.

Assurance

A resilience competency assessment of Grindrod Freight Services' IT environment conducted by Kyndryl (an IBM company) rated Grindrod's Traditional and Cyber Resiliency as Extremely Mature. This outcome exceeded the scores of other local companies that were assessed.

CAPITAL REVIEWS / OUR SKILLS AND TECHNOLOGIES continued

In November 2021, Grindrod and Maersk agreed to merge Grindrod Intermodal (GIM) and Ocean Africa Container Lines (OACL) with **A.P. MOLLER MAERSK** (Maersk)'s inland container terminals.



PARTNERING WITH MAERSK TO PROVIDE AN END-TO-END SUPPLY CHAIN

After many years of providing intermodal services to Maersk, Grindrod's intermodal businesses became a natural extension of Maersk's service offering to its customers. Together, Grindrod and Maersk can provide customers an end-to-end solution from point of origin to the final destination, incorporating transportation by road, rail, or sea and including warehousing, container depots, and traditional logistics. The proposed joint venture will bring together operational expertise, technical skills, and capabilities and increase the infrastructural capacity and geographical footprint. Future investment in assets and infrastructure is anticipated which will promote the development of the South African economy.

The transaction is subject to obtaining regulatory approvals, including required competition law approvals.

New digital system projects initiated in 2021

Simulated harbour crane training

We partnered with Technology Corporate Management Proprietary Limited to simulate our mobile harbour crane training, enabling the safe on-site training of employees who manoeuvre containers.

Internet of Things (IoT), bots and automation

IoT is used to optimise current assets and operations. Grindrod is introducing 'bots' to automate repetitive tasks. Bots negate the risk of human error and free up our employees for other value-added work.

Enterprise Resource Systems (ERP)

This initiative includes updating Grindrod's SAP system to the latest cloud application. This will allow Grindrod to further drive automation and digitisation in this space.

Smart ports

Grindrod has been reorganising its systems to allow customers to, for example, track their parcels from the mine to the stockpile at the port via their mobile phone or laptop screen. This system is being upgraded to include vessel loading and Grindrod plans to replicate this smart port system across its terminals in Mozambique and Richard's Bay. In time, Grindrod plans to implement a "digital twin", a real-time, virtual representation of what happens on-site, which will enhance analytics, projections and planning to bolster efficiency at our ports.



KEY FOCUS AREAS 2022

- Diversity and Inclusion in the workplace.
- Safety in the workplace – Development Programme, including training, certification and integration to improve safety in operations.
- Women in the workplace.
- Work-life balance.
- Maintaining a safe working environment and ensuring cybersecurity management and awareness.
- Ongoing automation of shared business processes such as banking, vendor onboarding and SAP user access management.
- Moving ERP Systems to a cloud-based platform
- Ongoing roll-out of Group-wide managed, structured IoT platform.

Business intelligence

This initiative includes updating Grindrod's SAP system to the latest cloud application. Management is exploring new, more intuitive and user-friendly business intelligence systems for integrating the vast quantities of data captured by our systems.

Change management

Automation and new technologies provide new competitive advantages. Grindrod's Freight Services divisions and business units will be streamlined and integrated in line with the new Freight Services purpose and strategy.

POPI Act compliance

In compliance with the POPI Act, which came into effect on 1 July 2021, all Grindrod's IT policies were updated to support its compliance. Additional hardware and software security features, including multi-factor authentication, was launched to facilitate POPI Act compliance and the enhancement of cyber insurance at Grindrod.

CAPITAL REVIEWS continued



OUR PEOPLE

Human-capital management at Grindrod is based on, among others, the ISO 45001 occupational health and safety management standard, the South African Bill of Rights, the UN Universal Declaration of Human Rights and the UN Global Compact Protect, Respect and Remedy Framework regarding human rights, labour standards, environment and anti-corruption.

KEY INDICATORS

Number of employees¹

3 916

B-BBEE

Level 2

Fatalities

0

LTIFR (Port and Terminals and Logistics)

0.47

Key achievements 2021

- 100% COVID-19 vaccination coverage for employees in Maputo port and Matola terminal.
- Launching YES initiative with 19 participants.
- Conducting a disability learnership with 47 individuals.
- Achieving zero fatalities at work.
- Achieving <0.5 LTIFR.

Key challenges 2021

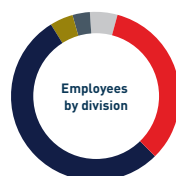
- Maintaining the health and wellbeing of employees in a pandemic environment.
- Maintaining productivity and corporate culture when people work remotely.
- Social unrest in Gauteng and KwaZulu-Natal endangering our employees and projects and affecting the psychological welfare of staff members.

EMPLOYEE COMPLEMENT

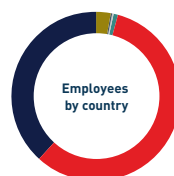
Country	2021	2020	change
South Africa	2 256	2 615	↓
Rest of Africa	1 498	1 496	↑
Asia	114	160	↓
Middle East	11	12	↓
Europe	10	13	↓
North America	3	3	–
South America	0	5	↓
Australia	24	26	↓
Total	3 916	4 330	↓

The Group strongly supports the principle of 'localisation', which means hiring from local communities where possible. We are proud of having achieved the following localisation figures in some of our key markets:

Country	2021
Mozambique	99.9%
Botswana	100%
Namibia	100%
Mauritius	100%



■ Port and Terminals (1 307)
■ Logistics (2 101)
■ Bank (177)
■ Marine fuels and agricultural logistics (128)
■ Group (203)

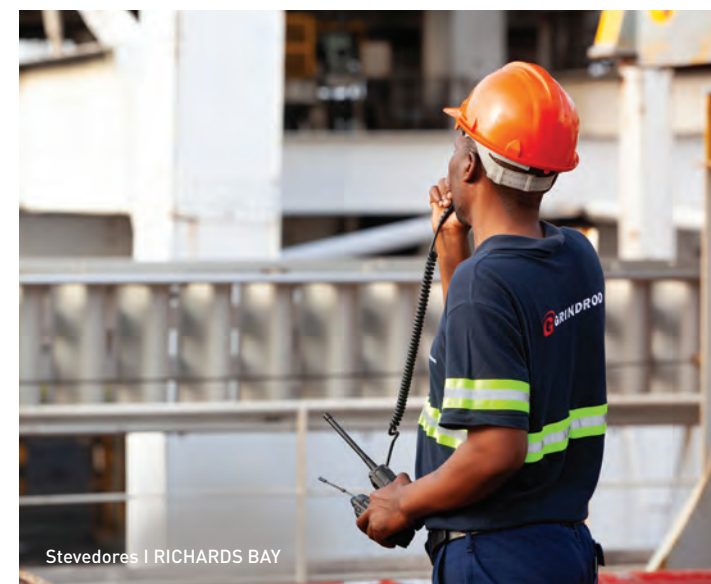


■ South Africa (2 256)
■ Rest of Africa (1 498)
■ Asia (114)
■ Middle East (11)
■ Europe (10)
■ North America (3)
■ Australia (24)



The movements (expressed as a percentage of turnover) by division for 2021 were as follows:

Reason	Freight	Bank	Female	Male
Contract Ended	117	1	70	48
Deceased	3	0	1	2
Dismissed	33	0	8	25
Resigned	57	33	38	52
Other	26	1	2	25
Redundancy	19	4	6	17
Total	255	39	125	169
	5.0%	2.0%	2.4%	4.6%



Stevedores | RICHARDS BAY

¹ Includes joint ventures and associates at 100%. Decrease due largely to the sale of the Carrier Logistics businesses in South Africa, Namibia and Botswana.

CAPITAL REVIEWS / OUR PEOPLE continued

TRANSFORMATION

Skills development

1 258 employees underwent training (2020: 1 083)	95% were designated employees (2020: 92%)	189 employees underwent learnership training (2020: 153)
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Female representation¹**47.2%**

(2020: 46.3%)

African representation¹**48.0%**

(2020: 49.9%)

Our transformation philosophy and approach

Grindrod is committed to transforming our workforce in line with the demographics of the regions where we operate. Although Grindrod's attrition is historically low, we are proud that transformation is occurring at the highest level of the organisation as demonstrated by the appointment of Cheryl Carolus as the upcoming Chair of the Board.

Development is managed at individual level to ensure optimal outcomes in terms of transformation through recruitment, talent management and employee relations while aligning to divisional business strategies and employment equity targets. The Group's B-BBEE initiatives focus on improving black business ownership, skills development, preferential procurement practices and community development.

Grindrod's transformation targets are based on the DTI and financial sector codes of good practice and aligned with the B-BBEE Act to target a workforce mix that reflects the country's demographics. Employment-equity targets are formalised for the short and medium term and are supported by transformation KPIs included in executives' performance scorecards.

Skills development supports transformation and business goals and professional and personal advancement.

¹ South African-based operations only.
Includes temporary/contract staff
but excludes foreign nationals.



HEALTH AND SAFETY

0

Fatalities

0.5<0.5 LTIFR target by 2021
and <0.4 by 2025

KPI	2021	2020	2019	2018	2017
Freight Services					
Fatalities	0	1	1	1	2
SHERQ spend (R'000)	54 173	71 060	49 828	55 674	28 409
First aid cases	17	12	21	31	55
Lost-time incidents	22	26	44	28	39
LTIFR	0.47	0.58	0.88	0.62	0.86

CAPITAL REVIEWS / OUR PEOPLE continued

RESPONDING TO COVID-19

Grindrod continued supporting employees and operations through:

- The development of a line manager's handbook containing relevant policies, guidelines, posters, templates, checklists and other COVID-19-related information;
- Providing tips and guidelines for managing employees working from home;
- Facilitating direct and indirect communication between unions and employees; and
- Arranging a contribution holiday for provident fund payments to reduce the impact on employee net pay. Providing ongoing mental-health support for employees through webinars and online information. This support was enabled by anonymous access for employees to ICAS, a third-party provider of preventative care and counselling services.

Management continues monitoring and auditing the Group's implementation of COVID-19 protocols to ensure regulatory compliance.

Our approach to working from home

The nature of Grindrod's operations is a barrier to working from home for most of our employees – with most of our employees required to be on-site to maintain Grindrod's services. Our adjusted working shift schedules reduce the numbers of people working together in support of the mitigation of risk and employee wellbeing.

HR developed questionnaires to assess the risks to the safety and wellness of employees who could work from home. The freight and logistics business is hands-on, resulting in most of our employees returning to their working premises after lockdown Level 1 in South Africa was announced. Vulnerable employees are assessed on a case-by-case basis by Group SHERQ managers and CareWorks (Grindrod's contracted employee wellness provider) before they return to the workplace.

OUR VACCINATION SUPPORT

Grindrod became a Department of Health (DoH)-registered COVID-19 vaccination site, following a successful site and facility inspection by the DoH. We subsequently vaccinated approximately 700 employees from our Durban and Richard's Bay operations with either the Pfizer or J&J vaccines.

Management resolved not to make vaccinations mandatory at this stage. This decision will be reviewed as the nature and impacts of the pandemic evolve. We aim to reach a 100% vaccinated employee contingent without making vaccinations mandatory.

In Mozambique, we are pleased to have already achieved 100% COVID-19 vaccination coverage of our employees at Maputo port and the Matola terminal. To foster good relations with local communities, Grindrod offered to vaccinate the Maputo port community and the families of our employees.

COVID-19

11
Employees died
due to COVID-19
(2020: 4)

618
Employees tested
positive for COVID-19
(2020: 180)

98%
Recovery rate
(2020: 79%)

EMPLOYEE SUPPORT AND
WELLBEING INITIATIVES

Social unrest in KwaZulu Natal and Gauteng

The social unrest experienced in KwaZulu-Natal and Gauteng in mid-2021 proved to be a challenging period for Grindrod – our employees are based mainly in these provinces and many of our facilities are located in rioting hotspots. It quickly became evident that several Grindrod employees and their communities did not have food supplies. Grindrod deployed our logistics chain to send food parcels to employees and communities.

Women's Month (August)

Grindrod celebrates Women's Month annually by recognising women in the workplace. Our female employees received a gift to acknowledge their contribution and in appreciation of the challenges they face, especially working mothers.

Breast Cancer awareness campaign

While COVID-19 was front-of-mind since the beginning in 2020, Grindrod resumed our breast cancer awareness campaign during the year.

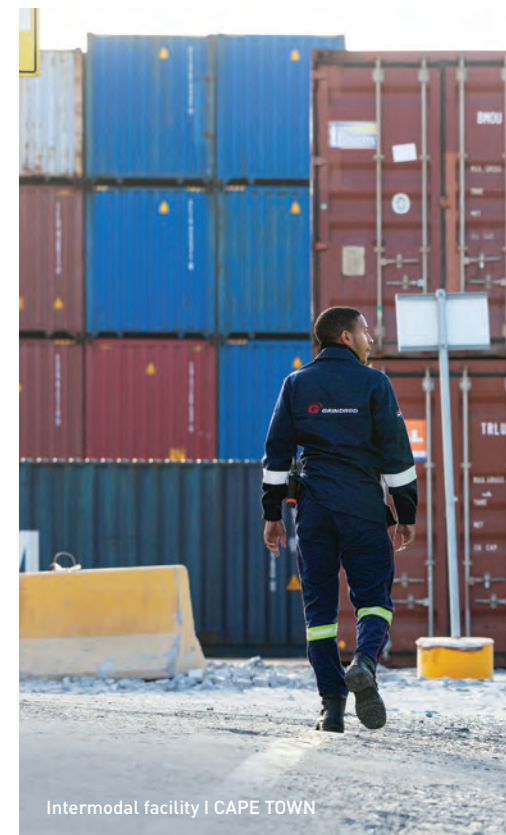
Mental wellbeing of our employees

Grindrod works with ICAS and CareWorks to support employees with mental health issues, particularly given the pandemic environment and the social unrest experienced in July 2021. Line managers received training to equip them to identify, support and make help available to employees who are combating high levels of anxiety, stress or depression. Where needed, ICAS provides employees with personal counselling services and a safe space to address mental health issues.

LABOUR RELATIONS

It is of primary importance to Grindrod that healthy, mutually-beneficial relationships are maintained with our employees, which contributes to our productive and effective working environment.

Many of our employees are represented by trade unions such as the National Union of Metal Workers of South Africa (NUMSA), the Association of Mineworkers and Construction Union (AMCU), and the Transport, Action, Retail and General Workers Union (THORN). Wage negotiations in 2021 were settled amicably.



Intermodal facility | CAPE TOWN

KEY FOCUS AREAS 2022

- Drive our core values.
- Enhance diversity and inclusion in the workplace.
- Streamline and optimise the employment benefits provided to employees.
- Upskill line managers in terms of people management in 'the new normal'.
- Align HR processes across the various Grindrod divisions.

CAPITAL REVIEWS continued



OUR RELATIONSHIPS

Human-capital management at Grindrod is based on, among others, the ISO 45001 occupational health and safety management standard, the South African Bill of Rights, the UN Universal Declaration of Human Rights and the UN Global Compact's 'protect, respect and remedy' framework regarding human rights, labour standards, environment and anti-corruption.



KEY INDICATORS

Social responsibility spend

^ **315.8%**
R7.9 million
(2020: R1.9 million)

ESD procurement spend

▼ **30%**
R6.7 million*
(2020: R9.65 million)

* Reduction in procurement spend due to the successful disposal of the carrier logistics businesses as going concerns.

Key achievements 2021

- Implementing a new strategy and brand for Freight Services.
- Launching a new website.
- Making a difference through our strategic CSI partnerships and projects.
- Providing food parcels to our employees and communities during the unrests in July.
- Opening our vaccination drives to the communities around our offices in Durban and Mozambique.

Key challenges 2021

- Community projects that were halted or hampered by COVID-19.
- July 2021 riots presented challenges and unplanned spend to support our communities.

OUR PEOPLE

Employees

Grindrod employees are encouraged to participate in our corporate social investment projects. Management believes that interaction fosters understanding employee and community expectations, interests, aspirations and frustrations. The professional and personal development of employees, which includes understanding the mutual advantages in interacting with our communities, contributes to the well-being of stakeholders.

Feedback from our employees indicates that they appreciate working for a business that invests in communities and allows them to lead or participate in community projects. Our employees donate to and engage in projects in their private capacity. Although voluntary work was affected by COVID-19 restrictions, Grindrod employees still engaged with stakeholder communities during 2021.

Communities

Establishing and maintaining respectful relationships with the communities in which we operate is critical to fulfilling our purpose. We respect human rights, culture and customary livelihoods and contribute positively to social and economic development. Our social responsibility favours investments in education and the environment and supports employees involved in these initiatives.

Summary of CSI spend

	Target	Actual spend in 2021
Education	70%	31.8%
Environment	20%	1.4%
Discretionary	10%	66.8%

2021 contributions

Organisation	2021	2020
Adopt-A-School	R542 300	R324 056
Cyril Ramaphosa Education Trust (CRET)	R473 452	R370 000
Wildlands Conservation Trust Blue Fund	R100 000	R300 000
Government COVID-19 solidarity fund	–	R500 000
AmaZulu Football Club	R3 039 565	–
Civil Unrest Relief	R1 925 120	–
Other	R1 884 814	R405 944
Total	R7 965 251	R1 900 000

KEY FOCUS AREAS 2022

- Implementation of a School Leadership Advancement Programme at Mabholda Primary School in Richards Bay with the Adopt-a-School Foundation. This is a key area for the Grindrod Terminals business and an important community for us to support.
- School visit to the Hlahlindlela School to view the newly constructed classrooms, which was a key project completed in 2021 with the Adopt-a-School foundation.
- Continued support of the AmaZulu football club.

CAPITAL REVIEWS / OUR RELATIONSHIPS continued

Education

Adopt-a-School

Our long-standing relationship with **Adopt-a-School** (AAS) aids schools to improve their pass rates by, for example, providing teacher training, a new laboratory or technical equipment. Once the financial assistance has been provided, Grindrod employees visit the school to learn about the learners' and teachers' other mentorship needs and provide encouragement. Our Social and Ethics committee reviews quarterly reports from AAS.

Grindrod primarily supports three schools in Durban and surrounding areas through its partnership with AAS: Ndukwenhle Secondary School, Hlanlindlela High School and Inhlakanipho High School. The 2021 contribution to AAS was allocated by AAS towards implementation of their Whole School Development, and specifically towards construction of new classrooms at the Hlahlindlela High School to reduce overcrowding.

Since partnering with Adopt-a-School in 2010, Grindrod has contributed R4.7 million.

Cyril Ramaphosa Education Trust

Grindrod continues to support the **Cyril Ramaphosa Education Trust** (CRET). CRET currently supports 102 students in various fields of study at universities across South Africa, providing leadership training, personal empowerment camps and a mentoring programme to support bursary recipients. Students are invited to our premises for work exposure and mentorship during the holidays, thereby gain non-financial support to help them succeed.

Grindrod funded four students who are working towards qualifications in Law, Accounting and Shipping Logistics.

The Trust aims to support 130 students in 2022, with an additional number of youths supported through various skills training programmes.

Grindrod bursaries

Grindrod supported the tertiary education of four students in 2021. Grindrod has to date funded comprehensive bursaries to 15 students covering tuition, accommodation, books, stationery and a monthly stipend.

Home Run for Education

In September, Solly Malatsi and Makashule Gana completed a 523 km run from Soweto to Tzaneen in 16 days to raise funds for schools in impoverished areas. Sturrock Grindrod Maritime (SGM) contributed R35 000 to the cause, which will help to purchase school uniforms, stationery and sanitary pads for school-going children in Lefara, Moduane, and surrounding villages in Limpopo.

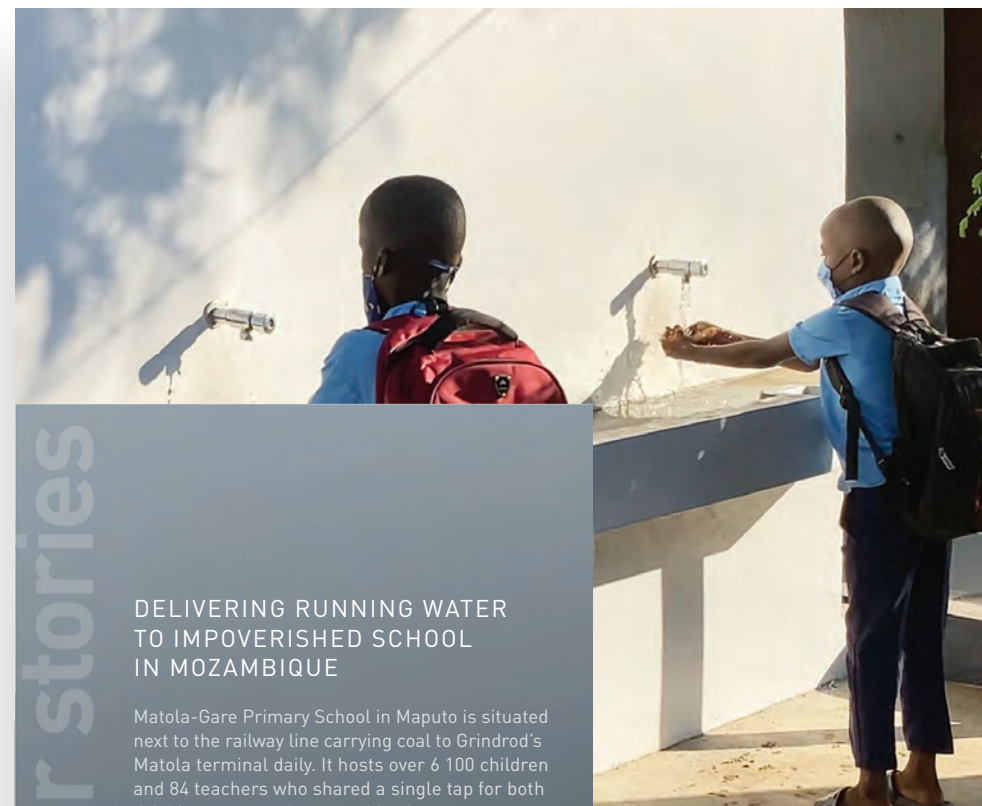
MPDC

MPDC supports community welfare, education, arts and culture initiatives, including:

- The CERCI centre in Maputo, a school for children and young adults with mental disabilities. Following the construction of world-class facilities to help students integrate into society, in collaboration with its business partners in 2016, MPDC continues funding CERCI's administrative expenses.
- The Xiquitsi project, which supports social integration and vocational training through group tuition in music. MPDC has funded the project since 2012.
- PRAIA ZERO, a retrieval centre for glass and plastic. Besides the retrieval initiatives, the centre runs pollution awareness campaigns, empowering women to teach environmental responsibility to others. MPDC partners with Heineken and the Municipality of Maputo to fund the project.
- Kaya, which promotes the social and economic integration and sustainability of individuals in extreme poverty. These individuals will receive nutrition and health support, professional training, and employment opportunities once Kaya opens in March 2022.
- Central Hospital of Maputo. MPDC delivered electro-surgical equipment to the gastroenterology unit of the Hospital, which will assist an estimated 10 patients weekly who require surgery related to gastrointestinal complications. It is the first public healthcare unit of equipment of this kind and will benefit patients from all over Mozambique.

