

ALL FOR AFRICA
For **the world**

2022

GRINDROD LIMITED INTEGRATED ANNUAL REPORT
for the year ended 31 December 2022

PORT
TERMINALS
LOGISTICS



CONTENTS

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

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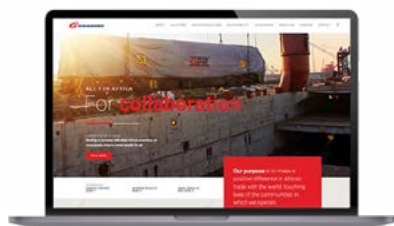
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Click through to www.grindrod.com to read more about Grindrod's business profile and structure and how we provide customer solutions for efficient and cost-effective cargo flow.



SIYANDA DLODLO, our on-shore safety representative at Grindrod Logistics Africa, is a qualified Ships Officer who has managed a number of roles, from monitoring coal trucks to building and buying ships. Siya embodies our focus on customer service excellence.

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 2022. Disclosure is guided by the material factors our directors believe will substantially impact Grindrod's ability to create and preserve value for stakeholders while preventing value erosion.

WHO WE ARE AND OUR CORE SERVICES

PORT TERMINALS LOGISTICS

Refer to page 51 to 55

MATERIAL MATTERS IN OUR EXTERNAL ENVIRONMENT

- **Environmental factors** (page 33)
- **Stakeholder relationships** (page 42)
- **Risks and opportunities** (page 16)

OUR STRATEGIC ESG OBJECTIVES AND HOW WE CREATE VALUE

Our daily efforts are underpinned by an emphasis on ESG matters to create and preserve sustainable value. Grindrod's newly adopted **ESG transformation framework** (page 26) is driven by our four strategic objectives of prosperity for all, regenerative environment, socially inclusive development and good governance, underpinned by nine business imperatives. We **create value** through the performance of our business divisions, including subsidiaries, joint ventures and associates, in terms of our four overarching ESG objectives.

Prosperity for all



RESOURCES
(page 28)



ASSETS
(page 50)

Regenerative environment



ENVIRONMENT
(page 33)

Socially inclusive development



PEOPLE
(page 38)

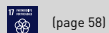


SKILLS
(page 39)



RELATIONSHIPS
(page 42)

Good governance



(page 58)

The Grindrod Limited (Grindrod or the Company) 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 Proprietary Limited
Compliance with B-BBEE ¹ regulations	1st Verification Networx Proprietary Limited

PROCESS DISCLOSURES

Content gathering for the 2022 integrated annual report included executive and Board discussions, interviews, and reviews of internal and external reporting information. A cross-functional team, led by the Chief Executive Officer (CEO) and representing various operations and subject-matter experts across the Group, contributed towards the integrated annual report, with oversight from the executive and the Board. Following collective assessment, the Audit committee, responsible for oversight of the integrated annual reporting process, recommended approval of the report to the Board. The Board then provided final approval of the report.

REPORT APPROVAL

Grindrod's Board of Directors acknowledges responsibility for ensuring the integrity of the integrated annual report. 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 approved the 2022 integrated annual report on 5 April 2023 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

			
Cheryl Carolus Independent non-executive chair	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	Zimkhitha Zatu Moloi Independent non-executive director	Xolani Mbambo Executive director and CEO	Fathima Ally Executive director and CFO

Note: Following the sale of Grindrod Limited's interest in Grindrod Bank Limited and Grindrod Financial Holdings to African Bank Limited, which was successfully finalised on 1 November 2022, reference to these entities within this report is limited in scope, in keeping with the forward looking nature of an integrated annual report.

¹ Broad-based black economic empowerment (B-BBEE).

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

REPORTING FRAMEWORKS

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 Integrated Reporting Framework (2021), including disclosures based on the six identified capitals. In addition, sustainability reporting is guided by the Global Reporting Initiative (GRI)'s Universal Standards, as updated in 2021.

The relevant frameworks used to guide business decision-making include:

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 eight goals that are most relevant to its business and the communities in the areas it operates in to guide business strategy and implementation.

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

The UN Global Compact's 10 Principles comprise a value system for corporate responsibility concerning human rights, labour, the environment and anti-corruption.

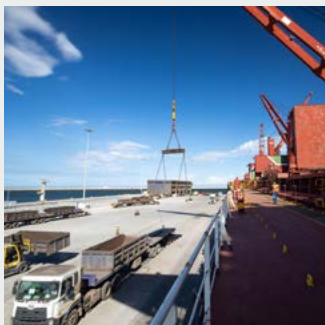
The Universal Declaration of Human Rights and the **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work**.

The Rio Declaration on Environment and Development.

The Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.

The Task Force on Climate-Related Financial Disclosures (TCFD) presents recommendations on climate-related financial-risk disclosures.

KEY HIGHLIGHTS



SOCIAL PERFORMANCE

LTIFR (PORT AND TERMINALS AND LOGISTICS)

0.38* ▼ target <0.5

(2021: 0.47)

FATALITIES

0

(2021: 0)

SOCIAL RESPONSIBILITY SPEND

R6.7 million ▼ 15.2%

(2021: R7.9 million)

TRAINING PROVIDED

1 322 employees ▲ 5.1%

(2021: 1 258)

B-BBEE

Level 3 ▼

(2021: Level 2)

Grindrod Limited

Level 1 ▲

(2021: Level 2)

Grindrod South Africa Proprietary Limited

ECONOMIC PERFORMANCE

REVENUE

R24 360 million ▲ 38.8%

(2021**: R17 549 million)

TRADING PROFIT

R1 917 million ▲ 25.8%

(2021**: R1 524 million)

HEADLINE EARNINGS PER SHARE: CONTINUING OPERATIONS

112 cents ▲ 49.3%

(2021**: 75 cents)

CASH GENERATED FROM OPERATIONS

R1 688 million ▲ 62.5%

(2021: R1 039 million)

Controlled entities only

NET ASSET VALUE PER SHARE

1 211 cents ▲ 3.0%

(2021: 1 176 cents)

FY2022

ENVIRONMENTAL PERFORMANCE

GHG EMISSIONS (CO₂e)

92 778 tonnes

▼ 27.4%

(2021: 127 737 tonnes)

ELECTRICITY INTENSITY

5 916 kWh/FTE

▲ 26.0%

(2021: 4 694 kWh/FTE)

WATER INTENSITY

24.3 kl per Rand

revenue ▼ 51.0%

(2021: 49.6 kl per Rand revenue)

GHG EMISSIONS INTENSITY
(GRAMS CO₂ PER RAND VALUE)

15 ▼ 56.9%

(2021: 34)



* Following audit, the LTIFR reported on 2 March 2023 changed from 0.34 to 0.38.

** Re-represented for the impact of IFRS 5: Non-current assets held for sale and discontinued operations.

Note: All the reported numbers in the integrated annual report include Joint Ventures unless otherwise specified.

ABOUT GRINDROD



HELENA JOSÉ SALOMÃO
MULTI-SKILLED OPERATOR TCM
(TERMINAL DE CARVÃO DA MATOLA LIMITADA)

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.