Environment

Wildlands Conservation Trust contributions are invested in the Blue Fund, which was established in 2010 as a partnership between the trust and Grindrod Bank. Since entering into a partnership with the Wildlands Trust in 2012, Grindrod has contributed R6.8 million to the Blue Fund. In 2021, Grindrod's R100 000 sponsorship helped fund the WildOceans Blue Port project, reducing the amount of plastic waste flowing into Durban Port and ultimately restoring Durban Bay to its natural state by implementing waste trapping and up-cycling initiatives.



our stories

DELIVERING RUNNING WATER TO IMPOVERISHED SCHOOL IN MOZAMBIQUE

Matola-Gare Primary School in Maputo is situated next to the railway line carrying coal to Grindrod's Matola terminal daily. It hosts over 6 100 children and 84 teachers who shared a single tap for both drinking water and personal hygiene.

The CSI team at Grindrod Terminals concluded Phase 1 of a project to assist the school with plumbing and infrastructure. We installed a borehole, solar submersible pump, a water tower holding a 10 000 litre water tank, water channels and two concrete handwash stations.

With running water now installed, the provision of drinking water and the rehabilitation of the ablution facilities for the children and teachers is the next step. Phase 2 of the project will include roofing, plumbing, toilets, sinks, and drainage. We aim to complete the project by mid-2022.

CAPITAL REVIEWS / OUR RELATIONSHIPS continued

Discretionary

The Board resolved that management may consider other specific community needs for discretionary funding. During the pandemic there have been significantly increased requirements in areas where we operate.

Food parcels and fuel in a time of crisis

During civil unrest in Durban, Grindrod's Johannesburg team arranged care parcels, which our Bank funded, purchased and collected by our employees and delivered by a truck shared with Gift of the Givers to a number of locations. We also made a significant contribution to the Muslim Association of South Africa to help speed up their feeding initiatives during and after the July unrest. Fuelogic assisted with a special transport of fuel.

COVID-19 and testing

Our vaccine programme for our employees was opened to the broader community, including homeless people near our premises.

Grindrod sponsored a community COVID-19 testing facility at King Dinuzulu hospital. We also erected a shelter to protect community members from the weather while they queued for treatment.

AmaZulu Football Club

The AmaZulu Football Club's passion for connecting people in South Africa and the African continent inspired us to partner with the team, entrenching Grindrod as a household brand and winning the hearts of our communities.

AmaZulu qualified for the CAF Champions League this year, providing Grindrod with exposure outside South Africa as well as raising our profile in the community that supports the club. The partnership led to a friendly game between Grindrod and the AmaZulu coaching staff. Grindrod is AmaZulu Football Club's official sleeve sponsor for the 2021/2022 season.



Black Umbrella

Black Umbrella is a development incubation organisation with partners in the private sector, government and civil society that addresses the low levels of entrepreneurship and high failure rate of 100% black-owned emerging businesses in South Africa. Grindrod supported the Black Umbrella Awards in 2021 with funding.

Concessions on payment terms

Grindrod Bank assisted clients with concessions on payment terms during lockdown, when landlords found many tenants unable to meet their rent obligations. At the start of April 2020, when lockdown was first enforced, 145 clients made concession agreements.

BUSINESS ENABLERS

The Group engages with business enablers across all communication channels to ensure that Grindrod strategies and operations remain aligned to customer requirements and expectations and that procurement management and improvements are transparent. Relationships are continually assessed within ISO 9001 quality criteria. For more detail on our stakeholders, please refer page 15.

BRANDING

Grindrod Freight Services aims to provide a door-to-door solution, whereby a client can move cargo from its point of origin to port and on to global markets. Our purpose is to deliver commodities to the world and contribute positively to Africa's trade with the world.

The first step of the rebrand was to garner understanding and buy-in from our employees, as they underpin the organisation's ability to fulfil its purpose. "Pushing Beyond Impossible" was lived every day by our employees.

The brand was then carried to external stakeholders in the form of the "All for Africa" campaign. We are an African company, and proud to contribute to the success of the continent by enabling its trade with the world, while contributing to the upliftment of the communities around us.

We launched our new website in 2021. With 34 600 visitors per month, this is a crucial channel and platform for communicating our ethos. In the new year, we will focus next on increasing our social media presence to support the brand and drive trust.

our stories

GRINDROD, THE OFFICIAL SLEEVE SPONSOR FOR AMAZULU FOOTBALL CLUB

In August 2021, Grindrod became the proud sleeve sponsor for the AmaZulu Football Club for the 2021/22 season.

The Grindrod logo is stitched into the Club's fabric, emblazoned on the shirt sleeve.

"AmaZulu's spirit of tenacity and determination are traits that are also embedded in the Grindrod culture. We share a passion for connecting people in South Africa and the African continent. For Grindrod, this partnership will further cement our commitment to empowering communities. It will significantly expand our brand throughout Africa as we find customer solutions for cost-effective and efficient cargo flows. AmaZulu's future looks bright and we, at Grindrod, are excited to be a part of this journey," said Xolani Mbambo, CEO of Grindrod Freight Services.

CAPITAL REVIEWS continued



OUR ENVIRONMENT

This capital represents our Earth's natural assets that, combined in ecosystems, makes life and human economic activity possible. Grindrod strives to minimise and mitigate the effects of its operations on the water, sea, land, soil, air, geology and all forms of life that inhabit and create these ecosystems.

KEY INDICATORS

Water intensity¹

^ 26.5%
49.6 litre/Rand revenue
(2020: 39.2 litre/Rand revenue)

Electricity intensity²

^ 27.2%
4 694 kWh/FTE
(2020: 3 690 kWh/FTE)

GHG emissions

√ 18.2%
127 737 tonnes CO₂e
(2020: 156 200 tonnes CO₂e)

Waste generated

^ 19.9%
18 459 tonnes
(2020: 15 393 tonnes)

¹ Increase due in part to resumption of operations in 2021 following the relaxing of COVID-19 lockdown restrictions, a strong reefer season and increased depot footprint.

² Due to lock-down and other restrictions during 2020, some of our operations were shut down resulting in lower consumption with the same FTE base. In 2021, these operations resumed resulting in a higher kWh/FTE.

Grindrod's environmental management is guided by international best practice and based on the ISO 14001 standard that integrates safety, health, environmental and quality management criteria into auditable systems. The Group prioritises environmental risk management that is integrated with occupational health and safety and quality management systems which are audited, together with ongoing environmental and impact assessment, review of effectiveness of mitigations implemented, ongoing training to embed awareness of environmental issues as well as constant monitoring and measurements of actual results against set targets.

Key achievements in 2021

- Improved Waste reporting.
- Utilisation of mineral sweepings to manufacture bricks.
- Reporting on efficiencies against baseline numbers.
- Approved 2025 environmental targets.

Key challenges in 2021

- Reporting tool for data analysis required enhancements.
- Less sustainability initiatives performed due to the pandemic.

OUR 2025 CLIMATE CHANGE AND ENVIRONMENTAL POLICY

Approved by our Social and Ethics committee, Grindrod's 2025 Climate Change and Environmental Policy establishes the guidelines for managing our environmental impacts up to 2025.

It also reconfirms the importance of governance in Grindrod's environmental and sustainability management framework.

This policy is built on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and international best practice, aligned with the strategic objectives and the operating realities of the markets in which Grindrod operates. These considerations form part of developing, implementing and reviewing our business strategies in line with shifting internal and external conditions:

- Operational units determine which metrics and targets are relevant to their core business, devise specific environmental targets and keep a watch list of environmental risk variables.
- Environmental metrics and targets are integrated into Group business strategy and updated regularly.

FOR A TOTAL 5% IMPROVEMENT BY 2025.

1% We strive for an annual 1% improvement in the following key metrics:



GREENHOUSE GAS EMISSIONS
ELECTRICITY EFFICIENCY
WATER EFFICIENCY
FUEL EFFICIENCY
WASTE GENERATED



CAPITAL REVIEWS / OUR ENVIRONMENT continued

GREENHOUSE GAS EMISSIONS

Grindrod's greenhouse gas emissions have been declining steadily over the past five years.

Performance against targets

Normalised Group emissions (CO₂e per Rand revenue)



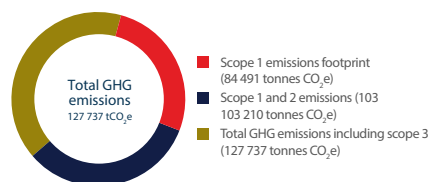
Land-based GHG emissions



Performance over time

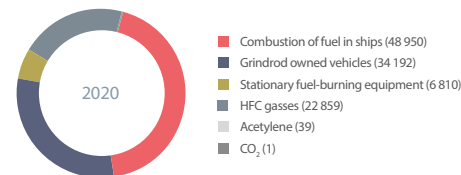
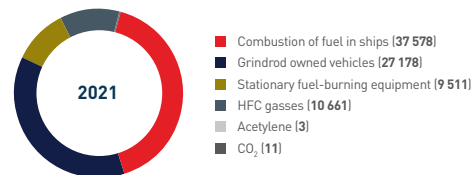
Key performance indicator

	2021	2020	2019	2018	2017
Scope 1 emissions footprint (tonnes CO ₂ e)	84 941	112 880	125 833	119 017	116 800
Scope 1 and 2 GHG emissions (tonnes CO ₂ e)	103 210	128 147	142 899	134 427	132 354
Total GHG emissions including scope 3 (tonnes CO ₂ e)	127 737	156 200	181 437	169 611	140 236
Sox emitted (tonnes)	15	20	18	16	16
Nox emitted (tonnes)	370	414	689	619	613



Grindrod Scope 1 footprint (tonnes CO₂e) per activity

Grindrod monitors its Scope 1 and Scope 2 emissions in an effort to minimise its greenhouse gas emissions. Freight services account for approximately 98% of Grindrod's carbon footprint. Solar feasibility studies were conducted at several of our Terminals where options are being considered.



Risk management, as a sub-set of governance, allows Grindrod to identify potential risks and leveraging opportunities in achieving its purpose and growth strategy. The risk management framework is reviewed annually and provides for enhanced oversight by assigning specific risks with accompanying responsibilities to the relevant Board committees, executive management, and management functions. Refer the Risk Report page 17.

FIVE KEY AREAS OF FOCUS

1. *Water* is a scarce resource and Grindrod continues to strive to drive water efficiency.
2. Grindrod recognises the role of sustainable *waste management* in contributing towards a circular economy.
3. Grindrod monitors its Scope 1 and Scope 2 emissions in an effort to minimise its *greenhouse gas emissions*.
4. Grindrod recognises the role that the combustion of *energy and fuels* in transport and electricity generation play in terms of climate change and sets targets to participate in, and contribute to, the just transition to a low-carbon economy.
5. Grindrod recognises the opportunities for business efficiency in *renewable energy*. In this regard, Grindrod continues to investigate the feasibility of appropriate renewable energy options for its business and develop a timeframe for renewable energy roll-out within the company.



CAPITAL REVIEWS / OUR ENVIRONMENT continued

Grindrod has partnered with HP, which maintains our computers, to dispose of obsolete technology. HP collects our electronic waste every six months.

Our recycling initiatives include a project in Maputo port, in which the sweepings from our operations are used to make bricks.

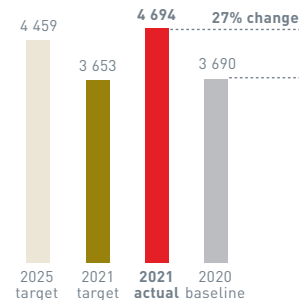
Although water usage increases as our activities ramp up, we are working to improve our water usage efficiencies.

Grindrod has contracted water treatment specialists to find ways and means of reducing our reliance on municipal water resources at the Richards Bay terminals.

Electricity efficiency

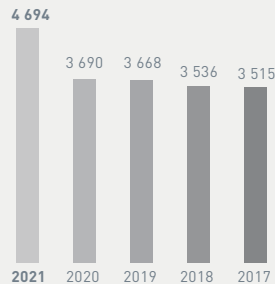
Performance against targets

Electricity efficiency (kWh/FTE)



Performance over time

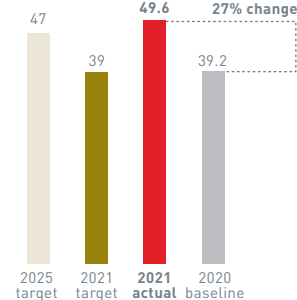
Electricity efficiency (kWh/FTE)



Water efficiency

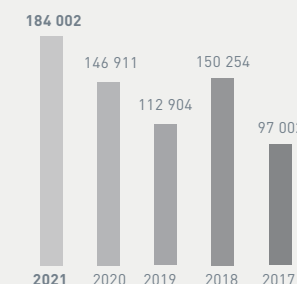
Performance against targets

Water intensity (litre/Rand revenue)



Performance over time

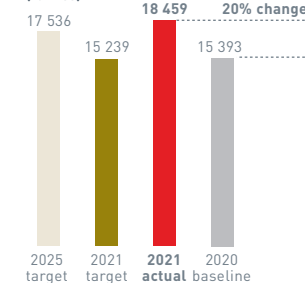
Total water usage (kl)



Waste generation

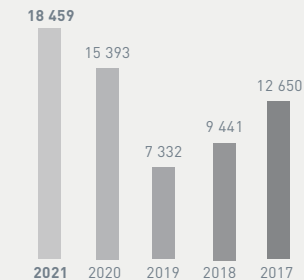
Performance against targets

Total solid and liquid waste generated (tonnes)



Performance over time

Total solid and liquid waste generated (tonnes)



CAPITAL REVIEWS / OUR ENVIRONMENT continued



FREIGHT SERVICES

A centralised system at our terminals that reports water, electricity and fuel consumption in comparable formats has been implemented. This integrated approach will be expanded to other Freight Services businesses.

Dust

Grindrod's transport and logistics services often carry commodities that produce dust fallout, leading to ground and surface water pollution or reputational damage in the surrounding communities. Mitigating measures include:

- Sprinkler systems on tippers, conveyors and conveyor decanting points.
- Mobile water tanker for dust suppression on roads.
- Misting canons for ambient dust suppression.
- Ceasing certain operations and/or cleaning activities during adverse weather conditions.
- Enclosed conveyor systems.
- Enclosed warehouses and silos for handling and storing cargo.
- Enclosed tippler/warehouse sheds.
- Dust extraction systems.
- Chemical dust suppressants.

Besides these dust-suppression initiatives that help limit this impact on the environment, we conduct monthly sampling and analysis of our dust footprint through an independent service provider.

BANK

The Banking Association South Africa's view is that disclosure on environmental impact is necessary. Investors are placing increasing pressure on banks for greater adoption of ESG. Banks now measure, monitor and report on their ESG and climate change initiatives and performance.

Grindrod Bank aligns to specific targets in water, waste, greenhouse gas emissions, and electricity. Specifically, the Bank:

- Monitors water and electricity usage in our rented buildings.
- Moved to the paperless committee and Board meetings, with a greater drive toward digitalisation planned for 2022.
- Considers ESG factors related to lending applications with a credit policy that includes environmental and social risk assessment criteria as a mandatory process for all lending transactions.
- Supports the Blue Fund that focuses on areas such as education and conservation.

ASSURANCE

The GHG Protocol, King IV, the Task Force on Climate-related Financial Disclosures (TCFD) and other benchmarks to achieve meaningful integrated reporting for natural capital guide our statistics and reports on environmental activities. Carbon and climate change advisory firm, Promethium Carbon, reviews our internally calculated GHG emissions. Grindrod's internal audit function performs limited assurance on selected sustainability performance indicators.

TARGETS

Improving our environmental performance will ensure that we achieve our disclosure targets:

Carbon Disclosure Project (CDP)

improve from a

^ C to a B score

by 2022

ESG rating (as analysed by Risk Insights)

improve from a

^ 3 to a 4 score

by 2023



KEY FOCUS AREAS 2022

- Digitalisation for improved data integrity and reporting.
- Further improvement in ESG and CDP ratings.
- Training and development.
- ISO Certification implementation and continual improvement.
- Risk Assessment review (HIRA and EIA/AIA).

GOVERNANCE PRINCIPLES AND PRACTICES



Drybulk terminal | MATOLA

LEADERSHIP PRINCIPLES

We are one Grindrod, **transparent** and **honest, united by a bold purpose** and **clear strategy**.

Always **solutions-driven**, we are committed to **ensuring a safe working environment**.

We simplify and **innovate**, taking accountability for outcomes.

Our immersive approach to our own business and our customers makes it possible for Grindrod to **deliver its best**.

- 59 Corporate Governance report
- 64 Committee reports
- 66 Managing performance through remuneration
- 74 Limited assurance report on certain non-financial information

CORPORATE GOVERNANCE REPORT

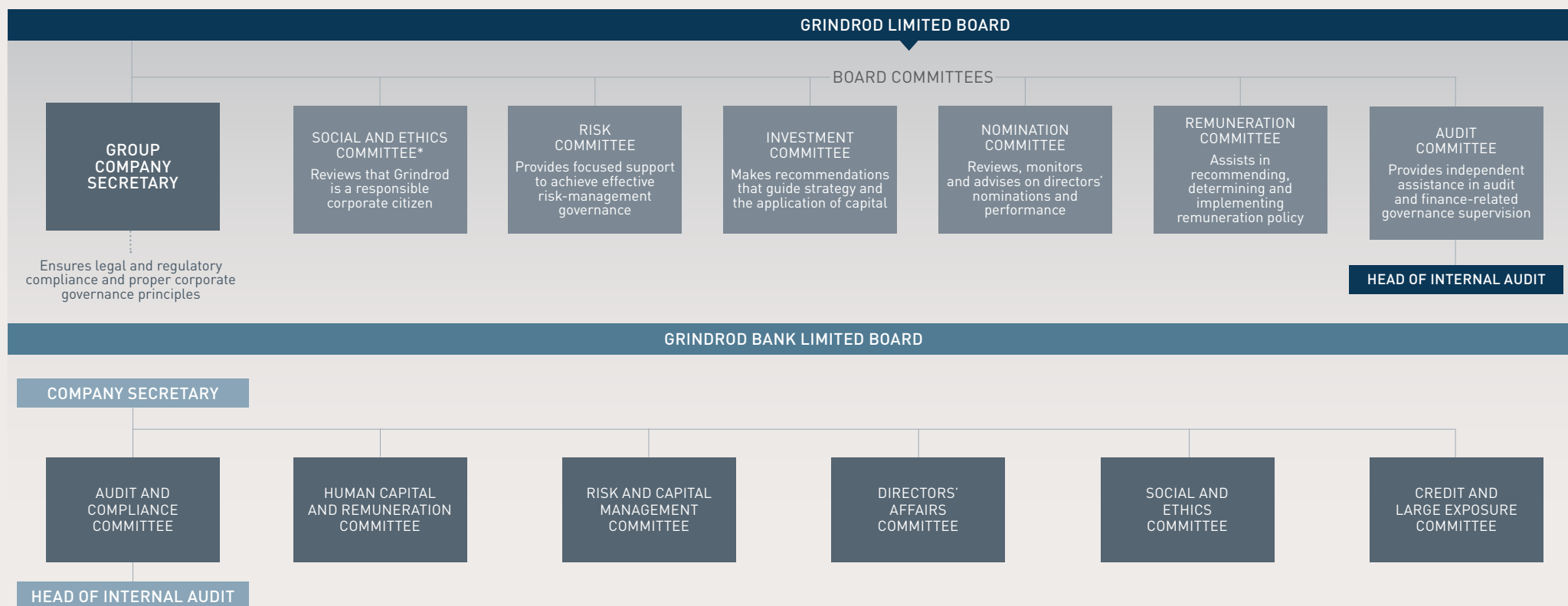
KING IV DISCLOSURE

A sound corporate governance framework commits Grindrod to high standards of business ethics. Our framework is aligned to Grindrod's purpose and core values; guides the Board, as the guardian of responsible corporate governance, in the formulation and implementation of the Grindrod strategy to achieve targeted performance and create sustainable value for all stakeholders; comprises appropriate policies, procedures and executive powers to ensure that governance objectives are properly implemented, managed, reviewed and adjusted and ensures compliance with legislative and regulatory requirements.

Ultimately, Grindrod's governance framework drives responsible corporate citizenship through regulatory and best-practice adherence, effective and ethical leadership and sustainable value creation. It promotes an integrated approach to economic, social and environmental factors that influence Grindrod's ability to create value.

The Grindrod governance framework is aligned to the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV) to achieve an ethical culture, good performance, effective control and legitimacy.

GOVERNANCE PRINCIPLES AND PRACTICES GOVERNANCE STRUCTURE



* Grindrod Limited Social and Ethics committee: Renamed the Social and Ethics and Sustainability committee March 2022.

CORPORATE GOVERNANCE REPORT continued

KING IV PRINCIPLE	Application
ETHICAL CULTURE	
Principle 1: The governing body should lead ethically and effectively	<ul style="list-style-type: none"> The Board cultivates an effective and ethical internal environment to meet the highest ethical standards in all its dealings, acts in the best interest of the Company and ensures that a culture of ethical conduct is maintained. Directors are not permitted to deal directly or indirectly in the shares of Grindrod during any closed period, nor any prohibited period as defined in the JSE Listings Requirements. Grindrod did not declare any prohibited periods during the year, nor did any directors purchase or sell Grindrod shares in 2021.
Principle 2: The governing body should govern the ethics of Grindrod in a way that supports the establishment of an ethical culture	<ul style="list-style-type: none"> The Board is responsible for the governance of ethics and the approval of stakeholder-inclusive codes of conduct and ethics policies. The Group Company Secretary is the custodian of governance and the Grindrod ethics officer and responsible for ensuring that Grindrod, its employees and relevant stakeholders adhere to its ethical standards and culture. In 2021, all ethics policies were reviewed and approved by the Board. Grindrod's Code of Ethics raises ethical awareness, guides day-to-day decision-making and provides assurance on the integrity of the Group companies. All employees are required to annually reconfirm their adherence to the Code and related governance policies. Compliance with the Code is monitored through internal audits to assess the adequacy and effectiveness of the internal control environment. In 2021, the Code and all related governance policies were updated in line with the Protection of Personal Information Act (POPIA). Reporting: Grindrod operates two independent, toll-free fraud reporting and whistleblowing hotlines through Deloitte Tip-offs Anonymous (incidents reported: 2021: 5; 2020:10) and Ethics Defender, an interactive anonymous site with App and website for reporting fraud or unethical behaviour (incidents report: 2021: 2). All reported incidents are investigated and captured into a register. Any incidents of corruption at management level are investigated. If deemed appropriate, these are referred to disciplinary proceedings or law enforcement agencies. No instances of corruption at management level were reported or identified in 2021 (2020: 0). No instances of unethical behaviour were reported in 2021 (2020: 0). Grindrod's houses POPIA and anti-fraud landing pages on the Group's intranet which provides access for staff to training courses, manuals, flyers, information and provides links to relevant policies and guides. Intensive business-wide ethics and anti-corruption programmes together with a Fraud Awareness week were held in 2021. Grindrod is TRACE certified. TRACE International Inc. is a leading global anti-bribery standards-setting organisation. Supplier due diligence is guided by the Group Procurement policy and includes anti-bribery, anti-corruption, PEP and sanctions verifications being done for each supplier. Suppliers are required to confirm their commitment to Grindrod's Supplier Sustainability Code, which requires all suppliers to uphold the highest corporate governance standards and to align with the Grindrod's ethics and human rights policies. The Executive committee and Social and Ethics committee are provided with non-compliance statistics.
PERFORMANCE AND VALUE CREATION	
Principle 3: The governing body should ensure that Grindrod is, and is seen to be, a responsible corporate citizen.	<ul style="list-style-type: none"> Grindrod's corporate citizenship is underpinned by the policies, procedures and review mechanisms of the corporate governance framework. It is overseen or executed by the various Board sub-committees and corporate and divisional management, supported by internal and external assurance providers. The Social and Ethics committee is primarily responsible for monitoring Grindrod's standing as a good corporate citizen.
Principle 4: The governing body should appreciate that Grindrod's core purpose, risk and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value-creation process	<ul style="list-style-type: none"> Grindrod's corporate governance framework provides the context within which Grindrod's pursues its core purpose, executes strategy and responds to risks and opportunities. Grindrod's strategy is implemented by management, which sets key performance measures and targets. The Board provides overall guidance and direction for the development and monitoring of Grindrod's strategy within the context of its operating environment. Grindrod's strategy is continually reviewed. The Group's annual business plan and budgeting process follows the Board's strategy review. The Audit committee and Board formally considered and confirmed the going concern declaration for the coming year.
Principle 5: The governing body should ensure that reports issued by Grindrod enable stakeholders to make informed assessments for Grindrod's performance and its short-, medium- and long-term prospects	<ul style="list-style-type: none"> Grindrod's integrated annual report (IAR), approved by the Board on the recommendation of the Executive and Audit committees, aims to provide stakeholders with a balanced assessment of Grindrod's ability to create and sustain value to ensure its short-, medium- and long-term viability. Disclosures in the IAR are guided by material economic, environmental and social issues. It is compiled in accordance with the JSE Listing Requirements, IFRS, the Companies Act, as read with the principles and concepts of the International <IR> Framework and the GRI Universal Standards. Assurance on sustainability performance indicators are provided by Grindrod's internal audit function, and Promethium Carbon assisted Grindrod in the verification of Grindrod's carbon footprint and other sustainability data. This corporate governance report is reviewed by the Social and Ethics committee.