- 05 Our business structure
- 06 Our business profile
- 07 Our leadership team
- 09 How we create value

OUR BUSINESS STRUCTURE

Through our presence in the port and terminals and our logistics capabilities, Grindrod is positioned to deliver on its purpose of making a positive difference in Africa's trade with the world, touching lives of the communities in which we operate. 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.



PORT AND TERMINALS pages 51 and 52

Port

Our investment in Maputo Port Development Company (MPDC) is the main concessionaire for the Port of Maputo, a convenient gateway to international export markets.

PORT CONCESSION

24.7% MPDC



Terminals

Our infrastructure is designed to handle a variety of bulk/breakbulk commodities, vehicles and intermodal container packing facilities.

CAR TERMINAL

100% Maputo Car Terminal Limitada (MCTL)

DRYBULK TERMINALS

100% Grindrod Mozambique Limitada (GML)

100% Grindrod Terminals Richards Bay Proprietary Limited

100% Grindrod Multi Purpose Terminals, a division of Grindrod (South Africa) Proprietary Limited (GSA)

100% Grindrod Terminals Richards Bay, a division of GSA

75% Walvis Bay Bulk Terminals Proprietary Limited (Namibia)

65% Terminal de Carvão da Matola Limitada (TCM)

50% Maputo Intermodal Container Depot, S.A. (MICD) (Maputo)

STEVEDORES

100% Grindrod Stevedores (Richards Bay), a division of GSA

49% Grindrod Namibia Stevedoring Proprietary Limited (Namibia)

NON-CORE page 56

Marine fuels

Bunker fuel trading business.

50% Cockett Group

Private equity and North Coast property loans

Grindrod holds shares and investments in various companies.

100% GFS Holdings Proprietary Limited

100% Grindrod Property Private Equity Proprietary Limited



LOGISTICS pages 53 and 54

Intermodal

We provide solutions through our warehousing, distribution, container depot and transport capabilities. Our container depots in Johannesburg, Cape Town, Gqeberha and Durban provide logistics solutions that include container handling and storage, container structural repairs, reefer services, container transport and parts sales.

100% Grindrod Logistics Mozambique Limitada (GLM)

100% United Container Depots Proprietary Limited

75% Nacala Intermodal Terminal Investments

74.3% Indicus Dry Terminal Limitada

Cross-border, project logistics and marine solutions

With offices in all the major transit corridors in southern Africa, we can manage projects from start to finish for customers across many industries, and offer a feeder service across the southern African region.

100% Grindrod Logistics Africa (South Africa, Kingdom of Eswatini, Malawi, Tanzania, Uganda and Zambia)

50% Grindways Logistics Limited

49% Grindrod Logistics Proprietary Limited

12.5% East Africa Marine Transport Limited

Clearing and forwarding

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

50% Röhligh-Grindrod (South Africa and Mozambique)

Ships agency and maritime technical services

We provide a ships agency, logistics and marine technical and engineering services to the maritime, offshore and oil and gas sectors.

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

100% Novatech Proprietary Limited (Novatech)

100% Novamarine, a division of Novatech

100% Hesper Engineering, a division of Novatech

Rail

Our rail business provides full end-to-end customer logistics solutions, which include cost-effective rolling stock leasing solutions and rail operations.

100% RRL Grindrod Limited (Sierra Leone) (SL1)

100% RRL Grindrod SL2 Limited (Sierra Leone)

73.9% NLPI Group

42.3% Railco Africa Group

42.3% Grindrod Rail Consultancy Services Proprietary Limited

Transportation

We assess all options for transporting bulk/breakbulk cargo to a hub for storage, distribution or export. Road transportation is integrated into our logistics operations. Through strong strategic partnerships with reputable airlines, Röhligh-Grindrod secures preferential rates and delivers reliable, cost-effective, flexible solutions.

OUR BUSINESS PROFILE

YEARS OF EXPERIENCE
IN AFRICA

120+ years

CAPABLE PEOPLE DELIVERING
A WIDE RANGE OF SERVICES

4 000+*

NUMBER OF COUNTRIES
WE ARE REPRESENTED IN

23+

REVENUE

R24.4 billion

NET ASSET VALUE

R8.8 billion

* Includes contractor employees.

UGANDA
Cross-border and project logistics
Intermodal
Marine logistics
Other logistics services

SIERRA LEONE
Rail

DRC
Rail

ZAMBIA
Cross-border and project logistics
Rail

NAMIBIA
Clearing and forwarding
Rail
Seafreight
Ships agency
Stevedoring
Terminals

SOUTH AFRICA
Clearing and forwarding
Cross-border and project logistics
Intermodal
Maritime technical services
Rail
Seafreight
Ships agency
Stevedoring
Terminals

UAE
Ships agency

MALAWI
Rail

KENYA
Ships agency

TANZANIA
Cross-border and project logistics
Intermodal
Other logistics services
Marine logistics
Rail
Ships agency

MADAGASCAR
Ships agency

MAURITIUS
Rail
Marine logistics
Value added services

ZIMBABWE
Rail

MOZAMBIQUE
Clearing and forwarding
Cross-border and project logistics
Intermodal
Port
Rail
Seafreight
Ships agency
Stevedoring
Terminals

KINGDOM OF ESWATINI
Cross-border and project logistics

SINGAPORE
Ships agency

INDONESIA
Ships agency

TIMOR-LESTE
Ships agency

AUSTRALIA
Ships agency

THAILAND
Ships agency

PAPUA NEW GUINEA
Ships agency

OUR LEADERSHIP TEAM

comprises industry leaders with diverse and extensive experience

NON-EXECUTIVE DIRECTORS



Cheryl Carolus (64) Independent non-executive chair

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

Appointed 1 October 2021. Cheryl was appointed as chair of the Company on the retirement of Mike Hankinson at the 3 June 2022 Annual General Meeting (AGM). Cheryl has 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. Cheryl 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.

MIC, CNC, MRC, MSES, MRI



Nkululeko Sowazi (59) Independent non-executive director

MA (UCLA)

Appointed 24 February 2014. Nkululeko is the executive chair and co-founder of Tiso Investment Holdings and was chair of Kagiso Tiso Holdings until June 2020. Nkululeko has over 30 years' senior executive and investment management experience, currently serving on the boards of MTN Group Ltd, Sappi Limited, Botswana Soda Ash (as chair), and as a non-executive director of the industrial conglomerate, Bud Group. Nkululeko also serves as the chair of the Sanlam Private Equity Fund Investment Committee and serves as a co-founder trustee of the Tiso Foundation, and chair of Housing for the HIV Foundation.

CIC, MNC, MRC, MRI



Grant Gelink (73) 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 Zakhele Limited and First Rand Limited. Grant's extensive work experience with Deloitte & Touche spanned over 26 years and he served as Chief Executive from 2006 until his retirement from the firm in 2012.

CAC



Walter Grindrod (56) Non-executive director

Appointed 22 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. Walter was executive director for Grindrod International Freight, which later became Röhlüg-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, CSES, MNC



Ben Magara (55) 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 Chief Executive Officer of Anglo Coal South Africa. Most recently, Ben served as Chief Executive of Lonmin Plc. Ben's 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 and also serves on the boards of Weir Group PLC and Exxaro Limited.