CORPORATE GOVERNANCE REPORT continued

KING IV PRINCIPLE

Application

EFFECTIVE CONTROL

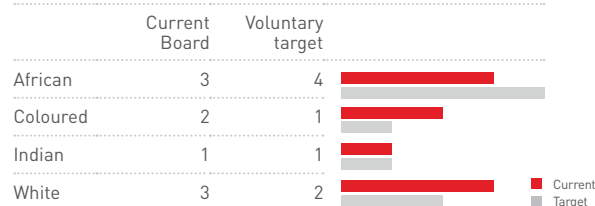
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in Grindrod

- The Board is responsible for ensuring the application of Grindrod's corporate governance framework to its strategy, implementation and performance.
- The roles, responsibilities, membership requirements and procedural conduct of the Board and its sub-committees are documented in the Board Charter and sub-committee Terms of Reference. Sub-committees are authorised to investigate any activity within their respective mandates and interact with employees to obtain relevant information. Sub-committees may obtain external professional advice in matters relevant to their mandate.
- Based on an internal assessment of adherence to the Board Charter completed in 2021, the Board was satisfied that it had fulfilled its responsibilities in accordance with its Charter.
- The Board Charter provides for a clear division of responsibilities at Board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

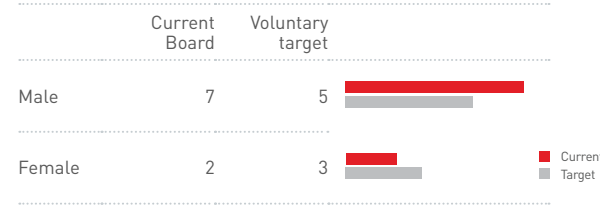
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

- **Composition:** Suitable candidates are appointed to the Board through a formal process. The Nomination committee identifies and reviews suitable candidates for election by shareholders. Board appointments are based on the leadership skills, knowledge, experience and expertise that Grindrod requires to advance its strategic direction, with due consideration to diversity (including culture, age, gender and race). Gender equality is guided by the Group's diversity policy, voluntary diversity targets as set and the gender equality framework. In the Board's assessment, all directors have the relevant knowledge, skills and experience to make a meaningful contribution to Grindrod's purpose. Directors who join the Board during the course of a year are required to have their appointments confirmed by shareholders at the subsequent annual general meeting. In 2021, Cheryl Carolus (01 October 2021) and Deepak Malik (01 December 2021) were appointed to the Board. At 31 December 2021, the Board comprised 14 directors, of whom four are executive directors.
- **Evaluation:** In March 2022, the Nomination committee evaluated the composition of the Board and its committees against their core functions. The evaluation included a review of members' diversity in terms of gender, age, race, board tenure, qualifications and skills. Based on its evaluation, the Nomination committee was satisfied with the composition of the Board and its committees.
- **Rotation:** Grindrod's MOI requires one third of its non-executive directors to retire by rotation at the Annual General Meeting each year. Retiring directors may offer themselves for reappointment by the shareholders. The Nomination committee considered the suitability of the directors retiring by rotation and, following assessment, the Board resolved in March 2022 to recommend directors to shareholders for re-election. The Nomination committee also evaluated the suitability of the proposed members of the Audit committee. Based on the recommendation of the committee, the Board proposes the appointment of Grant Gelink, Deepak Malik and Zimkhitha Zatu Moloi as Audit committee members.
- **Chair:** In terms of the Board Charter, non-executive directors are required to retire by the age of 70 years, or at a later date determined by the Board. Being cognisant of Mike Hankinson having reached this threshold, and with due consideration given to the importance of continuity, the Nomination committee and Board considered the appointment of a new chair for 2022. The Nomination committee has resolved to recommend the appointment of Cheryl Carolus as Grindrod's non-executive chair to the shareholders at the 2022 annual general meeting.
- **Professional development:** The Group Company Secretary provides guidance to the Board on governance, compliance, fiduciary responsibilities, sustainability, and training as required. Members appointed to the Board follow an induction process, and formal inductions were provided to new directors Cheryl Carolus and Deepak Malik.
- **Independence:** In March 2022, in accordance with King IV, the Nomination committee evaluated the independence of all serving Board members on a substance-over-form basis. This evaluation was considered and reviewed by the Board in March 2022. The Nomination committee resolved that Walter Grindrod, Pieter Uys and Willem van Wyk should not be deemed to be independent due to the shareholding of Grindrod Investments (11.01%) and Remgro (24.81%) respectively. Mike Hankinson was not deemed independent due to King IV's 9-year tenure guideline. All the remaining non-executive directors were deemed to be independent.
- **Directors' declarations:** Members of the Board are required to declare all directly and indirectly held financial, economic and other interests and any conflict of interest in respect of matters on the Board agenda. Formal written declarations are provided to the Group Company Secretary bi-annually. Declarations on specific transactions are also minuted at Board meetings.
- **Voluntary diversity targets:** As a purpose-led and values-driven company, we aspire to a diverse and inclusive workplace. Our Board, on the recommendation of the Social and Ethics committee, in May 2021 approved minimum voluntary diversity targets for the Group for achievement by 2023. The Board recognises the importance of having an appropriate combination of skills to manage an increasingly volatile and uncertain environment and the critical role diversity plays in governance and sustainability.

Non-executive directors



Non-executive directors

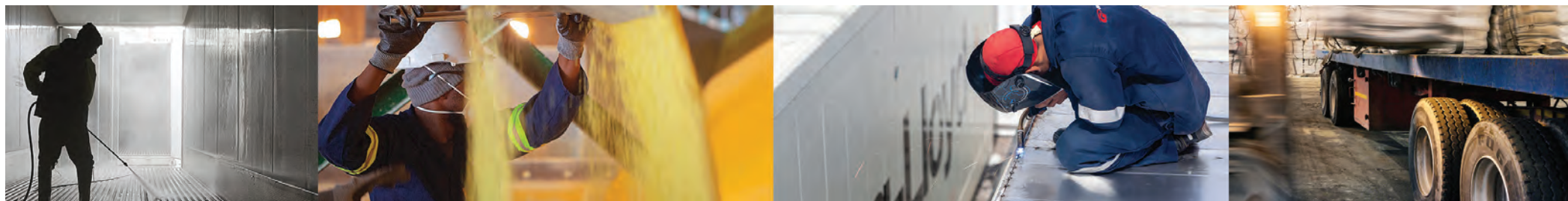


CORPORATE GOVERNANCE REPORT continued

KING IV PRINCIPLE	Application
EFFECTIVE CONTROL (continued)	
Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties	<ul style="list-style-type: none"> The Board is assisted in its responsibility to manage Grindrod and identify, oversee and manage economic, environmental and social risk and opportunities by the Management, Executives and Board sub-committees, all of whom report back the Board on matters delegated by the Board at each Board meeting. Diverse backgrounds and cross-membership between committees ensures that there is an appropriate balance of judgement and influence. The Grindrod Limits of Authority, in terms of which the Board, Executive and management may act and bind Grindrod, outline matters reserved for Board and shareholder decision-making and the delegation of authority to management. These limits are reviewed annually.
Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness	<ul style="list-style-type: none"> During March 2022, the Board and its committees undertook a detailed, formal self-evaluation based on the governance outcomes outlined in King IV. The Group Company Secretary used an accredited evaluation tool to compile the questionnaire for this Board evaluation. Board members also evaluated the performance and effectiveness of the Chair and the Board sub-committees. Based on this evaluation process, the Nomination committee was satisfied with the Board composition, performance of the Chair, levels of governance, and the skills, experience and qualifications of the members. This evaluation process did not reveal any matters requiring remedial action.
Principle 10: The governing body should ensure that the appointment of and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities	<ul style="list-style-type: none"> The Board is responsible for appointing the CEO as an executive director with a separate role to that of the Chair and the Financial Director. The Executive committee assists the CEO in managing the business at an operational level. This committee's scope of authority and responsibilities are defined in the Executive committee Terms of Reference, which is reviewed annually. These Terms of Reference make provision for the annual evaluation of executive members against their key performance areas. This evaluation is undertaken by the CEO and reviewed by the Remuneration committee. The Audit committee considered the expertise and experience of the Group Financial Director and finance function. The Audit committee found the Group Financial Director and finance function to meet the required standards. The Group Company Secretary ensures corporate governance and legal compliance with the JSE Listings Requirements, while also guiding on corporate governance principles. The Group Company Secretary is not a director of the Board. Vicky Commaille, the Group Company Secretary for Grindrod, is a chartered secretary and holds a BCom (Accounting); ACIS and SMDP qualification. Based on a formal assessment, which included a review of the Group Company Secretary's qualifications, experience and demonstration of competence, the Board is satisfied that Vicky Commaille possesses the requisite competence, qualifications and experience to hold the position of Group Company Secretary. The Board considered the interactions between the Group Company Secretary and the Board and is satisfied that an arms-length relationship exists between the Board and the Group Company Secretary. The Group Company Secretary is responsible for a detailed annual compliance audit against JSE Listings Requirements and submission to the JSE of an annual compliance certificate. No breaches of the JSE Listings Requirements were identified in 2021.
Principle 11: The governing body should govern risk in a way that supports Grindrod in setting and achieving its strategic objectives	<ul style="list-style-type: none"> The Board is ultimately responsible for governing risk management processes to support the setting and achieving of strategic objectives. Executive management encourages a risk-conscious business culture by embedding internal controls and mitigating actions through all levels of management and supervisory staff. Risk management is a key performance area for line managers. The Risk committee reviews the Group's risk appetite and tolerance levels. It recommends the approval of the Group risk management plan for the ensuing year by the Board. The Risk committee also identifies and reports on pervasive risks. Board sub-committees are assigned specific risks relevant to their portfolios. They provide inputs to quarterly Board meetings. The effectiveness of risk management is assessed by internal and external assurance providers in terms of the Group's combined assurance model. The Grindrod risk management framework, based on the principles of King IV, ISO 31 000 and the committee of Sponsoring Organizations on the Treadway Commission (COSO), was reviewed and approved by the Risk committee. Internal audit reviews the effectiveness of this framework.
Principle 12: The governing body should govern technology and information in a way that supports Grindrod setting and achieving its strategic objectives	<ul style="list-style-type: none"> The Board, supported by the Audit committee, is responsible for IT governance and the strategic alignment of IT with Grindrod's objectives. IT governance is based on best practice principles and frameworks, including PMBOK and Prince II, and aligned to the Grindrod strategy. A continually refined three-year IT governance roadmap provides for IT strategy, governance, legal and other compliance. This roadmap is aligned with the principles of King IV. The IT governance charter ensures that the IT function is focused on alignment of IT activities with collaborative IT planning to capitalise on economies of scale across the Group. The Audit committee reviews and evaluates audit assessments of IT-related controls performed by the internal and external auditors, together with the appropriateness of actions taken by management to address identified issues. The comprehensive overhaul of the IT function in 2019 and leading into 2020 driving digital infrastructure improvement and enhancement in Cybersecurity provided the platform to successfully navigate the IT challenges of the pandemic. Projects to drive automation, and thereby mitigate risk, have been implemented. Compliance with a rapidly evolving governance and statutory environment is a key focus area, as is the mitigation of ever increasing cyber-threats through system reviews, software and end user verification.

CORPORATE GOVERNANCE REPORT continued

KING IV PRINCIPLE	Application
EFFECTIVE CONTROL (continued)	
Principle 13: The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports Grindrod being ethical and a good corporate citizen	<ul style="list-style-type: none"> The Board is responsible for the governance of compliance with applicable laws and adopted non-binding rules, codes and standards. Management has been tasked with implementing compliance. Compliance with applicable laws and consideration of non-binding rules, codes and standards is reviewed by the Social and Ethics committee bi-annually and by the Audit committee. The Board resolved that Grindrod complies with the JSE Listings Requirements and all significant requirements incorporated in relevant legislation and regulations in all countries in which it operates. Given the nature of its operations, the Bank ensures compliance through the various established committees as outlined on page 59. In 2021, Grindrod engaged independent specialists to ensure continued compliance with the Regulations issued in terms of the Disaster Management Act.
Principle 14: The governing body should ensure that Grindrod remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term	<ul style="list-style-type: none"> Grindrod supports the objectives of economic empowerment in compliance with the requirements of the Broad-Based Black Economic Empowerment (B-BBEE) Act No 46 of 2013, as amended, the B-BBEE Regulations 2016 and the JSE Listings Requirements. Grindrod established an employment equity framework with inputs from the Department of Labour to enable a collaborative approach to implementing employment equity targets. Grindrod aims to comply fully with the tax laws and regulations of the countries in which it operates. These compliances are guided by a tax-governance framework that covers all jurisdictions and is incorporated into the Group's corporate governance framework. The Board, assisted by the Audit committee, monitors and reviews implementation of the Group tax compliance and tax risk policy.
Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and Grindrod's external reports	<ul style="list-style-type: none"> The Board is ultimately responsible for Grindrod's system of internal control, which is subject to independent review by internal audit and external assurance providers. Our combined assurance model aligns with the principles and supporting practices of King IV. This model gives the Board the assurance, through the Audit and Risk committees, that all significant risks and associated opportunities are adequately managed. Risk audits are assigned to specialist assurance providers, who monitor the effectiveness of the actions plans. A bi-annual report on material internal audit findings and matters of significance is submitted to the Audit committee. The financial information contained in the integrated annual report is independently audited by Deloitte & Touche, and external assurance is sought on non-financial data, such as the Group's B-BBEE verification and sustainability data.
TRUST, GOOD REPUTATION AND LEGITIMACY	
Principle 16: The governing body should, in the execution of its governance role and responsibilities, adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Grindrod over time	<ul style="list-style-type: none"> The Board supports stakeholder engagement strategies that facilitate transparent and reciprocal interaction. The Group maintains continual engagement with its identified key stakeholder groups to promote business objectives and ensure economically, socially and environmentally sustainable business practices.



COMMITTEE REPORTS

The committees established by the Grindrod Board play an important role in safeguarding and enhancing governance and effectiveness in the Group and assist the Board in the effective and diligent execution of its duties. Board committees contribute to achieving the good governance outcomes of ethical and effective leadership required by King IV. Principle 8 of King IV notes the objectives for these delegation arrangements as being to promote independent judgement, assist with the balance of power, and help the Board to discharge its duties effectively. Grindrod's Board committees function within specific Board-approved Terms of Reference*, which, together with the Board Charter, are reviewed annually.

Social and Ethics committee	Risk committee	Investment committee	Nomination committee	Remuneration committee	Audit committee
Chair WALTER GRINDROD	Chair PIETER UYS	Chair ANDREW WALLER	Chair MIKE HANKINSON	Chair PIETER UYS	Chair GRANT GELINK
Members Mike Hankinson Zimkhitha Zatu Moloi Andrew Waller	Members Mike Hankinson Ben Magara Xolani Mbambo Nkululeko Sowazi Andrew Waller David Polkinghorne	Members Mike Hankinson Walter Grindrod Pieter Uys	Members Nkululeko Sowazi Pieter Uys	Members Mike Hankinson Nkululeko Sowazi	Members Zimkhitha Zatu Moloi Deepak Malik (appointed 01.12.2021) Willem van Wyk (resigned 01.12.2021)
Number of meetings: 2	Number of meetings: 2	Number of meetings: 5	Number of meetings: 2	Number of meetings: 2	Number of meetings: 5
MANDATE The committee: <ul style="list-style-type: none"> ensures adherence with principles of sound corporate governance, organisational ethics, sustainable development, constructive stakeholder engagement, employee health and workplace safety. monitors the impacts of Grindrod's operations on the environment. oversees transformation and B-BBEE ensures compliance with relevant laws, regulations and codes. reviews corporate governance reports for inclusion in the integrated annual report . 	MANDATE The committee: <ul style="list-style-type: none"> reviews, monitors, advises on the effective management of opportunities and risks, and allied strategies of mitigation and control. monitors potential positive and negative effects of risks on Grindrod's objectives. oversees the development and implementation of policy, plans and systems to ensure business performance is within defined risk appetite and tolerance limits. 	MANDATE The committee: <ul style="list-style-type: none"> reviews the strategic direction of the Group and guides management on strategy formulation. reviews and advises the Board on capital and other strategic applications in terms of Grindrod's Limits of Authority Framework. 	MANDATE The committee: <ul style="list-style-type: none"> reviews, monitors, advises on and makes recommendations regarding the nomination of directors for consideration and final approval by the Board and election by shareholders. evaluates the performance of directors and committees. ensures succession planning is in place. evaluates the composition of the Board. monitors and maintains director and officer insurance. 	MANDATE The committee: <ul style="list-style-type: none"> recommends and determines remuneration policy and oversees implementation of the policy. ensures the Group remunerates employees fairly, responsibly and transparently. implements and monitors competitive and fair reward practices to achieve strategic objectives. promotes an environment conducive to the achievement of strategic objectives and encourages individual performance. 	MANDATE The committee: <ul style="list-style-type: none"> ensures the integrity of integrated and financial reporting, and that adequate systems, controls and financial risk management policies, procedures and standards are in place. has access to all financial information of Grindrod allowing for effective preparation and reporting of the financial statements. oversees the qualification, independence and effectiveness of the internal and external audit. investigates any activity within the scope of its terms of reference. obtains independent professional advice to ensure effective governance.
KEY MATTERS DEALT WITH <ul style="list-style-type: none"> monitoring and reviewing Grindrod's standing as a good corporate citizen. the new internal and external Grindrod branding and purpose. the 2020 IAR corporate governance report. reviews of compliance with applicable laws and consideration of non-binding rules, codes and standards. setting of 2025 sustainability targets. stakeholder engagement. diversity policy and voluntary diversity targets. POPIA compliance. legal compliance. review of Group policies. ethics annual sign-off by employees and update of ethics policies. 	KEY MATTERS DEALT WITH <ul style="list-style-type: none"> approval of the risk management plan. identifying and monitoring pervasive, industry and global risks. review of the risk-management framework and policy. Group ERM review. insurance claims and loss ratios. monitoring of risk registers. approval of fraud response plan. internal audit effectiveness of risk management assessment. assessment of risks relating to financial reporting. reviewed the effectiveness of the internal audit financial controls, fraud and IT risks relating to financial reporting. ESG risk inclusion in risk framework. 	KEY MATTERS DEALT WITH <ul style="list-style-type: none"> driving the new Grindrod Freight Services strategy. approving and oversight of the disposals strategy and processes. recommendations for new investments. commercial agreement approvals and reviews. approval and oversight of major transactions, assessments and reviews. financial results and interim results review and recommendation for approval. dividend considerations. trading statement approval. 	KEY MATTERS DEALT WITH <ul style="list-style-type: none"> succession planning, including the appointment of Cheryl Carolus and Deepak Malik to the Board. succession planning for executive/senior management. evaluating the composition and independence of the Board. performance evaluations of the Chair, committees and Board. evaluation of Board members retiring by rotation. review of the suitability of the proposed members of the Audit committee and the independence of this committee. diversity targets review. directors and officers insurance. 	KEY MATTERS DEALT WITH <ul style="list-style-type: none"> monitoring the Group's remuneration policy and its implementation. stakeholder engagement with dissenting shareholders and implementation of enhancements to policy. remuneration and implementation reports for the annual report. review of Group CEO and CFO incentive payments. KPIs set for CEO, CFO and Bank MD. CEO to lowest earner ratio reviewed approval of annual salary increases and non-executive directors' fees. monitoring the share price linked options payments and allocations, and FSP summary. monitoring of pension and provident fund performance. 	KEY MATTERS DEALT WITH <ul style="list-style-type: none"> ensuring that appropriate financial reporting procedures exist and are working, including the consideration of all entities forming part of the consolidated Group financial statements. ensuring the integrity and effectiveness of reporting in the 2020 IAR. going concern and dividend reviews. considered the expertise and experience of the financial director and internal audit manager. IT governance report. JSE proactive monitoring. internal financial controls attestation. new non-audit services policy. requested and received all decision letters, findings and reports from the external auditors per S22.15(h) of the JSE LR. reviewing the ERM framework, financial reporting risks, internal controls and the combined assurance received.

COMMITTEE REPORTS continued

Social and Ethics committee	Risk committee	Investment committee	Nomination committee	Remuneration committee	Audit committee
FOCUS AREAS FOR 2022	FOCUS AREAS FOR 2022	FOCUS AREAS FOR 2022	FOCUS AREAS FOR 2022	FOCUS AREAS FOR 2022	FOCUS AREAS FOR 2022
<ul style="list-style-type: none"> driving transformation, an ethical culture, safety of employees and stakeholders and Grindrod's good citizenship. ensuring sustainability. ESG policy and framework. application of the JSE guidance on sustainability reporting. meaningful stakeholder engagement. monitoring of anti-bribery and corruption initiatives. 	<ul style="list-style-type: none"> ERM framework review and approval of the Group's risk-management framework and risk tolerances. integration of ESG risk framework. ensuring an effective combined assurance, internal control and risk management across the Group. 	<ul style="list-style-type: none"> strategy review and monitoring of progress. overseeing disposals and monitoring updates. monitoring the Group's capital performance. 	<ul style="list-style-type: none"> diversity and Board composition. Board and committee evaluations. shareholder engagement. succession planning. independence and tenure. 	<ul style="list-style-type: none"> implementation of the remuneration policy. reviews of remuneration and incentive schemes in line with best practice. review staff retention risks. monitor status of pension and provident fund. ensure access to medical aid cover for all staff. 	<ul style="list-style-type: none"> oversight of financial performance, financial management, key audit matters and significant areas of judgement. balance sheet and liquidity management. oversight of non-audit services for ongoing projects. rotation of auditors in line with MAFR requirements. ensure compliance with JSE proactive monitoring.