CRC, MRI



Deepak Malik (65) Independent non-executive director

CA, BCom (Hons)

Appointed 1 December 2021. Deepak has extensive experience and knowledge of the investment and financial services sector. Deepak was Chief Executive Officer of Arise, a holding company set up to promote financial sector investments in sub-Saharan Africa, and previously served as the head of the Financial Institutions Department of Norfund, Chief Executive Officer of the Development Bank of Zambia, senior executive in Zambia Consolidated Copper Mines Limited, and Audit Manager at KPMG. Deepak has been instrumental in promoting investment in southern Africa and in unlocking economic potential in Africa.

MAC, CRI



Zimkhitha Zatu Moloi (39) 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, logistics and industrial manufacturing industries. Zimkhitha has worked with the IDC, PPC and Standard Bank. Zimkhitha is currently a non-executive director of Sun International and Safcol SOC Ltd and a board member of various trusts and organisations.

MAC, MSES

EXECUTIVE DIRECTORS



Xolani Mbambo (47)

CEO, Grindrod Limited
CA(SA), AMP (Harvard)

Appointed 1 September 2018. Prior to joining Grindrod in March 2013, Xolani spent 12 years in the mining sector in various roles in finance, project implementation and bulk commodity performance analysis. He spent part of his career in the Mpumalanga coalfields, Botswana and London. The Board announcement of his appointment as CEO of Grindrod Limited in July 2022 follows various roles within Grindrod, covering CFO and CEO of Freight Services division, and Group Financial Director.

MEC, MRI, MIC, MSES



Fathima Ally (42)

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 & Touche. Fathima has extensive audit and assurance experience, having worked with multi-national listed companies across various industries.

MEC



Andrew Waller (60)

CEO, Grindrod Limited
Retired December 2022

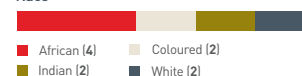
Appointed 1 March 2011 as Group Financial Director and 1 September 2018 as Group CEO. Andrew retired at the end of 2022, formally handing over to incoming CEO, Xolani Mbambo.

OUR BOARD PROFILE AS AT 31 DECEMBER 2022

Directors



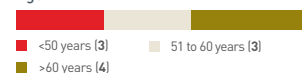
Race



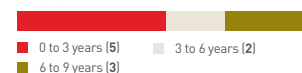
Gender



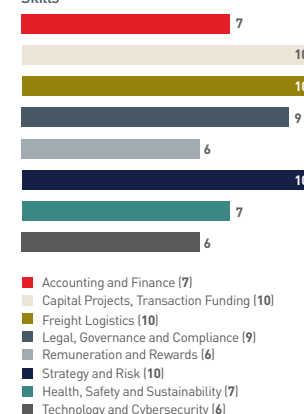
Age



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 and Governance committee
MRC	Member of the Remuneration committee
MRI	Member of the Risk committee
MSES	Member of the Social and Ethics and Sustainability committee
CAC	Chair of the Audit committee
CEC	Chair of the Executive committee
CIC	Chair of the Investment committee
CNC	Chair of the Nomination and Governance committee
CRC	Chair of the Remuneration committee
CRI	Chair of the Risk committee
CSES	Chair of the Social and Ethics and Sustainability committee

OUR LEADERSHIP TEAM

attendance at meetings

	DATE OF APPOINTMENT	DESIGNATION	OVERALL ATTENDANCE	BOARD A/B	EC A/B	SES 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%	8/8	6/6	2 ² /2	4 ² /4	2 ² /2	7 ² /7	–	–	
CA Carolus	10/01/2021	Independent non-executive director	100%	8/8	–	2 ² /2	3 ² /3	2/2	7/7	4/4	4/4	Re-election
GG Gelink	01/01/2013	Independent non-executive director	100%	8/8	–	–	4/4	–	1 ² /1	–	–	Retirement
WJ Grindrod	22/08/2019	Non-executive director	94%	8/8	–	2/2	–	–	7/8	1 ² /1	–	
MJ Hankinson¹	15/12/2009	Non-executive director	80%	2/3	–	1/1	2 ² /2	2/3	–	2/2	1/1	
B Magara	30/01/2020	Independent non-executive director	100%	8/8	–	–	–	2/2	–	–	–	
D Malik	12/01/2021	Independent non-executive director	92%	7/8	–	–	4/4	–	–	–	–	
XF Mbambo	09/01/2018	Executive director	100%	8/8	6/6	2 ² /2	4 ² /4	2/2	–	2 ² /2	2 ² /2	
DA Polkinghorne¹	22/11/2006	Executive director	85%	7/7	3/5	–	–	1/1	1 ² /1	–	–	
NL Sowazi	24/02/2014	Lead independent non-executive director	100%	8/8	–	–	–	2/2	7/7	4/4	4/4	Re-election
PJ Uys¹	30/08/2013	Non-executive director	76%	4/7	–	–	2 ² /2	0/1	5/6	4/4	3/3	
WO van Wyk^{1,3}	30/01/2020	Alternate non-executive director to PJ Uys	100%	7/7	–	–	2 ² /2	1/1	4 ² /4	3 ² /3	2 ² /2	
AG Waller¹	02/01/2011	Executive director	100%	8/8	6/6	2/2	4 ² /4	2/2	8/8	3 ² /3	3 ² /3	
ZP Zatu Moloi	30/01/2020	Independent non-executive director	93%	7/8	–	2/2	4/4	–	–	–	–	

A Indicates the number of meetings that the director attended.

B Indicates the number of meetings that the director could have attended.

1 Directors who retired or resigned during 2022:

MJ Hankinson – 3 June 2022 – retired.

AG Waller – 31 December 2022 – retired.

DA Polkinghorne – 1 November 2022 – resigned following the sale of Grindrod Bank.

PJ Uys and WO van Wyk – 17 October 2022 – resigned following the unbundling of Grindrod shares by Remgro Limited.

2 Attended by invitation.

3 Alternate to PJ Uys.

AC Audit committee

RC Remuneration committee

NC Nomination and Governance committee

RI Risk committee

SES Social and Ethics and Sustainability committee

IC Investment committee

EC Executive committee

HOW WE CREATE VALUE

CAPITAL INPUTS

OUR RESOURCES AND RELATIONSHIPS



RESOURCES

The funds that are available to Grindrod to conduct business, which in turn result in increased capital.

Total equity of R8.8 billion
Borrowings: R2.8 billion
Cash and cash equivalents: R2.6 billion



ASSETS

The physical infrastructure that Grindrod creates, develops, acquires and manages to provide services to grow the business.

Physical assets: Port, Terminals, Warehouses, Depots,
Road fleet, Rail infrastructure and rolling stocks
Capital expenditure: R767.4 million



SKILLS

The intangible assets that add value to the services and products Grindrod offers and to its ability to achieve operational and financial targets.