* The complete terms of reference of the committees are available on Grindrod's website, <https://grindrod.com/investor-proposition/shareholder-documents#integrated-reports>.



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MANAGING PERFORMANCE THROUGH REMUNERATION

DIRECTORS' INTERESTS IN GRINDROD

At 31 December 2021, the directors held interests in Grindrod as follows:

	2021		2020	
	Beneficial direct	Non-beneficial and beneficial indirect	Beneficial direct	Non-beneficial and beneficial indirect
Ordinary shares				
WJ Grindrod	–	21 610	–	21 610
MJ Hankinson	27 000	8 000	27 000	8 000
XF Mbambo	301 711	–	150 856	–
DA Polkinghorne	394 076	–	357 026	–
AG Waller	988 991	–	902 461	–
	1 711 778	29 610	1 437 343	29 610

The beneficial direct shareholding increased by 30 172 after year-end further to vesting in terms of the forfeitable share plan.

BACKGROUND STATEMENT

2021 FOCUS

The focus of the Remuneration committee remained on measures that support the execution of the Grindrod strategy and appropriately remunerate and incentivise staff to drive strategy execution. Safeguards include competitive remuneration, bonus structures, benefits structures, growth and career development opportunities.

This included the committee giving consideration to proposals and recommendations from Human Resources, external remuneration consultants and shareholders to ensure that remuneration across Grindrod is aligned, industry-competitive, equitable and verified against internal and external benchmarks.

In addition to matters considered in terms of its mandate, focus areas of the committee during the year included:

- Monitoring of the implementation of remuneration recommendations negotiated with bargaining councils and trade unions;
- Approving increases for salaried employees, with input from inter alia external remuneration surveys;
- Monitoring the roll-out of a third medical-scheme option to ensure that employees have access to scheme benefits according to their needs and budget;
- Monitoring the conclusion of the migration of the Grindrod Unicorn Provident Fund to an umbrella fund to optimise employees' retirement savings;
- Monitoring handling of remuneration data in line with POPIA requirements;
- Benchmarking Grindrod Executives remunerations against appropriate market remuneration;
- Review and approval of the Executives key performance indicators and remuneration;
- Review of the Restricted Equity plan (REP) conditions ensuring that the REP can be used as a retention mechanism;
- Review and approve the variable remuneration structure of the Executives;
- Review succession plans for the Group at senior levels;
- Monitor and review people transformation plans;
- Approval or ratification of appointments of key executive employees;
- Review short-term incentives and long-term incentives to the Executives; and
- Recommend to the Board remuneration of non-executive directors subject to approval at AGM.

Advisory vote

At the Annual General Meeting held on 26th May 2021, Grindrod, for the first time, secured a vote in excess of 75% for the Remuneration Policy. This was a reflection of the commitment of the executive to engage with stakeholders and re-evaluate the policy in line with concerns raised. However, more than 25% of shareholders voted against the non-binding advisory vote relating to the remuneration Implementation Report (2021: 69.92% approval; 2020: 67.05% approval).

Grindrod's invitation to dissenting shareholders, through a SENS announcement on 26 May 2021, to engage with the Company solicited good feedback from shareholders, which included Santam, PSG and Public Investment Corporation. In addition, Grindrod reviewed the advisory reports to shareholders.

In acknowledgement of shareholder concerns and objections raised over the implementation report, Grindrod:

- Has disclosed the KPIs of executive directors that related to the share-price-linked option scheme;
- Advised that, in addition to the award of shares under the forfeitable share plan based on performance criteria, for future years, to incorporate the evaluation of scheme participants' achievement of key performance criteria measured against increased shareholder value over the vesting period. It is noted that during the period no shares under the scheme were awarded during the year;
- Assessed and adjusted the weighting of financial and non-financial criteria for 2022;
- Disclosed benchmarking details and criteria;
- Benchmarked non-executive directors fees; and
- Considered appropriateness of financial KPIs included in performance measurement.

Future focus

The committee will continue to focus on ensuring that employees across all spectrums are remunerated fairly, responsibly and transparently and that critical skills are retained to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Confirmation

The Remuneration committee believes Grindrod's remuneration philosophy and policies continue to support the Group's strategy and promote fair, responsible and transparent remuneration. The committee is satisfied that

its decisions taken in 2021 contributed to meeting the objectives of Grindrod's remuneration policies, to fairly reward individual performance measured against objective structures, organisational sustainability, a high-performance culture and the retention of scarce and specialised skills.

The committee is satisfied that Grindrod's core skills complement is intact and capable of successfully implementing Grindrod's strategy to the benefit of all stakeholders.

REMUNERATION POLICY

The Grindrod remuneration philosophy is to reward individual performance, measured against objective structures fairly, to support organisational sustainability, a high-performance culture and the retention of scarce and specialised skills.

Remuneration policies are designed to attract, motivate, reward and retain human capital and promote the achievement of strategic objectives within approved risk appetite and tolerance levels, positive outcomes, ethical culture and responsible corporate citizenship. They are structured to achieve value-based management, which stimulates performance at organisational level and optimises employed capital and shareholder returns. Policy frameworks adhere to legislation and sound governance criteria and are aligned with the business strategy and objectives.

The Remuneration committee is mandated to assist the Board to compensate employees fairly and responsibly for specific roles. The evaluation of specific roles within a formal job-grading system provides for an objective measurement against benchmarks and an informed consideration of the gap between all pay levels. The policies provide a basis for the structured grading of jobs and formulation of role descriptions, with regular evaluations supporting fair reward for employees also based on their skills and performance.

Individual performance is measured against individually tailored, predetermined KPIs, including non-financial sustainability measures that incrementally trigger rewards. To achieve performance continuity and the desired retention levels, some policies factor out conditions over which operations and individuals have no control, such as adverse market conditions.

Human resource officers and management regularly engage with recognised unions and bargaining councils to ensure all objectives are addressed over time.

The remuneration of executive management is monitored in terms of the overall remuneration across the Group.

MANAGING PERFORMANCE THROUGH REMUNERATION continued

Monitoring criteria include levels and trends in salary, collective bargaining outcomes and bonus participation. At the time that salary increases are considered, the committee receives a report on the approach management proposes to adopt for general staff increases.

Sign-on, retention and restraint payments are not part of normal remuneration unless the Remuneration committee determines otherwise in specific cases.

Payments made on termination of office in relation to good leavers include severance and leave pay. The long-term incentives are forfeited if an employee's employment terminates due to resignation or dismissal on grounds of misconduct, poor performance, or proven dishonest or fraudulent conduct.

If an employee's employment terminates due to resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct, long-term incentives are forfeited.

Remuneration structure

Executives, prescribed officers and key managers receive remuneration comprising a guaranteed total cost of employment (TCOE), and a variable portion that incorporates short- and long-term incentives linked to performance and sustainability achievements.

The long-term incentives are based on share-price appreciation, which promotes a long-term commitment to creating shareholder value without the impact of diluting shareholders equity. The long-term incentives include a retention scheme that in specific circumstances is used by the committee to provide for awarding a total of 2 420 343 shares as retention shares, which could result in a 0.36% dilution of the Group's equity net of treasury stock.

The short- and long-term incentive schemes reward an individual's contribution to Company performance to align the focus of executives with the expectations of stakeholders and promote executive retention.

Executive remuneration is annually reviewed and approved by the committee against each individual's level of experience, responsibilities and performance, the scarcity of knowledge and skills and the premium placed on such a resource in the market. Current remuneration levels are benchmarked at the median of the relevant global grades and/or comparator group, which include listed local companies.

Executives' guaranteed remuneration considers the complexity of the role of each executive, their level of experience and their contribution to the Group's overall performance. Increases in guaranteed remuneration are awarded based on performance and amended responsibilities.

Executive remuneration is benchmarked with the "TASK" grading methodology in consultation with independent compensation consultants, to grade the level of responsibility with consideration of factors such as sales volumes, profits, number of employees, assets managed and salary/wage account.

Employment contracts of Executive committee members contain a six-month notice period to ensure continuity in top management.

The committee uses PricewaterhouseCoopers (PwC) and other publications on executive and non-executive remuneration reports for insight into current remuneration practices and trends.

Non-executive director fees are reviewed annually by the committee. Reviews are undertaken in consultation with independent and objective remuneration specialists or, when considered appropriate, benchmarked internally based on independent and reputable remuneration research reports. The proposed fees, aligned with the remuneration levels of comparable listed companies, are referred to the Board for shareholder approval at the Annual General Meeting. Non-executive directors are excluded from participation in the short- and long-term incentive schemes.

Incentive schemes – Short term

Performance bonuses are based on the achievement of stretch profit targets and specified strategic and non-specified value-added objectives approved by the Remuneration committee annually. Short-term incentives for executives are capped at 100% of TCOE.

KPIs include the following elements:

- The stretch financial element (capped at 50% of TCOE), which is based on targeted divisional and Group profits, targeted ROIC and share-price growth. Factors including market conditions, return on equity and financial performance are considered in determining the profit, ROIC and share-price targets. This element triggers on achieving the Board- approved target, with an award of 10% triggered on achievement of the Group, 5% of divisional target and 5% on achievement of ROIC target. A straight-line incremental award is then applied depending on the allocated and agreed stretch achieved above the target. A share price target is set and achievement of this target triggers 10%. The introduction of ROIC as a financial measure followed from input from shareholders in 2020.
- With respect to the targets for the Bank executive, the stretch financial element is based on targeted divisional profit, dividends and capital risk ratios. This element triggers on achieving the Board- approved target, with an

award of 1% triggered on achievement of the divisional target. A straight-line incremental award is then applied depending on the allocated and agreed stretch achieved above the target.

The short-term incentive payable to all Bank employees may not exceed the approved incentive pool for the division. The bonus pool is calculated at 20 percent of the attributable profit before interest and tax of the division adjusted for the overall business scorecard achievement percentage. The incentive is triggered only at a minimum achievement of 50 percent on the overall business scorecard and achievement of 50 percent of budgeted net profit after tax.

The remaining element includes:

- The specific strategic element, aimed at ensuring attainment of key initiatives from the three-year strategic plan, which is directly aligned to the delivery of shareholder value; and
- A non-specified value-added component, specific objectives that include objectives that include transformation, SHERQ and operational and commercial imperatives that add both long- and short-term value to the Group.

The total Executive committee remuneration for 2021, excluding the benefits accruing on the vesting of long-term incentive schemes, would, in the case of minimum-target achievement, have been equal to the total package as reflected in the emoluments table included in the implementation report on page 68. The maximum remuneration, exclusive of vesting, would have been equivalent to 200% of the total package.

Key managers within all divisions receive bonuses based on a structure similar to that for executives. Performance is measured against pre-agreed key objectives and financial results. All bonuses are reviewed by the CEO and bonus information is tabled for approval by the Remuneration committee.

Incentive schemes – Long term

Grindrod Limited's and Grindrod Bank's primary performance incentive, the share-price-linked option schemes, aim to reward and retain executives and key managers without the impact of diluting shareholders equity.

In addition, in consideration of the cyclical nature of the markets in which Grindrod operates, shareholders approved a pure retention incentive, the Grindrod Limited forfeitable share plan, used in periods of market distress when share price appreciation, and as a consequence reward on the

share-price-linked option scheme, is unlikely. The incentive, capped at six million shares (0.7% of share capital) in accordance with shareholder approval at the 2012 Annual General Meeting, is designed to be a small but critical part of the long-term incentives and is utilised in limited circumstances to retain key management. The Board has awarded a total of 2 420 343 shares to retain key management, as reflected on page 73.

The schemes are set out in more detail below.

Grindrod Limited share-price-linked option scheme

The share-price-linked option scheme was introduced in 2007 as a long-term incentive for executives and key managers.

Key strategic managers are nominated for participation in the scheme during the annual staff-appraisal period, based on their performance and contribution to the success of the divisional business plan in that year. The merit of each nomination is debated at meetings between divisional executives and the CEO. Qualifying candidates are nominated to the Remuneration committee for its review and subsequent approval by the Board.

The options linked to the Grindrod ordinary share price are settled in cash and therefore not classified as equity-settled in terms of the JSE Listings Requirements.

Vesting effects in three one-third tranches on the third, fourth and fifth anniversaries of the grant date and do not have an expiry date beyond the vesting date. The cash settlement, paid net of tax, is based on the difference between the grant and settlement prices, being the weighted average of the closing price for the seven trading days preceding the vesting date.

Vesting of awards in the scheme is subject to the participant's achievement of key performance criteria and appreciation of the Grindrod Limited share price, representing an increase in shareholder value over the vesting period.

Vesting settlements may not exceed 10% of the attributable profit of a division. No settlement is paid if the share price does not rise between grant and vesting dates, if an employee resigns, is dismissed, has interrupted service or has rendered unsatisfactory performance as determined by the Remuneration committee or CEO.

Performance is measured over the period of vesting and is assessed using a trailing period of three years from the vesting year and will be an average of the scores achieved for the annual short-term incentive scheme KPIs over the three years.

MANAGING PERFORMANCE THROUGH REMUNERATION continued

Grindrod Limited forfeitable share plan

The forfeitable share plan was introduced and approved by shareholders in 2012 to support the recruitment and long-term retention of executives and key managers during times that the Grindrod ordinary share price is stagnant or decreasing and Grindrod wishes to retain, through long-term incentive, specific executives and qualifying managers.

Shares under this plan are only awarded to the specific executives and qualifying managers who are key to achieving the strategic objectives in the business plan. The shares vest in three equal tranches at the end of years three, four and five after the award date achieving a long-term commitment from the individuals. Prior to vesting, participants receive dividends paid and may vote in respect of the shares awarded, but they cannot trade or encumber their allocation until vesting date. Unvested awards are forfeited on termination of employment by Grindrod or the participant. The value granted is recognised in the income statement at the awarded price over the vesting period.

The scheme is only used on rare occasions and has thus been capped at six million shares.

Grindrod Financial Services group share-price-linked option scheme

The Grindrod Financial Services group share-price-linked option scheme was introduced in 2009 for Grindrod Bank executives and key employees. The scheme operates according to the same performance requirements as the Grindrod Limited share-price-linked option scheme, except that the share-price element is calculated as the greater of the net asset value of Grindrod Bank or an agreed price-earnings value, that payments are limited to 10% of the division's attributable profit and that vesting dates are the dates of Grindrod Bank Remuneration committee meetings. Vesting may, in exceptional circumstances and subject to the approval of the Remuneration committee, occur earlier than the five-year vesting period.

Non-binding advisory votes

In the event that the Group remuneration policy and/or the Group implementation report is voted against by 25% (twenty-five percent) or more of the voting rights exercised on these resolutions, the Company will in its voting results announcement extend an invitation to dissenting shareholders to engage with the Company to discuss the reasons for their dissenting votes. The manner and timing of such engagement will be set out in the voting results announcement.

IMPLEMENTATION REPORT

Emoluments paid to directors and prescribed officers

The tables below provide an analysis of the emoluments paid to executive and non-executive directors and prescribed officers of Grindrod in relation to the 2021 and 2020 financial years.

Current directors – 2021

	Director's fees R'000	Committee fees R'000	Basic remuneration R'000	Retirement medical and other benefits R'000	Total package R'000	Bonus ⁵ R'000	2021 Total R'000	% increase from 2020 excluding bonus R'000
Executive directors								
FB Ally ⁴	–	–	2 936	1 139	4 075	3 108	7 183	170.2
XF Mbambo	–	–	4 155	1 682	5 837	5 880	11 717	4.6
DA Polkinghorne ³	–	–	4 909	1 211	6 120	4 763	10 883	4.6
AG Waller ⁸	–	–	6 321	1 462	7 783	8 105	15 888	4.9
Sub-total	–	–	18 321	5 494	23 815	21 856	45 671	–
Non-executive directors								
CA Carolus ²	118	–	–	–	118	–	118	–
G Gelink	460	324	–	–	784	–	784	–
WJ Grindrod	426	250	–	–	676	–	676	–
MJ Hankinson	1 257	607	–	–	1 864	–	1 864	–
B Magara	400	105	–	–	505	–	505	–
D Malik ¹	34	13	–	–	47	–	47	–
NL Sowazi	924	319	–	–	1 243	–	1 243	–
PJ Uys ⁶	460	612	–	–	1 072	–	1 072	–
WO van Wyk ⁷	–	163	–	–	163	–	163	–
ZP Zatu Moloi	400	234	–	–	634	–	634	–
Sub-total	4 479	2 627	–	–	7 106	–	7 106	–
Total emoluments local	4 479	2 627	18 321	5 494	30 921	21 856	52 777	–

Notes

1 D Malik appointed to the Board on 1 December 2021.

2 CA Carolus appointed to the Board on 1 October 2021.

3 The bonus payment is made up R1.8 million for the 2020 year following the lifting of the SARB circular and a 2021 bonus of R2.9 million.

4 The increase of 170.2% is not a true measure as prior year remuneration does not include package as CFO for the full year following appointment to this position on 1 September 2020.

5 Short-term incentive performance bonuses in respect of services rendered in 2021 awarded as at year-end as detailed on page 70.

6 Fees ceded to Remgro.

7 Alternate to PJ Uys. Fees in respect of member of Audit committee.

8 Includes a special incentive bonus amount of R1.6 million relating to the disposal of the private equity portfolio.

MANAGING PERFORMANCE THROUGH REMUNERATION continued

Current directors – 2020

	Director's fees R'000	Committee fees R'000	Basic remuneration R'000	Retirement medical and other benefits R'000	Total package R'000	Bonus ¹ R'000	2020 Total R'000	% increase from 2019 excluding bonus ⁹ R'000
Executive directors								
FB Ally ²	–	–	1 111	397	1 508	908	2 416	
XF Mbambo	–	–	4 298	1 280	5 578	3 601	9 179	18.4 ¹⁰
DA Polkinghorne ¹¹	–	–	4 692	1 160	5 852	–	5 852	4.8
AG Waller	–	–	6 281	1 137	7 418	3 600	11 018	6.4
Sub-total	–	–	16 382	3 974	20 356	8 109	28 465	
Non-executive directors								
MR Faku ³	401	–	–	–	401	–	401	
G Gelink	439	308	–	–	747	–	747	
WJ Grindrod ⁴	381	224	150	–	755	–	755	
MJ Hankinson	1 197	579	–	–	1 776	–	1 776	
B Magara ⁵	350	92	–	–	442	–	442	
R Ndlovu ⁶	–	26	–	–	26	–	26	
NL Sowazi	877	303	–	–	1 180	–	1 180	
PJ Uys ⁷	438	583	–	–	1 021	–	1 021	
WO van Wyk ^{5, 8}	–	156	–	–	156	–	156	
ZP Zatu Moloi ⁵	350	205	–	–	555	–	555	
Sub-total	4 433	2 476	150	–	7 059	–	7 059	
Total emoluments local	4 433	2 476	16 532	3 974	27 415	8 109	35 524	

¹ Short-term incentive performance bonuses in respect of services rendered in 2020 accrued as at year-end as detailed on page 70.

² Appointed as executive director and Chief Financial Officer on 1 September 2020.

³ Retired as independent non-executive director on 2 December 2020.

⁴ Appointed as member of the Social and Ethics committee on 1 January 2020.

⁵ Appointed as independent non-executive director on 30 January 2020.

⁶ Resigned as independent non-executive director on 1 January 2020.

⁷ Fees ceded to Remgro.

⁸ Alternate to PJ Uys. Fees in respect of member of Audit committee.

⁹ Increases are based on performance and responsibilities and include role complexity, level of experience and contribution to Group performance. Remuneration is benchmarked by independent consultants.

¹⁰ A 5.5% increase was awarded in 2020. The increase of 18.4% is a consequence of an independent benchmarking review conducted during the current year highlighted the existing package was below the peer group.

¹¹ Following the recommendation of the SARB, the Grindrod Bank Board has agreed not to pay bonuses at this time.



MANAGING PERFORMANCE THROUGH REMUNERATION continued

Benchmarking

The fees for non-executive directors were benchmarked during the period. The reference group is a group comparable to Grindrod in terms of market sector competitors.

The executive remuneration was again benchmarked by using an appropriate reference group of peers in the market. In addition, the committee considered remuneration trends and latest developments in the market for the comparable percentile.

Short-term incentive: Performance bonuses

Performance bonuses paid to executive participants in the scheme are based on the evaluation of group or divisional and individual performances, measured against objectives and targets that are established and approved by the Remuneration committee at the beginning of each year.

The table below reflects the assessed performances of executive participants in the scheme as approved by the committee:

	2021	2020
FB Ally	76	68.0
XF Mbambo	100	64.0
DA Polkinghorne	80**	–*
AG Waller	83	48.0
Target weighting	100	100

* A bonus payment of R1 836 000 for the 2020 year was made in June 2021 following the lifting of the SARB circular.

** In terms of the Bank bonus scheme, the 80% achievement qualifies for a bonus of 50% of TCDE.

FB Ally

	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	30	30
ROIC Target	10	5
Growth in Grindrod share price	10	–
Transformation	10	7
Balance Sheet Restructure and Liquidity	10	8
Review and Simplify Legal Structures	10	8
Optimise Backoffice Support Structure	10	8
Exit of Carrier business	10	10

XF Mbambo

	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	40	40
ROIC Target	10	10
Strategy for Freight Services	15	15
Build a strong, supportive and cohesive executive team	15	15
Develop and maintain key stakeholder relationships	10	10
SHERQ, sustainability, transformation and brand	10	10

DA Polkinghorne

	Target weighting	Performance against target
Earnings, dividends and key ratios	40	28
Governance, ESG, risk and compliance	15	10
Transformation	15	15
Strategic imperatives	30	27

AG Waller

	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	30	30
ROIC target	10	5
Growth in Grindrod share price	10	–
Disposal of non-core assets	20	18
Build a strong executive team	10	10
Develop and maintain stakeholder relationships	10	10
SHERQ, sustainability, transformation and brand	10	10

Specific incentive

In addition, the CEO, AG Waller received an incentive of R1.6 million relating to the disposal of the private equity portfolio.

Grindrod Limited share-price-linked option scheme

Share option gains and cash-settled share-price-linked option payments for 2021 were as follows:

	Share-price-linked option payment	
Executive directors/prescribed officers	2021	2020
XF Mbambo	27 675	–
DA Polkinghorne	64 574	–
AG Waller	150 417	–
Total	242 666	–

MANAGING PERFORMANCE THROUGH REMUNERATION continued

A summary of options granted to executives and senior management, still to vest as at 31 December 2021, is as follows:

Date option granted

	2016	2017	2018	2019	2020	2021	Total
Price (R)1	7.65	6.02	7.40	8.13	3.67	5.10	
Number of options granted*	9 881 331	1 900 984	5 197 287	6 397 000	10 655 100	15 160 000	49 191 702
Cancellations	(578 000)	–	–	–	–	–	(578 000)
Vesting on retirement/transfer	(1 517 000)	(150 000)	–	–	–	–	(1 667 000)
Vested	(2 860 831)	(724 109)	(1 281 067)	–	–	–	(4 866 007)
Vested as a result of Shipping spin-off	(1 559 000)	(520 000)	–	–	–	–	(2 079 000)
Sub-total	3 366 500	506 875	3 916 220	6 397 000	10 655 100	15 160 000	40 001 695
Forfeiture	(2 023 883)	(283 609)	(1 707 690)	(711 000)	(681 300)	–	(5 407 482)
Net total	1 342 617	(223 266)	2 208 530	5 686 000	9 973 800	15 160 000	34 594 213

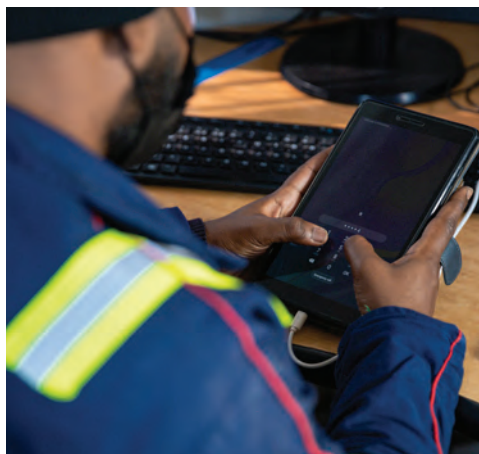
* Restructured during 2018 as a result of shipping spin-off.

As at 31 December the fair value of these options was R12.1 million.

The details of awards granted to executives as at 31 December 2021 are as follows:

Director	Options at 1 January 2021	Options granted during the year	Vested	Vesting price R	Options at 31 December 2021	Option price R	Vesting dates
AG Waller							
	354 208	–	(354 208)	5.51	–	5.09	Feb 21
	334 900	–	(334 900)	5.15*	–	7.65	Mar 21
	334 900	–	–	–	334 900	7.65	Mar 22
	223 871	–	(223 871)	5.20*	–	7.40	Feb 21
	223 871	–	–	–	223 871	7.40	Feb 22
	223 869	–	–	–	223 869	7.40	Feb 23
	868 333	–	–	–	868 333	8.13	Mar 22
	868 333	–	–	–	868 333	8.13	Mar 23
	868 334	–	–	–	868 334	8.13	Mar 24
	869 100	–	–	–	869 100	3.67	Aug 23
	869 100	–	–	–	869 100	3.67	Aug 24
	869 100	–	–	–	869 100	3.67	Aug 25
	–	952 666	–	–	952 666	5.10	Mar 24
	–	952 667	–	–	952 667	5.10	Mar 25
	–	952 667	–	–	952 667	5.10	Mar 26
	6 907 919	2 858 000	(912 979)		8 852 940		

* As option price was greater than vesting price, no payment was made.



MANAGING PERFORMANCE THROUGH REMUNERATION continued

Director	Options at 1 January 2021	Options granted during the year	Vested	Vesting price R	Options at 31 December 2021	Option price R	Vesting dates
XF Mbambo	65 170	-	(65 170)	5.51	-	5.09	Feb 21
	67 583	-	(67 583)	5.15*	-	7.65	Mar 21
	67 585	-	-	-	67 585	7.65	Mar 22
	95 944	-	(95 944)	5.20*	-	7.40	Feb 21
	95 944	-	-	-	95 944	7.40	Feb 22
	95 944	-	-	-	95 944	7.40	Feb 23
	331 333	-	-	-	331 333	8.13	Mar 22
	331 333	-	-	-	331 333	8.13	Mar 23
	331 334	-	-	-	331 334	8.13	Mar 24
	516 900	-	-	-	516 900	3.67	Aug 23
	516 900	-	-	-	516 900	3.67	Aug 24
	516 900	-	-	-	516 900	3.67	Aug 25
	-	795 000	-	-	795 000	5.10	Mar 24
	-	795 000	-	-	795 000	5.10	Mar 25
	-	795 000	-	-	795 000	5.10	Mar 26
	3 032 870	2 385 000	(228 697)	-	5 189 173	-	-
Director	Options at 1 January 2021	Options granted during the year	Vested	Vesting price R	Options at 31 December 2021	Option price R	Vesting dates
FB Ally	-	388 000	-	-	388 000	5.10	Mar 24
	-	388 000	-	-	388 000	5.10	Mar 25
	-	388 000	-	-	388 000	5.10	Mar 26
	-	1 164 000	-	-	1 164 000	-	-

* As option price was greater than vesting price, no payment was made.



Director	Options at 1 January 2021	Options granted during the year	Vested	Vesting price R	Options at 31 December 2021	Option price R	Vesting dates
DA Polkinghorne	152 063	-	(152 063)	5.51	-	5.09	Feb 21
	143 614	-	(143 614)	5.15*	-	7.65	Mar 21
	143 616	-	-	-	143 616	7.65	Mar 22
	117 065	-	(117 065)	5.20*	-	7.40	Feb 21
	117 065	-	-	-	117 065	7.40	Feb 22
	117 063	-	-	-	117 063	7.40	Feb 23
	128 333	-	-	-	128 333	8.13	Mar 22
	128 333	-	-	-	128 333	8.13	Mar 23
	128 334	-	-	-	128 334	8.13	Mar 24
	135 600	-	-	-	135 600	3.67	Aug 23
	135 600	-	-	-	135 600	3.67	Aug 24
	135 600	-	-	-	135 600	3.67	Aug 25
	-	71 000	-	-	71 000	5.10	Mar 24
	-	71 000	-	-	71 000	5.10	Mar 25
	-	71 000	-	-	71 000	5.10	Mar 26
	1 582 286	213 000	(412 742)	-	1 382 544	-	-

¹ As at 31 December 2021, the fair value of these options were R3.0 million for AG Waller, R1.9 million for XF Mbambo, R0.4 million for DA Polkinghorne and R0.3 million for FB Ally.

* As option price was greater than vesting price, no payment was made.

The cost of scheme settlements is hedged against 29 083 354 treasury shares (2020: 22 909 232), not allocated to the forfeitable share plan. During 2021, 6 174 122 shares (2020: 10 070 348 shares) were bought back at an average price of R4.85 (2020: R4.14).



MANAGING PERFORMANCE THROUGH REMUNERATION continued

Grindrod Limited forfeitable share plan

The following table summarises the movements in the forfeitable share plan during the year:

Award date	Date option granted	Number of options granted	Price ^{1,2} R	Number of forfeitable shares vested	Number of forfeitable shares forfeited	Total forfeitable shares ³
22 February 2016	2016	1 499 513	9.61	(972 560)	(526 953)	–
28 February 2017	2017	140 514	13.87	(60 343)	(50 000)	30 171
26 June 2017	2017	4 462 282	13.87	(2 622 166)	(1 025 492)	814 624
1 November 2017	2017	778 418	15.48	(537 048)	(144 822)	96 548
2 March 2020	2020	859 000	4.05	–	–	859 000
2 March 2020	2020	120 000	3.19	–	–	120 000
31 August 2020	2020	500 000	3.68	–	–	500 000
		8 359 727		(4 192 117)	(1 747 267)	2 420 343

¹ The price reflects the market price on the dates of the awards.

² The vesting price for the February 2016, February 2017, June 2017 and November 2017 awards that vested during 2021 were R5.23, R5.00, R4.73 and R5.13 respectively.

³ At 31 December 2021, the fair value of these options based on a closing share price of R4.95 was R12.0 million.

Note: Repurchased shares are held as treasury shares as required by the JSE Listings Requirements.

The table below shows the executive participants in the scheme and the forfeitable shares granted to the executives during 2021:

Award date	Opening balance 1 January 2021	Number of forfeitable shares granted	Number of forfeitable shares vested	Total forfeitable shares ¹
XF Mbambo	540 712	–	(150 856)	389 856
DA Polkinghorne	37 051	–	(37 051)	–
AG Waller	586 530	–	(86 530)	500 000
	1 164 293	–	(274 437)	889 856

¹ As at 31 December 2021, the fair value of these options, based on a closing share price of R4.95, was R2.5 million for AG Waller and R1.9 million for XF Mbambo.



Grindrod Bank share-price-linked option scheme

A summary of options granted to executives and senior management of Grindrod Bank, still to vest as at 31 December 2021, is as follows:

Date option granted	Number of options granted	Vested price ¹ R	Lapse	Vested/Settled	Net Total
2016	1 007 342	13.21	(144 887)	(862 455)	–
2017	1 220 997	14.33	(351 623)	(702 821)	166 553
2018	1 326 476	15.20	(342 498)	(541 412)	442 566
2019	1 841 078	16.54	(507 777)	(433 204)	900 097
2020	2 262 000	15.01	(359 000)	–	1 903 000
2021	1 890 000	15.51	–	–	1 890 000
	9 547 893		(1 705 785)	(2 539 892)	5 302 216

¹ The price and units were mathematically adjusted on the separation of Bank and Private Equity businesses.

Note: Bonus payments totalling 614 562 were made on Grindrod Bank options vesting and settled in 2021. Included in the above payment is R224 670 made to D Polkinghorne in lieu of the Grindrod Bank share price linked option scheme.

The details of awards granted to an executive as at 31 December 2021 are as follows:

Director	Options at 1 January 2021	Options granted during the year	Options vested/settled during the year	Vesting price R	Options at 31 December 2021	Option price R	Vesting dates
DA Polkinghorne							
	54 337	–	(54 337)	–	–	13.21	Feb 21
	57 093	–	(57 093)	–	–	14.33	Feb 21
	57 093	–	–	–	5 7 093	14.33	Feb 22
	69 299	–	(69 299)	–	–	15.20	Feb 21
	69 299	–	–	–	69 299	15.20	Feb 22
	69 299	–	–	–	69 299	15.20	Feb 23
	72 842	–	–	–	72 842	16.54	Feb 22
	72 842	–	–	–	72 842	16.54	Feb 23
	72 842	–	–	–	72 842	16.54	Feb 24
	124 666	–	–	–	124 666	15.01	Feb 23
	124 667	–	–	–	124 667	15.01	Feb 24
	124 667	–	–	–	124 667	15.01	Feb 25
		121 333	–	–	121 333	15.51	Feb 24
		121 333	–	–	121 333	15.51	Feb 25
		121 334	–	–	121 334	15.51	Feb 26
	968 946	364 000	(180 729)	–	1 152 217		

LIMITED ASSURANCE REPORT ON CERTAIN NON-FINANCIAL INFORMATION

LIMITED ASSURANCE REPORT

Limited assurance report of internal audit on the sustainability performance indicator disclosures as presented in the Grindrod integrated annual report for the year ended 31 December 2021 (the report).

SCOPE OF WORK

We have performed limited assurance on selected sustainability indicators presented in the report. The selected sustainability performance indicators are as follows:

- LTIFR;
- Petrol consumption (ML);
- Diesel consumption (ML);
- Electricity consumption (MW);
- Total direct and indirect GHG emissions – scope 1 and scope 2 (CO₂e tonnes); and
- Water consumption.

LIMITATION OF AUDIT SCOPE

The limited assurance procedures for the above selected sustainability performance indicators were restricted to the Grindrod Port and Terminals and Logistics divisions only. As such, this assurance report is applicable only to those selected sustainability performance indicators listed above for these named divisions.

INTERNAL AUDIT RESPONSIBILITIES AND APPROACH

Our responsibility is to express our limited assurance conclusion on the above selected sustainability performance indicators for the year ended 31 December 2021 based on the procedures we have performed and our evidence we have obtained. We conducted our limited assurance in a manner which requires that we plan and perform our audit to obtain limited assurance about whether the selected sustainability performance indicators are free from material misstatement.

Our audit approach was as follows:

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;

- Reviewed the process that Grindrod has in place for determining material selected key sustainability performance indicators to be included in the report;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected key sustainability performance indicators; and
- Performed control walkthroughs and inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria.

OUR INDEPENDENCE AND QUALITY CONTROL

Internal audit functions independently of all other business operations and has free and unrestricted access to all areas within the Group, including management, personnel, activities, locations and information.

Internal Audit Activities were carried out in accordance with the approved 2021 Internal Audit Plan and Internal Audit Charter. Internal Audit Methodology applied follows the principles, guidelines and standard of the Institute of Internal Auditors.

OUR CONCLUSION

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that for the year ended 31 December 2021 the selected sustainability performance indicators set out above, in relation to Grindrod Port and Terminals and Logistics divisions, are not prepared, in all material respects, in accordance with the GRI G4 Standards supported by Grindrod's internally developed guidelines.

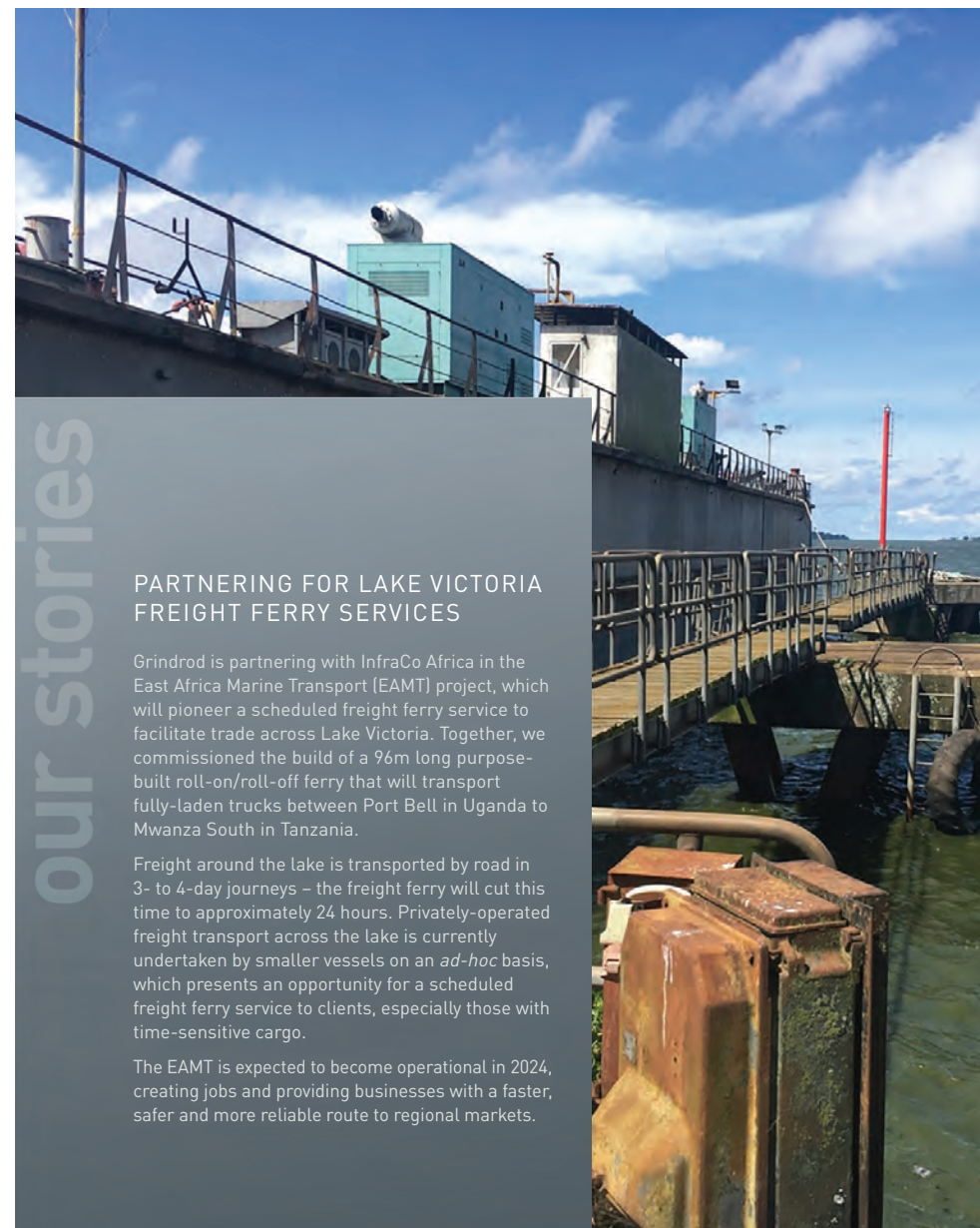
Grindrod Internal Audit

18 March 2022

Promethium Carbon assisted Grindrod in the calculation of Grindrod's carbon footprint and the compilation of other sustainability data. This support included the collation of data from the operational databases, the specification of the calculation methods, the selection of emissions factors, the review of historic data as well as the restatement of historic emissions where required. The greenhouse gas calculations are in accordance with the International Greenhouse Gas Protocol Standard as well as the South African Technical Guidelines for Mandatory Greenhouse Gas Reporting.

Promethium Carbon

18 March 2022



PARTNERING FOR LAKE VICTORIA FREIGHT FERRY SERVICES

Grindrod is partnering with InfraCo Africa in the East Africa Marine Transport (EAMT) project, which will pioneer a scheduled freight ferry service to facilitate trade across Lake Victoria. Together, we commissioned the build of a 96m long purpose-built roll-on/roll-off ferry that will transport fully-laden trucks between Port Bell in Uganda to Mwanza South in Tanzania.

Freight around the lake is transported by road in 3- to 4-day journeys – the freight ferry will cut this time to approximately 24 hours. Privately-operated freight transport across the lake is currently undertaken by smaller vessels on an *ad-hoc* basis, which presents an opportunity for a scheduled freight ferry service to clients, especially those with time-sensitive cargo.

The EAMT is expected to become operational in 2024, creating jobs and providing businesses with a faster, safer and more reliable route to regional markets.

SHAREHOLDERS' INFORMATION



Intermodal facility | DURBAN

KING IV STAKEHOLDER RELATIONS

Stakeholder inclusivity and **sustainable value creation** are interdependent and interconnected.

Transparent, proactive, two-way engagement is the foundation of our mutually-rewarding relationships with key stakeholders.

- 76** Share analysis of ordinary shareholders
- 77** Share analysis of cumulative, non-redeemable, non-participating, non-convertible preference shares
- 77** Notice of the Annual General Meeting
- 82** Form of proxy
- 82** Notes to the form of proxy
- 83** Electronic participation in the Grindrod Annual General Meeting

SHARE ANALYSIS OF ORDINARY SHAREHOLDERS as at 31 December 2021

	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	8 372	77.20	7 829 409	1.12
5 001 to 10 000 shares	949	8.75	7 330 904	1.05
10 001 to 50 000 shares	1 057	9.75	23 544 039	3.37
50 001 to 100 000 shares	182	1.68	13 627 887	1.95
100 001 shares and over	284	2.62	645 699 347	92.51
	10 844	100.00	698 031 586	100.00
Non-public shareholders				
Directors of Grindrod	9	0.28	283 337 955	40.59
Treasury stock	6	0.06	1 741 388	0.25
Strategic holdings	1	0.20	31 503 698	4.51
Public shareholders	2	0.02	250 092 869	35.83
	10 835	99.72	414 693 631	59.41
	10 844	100.00	698 031 586	100.00
Investor profile				
Banks and brokers	54	0.50	39 311 357	5.63
Close corporations	88	0.81	3 004 605	0.43
Endowment funds	20	0.18	1 804 165	0.26
Individuals	9 545	88.02	60 336 759	8.64
Insurance companies	38	0.35	16 468 143	2.36
Investment companies	2	0.02	863 439	0.12
Medical schemes	13	0.12	770 777	0.11
Mutual funds	90	0.83	155 837 085	22.33
Other corporations	46	0.42	134 962	0.02
Own holdings	1	0.01	31 503 698	4.52
Private companies	241	2.22	91 263 890	13.07
Public companies	3	0.03	757	0.00
Retirement funds	146	1.35	108 579 428	15.56
Strategic investor	1	0.01	173 183 235	24.81
Trusts	556	5.13	14 969 286	2.14
	10 844	100.00	698 031 586	100.00
Geographical breakdown				
South Africa	10 619	97.92	661 663 074	94.79
United States of America and Canada	15	0.14	9 859 358	1.41
United Kingdom	30	0.28	15 679 681	2.25
Rest of Europe	24	0.22	6 227 886	0.89
Rest of the World	156	1.44	4 601 587	0.66
	10 844	100.00	698 031 586	100.00

Beneficial shareholders holding 5% or more

	Number of shares	Percentage of shares
Remgro	173 183 235	24.81
Grindrod Investments Proprietary Limited (Grindrod family)	76 909 634	11.02
PSG Konsult	70 510 861	10.10
Government Employees Pension Fund	69 758 396	9.99
Steyn Capital Management	21 518 773	3.08
	411 880 899	59.00

Top 10 Fund Managers

PSG Asset Management	70 510 861	10.10
Public Investment Corporation	57 968 208	8.30
Steyn Capital Management	39 163 772	5.61
Sanlam Investment Management	29 075 030	4.17
Ninety One	17 683 710	2.53
360NE Asset Management	15 427 216	2.21
Oasis	10 909 199	1.56
Dimensional Fund Advisors	9 114 049	1.31
Old Mutual Investment Group	8 890 076	1.27
SBG Securities	7 881 152	1.13
	266 623 273	38.19

SHARE ANALYSIS OF CUMULATIVE, NON-REDEEMABLE NON-PARTICIPATING, NON-CONVERTIBLE PREFERENCE SHARES

as at 31 December 2021

	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	1 561	85.02	1 745 627	23.59
5 001 to 10 000 shares	138	7.52	1 003 075	13.56
10 001 to 50 000 shares	116	6.32	2 227 423	30.10
50 001 to 100 000 shares	14	0.76	1 038 710	14.04
100 001 shares and over	7	0.38	1 385 165	18.71
	1 836	100.00	7 400 000	100.00
Non-public shareholders	1	0.05	1 609	0.02
Public shareholders	1 835	99.95	7 398 391	99.98
	1 836	100.00	7 400 000	100.00
Investor profile				
Banks/Brokers	7	0.38	218 629	2.95
Close corporations	16	0.87	181 356	2.45
Endowment funds	17	0.93	121 459	1.64
Individuals	1 449	78.92	3 418 914	46.20
Insurance companies	5	0.27	159 057	2.15
Investment companies	1	0.05	1 958	0.03
Mutual funds	29	1.58	1 352 522	18.28
Other corporations	12	0.65	17 711	0.24
Private companies	83	4.52	726 909	9.82
Public companies	1	0.05	178 390	2.41
Retirement funds	7	0.39	65 909	0.89
Trusts	209	11.39	957 186	12.94
	1 836	100.00	7 400 000	100.00
Geographical breakdown				
South Africa	1 816	98.91	7 192 398	97.19
Rest of the World	10	0.54	16 416	0.22
Rest of Europe	4	0.22	942	0.01
United States of America and Canada	1	0.05	1 400	0.02
United Kingdom	5	0.28	188 844	2.56
	1 836	100.00	7 400 000	100.00

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of Grindrod Limited (**Grindrod** or the **Company**) will be held electronically on Friday, 3 June 2022 at 14:00 for the purpose of considering and if deemed fit, passing with or without modification, according to the requirements of the Companies Act No. 71 of 2008, as amended (the **Act**), as read with the JSE Listings Requirements and Grindrod's Memorandum of Incorporation (**MOI**), the ordinary and special resolutions as set out below.

Grindrod appointed The Meeting Specialist Proprietary Limited (**TMS**) to remotely host the Annual General Meeting on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineers.