Technology systems and infrastructure
Knowledge and skill
Training and staff development
Intellectual property



PEOPLE

Grindrod's workforce, with their skills, experience and resilience.

3 787 competent employees
Diversity and inclusion training
Health and Safety: 244 employees attended training during 2022



RELATIONSHIPS

The internal and external stakeholders that contribute to, or are affected by, Grindrod's business activities and success.

A well-established reputation
Taxes and social contribution spend: R0.4 billion
Strong stakeholder relationships
Synergistic community relationships



ENVIRONMENT

The earth's natural assets that make life and human activity possible.

Wildlands Conservation Trust Blue
Fund spend: R50 000
Water intensity: 24.3 kl per Rand revenue
Electricity: 5 916 kWh/FTE

DRIVEN BY OUR PURPOSE

OUR OPERATING
ENVIRONMENT
(REFER TO PAGE 14)

OUR STAKEHOLDER
NEEDS
(REFER TO PAGE 42)

OUR MATERIAL
MATTERS
(REFER TO PAGE 13)

OUR RISKS AND
OPPORTUNITIES LANDSCAPE
(REFER TO PAGE 16)

OUR CORE BUSINESS ACTIVITIES



PORT



TERMINALS



LOGISTICS

Through our presence in the port and terminals, and our specialised logistics capabilities, we provide our customers with efficient and cost-effective integrated solutions for commodities cargo flow; a diverse range of freight solutions to the maritime, offshore, oil, and gas sectors; tailored logistics solutions across the supply chain for the end-to-end delivery of diversified cargo; and freight forwarding, customs brokerage and related logistics solutions across five continents.

UNDERPINNED BY STRONG CORPORATE GOVERNANCE (REFER TO PAGE 58)

DELIVERED THROUGH OUR STRATEGY (REFER TO PAGE 25)

STRATEGIC PILLARS

SP1

Our
Customers

SP2

Our People and
Communities

SP3

Market
diversification

SP4

Operational
excellence

SP5

Revenue
growth

SP6

Shareholder
Value

OUTPUTS

VOLUMES HANDLED AT 100%

PORT

10 MILLION TONNES

TERMINALS

16 MILLION TONNES

LOGISTICS

1 MILLION TONNES

OUTCOMES

WE DELIVER VALUE ACROSS THE FOUR STRATEGIC OBJECTIVES OF OUR ESG TRANSFORMATION FRAMEWORK (REFER TO PAGE 26)

PROSPERITY FOR ALL

- 17.0% return on equity from core operations
- 11.4% return on invested capital from core operations
- HEPS 111.5 cents (continuing operations)
- 3.3 dividend cover
- Tax paid R418.6 million
- R1.4 billion in wealth distributed to employees



REGENERATIVE ENVIRONMENT

- 27.4% reduction in greenhouse gases
- 151 834 kl of freshwater consumed
- 24.3 kl freshwater consumption intensity



SOCIALLY INCLUSIVE DEVELOPMENT

- Zero fatalities
- 19 safety incidents
- 0.38 LTIFR
- 270 training sessions conducted
- 1 322 training participants
- 14 Management Development Programme (MDP) participants
- 27 Youth Employment Service (YES) programme participants
- 20 internships made available targeted at African talent
- B-BBEE Level 3 Grindrod Limited and B-BBEE Level 1 GSA
- Enterprise Supplier Development (ESD) spend: R10.8 million



GOOD GOVERNANCE

- Nil cases of bribery
- Nil cases of corruption
- TRACE international certification
- International Organisation for Standardisation (ISO) certification



OUR OPERATING ENVIRONMENT



NELISIWE NZIMANDE
GROUP SHERO AND SUSTAINABILITY ANALYST

OUR EXTERNAL ENVIRONMENT

Extraordinary efforts by our **employees** to take advantage of favourable mining commodity markets saw **exceptional outcomes** during 2022.

- 11 Chair's message
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- 14 Our operating environment
- 16 Risk review

CHAIR'S MESSAGE



Cheryl Carolus Chair

Grindrod's purpose is to make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate. Within our current context, this has never been more essential – or more central to the organisation's everyday activities.

Grindrod's purpose is the foundation on which the Group's strategy has been built, underpinned by an emphasis on broader ESG matters to create and preserve sustainable value. In this, my first report as Grindrod's chairperson, it is my pleasure to reflect on the Group's progress against this aim during the period.

DELIVERING AGAINST AN INTEGRATED STRATEGY TO SUPPORT SUSTAINABLE VALUE

Through its everyday business, Grindrod plays a vital role in our customers' success and South Africa's economic advancement. Grindrod achieved a solid financial and operational performance in 2022, with headline earnings from core operations, inclusive of joint ventures, of R1 056.9 million, up 37% (2021: R772.2 million). In addition, cash generated from operations reached R1.7 billion (2021: R1 billion). The Board is also pleased to confirm the successful disposal of Grindrod Bank to African Bank in support of our core-business strategy.

Beyond achieving financial sustainability and growth, the Company's vision is to forge a future in which everyone can prosper and live in harmony with the planet's finite resources. Our focus on integrating ESG into the core of our business continues to progress within a dynamic context. We therefore reviewed our ESG ambitions during the year, leading to the adoption of our new ESG transformation framework, which comprises four central ESG strategic objectives covering the economic, social and ecological domains, supported by overarching good governance.

We will be expanding our disclosure over the coming years as the ESG reporting context continues to evolve and as we integrate the necessary processes into our business.

The health and safety of employees, contractors, visitors, customers and the communities in which we operate is a priority. We are therefore gratified to be able to report nil fatalities and a reduction in injuries. This was achieved through a steadfast focus on everyday behaviours that drive health and safety awareness while maintaining occupational health and safety management systems.

Beyond achieving financial sustainability and growth, the Company's vision is to forge a future in which everyone can prosper and live in harmony within the planet's finite resources. Our focus on integrating ESG into the core of our business continues to progress within a dynamic context.

We strive to build a diverse workforce supported by an inclusive culture and prioritise indigenisation in the countries in which we operate.

Grindrod continued its support of the YES initiative, and our internship programme focuses on providing essential skills and training to candidates from previously disadvantaged backgrounds. A learnership for people living with disabilities has been launched, with 27 individuals forming part of the programme during 2022. Grindrod also launched the Grindrod Graduate Programme aimed at attracting and retaining high-calibre graduates.

We recognise that maintaining respectful relationships with the communities in which we operate is critical to maintaining our social licence to operate. The Group respects human rights, culture and customary livelihoods and contributes positively to social and economic development. Grindrod's social responsibility favours investments in education as a sustainable contribution to thriving communities. Consequently, most of our corporate social investment spend was directed towards educational initiatives during the year. Grindrod has been a long-standing supporter of the Adopt-a-School Foundation and Cyril Ramaphosa Educational Trust.