The minutes of the Annual General Meeting held on 26 May 2021 are available for inspection at the registered office of Grindrod until 16:00 on 30 May 2022.

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

1.1 To present the audited Annual Financial Statements for the financial year ended 31 December 2021, together with the reports of the Audit committee, the directors and the auditors.

A copy of the full audited consolidated financial statements is available on Grindrod's website at www.grindrod.com.

1.2 To present the report of the Social and Ethics committee, set out on page 64 of the integrated annual report.

2. ORDINARY RESOLUTIONS

2.1 Ordinary resolution 2.1: Re-election of non-executive directors retiring by rotation

To vote on the re-election, each by way of a separate vote, of the following directors who are required to retire by rotation in accordance with article 5.1(8) of the MOI and being eligible, offer themselves for re-election:

2.1.1 WJ Grindrod

2.1.2 B Magara

2.1.3 ZP Zatu Moloi

The Nomination committee of Grindrod recommended the review of the performance of each of the retiring candidates to the Board, and following assessment of the directors retiring by rotation, the Board recommends their re-election to shareholders.

Brief CVs of the directors are provided on page 6 of the integrated annual report.

2.2 Ordinary resolution 2.2: Confirmation of appointment of directors appointed by the Board since the previous Annual General Meeting

To, in accordance with article 5.1(5) of the MOI, confirm the appointment of the following directors appointed by the Board since the previous Annual General Meeting:

2.2.1 CA Carolus (and as Chair of the Board)

2.2.2 D Malik

The Nomination committee of Grindrod has assessed the eligibility of the newly appointed candidates and the Board accepted the result of the assessments. Accordingly, the Board recommends the elections to shareholders.

Brief CVs of the directors are provided on page 6 of the integrated annual report.

NOTICE OF THE ANNUAL GENERAL MEETING continued

2.3 Ordinary resolution 2.3: Election of member and appointment of chair of the Audit committee

To vote on the election, in terms of section 94 of the Act, of GG Gelink, an independent non-executive director of Grindrod, as a member of the Audit committee and his appointment as the Chair of the committee, until the end of the next Annual General Meeting of Grindrod.

A brief CV of the Audit committee member is provided on page 6 of the integrated annual report.

2.4 Ordinary resolution 2.4: Election of members of the Audit committee

To vote on the election in terms of section 94 of the Act, each by way of a separate vote, the following independent non-executive directors of Grindrod, as members of the Audit committee to hold office until the end of the next Annual General Meeting of Grindrod:

2.4.1 D Malik (subject to the passing of ordinary resolution 2.2.2)

2.4.2 ZP Zatu Moloi (subject to the passing of ordinary resolution 2.1.3)

Brief CVs of the Audit committee members are provided on page 6 of the integrated annual report.

2.5 Ordinary resolution 2.5: Re-appointment of independent auditors and the designated audit partner

To vote, each by way of a separate vote, on:

2.5.1 The re-appointment of Deloitte & Touche as independent auditors of Grindrod, to hold office until the next Annual General Meeting.

2.5.2 The re-appointment of M Holme as designated audit partner, to hold office until the next Annual General Meeting.

The Audit committee nominated Deloitte & Touche to be independent auditors of Grindrod and M Holme to be designated audit partner and accordingly recommends that Deloitte & Touche and M Holme be appointed as independent auditors and designated audit partner, respectively.

2.6 Ordinary resolution 2.6: General authority to directors to allot and issue ordinary shares

That, as an ordinary resolution, and subject to the provisions of the Act and the JSE Listings Requirements, from time to time, that the directors of Grindrod be and are hereby authorised, as a general authority and approval, to allot and issue, for such purposes and on such terms as they may in their discretion determine, ordinary shares in the authorised but unissued share capital of Grindrod up to a maximum of 5% (five percent) of the number of ordinary shares in issue on the date of passing this resolution.

Explanatory Note

The reason for proposing ordinary resolution number 2.6 above is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of Grindrod, up to 5% (five percent) of the number of ordinary shares of Grindrod in issue at the date of passing this resolution, in order to enable Grindrod to take advantage of business opportunities which might arise in the future.

In order for ordinary resolution number 2.6 above to be approved, it must be supported by more than 50% (fifty percent) of the voting rights exercised.

2.7 Ordinary resolution 2.7: General authority to issue ordinary shares for cash

That, as an ordinary resolution, and subject to ordinary resolution number 2.6 above being passed, the directors of Grindrod be and are hereby authorised, in accordance with the Act and the JSE Listings Requirements, to allot and issue for cash, on such terms and conditions as they may deem fit, all or any of the ordinary shares in the authorised but unissued share capital of Grindrod, which they shall have been authorised to allot and issue in terms of ordinary resolution number 2.6 above, subject to the following conditions:

- This authority is valid until Grindrod's next Annual General Meeting, provided that it will not extend beyond 15 (fifteen) months from the date that this authority is given.
- The ordinary shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into or represent options in respect of a class already in issue.
- Any such issue will be made only to "public shareholders" as defined in the JSE Listings Requirements and not to related parties.
- The number of ordinary shares issued for cash will not in aggregate exceed 5% (five percent) of Grindrod's listed ordinary shares (excluding treasury shares) as at the date of the notice of Annual General Meeting, such number being 699 723 232 ordinary shares in Grindrod's issued share capital (5% (five percent) being 33 486 162 ordinary shares).
- Any ordinary shares issued under this authority during the period of its validity must be deducted from the above number of ordinary shares and the authority shall be adjusted accordingly to represent the same allocation ratio in the event of a sub-division or consolidation of equity securities during the same period.
- The maximum discount permitted at which ordinary shares may be issued is 5% (five percent) of the weighted average traded price on the JSE of such ordinary shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between Grindrod and the party subscribing for the securities.
- An announcement giving full details, including the number of ordinary shares issued, the average discount to the weighted average traded price of the ordinary shares over the 30 (thirty) business days prior to the date Grindrod agrees to issue the ordinary shares and the impact on net asset value, net tangible asset value, earnings and (if applicable) diluted earnings and headline earnings per ordinary share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to such issue.

Explanatory Note

The reason for proposing ordinary resolution number 2.7 is that the directors consider it advantageous to have the authority to issue ordinary shares for cash in order to enable Grindrod to take advantage of any business opportunity which might arise in the future. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

In order for ordinary resolution 2.7 to be approved, it must be supported by more than 75% (seventy-five percent) of the voting rights exercised.

NOTICE OF THE ANNUAL GENERAL MEETING continued

3. SPECIAL RESOLUTIONS

3.1 **Special resolution 3.1:** Approval of non-executive directors' fees

That the fees payable to the non-executive directors of Grindrod, members and chairs of Board committees for the year 1 July 2022 to 30 June 2023, as set out below, be approved.

	Member/Chair	Present	Proposed
Board of directors	Chair	R1 116 900	R1 178 330
	Lead independent director	R818 000	R862 990
	Non-executive director	R409 000	R431 495
Audit committee	Chair	R287 800	R303 630
	Member	R158 700	R167 429
Investment committee	Chair	Nil	Nil
	Standing member	R105 900	R111 725
	<i>Ad-hoc</i> member (per meeting)	R24 300	R25 637
Nomination committee	Chair	R158 700	R167 429
	Member	R87 700	R92 524
Remuneration committee	Chair	R158 700	R167 429
	Member	R87 700	R92 524
Risk committee	Chair	R191 900	R202 455
	Member	R107 000	R112 885
Social and Ethics committee	Chair	R134 500	R202 455
	Member	R80 500	R112 885

The Remuneration committee evaluated the fees for non-executive directors of Grindrod and members and chairs of Board committees. Factors such as the responsibilities of non-executive directors, benchmarking against industry peers and market trends were considered when the Remuneration committee recommended the above fees to the Board. The Board accepted the recommendations of the Remuneration committee and accordingly recommends the above fees for approval by the shareholders in terms of section 66(9) of the Act.

3.2 **Special resolution 3.2:** General authority to provide financial assistance in terms of section 44 of the Act

That, as a general approval, the directors of Grindrod be and are hereby authorised, to the extent required by section 44 of the Act, and subject to compliance with the requirements of Grindrod's MOI and the JSE Listings Requirements (each as presently constituted and as amended from time to time), to provide direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 44(1) of the Act), including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to Grindrod or any of its subsidiaries, and/or to any member of such subsidiary or related or inter-related company or entity, for the specific purpose of or in connection with, the subscription of any option or securities issued or to be issued by Grindrod or a related entity, provided that the Board has applied the solvency and liquidity tests as set out in section 4 of the Act and the terms of the proposed financial assistance is fair and reasonable to Grindrod.

3.3 **Special resolution 3.3:** General authority to provide financial assistance in terms of section 45 of the Act

That, as a general approval, the directors of Grindrod be and are hereby authorised, subject to the provisions of section 45 of the Act, compliance with the requirements of Grindrod's MOI, the JSE Listings Requirements (each as presently constituted and as amended from time to time) and any other applicable laws that may exist from time to time, to provide direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Act) that the Board of Grindrod may deem fit, to any related or inter-related company or to any juristic person who is a member of or related to any such companies ("related" and "inter-related" will herein have the meaning so attributed in section 2 of the Act) on the terms and conditions that the Board of Grindrod may determine from time to time, provided that the Board has applied the solvency and liquidity tests as set out in section 4 of the Act and the terms of the proposed financial assistance is fair and reasonable to Grindrod.

3.4 **Special resolution 3.4:** General repurchase of Grindrod's ordinary shares

That, as a general approval, the directors of Grindrod be and they are hereby authorised, subject to the provisions of Grindrod's MOI, section 48, read with section 46 of the Act and the JSE Listings Requirements, to approve the repurchase by Grindrod of its own ordinary shares, and the purchase of ordinary shares in Grindrod by any of its subsidiaries, upon such terms and conditions and in such amounts as the Board may from time to time determine, provided that:

- (i) the repurchase of ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Grindrod and the counterparty;
- (ii) this general authority shall only be valid until the earlier of Grindrod's next Annual General Meeting or for 15 (fifteen) months from the date of passing of this special resolution, whichever period is shorter;
- (iii) in determining the price at which Grindrod's ordinary shares are repurchased in terms of this general authority, the maximum premium at which such ordinary shares may be repurchased will be 10% (ten percent) above the weighted average of the market value for the 5 (five) business days immediately preceding the date on which the transaction is effected;
- (iv) the repurchase of ordinary shares by Grindrod in aggregate in any one financial year may not exceed 20% (twenty percent) of Grindrod's issued ordinary share capital;
- (v) not more than 10% (ten percent), in aggregate, of the number of issued ordinary shares of Grindrod may be held by, or for the benefit of, all of Grindrod's subsidiaries, taken together;
- (vi) Grindrod may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that immediately after the repurchase Grindrod has passed the solvency and liquidity test, and that since the test was performed, there have been no material changes to the financial position of the Group;
- (vii) a subsidiary of Grindrod may only effect a purchase of Grindrod ordinary shares once:
 - A. a resolution has been passed by the Board confirming that the Board has authorised the purchase, that immediately after the purchase Grindrod and its subsidiaries would satisfy the solvency and liquidity test, and that since the test was performed, there have been no material changes to the financial position of the Group;
 - B. a resolution has been passed by the Board of directors of the subsidiary confirming that it has authorised the purchase and that it has reasonably concluded that the subsidiary will satisfy the solvency and liquidity test immediately after completing the proposed purchase; and
 - C. a special resolution has been passed by the shareholder/s of the subsidiary in the circumstances contemplated in section 48(8) of the Act.

NOTICE OF THE ANNUAL GENERAL MEETING continued

- (viii) Grindrod or its subsidiaries may not repurchase and/or purchase ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to any variation) and full details of the repurchase programme has been submitted to the JSE in writing prior to the commencement of the prohibited period. Grindrod must instruct an independent third party, which makes its investment decisions independently of, and uninfluenced by Grindrod, prior to the commencement of the prohibited period to execute the repurchase programme;
- (ix) an announcement, containing full details of repurchases in accordance with sections 5.79 and 11.27 of the JSE Listings Requirements, will be published once Grindrod has cumulatively repurchased 3% (three percent) of the number of ordinary shares in issue at the time this general authority is granted (initial number), and for each 3% (three percent) in aggregate of the initial number acquired thereafter; and
- (x) at any point in time, Grindrod may only appoint one agent to effect any repurchase or purchase on its behalf.

Adequacy of working capital

At any time that the repurchase contemplated in this resolution is to take place, the Board will ensure that for a period of 12 (twelve) months after the date of the notice of Annual General Meeting, after considering the effect of the maximum repurchase:

- (i) Grindrod and the Group will be able to pay their debts as they become due in the ordinary course of business;
- (ii) the consolidated assets of Grindrod and the Group, measured in accordance with the accounting policies used in Grindrod's latest annual financial statements, will be in excess of the consolidated liabilities of Grindrod and the Group;
- (iii) the share capital and reserves of Grindrod and the Group will be adequate for the purpose of the ordinary business of Grindrod and the Group; and
- (iv) the working capital available to Grindrod and the Group will be adequate for the purposes of the business of Grindrod and the Group.

Disclosure

The directors of Grindrod have no specific intention at present for Grindrod or its subsidiaries to repurchase any of the shares of Grindrod as contemplated in this special resolution number 3.4 but considers that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of Grindrod and its shareholders.

The directors, whose names are set out on page 6 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of information pertaining to this special resolution number 3.4 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the JSE Listings Requirements.

The following additional information, some of which appears elsewhere in the integrated annual report of which this notice forms part, is provided in terms of section 11.26 of the JSE Listings Requirements for purposes of the general authority contemplated above:

- Major beneficial shareholders – pages 76 and 77 of the integrated annual report; and
- Share capital of Grindrod – pages 76 and 77 of the integrated annual report.

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of Grindrod and its subsidiaries since 31 December 2021 and the issuing of this notice of Annual General Meeting to shareholders.

4. NON-BINDING ADVISORY VOTES

4.1 Confirmation of the Group remuneration policy

That, as a non-binding advisory vote, Grindrod's remuneration policy as set out in the remuneration report on pages 66 to 68 of the integrated annual report be and is hereby confirmed.

4.2 Confirmation of the Group implementation report

That, as a non-binding advisory vote, Grindrod's implementation report as set out in the remuneration report on pages 68 to 73 of the integrated annual report be and is hereby confirmed.

In terms of the King Report on Corporate Governance™ for South Africa, 2016 (King IV), separate non-binding advisory votes should be put to the shareholders relating to the Group remuneration policy and implementation report. The votes allow the shareholders to express their views on the remuneration policy and implementation report adopted and implemented but are not binding on Grindrod.

In the event that the Group remuneration policy and/or the Group implementation report is voted against by 25% (twenty-five percent) or more of the voting rights exercised on these resolutions, the Company will in its voting results announcement extend an invitation to dissenting shareholders to engage with the Company to discuss the reasons for their dissenting votes. The manner and timing of such engagement will be set out in the voting results announcement.

Other business

To transact such other business as may be required at this Annual General Meeting.

Record dates

The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 1 April 2022.

The record date for shareholders to be recorded in the securities register of Grindrod in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 27 May 2022. Accordingly, the last date to trade in order to be eligible to attend and vote at the Annual General Meeting is Tuesday, 24 May 2022.

Preference shareholders

Preference shareholders are entitled to receive copies of correspondence related to all shareholder meetings. In respect of the Annual General Meeting to be held on Friday, 3 June 2022, preference shareholders are entitled to attend the Annual General Meeting and to vote together with ordinary shareholders in respect of special resolution number 3.4 regarding renewal of the authority of directors to repurchase ordinary shares.

Logistical arrangements

Shareholders who wish to electronically participate in and/or vote at the Annual General Meeting are required to complete the Electronic Participation Application Form available on page 83 and email same to TMS at proxy@tmsmeetings.co.za and contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 11:00 on Tuesday, 31 May 2022. Shareholders are strongly encouraged to submit votes by proxy before the Annual General Meeting. If shareholders wish to participate in the Annual General Meeting, they should instruct their CSDP or Broker to issue them with the necessary letter of representation to participate in the Annual General Meeting, in the manner stipulated in their Custody Agreement. To accommodate such requests, these instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at the Annual General Meeting. TMS is further obliged to validate (in correspondence with Grindrod and, in particular, the Transfer Secretary, JSE Investor Services Proprietary Limited (JSE Investor Services) and shareholders' CSDPs) each such shareholder's entitlement to participate in and/or vote at the Annual General Meeting, before providing it with the necessary means to access the Annual General Meeting and/or the associated voting platform.

NOTICE OF THE ANNUAL GENERAL MEETING continued

Shareholders will be liable for their network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the JSE Limited, Grindrod and/or TMS account. None of the JSE Limited, Grindrod or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the Annual General Meeting.

Voting by proxy

The minimum percentage of voting rights that is required for the adoption of each ordinary resolution is more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders participating electronically or represented by proxy at the Annual General Meeting, except for ordinary resolution 2.7, which requires 75% (seventy-five percent) approval in terms of the JSE Listings Requirements.

The minimum percentage of voting rights that is required for the adoption of each special resolution is at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders participating electronically or represented by proxy at the Annual General Meeting.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the Annual General Meeting. Shareholders are strongly encouraged to submit votes by proxy in advance of the Annual General Meeting to the JSE Investor Services, 13th Floor Rennie House, 19 Amershoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) South Africa, email meetfax@jseinvestorservices.co.za or facsimile 086 674 2450 by no later than 14:00 on Wednesday, 01 June 2022.

Kindly ensure that TMS is copied when submitting all completed forms of proxy and/or letters of representation to the JSE Investor Services.

Please forward all relevant information to the below mentioned:

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
2 Gwen Lane
Sandown
South Africa
2019

Attention: Michael Wenner, Farhana Adam or Izzy van Schoor

Tel: +27 11 520-7950/1/2

Email: Michael.wenner@tmsmeetings.co.za

Email: farhana.adam@tmsmeetings.co.za

Email: izzy.vanschoor@tmsmeetings.co.za

Email: proxy@tmsmeetings.co.za

A shareholder entitled to electronically participate and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to electronically participate, speak and vote in his/her stead. A proxy need not be a shareholder of Grindrod. The attached form of proxy is only to be completed by those ordinary shareholders who hold ordinary shares in certificated form or are recorded in the sub-register in "own-name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own-name" registration and who wish to participate at the Annual General Meeting electronically, must instruct their CSDP or broker to provide them with the necessary letter of representation to electronically participate at the Annual General Meeting in person or proxy and vote. If they do not wish to electronically participate in the Annual General Meeting or by proxy and vote, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

A form of proxy must be lodged with the share transfer secretaries of Grindrod, the JSE Investor Services and copied to TMS, not less than 48 (forty-eight) hours before the time set for the meeting. Completing a form of proxy will not preclude a shareholder from electronically participating in the Annual General Meeting.

By order of the Board

Grindrod Limited

Vicky Commaille

Group Company Secretary

Durban

11 April 2022

FORM OF PROXY

Grindrod Limited
(Incorporated in the Republic of South Africa)
Registration number 1966/009846/06
Share code: GND and GNDP
ISIN: ZAE000072328 and ZAE000071106

For use in respect of the 55th Annual General Meeting of Grindrod by certificated shareholders or of dematerialised shareholders with own-name registration.

Holders of dematerialised ordinary shares, other than those with own-name registration, must inform their CSDP or broker of their intention to electronically participate in and/or vote at the Annual General Meeting and request their CSDP to issue them with the necessary letter of representation, complete the Electronic Participation Form and email same to TMS. If they do not wish to electronically participate in and/or vote at the Annual General Meeting in person, they should provide their CSDP with their voting instructions.

I/We _____ (full name in block letters)
of _____ (address in block letters)
being the registered holder/s of _____ ordinary shares and _____ preference shares in the capital of
Grindrod do hereby appoint

1. _____ of _____ or failing him/her,
2. _____ of _____ or failing him/her,

the Chair of the Annual General Meeting as my/our proxy to electronically participate, speak and vote on my/our behalf at the Annual General Meeting of Grindrod to be held on Friday, 3 June 2022 at 14:00 and at any adjournment thereof, and to vote or abstain from voting as follows on the resolutions to be proposed at such Annual General Meeting.

Please indicate how you wish your proxy to vote by placing a cross ("X") in the box which applies:

	For	Against	Abstain
Ordinary resolution no. 2.1: Re-election of directors retiring by rotation			
2.1.1 WJ Grindrod			
2.1.2 B Magara			
2.1.3 ZP Zatu Moloi			
Ordinary resolution no. 2.2: Confirmation of newly appointed directors			
2.2.1 CA Carolus			
2.2.2 D Malik			
Ordinary resolution no. 2.3: Election of member and appointment of chair of the Audit committee – GG Gelink			
Ordinary resolution no. 2.4: Election of members of the Audit committee			
2.4.1 D Malik			
2.4.2 ZP Zatu Moloi			
Ordinary resolution no. 2.5: Re-appointment of independent auditors and the designated audit partner			
2.5.1 Re-appointment of Deloitte & Touche as independent auditors			
2.5.2 Re-appointment of M Holme as designated audit partner			
Ordinary resolution no. 2.6: General authority to directors to allot and issue ordinary shares			
Ordinary resolution no. 2.7: General authority to issue ordinary shares for cash			
Special resolution no. 3.1: Approval of non-executive directors' fees			
Special resolution no. 3.2: General authority to provide financial assistance in terms of section 44 of the Act			
Special resolution no. 3.3: General authority to provide financial assistance in terms of section 45 of the Act			
Special resolution no. 3.4: Repurchase of Grindrod's ordinary shares			
Non-binding advisory vote 4.1: Confirmation of the Group remuneration policy			
Non-binding advisory vote 4.2: Confirmation of the Group implementation report			

Date: _____ Signature: _____

Please read the notes and instructions overleaf.

This Form of Proxy is valid until conclusion of the Annual General Meeting on 3 June 2022.

NOTES TO THE FORM OF PROXY

1. A shareholder entitled to electronically participate and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to participate, speak and vote in his/her stead. A proxy need not be a shareholder of Grindrod.
2. In accordance with Grindrod's MOI, voting shall be by poll only.
3. Please indicate with an "X" in the appropriate spaces overleaf how you wish your votes to be cast. If you return this form duly signed without any specific directions, the proxy will vote or abstain at his/her discretion.

Instructions on signing and lodging the form of proxy

1. You may insert the name of any person(s) whom you wish to appoint as your proxy in the blank space(s) provided for that purpose.
2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory/ies.
3. When there are joint holders of shares, any one holder may sign the form of proxy. In the event of any dispute, the first name appearing in the register shall be taken as the shareholder.
4. The Chair of the Annual General Meeting shall be entitled to decline to accept the authority of a person signing the proxy form:
 - (a) under a power of attorney; or
 - (b) on behalf of a company;

unless that person's power of attorney or authority is deposited at the offices of Grindrod's share transfer secretaries not less than 48 hours before the Annual General Meeting together with the form of proxy.

5. The completion and lodging of this form of proxy will not preclude the shareholder who grants this proxy from participating electronically in the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such shareholder wish to do so.
6. Completed forms of proxy should be lodged at or posted to Grindrod's share transfer secretaries, the JSE Investor Services, at 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), South Africa, email meetfax@jseinvestorservices.co.za or facsimile 086 674 2450 so as to reach them not later than 48 (forty-eight) hours before the time set for the holding of the Annual General Meeting.

ELECTRONIC PARTICIPATION IN THE GRINDROD ANNUAL GENERAL MEETING

1. Shareholders or their proxies who wish to participate in the Annual General Meeting via electronic communication (Participants), must deliver the Electronic Participation Application Form below to TMS via email to proxy@tmsmeetings.co.za.
2. Participants will be able to vote during the Annual General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the Annual General Meeting, must provide TMS with the information requested below.
3. Each shareholder, who has complied with the requirements below, will be contacted between Monday, 30 May 2022 and Thursday, 2 June 2022 via email/mobile with a unique link to allow them to participate in the virtual Annual General Meeting.
4. The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the Annual General Meeting will be 11:00 on Monday, 30 May 2022.
6. The Participant's unique link will be forwarded to the email/cell number provided in the Electronic Participation Application Form below.

ELECTRONIC PARTICIPATION APPLICATION FORM

Name and surname of shareholder:

Name and surname of shareholder representative (if applicable):

ID number:

Email address:

Cell number:

Telephone number:

Name of CSDP or Broker (if shares are held in dematerialised format):

SCA number or broker account number:

Number of shares:

Signature:

Date:

Terms and conditions for participation at the Grindrod Annual General Meeting via electronic communication

1. The cost of dialing in using a telecommunication line/webcast/web-streaming to participate in the Annual General Meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
2. The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Grindrod, the JSE Limited and TMS against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Grindrod, the JSE Limited and TMS, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the Annual General Meeting.
3. Participants will be able to vote during the Annual General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the Annual General Meeting, must act in accordance with the requirements set out above.
4. Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
5. The application will only be deemed successful if the Electronic Participation Application Form has been completed and fully signed by the Participant and emailed to TMS at proxy@tmsmeetings.co.za.

Shareholder name:

Signature:

Date:

SUMMARISED ANNUAL FINANCIAL STATEMENTS



Drybulk terminal I MATOLA

COLLABORATION AND LONG-TERM THINKING WILL SHAPE THE FUTURE

Our company is a **dynamic force**, **embracing** long-term thinking and **collaboration** to shape the future.

We are **passionate** about Africa and consciously strive to **create benefit** for all.

- 85 Approval of the summarised financial statements
- 85 Compliance statement by the Group Company Secretary
- 85 Preparation of the summarised financial statements
- 86 Independent auditors' report on the summarised financial statements
- 86 Summarised financial statements

APPROVAL OF THE SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2021

The preparation of the summarised consolidated financial statements that fairly represent the results of the Group in accordance with the Companies Act and IFRS is ultimately the responsibility of the Board. The Board also ensures an independent audit of the summarised consolidated financial statements by the external auditors. The Board is of the opinion that the internal accounting control systems assure the adequate verification and maintenance of accountability for Grindrod's assets, and assure the integrity of the summarised consolidated financial statements. No major breakdown in controls that could influence the reliability of the summarised consolidated financial statements was experienced during 2021. Based on the financial results of Grindrod and the cash flow forecast for the year ended 31 December 2021, and the application of solvency and liquidity tests, the Board is further of the opinion that the Grindrod Group has adequate resources to continue in operation for the foreseeable future. The summarised consolidated financial statements were consequently prepared on a going concern basis.

The Board of directors approved the summarised consolidated financial statements and further authorised Mr Mike Hankinson and Mr Andrew Waller in their respective capacities as Chairman and Chief Executive Officer to sign off the Annual Financial Statements. The summarised consolidated financial statements which appear on pages 86 to 96, are therefore signed on its behalf by:

Mike Hankinson
Chairman
Durban

8 April 2022

Andrew Waller
Chief Executive Officer
Durban

8 April 2022

COMPLIANCE STATEMENT BY THE GROUP COMPANY SECRETARY

for the year ended 31 December 2021

The Group Company Secretary of Grindrod Limited certifies that, in terms of section 88(2) of the Companies Act No.71 of 2008, as amended, the Company has lodged with the Companies and Intellectual Property Commission of South Africa all such returns and notices as are required of a public company in terms of this Act and that all such returns are true, correct and up to date in respect of the financial year ended 31 December 2021.

Vicky Commaille
Group Company Secretary
Durban

8 April 2022

PREPARATION OF THE SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2021

BASIS OF PREPARATION

The summarised consolidated financial statements have been prepared in accordance with the minimum requirements of IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa requirements applicable to summarised financial statements.

The audited consolidated Annual Financial Statements are available at Grindrod's registered office for inspection.

The summarised consolidated financial statements and the full set of consolidated financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 8 April 2022. The directors take full responsibility for the preparation of these summarised consolidated Annual Financial Statements and the financial information has been correctly extracted from the underlying Annual Financial Statements.

ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of the full consolidated Annual Financial Statements from which the audited summarised consolidated financial statements were derived are in terms of IFRS and are consistent with those of the previous full consolidated financial statements.

AUDIT OPINION

These summarised consolidated financial statements for the year ended 31 December 2021 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 31 December 2021 from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements is included on page 86 of this integrated report and a copy of the auditor's report on the full consolidated financial statements is available on Grindrod's website, together with the financial statements identified in the auditors' reports.

Deloitte & Touche has not audited future financial performance and expectations expressed by the directors included in the commentary in the summarised consolidated financial statements and accordingly do not express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should refer to the auditor's report on the full consolidated financial statements available on the Company's website.

POST BALANCE SHEET EVENTS

There are no adjusting post balance sheet events to report.

Fathima Ally CA(SA)
Chief Financial Officer
Durban

8 April 2022

INDEPENDENT AUDITORS' REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

to the shareholders of Grindrod Limited
OPINION

The summarised consolidated financial statements of Grindrod Limited, which comprise the summarised consolidated statement of financial position as at 31 December 2021, the summarised consolidated income statement, summarised consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Grindrod Limited for the year ended 31 December 2021.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Grindrod Limited, in accordance with IAS 34: Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

OTHER MATTERS

We have not audited the non-financial information, any future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Grindrod Limited and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 8 April 2022. That report also includes the communication of other key audit matters as reported in the auditor's report of the audited financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with IAS 34: Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

DocuSigned by:

 Per: 1A4C698024FC49D...
Deloitte & Touche
 Registered auditors

Per: MH Holme CA(SA), RA
Partner

8 April 2022

Deloitte Place
 2 Pencarrow Crescent, Pencarrow Park
 La Lucia Ridge Office Estate, La Lucia, 4051
 Durban

SUMMARISED INCOME STATEMENT

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Revenue	3 904 984	3 751 156
Trading profit before expected credit loss and depreciation and amortisation*	1 073 778	546 868
Expected credit loss**	(12 060)	(213 283)
Depreciation and amortisation	(488 109)	(526 299)
Operating profit/(loss) before interest, taxation and non-trading items	573 609	(192 714)
Non-trading items	(401 134)	(194 479)
Interest received	99 933	116 488
Interest paid	(226 432)	(326 292)
Profit/(loss) before share of joint venture and associate companies' profit	45 976	(596 997)
Share of joint venture companies' profit after taxation	287 719	285 303
Share of associate companies' profit after taxation	19 169	20 439
Profit/(loss) before taxation	352 864	(291 255)
Taxation	(101 711)	(119 828)
Profit/(loss) for the year	251 153	(411 083)
Attributable to:		
Ordinary shareholders	175 578	(415 219)
Preference shareholders	45 780	51 244
Owners of the parent	221 358	(363 975)
Non-controlling interests	29 795	(47 108)
	251 153	(411 083)
Basic earnings/(loss) per share (cents)	26.2	(61.4)
Diluted earnings/(loss) per share (cents)	26.2	(61.4)

* Current period trading profit includes R33.0 million net fair value losses (2020: R405.4 million) relating to the private equity and property and Grindrod Shipping shares.

** Current period include impairment reversals of R86.8 million (2020: R86.8 million impairment) relating to the private equity and property.

HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Reconciliation of headline earnings/(loss)		
Profit/(loss) attributable to ordinary shareholders	175 578	(415 219)
Adjusted for:	442 788	247 101
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	57 730	7 751
Impairment of investments in joint ventures*	–	99 439
Loss on re-measurement to fair value less costs to sell	240 066	65 024
Impairment of goodwill*	24 840	82 010
Net loss on disposal of investments	136 114	9 835
Net profit on disposal of plant, terminals, machinery, vehicles and equipment	(311)	(51 330)
Gain on bargain purchase	(6 769)	(10 462)
Foreign currency translation reserve release	(50 536)	(7 804)
Joint ventures and associates:		
Net profit on disposal of intangibles, property, terminals, machinery, vehicles and equipment	(58)	(2 062)
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	48 440	42 056
Total taxation effects of adjustments	(6 728)	12 644
Headline earnings/(loss)	618 366	(168 118)
Ordinary share performance		
Number of shares in issue less treasury shares (000s)	666 528	671 526
Weighted average number of shares (basic) (000s)	670 933	676 640
Diluted weighted average number of shares (000s)	670 933	676 640
Basic headline earnings/(loss) per share (cents)	92.2	(24.8)
Diluted headline earnings/(loss) per share (cents)	92.2	(24.8)
Dividends per share – interim (cents)	–	–
Dividends per share – final (cents)	20.1	–
Dividend cover (headline) (times)	4.6	–

* The investment in joint ventures and goodwill was impaired based on recoverable amount which was assessed using value-in-use.

SUMMARISED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Profit/(loss) for the year	251 153	(411 083)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	377 761	151 413
Items that will not be subsequently reclassified to profit or loss		
Actuarial gains/(losses)*	6 831	(25 896)
Fair value gain arising on financial instruments*	3 001	4 407
Total comprehensive income/(loss) for the year	638 746	(281 159)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	607 227	(238 553)
Non-controlling interests	31 519	(42 606)
	638 746	(281 159)

* Net of taxation.

SUMMARISED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Property, terminals, machinery, vehicles and equipment	1 738 159	1 951 368
Right of use assets	1 054 609	844 644
Goodwill and intangible assets	507 793	677 057
Investments in joint ventures	3 058 527	2 771 627
Investments in associates	145 941	113 987
Investment property	86 168	91 617
Other investments	1 097 668	1 989 910
Deferred taxation	186 978	151 561
Long-term negotiable securities	312 958	185 232
Loans and advances	7 029 849	4 804 042
Long-term receivable	202 099	–
Total non-current assets	15 420 749	13 581 045
Liquid assets and short-term negotiable securities	3 623 026	2 284 018
Current portion of loans and advances	2 507 462	4 129 176
Current portion of long-term receivable	43 115	–
Inventories	66 639	93 092
Trade and other receivables	1 347 191	1 273 663
Taxation	20 696	29 771
Bank balances and cash	2 057 642	1 846 811
Total current assets	9 665 771	9 656 531
Non-current assets held for sale	65 000	367 034
Total assets	25 151 520	23 604 610

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Share capital and premium	3 928 711	3 950 427
Non-distributable reserves	1 885 547	1 535 732
Accumulated profit	2 808 394	2 622 984
Equity attributable to owners of the Company	8 622 652	8 109 143
Non-controlling interests	(44 704)	(150 134)
Total equity	8 577 948	7 959 009
Long-term borrowings	610 853	341 490
Lease liabilities	797 026	703 071
Long-term Bank and private equity funding	543 361	386 764
Derivative financial liabilities	24 277	73 046
Deferred taxation	57 450	63 397
Provision for post-retirement medical aid	21 816	21 039
Deposits from Bank customers	239 720	234 276
Provisions	11 670	14 143
Total non-current liabilities	2 306 173	1 837 226
Trade and other payables	1 310 696	1 440 209
Current portion of long-term borrowings	146 366	103 901
Current portion of lease liabilities	249 284	264 792
Current portion of Bank and private equity funding	908 778	1 345 601
Current portion of deposits from Bank customers	10 981 413	9 199 405
Short-term borrowings and bank overdraft	603 491	1 352 764
Taxation payable	67 371	101 703
Total current liabilities	14 267 399	13 808 375
Total equity and liabilities	25 151 520	23 604 610

SUMMARISED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Operating profit/(loss) before interest and taxation	573 609	(192 714)
Non-cash adjustments	498 998	1 100 144
Operating profit before working capital changes	1 072 607	907 430
Working capital changes	(33 328)	(36 371)
Cash generated from operations	1 039 279	871 059
Net interest paid	(171 766)	(223 348)
Net dividends received	197 782	217 790
Taxation paid	(175 915)	(196 503)
	889 380	668 998
Other operating cash flows from Bank		
Net deposits from/(advances to) customers and other short-term negotiable securities	106 686	(2 443 688)
Net cash flows from operating activities	996 066	(1 774 690)
Net movement in acquisition of property, terminals, machinery, vehicles and equipment	(392 998)	(145 916)
Net movement on disposal/(acquisition) of investments, subsidiaries, and businesses	594 852	(47 030)
Net movement on disposal of non-current assets held for sale	44 034	-
Funds received from/(advanced to) joint ventures and associate companies	16 150	(83 129)
Net cash flows from investing activities	262 038	(276 075)
Acquisition of treasury shares	(29 922)	(45 442)
Acquisition of non-controlling interest	(25 224)	(74 161)
Borrowings raised	821 330	305 896
Borrowings repaid	(1 468 554)	(1 018 695)
Net cash flows from financing activities	(702 370)	(832 402)
Net increase/(decrease) in cash and cash equivalents	555 734	(2 883 167)
Cash and cash equivalents at the beginning of the year	943 955	3 758 759
Difference arising on translation	18 331	68 363
Cash and cash equivalents at the end of the year*	1 518 020	943 955

* Cash and cash equivalents is net of the Bank balances and cash balance of R2.1 billion (2020: R1.8 billion) and the Overdraft balance of R539.6 million (Dec 2020: R902.9 million).

SUMMARISED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Ordinary and preference share capital and share premium	3 928 711	3 950 427
Balance at the beginning of the year	3 950 427	3 982 066
Share options vested	8 206	13 803
Treasury shares acquired	(29 922)	(45 442)
Equity compensation reserve	43 597	47 857
Balance at beginning of the year	47 857	56 471
Share-based payments	3 946	5 189
Share options vested	(8 206)	(13 803)
Foreign currency translation reserve	1 927 156	1 598 738
Balance at the beginning of the year	1 598 738	1 455 229
Foreign currency translation realised	(50 536)	(7 804)
Foreign currency translation adjustments	378 954	151 313
Other non-distributable statutory reserves	(85 206)	(110 863)
Balance at the beginning of the year	(110 863)	(43 068)
Foreign currency translation adjustments	(2 917)	3 402
Net business combination acquisition	28 574	(71 197)
Accumulated profit	2 808 394	2 622 984
Balance at the beginning of the year	2 622 984	3 156 208
Other comprehensive income from financial instruments	3 001	4 407
Actuarial gains/(losses) recognised	6 831	(25 896)
Profit/(loss) for the year	221 358	(363 975)
Ordinary dividends paid	-	(96 516)
Preference dividends paid	(45 780)	(51 244)
Total interest of shareholders of the Company	8 622 652	8 109 143
Equity attributable to non-controlling interests of the Company	(44 704)	(150 134)
Balance at the beginning of the year	(150 134)	(71 653)
Foreign currency translation adjustments	1 724	4 502
Non-controlling interest acquired	(53 801)	(33 675)
Non-controlling interest disposed	128 636	-
Profit/(loss) for the year	29 795	(47 108)
Ordinary dividends paid	(924)	(2 200)
Total equity attributable to all shareholders of the Company	8 577 948	7 959 009

SEGMENTAL INFORMATION

for the year ended 31 December 2021

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Revenue		
Port and Terminals	1 413 393	1 081 990
Logistics	3 242 393	3 232 044
Bank	487 634	378 236
Group	26 872	57 351
Total core operations	5 170 292	4 749 621
Marine Fuels and Agricultural Logistics	12 814 442	11 504 669
Private equity and property	52 223	116 043
Total	18 036 957	16 370 333
Segmental adjustments*	(14 131 973)	(12 619 177)
	3 904 984	3 751 156
Trading profit (after expected credit loss)		
Port and Terminals	580 499	460 611
Logistics	894 893	906 723
Bank	140 262	38 376
Group	170 354	(50 010)
Total core operations	1 786 008	1 355 700
Marine Fuels and Agricultural Logistics	43 095	103 725
Private equity and property	(164 759)	(489 361)
Total	1 664 344	970 064
Segmental adjustments*	(602 626)	(636 479)
	1 061 718	333 585
Operating profit/(loss) before interest and taxation		
Port and Terminals	452 342	335 467
Logistics	408 427	330 577
Bank	127 330	22 770
Group	135 362	(52 169)
Total core operations	1 123 461	636 645
Marine Fuels and Agricultural Logistics	39 474	98 785
Private equity and property	(166 043)	(498 214)
Total	996 892	237 216
Segmental adjustments*	(423 283)	(429 930)
	573 609	(192 714)

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Share of associate companies' profit/(loss) after taxation		
Port and Terminals	115 140	88 839
Logistics	285	303
Total core operations	115 425	89 142
Segmental adjustments*	(96 256)	(68 703)
	19 169	20 439
Profit/(loss) attributable to ordinary shareholders		
Port and Terminals	383 606	226 084
Logistics	(81 508)	137 158
Bank	96 687	37 567
Group	141 675	(71 375)
Total core operations	540 460	329 434
Marine Fuels and Agricultural Logistics	39 960	(69 516)
Private equity and property	(404 842)	(675 137)
	175 578	(415 219)
Geographical revenue		
North America/Bermuda	83 558	34 100
South America	4 134	117 456
Middle East	4 475 248	3 910 600
United Kingdom/Europe/Isle of Man	237 521	410 906
Singapore/Asia/Far East/Australia	8 088 843	7 097 388
South Africa	3 369 262	3 191 149
Rest of Africa	1 778 391	1 608 734
	18 036 957	16 370 333

* For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

NOTES TO SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. FOREIGN CURRENCY DENOMINATED ITEMS

The statement of financial position is translated at the closing rate of exchange indicated below and the income statement is translated at the average exchange rate.

Exchange rates (ZAR/US\$)	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Opening exchange rate	14.62	14.00
Closing exchange rate	15.93	14.62
Average exchange rate	14.90	16.56

2. REVENUE

Revenue category	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Bulk terminals	469 460	354 199
Container handling	1 433 330	1 385 972
– Recognised at a point in time	999 795	885 962
– Recognised over time	433 535	500 010
Logistics	776 132	844 746
Net interest income of Bank*	241 849	133 819
Fee income and non-interest income of Bank*	243 160	244 983
Ships agency income	447 341	449 021
Other services	293 712	338 416
	3 904 984	3 751 156

* Comparatives have been represented to reflect loan origination fee income more appropriately as part of net interest income of Bank. Total Bank revenue remains unchanged.

3. LONG-TERM RECEIVABLE

The long-term receivable comprises the deferred interest-bearing proceeds from the disposal of the investment in Select Industrial Real Estate UK Fund Limited ("SIRE").

On 4 November 2021, the Group disposed of its entire shareholding in SIRE for a cash consideration of £17.4 million to Gripon Limited, the other shareholder in the underlying structure, payable as follows:

- £4.5 million (R90.8 million) was received in 2021 on fulfilment of the condition's precedent;
- £2.0 million is to be received 12 months after disposal date;
- £5.2 million is to be received 30 months after disposal date; and
- £5.7 million is to be received 36 months after disposal date.

Following the disposal, the remaining proceeds of £12.9 million were discounted at a rate of 5.4%. The discount rate was determined based on a market related borrowing rate in the United Kingdom, for borrowing with a similar collateral profile, factoring in the credit risk of the buyer. In addition, interest at 1.5% on the outstanding proceeds will commence 13 months from the date of disposal.

	Audited 31 December 2021 R'000
Carrying value of the receivable at year-end convert at a closing exchange rate of R21.53/£*	245 214
Split as follows:	
Non-current	202 099
Current	43 115

* The impact of a 1% change in the discount rate would result in change in the receivable carrying value of R5.8 million.

4. FINANCIAL INSTRUMENTS DISCLOSURE

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable or based on observable inputs:

- **Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Levels 2 and 3 fair values were determined by applying either a combination of, or one of the following, valuation techniques:

- Projected unit method; and/or
- Independently observable market prices, and/or
- The net asset value of the underlying investments; and/or
- A price earnings multiple or a discounted projected income/present value approach; and/or
- Market-related interest rate yield curves to discount expected future cash flows; and/or
- Any additional revenue arrangements valued per the specified arrangement based on the specified underlying asset. The specified underlying assets include property and unlisted investments supported by management valuation.

NOTES TO SUMMARISED FINANCIAL STATEMENTS continued

for the year ended 31 December 2021

4. FINANCIAL INSTRUMENTS DISCLOSURE continued

The fair value measurement based on the income approach uses key inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassesses the earnings or yield multiples at least annually based on its assessment of the macro- and microeconomic environments.

(R'000)	2021 Fair value instruments					
	Carrying value	Level 1	Level 2	Level 3	Amortised cost	Other non-financial instruments
Financial instruments						
Bank balances and cash	2 057 642	-	-	-	2 057 642	-
Other investments	1 097 668	93 707	87 911	590 621	325 429	-
Loans and advances	9 537 311	-	638 174	2 629 678	6 269 459	-
Liquid assets and negotiable securities	3 935 984	-	-	-	3 935 984	-
Long-term receivable	245 214	-	-	-	245 214	-
Trade and other receivables	1 347 191	-	-	-	1 211 106	136 085
Borrowings (including Bank and Private Equity and Property)	(3 859 159)	-	-	-	(3 859 159)	-
Derivative financial liabilities	(24 277)	-	(24 277)	-	-	-
Trade and other payables	(1 310 696)	-	-	-	(1 055 710)	(254 986)
Deposits from Bank customers	(11 221 133)	-	-	-	(11 221 133)	-
Non-financial instruments						
Investment property	86 168	-	-	86 168	-	-
Total		93 707	701 808	3 306 467	(2 091 168)	(118 901)

^ Carrying value approximates fair value.

(R'000)	2020 Fair value instruments					
	Carrying value	Level 1	Level 2	Level 3	Amortised cost	Other non-financial instruments
Financial instruments						
Bank balances and cash	1 846 811	-	-	-	1 846 811	-
Other investments	1 989 910	*125 523	68 768	*1 475 661	319 958	-
Loans and advances	8 933 218	-	952 353	**2 547 357	^**5 433 508	-
Liquid assets and negotiable securities	2 469 250	-	-	-	2 469 250	-
Trade and other receivables	1 273 663	-	-	-	1 152 076	121 587
Borrowings (including Bank and Private Equity and Property)	(4 498 383)	-	-	-	(4 498 383)	-
Derivative financial liabilities	(73 046)	-	(73 046)	-	-	-
Trade and other payables	(1 440 209)	-	-	-	(1 207 738)	(232 471)
Deposits from Bank customers	(9 433 681)	-	-	-	(9 433 681)	-
Non-financial instruments						
Investment property	91 617	-	-	91 617	-	-
Total		125 523	948 075	4 114 635	(3 918 199)	(110 884)

* The Level 1 and Level 3 fair values have been represented to include the MTN Zakhele Futhi shares in the Loniwiz RF (Pty) Ltd subsidiary as Level 1 whereas previously this was disclosed in Level 3.

** The Amortised Cost Level 3 fair value amounts have been represented to reflect more appropriate disclosure.

^ Carrying value approximates fair value.