Grindrod has also contributed to feeding schemes and Mandela Day projects, and various educare and crèche facilities. We engaged in a social support outreach programme in partnership with Transnet and other KwaZulu-Natal businesses as part of its commemoration of Mandela Day. The project saw Grindrod contribute towards the renovations and refurbishing of facilities at the Child and Family Welfare Society in Amanzimtoti. Grindrod also held its first-ever charity webathon to commemorate Mandela Day, matching the amount pledged by individuals and teams. In addition, our Komatipoort offices assisted Rise Against Hunger Africa by packing over 10 000 nutritious meals, which they then distributed to five early development centres in the area, benefitting 230 children. Furthermore, Grindrod is a sleeve sponsor of the AmaZulu Football Club, which supports the development of young soccer players through the club's skills academy.



GRINDROD WATER PROJECT
AT MATOLA GARE SCHOOL IN MOZAMBIQUE

CHAIR'S MESSAGE continued

Grindrod also furthered its environmental commitment, contributing towards the Southern African Foundation for the Conservation of Coastal Birds, while the Grindrod team in Nacala recently celebrated World Environmental Day by participating in a beach clean-up at Fernão Velozo Beach. Building off the foundation of WILDOCEANS Blue Crew and Recycling projects, the Blue Port project saw a total of 128 000 kg of waste collected from the port of Durban to date.

At times, responding swiftly to meet immediate needs is the best means of supporting our stakeholders. Following the devastating floods in KwaZulu-Natal during April 2022, Grindrod contributed significantly to flood relief projects to assist impacted employees and communities. The Group provided emergency food relief, water, shelter support and aid to employees and our communities who were in dire need of assistance, and counselling services to employees.



ENSURING OVERARCHING GOOD GOVERNANCE

Strong governance is critical to sustainable business. Our commitment to good governance therefore goes beyond regulatory compliance, and we continually seek to strengthen our board composition in line with best practice and evolving business needs.

I was privileged to take over as chairperson of the Board from Mike Hankinson on his retirement in June 2022. We are immeasurably grateful to Mike for his steady stewardship and unwavering service.

Pieter Uys, non-executive director, and Willem van Wyk, alternate non-executive director, resigned from the Board following the successful unbundling by Remgro Limited of its shareholding in Grindrod by way of a dividend *in specie* to its shareholders in November 2022. We thank Pieter for his contribution and service over the nine years of his tenure as a non-executive director and to Willem as his alternate, both of whom contributed significantly to the Board.

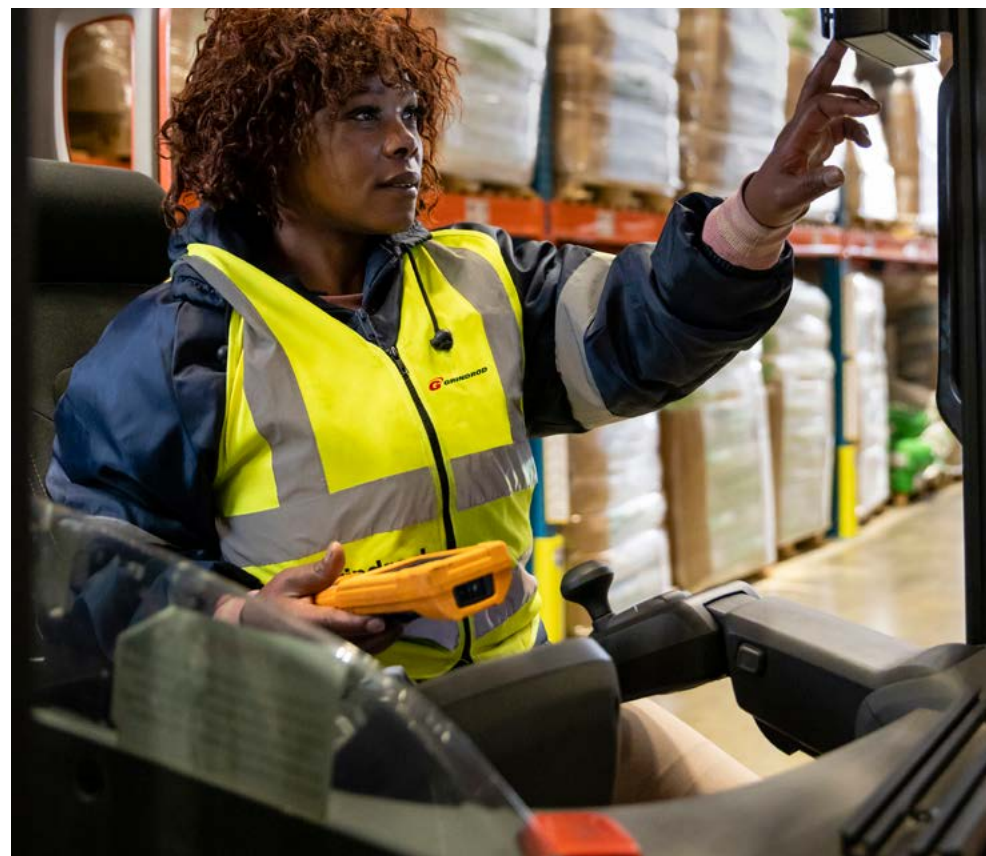
Grant Gelink will be retiring at this year's Annual General Meeting and I thank Grant on behalf of the Board for his valued contribution during his 10-year tenure as non-executive director and as chair of the Audit committee. We look forward to welcoming Zimkhitha Zatu Moloi as the incoming chair of the Audit committee on Grant's retirement.

We also welcomed Xolani Mbambo as our new CEO following the retirement of Andrew Waller. Xolani, previously as the CEO of Freight Services, led the purpose-driven core business focus in freight services, which has shown exceptional results, underpinned by Grindrod's five key values of earning our customer's trust every day, respecting our people, touching lives of the communities in which we operate, innovating for operational excellence and embracing long-term thinking.

Andrew Waller retired at the end of 2022 having laid the foundation for the Company to move from strength to strength.

I wish to thank Mike, Andrew and Xolani for the constructive and focussed manner in which they worked together to ensure the smooth transition.

Looking ahead, I have the utmost confidence in our highly skilled, dedicated and engaged board to lead us in meeting the demands of the governance of the Grindrod Group of companies.



APPRECIATION

I would like to take this opportunity to thank our shareholders for their confidence and support over the course of our journey to hone our strategic focus and to deliver holistic value into the future. We trust that as a purpose-led business, the depth and breadth of value we provide to our diverse stakeholder base will continue to grow in line with our ambitions.

Cheryl Carolus
Chair

5 April 2023

MATERIAL MATTERS

MATERIAL MATTERS FOR 2022

DETERMINING WHAT MATTERS MOST

ANALYSE

Grindrod continually assesses material matters that may impact its stakeholders and the sustainability of the business through a comprehensive Enterprise Risk Management (ERM) process, which includes the detailed identification of risks and opportunities and allied mitigations.

PRIORITISE

The Board, its sub-committees and the executive regularly review material matters and inherent risks. The impact of these on the Group's stakeholders, strategy, performance and risk matrix are considered, and matters are prioritised accordingly and grouped into themes.

INTEGRATE

Material matters are integrated into the overarching strategy, various governance and risk frameworks, management and operational processes and are continuously monitored through our integrated risk management and combined assurance processes.

MACRO/EXTERNAL

Macro shifts

- Climate change
- Global energy crises and local energy insecurity
- Social incohesion, unemployment, civil unrest and industrial action
- Pandemics
- Failing infrastructure and services
- *Force majeure* and market restrictions
- Emerging economies and growth prospects in Africa

Business impact on society and nature

- Grindrod ESG Transformation Framework and Pathway
- Collaboration and partnerships across the supply chain
- Engagement and partnerships to address challenges faced by Eskom and State-Owned Enterprises (SOEs) impacting the South African economic outlook

Developing our communities

- Decent work and economic growth
- Sustainable access to water and renewable energy
- Access to quality education

Customer-centric operations

- Cost-effective and efficient customer solutions strategy
- Applying an agile supply chain approach to customer challenges
- Efficiency and effectiveness in trade corridor development and management
- Optimisation and integration for efficient and seamless solutions

COMPANY/INTERNAL

Scaling our prosperity

- Strategy execution:
 - Horizon 1 (optimise)
 - Horizon 2 (grow)
 - Horizon 3 (innovate)

Employee wellbeing and transformation

- A safe, healthy environment
- Transformation, diversity, equity and inclusion
- Gender equality
- Training and holistic skills development

Technology adoption

- Cybersecurity, cyber resilience and data protection
- Modernisation for smart ports, terminals and logistics
- Digitisation and automation for consolidated value chains

Good governance and compliance

- Business integrity and ethics
- Sound risk management
- Comprehensive legal and other compliance
- Managing corruption and fraud

OUR OPERATING ENVIRONMENT



The promising recovery from the impact of the global COVID-19 pandemic in early 2022 was stalled by the economic fallout from the Russo-Ukrainian conflict, which resulted in severe disruptions in supply chains and commodity markets across the globe. Inflation rates have been rampant, and are expected to remain high during 2023, with pressures being felt on a wide range of emerging markets and developing economies through higher borrowing costs and capital outflow risks.



MACROECONOMIC FACTORS

Global backdrop

World economic growth has been held back by geopolitical disruptions centred in Europe, exacerbated by rising interest rates, inflation and China's policies on COVID-19 and related property sector disruptions. Further interest rate increases from central banks, in response to spiralling inflation, may hamper consumption and investment growth, as will the impacts of the ongoing war in the Ukraine, the cost-of-living crisis and China's economic slowdown. The energy crisis weighs heavily on world economies. However, the easing of remaining supply bottlenecks, and labour market pressures, could soften these impacts and result in less monetary tightening.

Energy commodity markets remain at risk, but the energy outlook should gradually improve over 2023 as the EU secures more non-Russian liquified natural gas (LNG) supply.

Global inflation

Global inflation rose to 8.8% in 2022, but is expected to stabilise to 6.6% during 2023, and 4.3% in 2024, still above pre-pandemic levels of a c. 3.5%. Additional energy and food price shocks may result in inflationary conditions persisting for longer, with global constriction of financing conditions potentially triggering emerging market debt distress. Central banks interventions are having an impact on inflation rates, but real policy rates need to be kept above the neutral level.

Growth projections 2023

It is predicted that global growth will slow from 3.4% to 2.9% in 2023, with many countries around the world showing recession-like conditions. More than a third of the global economy will see two consecutive quarters of negative growth. However, the IMF forecasts a global rebound in 2024 following the impact of the opening of China's economy.

Region	Growth	Projected growth	
	2022	2023	2024
Global economy	3.4%	2.9%	3.1%
Advanced economies	2.7%	1.2%	1.4%
Emerging market and developing economies	3.9%	4.0%	4.2%

SOUTH AFRICAN FACTORS

Economy

South Africa's economy has been growing by less than 3% annually since 2012 and, according to the International Monetary Fund (IMF), is expected to grow by 1.2% in 2023 and 1.3% in 2024 as the impact of higher interest rates, ongoing power outages and weak demand continues to be felt, potentially entering into a technical recession during 2023. Due to extensive load-shedding and other logistical constraints, the South African Reserve Bank (SARB), in contrast, has forecast gross domestic product (GDP) growth of only 0.3%.

Inflation and interest rates

Inflation soared to 13-year highs during 2022, peaking at 7.8%. The SARB adopted an aggressive monetary stance and hiked interest rates. Higher interest rates will put further pressure on the local economy.

Structural constraints and political uncertainty

South Africa's economy came under pressure in 2022 primarily due to the impacts felt from increased load-shedding, the ports strike and the global slowdown, resulting in the IMF and SARB downgrading economic growth forecasts. It is estimated that load-shedding for 208 days during 2022 reduced real GDP growth by up to five percentage points (2021: 2.9%).

Looking ahead, given the scale of load-shedding predicted for 2023, the SARB deducted two percentage points from growth for the year. The impacts resulting from the greylisting of South Africa on 24 February 2023 are as yet unknown, but it is expected to increase the cost of doing business with South Africa, making offshore funding and transacting more onerous.

On the upside, the National Energy Crisis Committee plans to add new power from several sources over the next two years. Eskom has also stated its aim to improve maintenance to lift its generation performance. However, regular load-shedding will likely persist until the end of 2024.

Unemployment remains high (South Africa's official and youth unemployment rates are the highest in the world), with increasing poverty levels. It is expected that a significantly lower number of new jobs will be created in South Africa in 2023 compared to the previous year. There is no more critical issue for future South African prosperity than that real inclusive economic growth should be accelerated.

AFRICAN FACTORS

Trading environment

The trading environment will continue to present challenges in 2023, with demand under pressure from rising inflation and high unemployment rates.

Despite Africa facing the heavy burden of debt servicing, instability created by election cycles, geopolitics and war with risks to food security, the region is not expected to experience a major downturn in economic growth in 2023. Debt servicing will worsen due to currency weakening, with Zambia, Zimbabwe and Mozambique carrying high debt burdens relative to GDP. Growth outlook is slightly weaker as a result of lower trading partner growth, tighter financial and monetary conditions and a negative shift in the commodity terms of trade. The IMF predicts sub-Saharan African growth of 3.8% in 2023 and 4.1% in 2024.

East Africa

Growth is estimated to have moderated to 4.2% in 2022 from 5.1% in 2021. However, it is projected to recover to the pre-pandemic average above 5.0% in 2023 and 2024. While the production structure in East Africa is relatively diversified, countries in the region are largely net importers of commodities. They thus bear the brunt of high international prices in addition to recurrent climate shocks and insecurity, particularly in the Horn of Africa (African Development Bank, 2023).

Elections pose a risk to stability

The 2023/2024 election cycle presents a risk of political protests, mass demonstrations and strikes in a range of countries. Africa will hold head of state (presidential or prime ministerial) or national legislature elections in 17 states during 2023 and upcoming elections in countries like Algeria, Madagascar, Nigeria, South Africa and Zimbabwe could result in disruptive civil unrest in 2023.

In South Africa, the ANC held their National Conference in December 2022, which saw Cyril Ramaphosa re-elected as the ANC president. Global financial markets reacted positively to the news, strengthening the Rand against all three major currencies (Dollar, Pound Sterling and Euro).