Reconciliation of Level 3 fair value measurements of financial assets

	Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Opening balance	4 114 635	*4 090 536
Purchases	458 101	293 117
Settlements	(1 088 645)	(155 701)
Total gains/(losses) recognised in:		
- Summarised consolidated statement of other comprehensive income	13 579	32 314
- Summarised consolidated income statement	(191 203)	*(145 631)
Closing balance	3 306 467	*4 114 635

* The Level 3 fair value reconciliation has been represented in line with the change in classifications as detailed above in the Fair Value Instruments classification table above.

Fair value losses recognised in the summarised consolidated statement of other comprehensive income for Level 3 financial instruments were R177.6 million (2020: fair value losses of R113.3 million*).

NOTES TO SUMMARISED FINANCIAL STATEMENTS continued

for the year ended 31 December 2021

4. FINANCIAL INSTRUMENTS DISCLOSURE continued

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for material investments:

Material investment	Fair value at 31 December 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Un-observable input	Range of input	Relationship of unobservable inputs to fair value R'000
Private equity	–	142 800				This entity was disposed in the current year
Medical	175 977	185 437	Discounted cash flow	Perpetuity growth	5% – 7%	<p>Increase perpetuity growth to 7% and increased WACC to 14% would decrease FV to R166 836</p> <p>Increase in perpetuity growth to 7% would increase FV by R53 580</p> <p>Decrease perpetuity growth to 5% would decrease FV by R26 732</p> <p>Decrease perpetuity growth to 5% and decreased WACC to 12% would increase FV to R185 327</p> <p>Increase in WACC to 14% would decrease FV by R42 501</p> <p>Decrease in WACC to 12% would increase FV by R50 774</p> <p>Increase of 1% would increase FV to R202 561</p> <p>Decrease of 1% would decrease FV to R147 178</p>
				Discount rate	12% – 14%	
				EBITDA margin		
Asset financing	301 700	283 136	Price multiple approach	PE multiple	10.8x – 12.8x	<p>Increased PE multiple to 12.8x would increase FV to R327 268</p> <p>Decreased PE multiple to 10.8x would decrease FV to R276 092</p>
		82 882	In the prior year this investment was measured as NAV due to the debt in the underlying Cremplice structure. Due to the acquisition of Cremplice the debt was settled and the investment holding is directly held and valued per above. Refer to note 31 in the AFS.			
Real estate	–	507 075				This entity was disposed in the current year

Material investment	Fair value at 31 December 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Un-observable input	Range of input	Relationship of unobservable inputs to fair value R'000
North coast property loans	1 456 749	1 377 428	Underlying security valuation	Underlying security valuation	Per expert valuation	<p>The value of the combined properties held as security for the loans is R3.0 billion based on independent valuations</p> <p>These valuations together with the Group's mortgage bonds were inputs into a Monte Carlo simulation to determine an independent valuation range between R1.0 billion and R1.8 billion on the loans</p> <p>Increase of 10% would increase FV by R147.1 million</p> <p>Decrease of 10% would decrease FV by R219.0 million</p> <p>Decrease of the discount rate to a range of 4% to 10% would increase the FV by R72.6 million</p> <p>Increase of the discount rate to a range of 8% to 14% would decrease the FV by R61.6 million</p> <p>Decrease of 6 months to a range of 1.5 to 2.5 years would increase the FV by R75.3 million</p> <p>Increase of 6 months to a range of 2.5 to 3.5 years would decrease the FV by R70.2 million</p>
				Rate per hectare	Residential/ Commercial	
				Discount rate	4% – 14%	
				Time to Maturity ("TTM")	1.5 – 3.5 years	
Loans and advances – Bank	1 172 929	1 263 415	Discounted cash flow	Discounted cash flow	Credit spread range of 1.6% to 21.1%*	<p>Increase of 100bps would decrease FV by R15 995</p> <p>Decrease of 100bps would increase FV by R16 537</p>

* The loans are valued by forecasting the future interest rate on the contractually referenced floating interest rate curve and adding the contractual fixed inception credit spread. This future interest rate is applied to the nominal or carrying amount of the loan. The interest and capital cash flows are discounted using the Prime or JIBAR swap yield curves back to the valuation date. An appropriate credit spread is generally added to the curve used for discounting purposes to reflect the current credit risk associated with the borrower. If the borrower of the loan has had no change in credit risk profile since inception, the inception credit spread is applied.

NOTES TO SUMMARISED FINANCIAL STATEMENTS continued

for the year ended 31 December 2021

4. FINANCIAL INSTRUMENTS DISCLOSURE continued

Valuation process

The Group's finance and corporate finance teams perform valuations on certain assets for financial reporting purposes. The valuation input, assumptions, methodology and outputs are then challenged and debated with the Group Chief Financial Officer (CFO) prior to approval. Teams present their valuations for significant investments to the CFO who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the CFO and the respective teams at least once every six months, in line with the Group's half-yearly reporting periods. Any resulting adjustments to the carrying value will follow the internal approval process. North coast properties, being security on the lending, are assessed by an independent valuation professional and the option pricing model for the assessment of fair value is performed by an independent expert.

The main four inputs used by the Group in measuring the fair value of financial instruments are:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset;
- Risk adjustments: these are specific to the counterparties (including assumptions about credit default rates) and are derived from the market assumptions on the operational environment and other factors affecting the investment; and
- Earnings growth factor for unlisted investments: these are estimated based on market information for similar types of companies or historical growth patterns.
- Independent expert valuations: valuations were conducted by registered independent experts using both the market approach and investment method.

5. DISPOSAL OF BUSINESSES

During the year, the Group disposed of the following:

Company	Nature of business	Nature of disposal	Interest disposed	Date disposed	Disposal consideration R'000
Innovative Strategic Investments 1 Proprietary Limited ("ISI")	Corporate branding and signage	Sale of shares – disposal of subsidiary	49%	30 June 2021	–
Fuellogic Namibia Proprietary Limited ("Fuellogic Namibia")	Fuel carriers	Sale of shares – disposal of subsidiary	100%	31 August 2021	19 848
Fuellogic, a division of Grindrod (South Africa) Proprietary Limited ("Fuel SA")	Fuel carriers	Sale of assets and liabilities – disposal of business	n/a	31 August 2021	107 187
Grindrod Automotive, a division of Grindrod (South Africa) Proprietary Limited ("Automotive")	Car carriers	Sale of assets and liabilities – disposal of business	n/a	31 August 2021	95 000
Total disposal consideration					222 035

The details of the SIRE disposal have been disclosed in note 3.

Reason for disposals

In 2019, following an assessment of control over the entity, in terms of IFRS 10: Consolidated Financial Statements, the Group consolidated Innovative Strategic Investments 1 (Pty) Limited. In the current year, the Group disposed of its shareholding in the entity in line with the exit strategy of the private equity portfolio.

In addition, in line with the strategy to exit poor performing businesses, the Group disposed of its South African and Namibian fuel carrier businesses. As at June 2021, the Fuel SA and Automotive disposals were sufficiently progressed and the assets and liabilities relating to these businesses were disclosed as non-current assets held for sale.

Net assets disposed

The net assets disposed is as follows:

Company	Disposal of subsidiaries – ISI and Fuellogic Namibia R'000	Disposal of businesses – Fuel SA and Automotive R'000	Total disposal R'000
Property, terminals, machinery, vehicles and equipment	46 600	303 929	350 529
Right of use assets	972	27 387	28 359
Goodwill	–	133 814	133 814
Deferred taxation	178	–	178
Inventory	15 967	–	15 967
Trade and other receivables	5 178	1 930	7 108
Non-controlling interests	128 636	–	128 636
Cash and bank	10 136	–	10 136
Long-term debt	(26 457)	(24 807)	(51 264)
Current liabilities	(25 730)	–	(25 730)
Total	155 480	442 253	597 733
Loss on disposal	(135 632)	–	(135 632)
Loss on re-measurement to fair value less costs to sell	–	(240 066)	(240 066)
Proceeds on disposal	19 848	202 187	222 035
Less: Settled directly with financial institutions	–	(30 000)	(30 000)
Less: Proceeds receivable	(19 848)	(172 187)	(192 035)
Less: Cash disposed	(10 136)	–	(10 136)
Net cash outflow on disposal of subsidiaries	(10 136)	–	(10 136)

NOTES TO SUMMARISED FINANCIAL STATEMENTS continued

for the year ended 31 December 2021

6. RELATED PARTY TRANSACTIONS

During each year, the Group, in the ordinary course of business, enters into various transactions with related parties. Parties are related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions are entered into under terms that are no more or less favourable than those entered into with the external third parties.

Below is a list of significant related party transactions and balances for each year:

Nature of relationship		Audited 31 December 2021 R'000	Audited 31 December 2020 R'000
Goods and services sold to:			
Portus Indico	Joint venture	79 492	157 452
Terminal De Carvão da Matola Limitada	Joint venture	140 982	211 953
GPR Leasing Africa Limited	Joint venture	–	51 922
Röhlig-Grindrod Proprietary Limited	Joint venture	33 657	43 357
France Rail Industry South Africa Proprietary Limited	Other related party*	664	–
Interest earned on loans to associates	Associates	101 031	126 806
Goods and services purchased from:			
Cockett Marine Oil Private Limited	Joint venture	84 561	101 773
Amounts due from related party:			
Maputo Intermodal Container Depot, S.A.	Joint venture	61 014	67 618
RailCo Africa Limited	Joint venture	97 141	118 685
RBT Grindrod Terminals Proprietary Limited	Joint venture	153 940	186 301
RBT Resources Proprietary Limited	Other related party	204 222	190 398
Loans to associates:	Associates	1 057 660	1 601 639
Property owning entities		828 527	822 044
Investment entities		–	319 992
Private equity portfolio		229 133	459 603
Directors (directly or indirectly)	Directors and key officers	–	1 894
Interests held by directors:	Equity investment in:	% held	% held
DA Polkinghorne	Indirect shareholding in various Grindrod entities**	–	<2
DA Polkinghorne	Direct shareholding in SIRE^	–	<2
Various directors	Grindrod Limited ordinary and preference shares	0.25	0.21

* ZP Zatu-Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.

** In the current year, Grindrod Bank executed a share buy-back of the minority interest.

^ The Group's interest in SIRE was disposed in the current year. Refer to note 3.

7. CONTINGENT LIABILITIES

The Company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R4 213.1 million (December 2020: R3 334.9 million) of which R1 779.9 million (December 2020: R2 011.9 million) had been utilised at year-end.

Management is currently in an appeal process with South Africa Revenue Services around indirect taxes on a leased vessel which originally arose due to its flagging. Supported by legal opinion, the directors are of the view that the probability of a material liability arising is low.

Despite settlement in December 2020 of an investigation by Brazilian authorities into Cockett Group, the Cockett Group is still under investigation by two other authorities. The settlement is still subject to review by the Brazilian Federal General Controlling Office and it is not possible to estimate when this will happen, but no changes are expected. External legal counsel has been engaged to assist the Cockett Group in responding to such investigations in an open and transparent way and are proactively co-operating with the authorities concerned. One investigation has been dormant for more than two years and the other only affects a small subsidiary of the Cockett Group.

Due to the abovementioned circumstances, any potential exposures (such as fines, penalties or legal costs) are not possible to determine and estimate at this stage. Cockett is a 50% joint venture to the Group.

8. CAPITAL EXPENDITURE AND COMMITMENTS

Rmillion	Capital expenditure		Split as follows	
	2021	2022	Approved not contracted	Approved and contracted
Core operations	568	269	156	113
Port and Terminals	65	46	–	46
Logistics	499	223	156	67
Bank	4	–	–	–
Split as follows:				
Subsidiaries	504	269	156	113
Joint ventures	64	–	–	–

Total capital expenditure was R568.4 million (2020: R403.8 million), of which 65% (2020:54%) was expansionary and the balance maintenance or replacement capital expenditure.

9. CASH FLOW AND BORROWINGS

The financial position reflects net cash of R450.6 million (December 2020: R682.8 million). The Group generated operating profit before working capital cash flows of R1 072.6 million (December 2020: R907.4 million) during the year. Working capital contributed to a net outflow of R33.3 million (December 2020: R36.4 million).

NOTES TO SUMMARISED FINANCIAL STATEMENTS continued

for the year ended 31 December 2021

10. STATEMENT OF FINANCIAL POSITION

With total assets of R25 151.5 million (December 2020: R23 604.6 million) and low gearing, the Group's financial position remains solid. Book net asset value per share is 1 176 cents (December 2020: 1 075 cents).

Shareholders' equity increased to R8 577.9 million (December 2020: R7 959.0 million) mainly due to profits in the current year and gains in the foreign currency translation reserve.

The increase of R328.4 million in the foreign currency translation reserve was due to the weaker Rand against the US Dollar from R14.62/US\$ in December 2020 to R15.93/US\$ in December 2021.

In addition, share buy backs of R29.9 million (December 2020: R45.4 million) were completed. Ordinary shares in issue remain unchanged from the prior year at 698 031 586.

11. BASIS OF PREPARATION

The reviewed summarised consolidated annual financial statements have been prepared in accordance with the Framework concepts recognition and measurement criteria of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contain the information required by IAS 34 Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited applicable to provisional reports and the Companies Act No. 71 of 2008, as amended of South Africa requirements applicable to summarised financial statements.

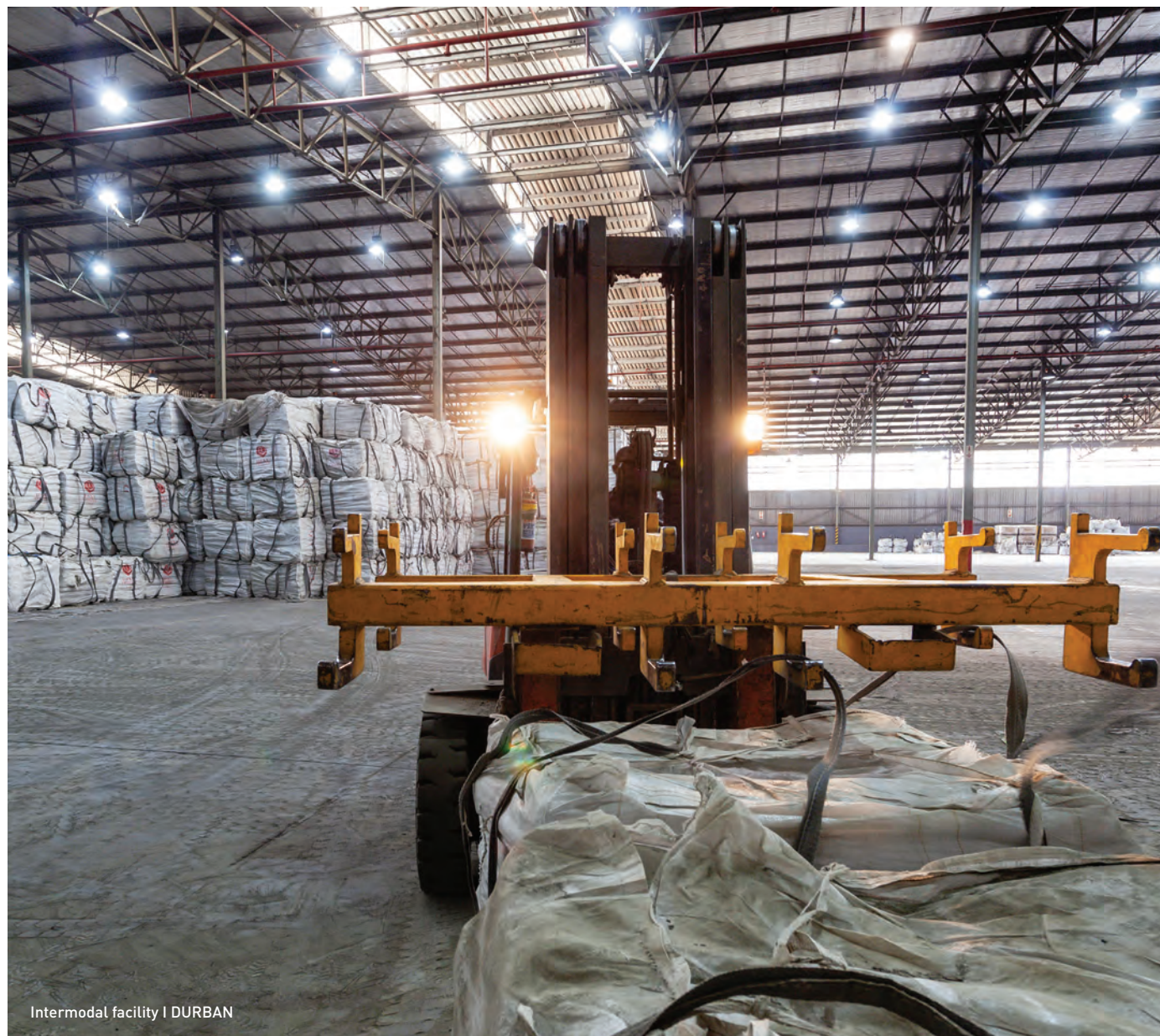
These summarised consolidated financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 2 March 2022, on recommendation by the audit committee.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the reviewed provisional consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2020. Non-trading items are a non-IFRS measure and consist of items that are usually capital in nature or not of an operational nature. Non-trading items are those items excluded from headline earnings in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2021.

12. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.



GENERAL INFORMATION



ALL FOR AFRICA

For **our customers**

For **our people**

For **communities**

For **transformation**

For **collaboration**

For **abundance**

For **growth**

For **the world**

98 List of Abbreviations

99 Company information

LIST OF ABBREVIATIONS

Abbreviation	Definition
AAS	Adopt-a-School
AGM	Annual general meeting
AIA	Approved Inspection Authority
ALCO	Asset and Liability committee
AMCU	Association of Mineworkers and Construction Union
BASA	Banking Association of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BDO	Binder Dijker Otte
C	Carbon
CA	Controlled atmosphere
CAF	Confederation of African Football
CCMA	Commission for conciliation, mediation and arbitration
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CERCI	Center for the Education and Rehabilitation of In-adapted Citizens
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
Companies Act	South Africa Companies Act No. 71 of 2008, as amended
Company	Grindrod Limited
COP 26	Conference of the Parties
COSO	Committee of Sponsoring Organisations of the Treadway Commission
COVID-19	Coronavirus disease
CRET	Cyril Ramaphosa Education Trust
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
CSR	Corporate social responsibility
CV	Curriculum vitae
DMTNs	Domestic Medium Term Notes
DoH	Department of Health
DOL	Department of Labour
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
EBITDA	Earnings before interests, tax, depreciation and amortisation
EE	Employment equity
EIA	Environmental Impact Assessment
ENS	Edward Nathan Sonnenbergs
ERM	Environmental Resources Management
ERM	Enterprise Risk Management

Abbreviation	Definition
ERM (framework)	Enterprise Risk Management (framework)
ERP	Enterprise Resource Systems
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
FTE	Full-time equivalent
GEPF	Government Employees Pension Fund
GFS	Grindrod Freight Services
GFS Holdings	GFS Holdings Proprietary Limited
GHG	Greenhouse gas
GLM	Grindrod Logistics Mozambique Limitada
GML	Grindrod Mozambique Limitada
GRI	Global Reporting Initiative
Grindrod	Grindrod Limited
HDSA	Historically Disadvantaged South African
HEPS	Headline earnings per share
HFC	Hydrofluorocarbons
HIRA	Hazard Identification and Risk Assessment
HP	Hewlett-Packard
HR	Human Resources
IASB	International Accounting Standards Board
ICAS	Independent Counseling and Advisory Services
ICT	Information and Communication Technology
IIRF	International Integrated Reporting Framework
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IoDSA	Institute of Directors South Africa
IoT	Internet of Things
IR	Investor relations
IRBA	Independent Regulatory Board for Auditors
IRMSA	Institute of Risk Management South Africa
<IR>	Integrated Reporting
ISO	International Standards Organisation
IT	Information Technology
J&J	Johnson & Johnson
JSE	Johannesburg Stock Exchange Limited
King IV	The King IV Report on Corporate Governance™ for South Africa, 2016
kl	Kilolitre
km	kilometre (km)
KPI	Key performance indicator
KPMG	Klynveld Peat Marwick Goerdeler

Abbreviation	Definition
kWh	Kilowatt hour
kWh/FTE	Kilowatt hour per full time employee
l	Litre/s
LR	Listing requirements
LTIFR	Lost-time injury frequency rate
LNG	Liquefied natural gas
m2	Square metre
m3	Cubic metre
MCTL	Maputo Car Terminal Limitada
MDP	Management Development Program
MICD	Maputo Intermodal Container Depot
ML	Megalitre
MOI	Memorandum of Incorporation
MPDC	Maputo Port Development Company
mtpa	Million tonnes per annum
MW	Megawatt
MWh	Megawatt-hours
MZM	Mozambique Metical
n/a	Not Applicable
NGO	Non-governmental Organisation
NLPI	NLPI Limited
NOx	Nitrous oxide
NPAT	Net profit after tax
N-S Corridor	North-south corridor
NUMSA	National Union of Metal Workers of South Africa
OACL	Ocean Africa Container Lines
OECD	Organisation for Economic Co-operation and Development
OEM	Original equipment manufacturer
OHS	Occupational health and safety
PA	Prudential Authority
POPI	Protection of Personal Information Act
PSP	Private Sector Participation
PT&L	Port and Terminals and Logistics
RBTG	RBT Grindrod Terminals Proprietary Limited
ROE	Return on equity
ROIC	Return on invested capital
SA	South Africa
SADC	The Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SAP	Systems, Applications and Products in Data Processing
SARB	South African Reserve Bank
SARS	South African Revenue Services

LIST OF ABBREVIATIONS continued

Abbreviation	Definition
SASSA	South African Social Security Agency
SDGs	Sustainable Development Goals
SENS	Stock Exchange News Service
SGD	Singapore Dollar
SGM	Sturrock Grindrod Maritime
SHEQ	Safety, Health, Environment and Quality
SHERQ	Safety, Health, Environment, Risk and Quality
SIRE	Select Industrial Real Estate UK Fund Limited
SMDP	Senior management development programme
SME	Small and medium-sized enterprise
SMME	Small, medium and micro-enterprise
SOx	Sulphur oxide
SOE	State-owned enterprise
TCM	Terminal de Carvão da Matola Limitada
TCOE	Total cost of employment
TCFD	Task Force on Climate-related Financial Disclosures
TEU	Twenty-foot equivalent unit
THORN	Transport, Action, Retail and General Workers Union
TMS	The Meeting Specialist Proprietary Limited
TRACE	TRACE International, Inc.
TRP	Takeover Regulation Panel
UAE	United Arab Emirates
UCD	United Container Depots
UIF	Unemployment Insurance Fund
UN	United Nations
US	United States
USD	United States Dollar
US\$	United States Dollar
WEO	World Economic Outlook
WESSA	Wildlife and Environment Society of South Africa
YES	Youth Employment Service
ZAR	South African Rand
£	British pound

COMPANY INFORMATION

Grindrod Limited

Registration number 1966/009846/06
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ISIN: ZAE000072328 and ZAE000071106

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Grindrod ethics officer

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Ethics Defender

<https://grindrod.ethicsdefender.com>

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Bankers

The Group maintains relationships with various registered national and international financial institutions

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Integrated annual report

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