Security issues in northern Mozambique

Whilst the security issues in northern Mozambique have seen significant improvement, a cautionary approach is being followed.

OUR OPERATING ENVIRONMENT continued

MARKET OUTLOOK

Commodities

Global commodities performed exceptionally well in 2022 as geopolitical disruptions in Europe elevated costs and disrupted the supply of crucial commodities, while global demand growth was further tempered by rising interest rates and China's COVID-19 related and property sector disruptions. Commodity prices are expected to ease over 2023. India's energy demand saw the import of thermal coal increase by 15 million megatonnes in 2022, emerging as a key source of demand in 2022 and this is expected to continue into 2023.

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 ore/Ferrochrome	9.3 mtpa	●	●
Iron ore	7.3 mtpa	●	●
Coal	9 mtpa	●	●
Manganese	3 mtpa	●	●
Graphite	0.3 mtpa	●	●
Copper	0.1 mtpa	●	●
Agriculture	nil*	●	●
Containers (TEU)	300 000 m ²	●	●

* Citrus and grapes currently limited to container volumes only.

MARKET OUTLOOK

POSITIVE



VOLATILE



NEGATIVE



Chrome and Ferrochrome

The outlook for chrome and ferrochrome pricing levels is directly linked to the production of stainless steel. Prices are expected to rise on improving stainless steel demand and expected increases in raw material costs.

Iron ore

Iron ore prices are expected to decline due to weak global demand growth. Increased supply has also influenced pricing following recovery from COVID-19 and weather related disruptions in early 2022 and constraints surrounding Russia's invasion of Ukraine. Weakness in China's property sector, persistent COVID-19 disruptions in China due to the country's Zero-COVID-19 policy and environmentally driven steel production curbs should hold back steel-making demand growth. Overall, iron ore is forecast to average US\$80 per tonne, however, the long-term outlook on steel-making volumes shows marginal growth and no contraction. Steel-making supports chrome, ferrochrome, iron ore and manganese. Grindrod's key iron ore customer supplies the customers' operations in China.

Manganese

Manganese prices are expected to generally trend upwards over the period as gradual recovery in steelmaking demand from China and rising battery demand towards late-2023 outweighs relatively slow supply growth.

Coal

Coal prices are expected to decline as a result of seasonal trends and the easing of European demand, as natural gas prices start to stabilise and the world progressively shifts to cleaner energy sources. Price declines should be slowed by weak supply growth due to recent and ongoing environmentally-driven mine investment constraints. Demand from India and smaller markets in Asia and Africa is expected to remain strong in responses to rising electricity generation and manufacturing demand.

Copper

Copper is expected to trend downwards in the near term as global demand is restrained by the effect of strong inflation and global growth concerns, but should remain somewhat supported by elevated energy costs. Thereafter, prices should rise as growing demand for renewable energy development, and electric vehicles (EV), outpaces slowing supply growth.

Graphite

Graphite is a high-intensity material in EV batteries, with costs/emissions expected to shift towards natural graphite. It is anticipated that natural graphite demand will increase between five to nine times, over the next 10 years. Copper, graphite and manganese are required in the long term due to the growing demand for renewable energy development and EV.

Renewables and clean energy

With energy security remaining a key market risk, soaring demand and attractive long-term incentives are boosting the renewables energy sector. Global supply of LNG will be limited going into 2023, with an expected further reduction in Russian gas supply, requiring considerable demand destruction. The prevailing environment of geopolitical uncertainty, weaker macroeconomic growth and high inflation will call for offsets in the energy transition versus energy security debate. Lithium prices are expected to be more bearish in 2023 and other renewable inputs such as cobalt, nickel, graphite and vanadium are expected to perform well, specifically nickel in line with green battery forecasts.

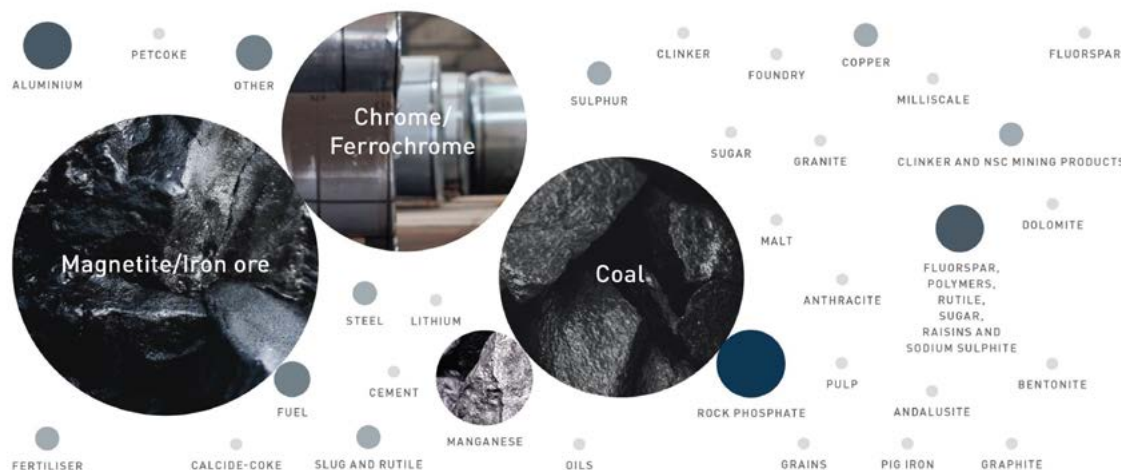
Soft commodities

Sub-Saharan Africa relies on imports for basic food commodities to close the gap between domestic production and consumption. The region's trade deficit in major food items is anticipated to widen. Evaluated at constant global reference prices, the deficit is anticipated to grow from about US\$18 billion to US\$31 billion by 2029. Import volumes of cereals, meat, sugar and oils are rising. Apart from sugar, imports are growing at a faster rate than production or exports. Exports are decreasing for nearly all main commodities. Import dependence is expected to deepen over the next 10 years.

Container markets

The seasonal nature of shipping demand causes predictable price swings, peaking August to October before the year-end holiday shopping season. Container shipping rates are expected to be volatile, trending downward as fuel costs stabilise and congestion at ports corrects. The Hong Kong and Shanghai Banking Corporation Limited predicts that container freight rates will hit a trough in mid-2023 (previously anticipated for 2024) due to lower demand forecasts and a higher-than-expected effective capacity increase as a result of the unwinding of congestion.

GRINDROD'S PORTFOLIO OF COMMODITIES**



** The portfolio of commodities represents an approximation of all drybulk volumes handled across Port, Terminals, Rail and Logistics and excludes containerised volumes.

RISK REVIEW

RISK MANAGEMENT

Grindrod has embedded risk management processes throughout all business operations. 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 principles of King IV, ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management (COSO ERM). The Group's risk management function operates through a Risk and Opportunity Governance Framework and a 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 risk areas are identified and evaluated based on their potential impact and probability regarding the occurrence's likelihood and negative or positive effect.

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 Grindrod's strategy.
- Improving Grindrod's agility to anticipate, identify, adapt and respond to changes.

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

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 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.
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 Information Technology (IT) risks.
Social and Ethics and Sustainability 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.

Role	Responsibility
Nomination and Governance committee	Reviews the skills and experience base and performance of the Chair, the Board and its committees. 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 Grindrod, continually reviews the systems and processes of risk management against accepted standards and best practices and co-ordinates appropriate reporting to the Board.
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 (BDO) was contracted to undertake an independent assessment of Grindrod's 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 Grindrod's risk processes.
- 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.
- Risk management processes are well-defined and complied with at each level.

The next independent review of Grindrod's ERM function will be undertaken in 2023.

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 into a risk matrix.

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, Institute of Risk Management South Africa (IRMSA) Perspective, Institute of Directors South Africa 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.

The ongoing conflict in the Ukraine, never-ending cyber threats coupled with ransomware demands, hacks and data breaches, escalating concerns about energy sources, high inflation, are examples of risk drivers that organisations must navigate on a day-to-day basis. Global economic outlook projections for 2023 point out that the economy is likely to enter recession. Inflationary pressures remain above pre-pandemic trends which is likely to occur for several years, if not for a longer period.

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	2022		2021	
		Risk ranking	Risk rating	Risk ranking	Risk rating
Economic	Business interruption	5	High	6	High
	Global economic crisis and trade wars	6	High	7	High
	Commodity demand, price volatility and customer concentration	7	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	2	High
Social	COVID-19 pandemic	8	Low	4	Medium
	Social unrest and inequality	1	High	1	High
	Local political instability and economic uncertainty	4	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 2022

The tables below outline the key top risks in order of priority that have a material impact on Grindrod's ability to create value, as at 31 December 2022.

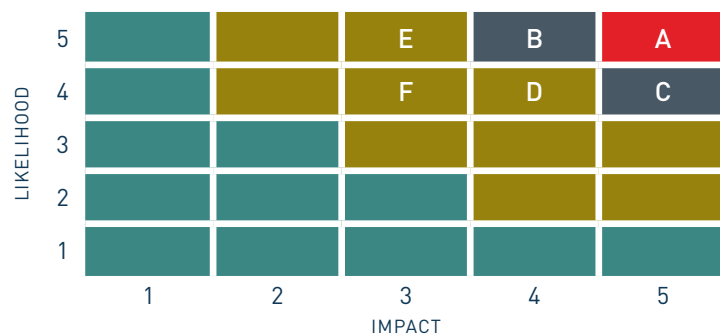
RESIDUAL RISKS	Movement	2022 Residual risk rating	2021 Residual risk rating
Political and sovereign risk	–	B	B
Key logistic providers' engagement	–	C	B
Regulatory compliance	–	B	B
Liquidity	▼	D	C
Safety, Health, Environment, Risk and Quality (SHERQ)	–	C	C
Customer and commodity concentration	–	C	C
Transformation	–	C	C
Cyber and Information and Communication Technology (ICT)	–	D	D
Fraud, bribery and corruption	–	E	E

Grindrod continuously evaluates the top risks that materially impact on the environment in which it operates.

Two new key residual risks which impact Grindrod's strategy execution were added to the top residual risks register during 2023:

- (a) Load-shedding: Grindrod has implemented scenario and contingency planning to mitigate the risk of extended or complete load-shedding.
- (b) Project execution: Project strategy execution and project performance is key to the creation of shareholder value through the optimisation of our current businesses and unlocking growth opportunities for Horizon 2 and 3 businesses.

Residual Risk Heat Map



MATRIX EVALUATION	LOW	1-6	VALUATION RANGE
	MEDIUM	8-16	
	HIGH	20	
	CRITICAL	25	



HAZEL XULU | GROUP RISK AND INTERNAL AUDIT MANAGER

RISK REVIEW continued

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

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Political and sovereign risk Grindrod operates in countries where political and foreign exchange decisions, conditions or events, may affect the viability or value of its business. This risk remains high due to lack of energy sources, economic unrest across the world due to socioeconomic conditions remaining challenging 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"> • Supply-chain 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. • Hiking commodity and energy prices. 	<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.
Key logistic providers' engagement Grindrod's 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. Grindrod maintains pro-active relationships with key strategic suppliers and partners, notwithstanding the current challenges in our business environments.	<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 South African port 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. • Shareholding with government in key strategic assets in Mozambique. • Promote key stakeholder involvement in the ownership of key strategic assets. • Exploring various new commodities and geographic domiciles – exploring various commodity sourcing opportunities with niche clients to ensure sustainable growth. 	<ul style="list-style-type: none"> • Engagement with stakeholders in SADC on strategic and operational issues.
Regulatory compliance 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.	<ul style="list-style-type: none"> • Litigation and claims from customers. • Fines and increased audits from regulators. • Negative impact on the Grindrod brand. • Financial losses, reduced share price. • 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 the Protection of Personal Information Act (POPIA). 	<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.

RISK REVIEW continued

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Liquidity <p>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 cash flow shortages in the Group where Port and Terminals and Logistics divisions are impacted by continued local and global economic growth constraints including managing debt covenants can reduce cash and cash flow generation.</p>	<ul style="list-style-type: none"> 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. Drive working-capital management. Regular cash forecasts for USD and ZAR Group funds reported to the Board in the quarterly Treasury report. 	<ul style="list-style-type: none"> Responsibly leverage the Grindrod balance sheet to ensure maximum shareholder return on investment.
SHERQ <p>Grindrod operates in an environment that exposes its employees, other stakeholders and the environment to potential risks.</p> <p>To meet customer and quality requirements, compliance with ISO and environmental legislations have become imperative to support operational excellence.</p>	<ul style="list-style-type: none"> Fatalities, injuries, occupational disease. 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. Interrupted supply of cargo to customers. 	<ul style="list-style-type: none"> Policies and procedures developed and implemented. 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. Implement ISO system certification across Freight operations/Business Units. 	<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 <p>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.</p>	<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 impact 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. 	<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. 	<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.

RISK REVIEW continued

RISK	Implications for value creation	Mitigating actions	Associated opportunities
Transformation <p>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.</p> <p>Our transformation efforts pay heed to any regulatory changes or revisions to applicable B-BBEE codes.</p>	<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 and Sustainability committee. • Identify compliance gaps in the light of the draft Maritime and Transport Sector Codes. • Ongoing monitoring to achieve B-BBEE ownership targets. • Official sponsor of AmaZulu Football Club, as part of Grindrod's commitment to empowering communities and expanding the brand throughout Africa. 	<ul style="list-style-type: none"> • Making Grindrod more diverse through preferential procurement, supporting B-BBEE enterprises and upskilling our employees.
Cyber and ICT <p>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, increases the risk of cybercrime. This necessitates maintaining the integrity and stability of key IT systems to protect client interests against increasingly sophisticated cyberattacks.</p>	<ul style="list-style-type: none"> • Financial losses resulting from the theft of information or money, corruption of data and business disruption losses. • Reputational damage, including loss of clients. • Fines and regulatory sanctions. • Reduced enterprise and stakeholder value. 	<ul style="list-style-type: none"> • Formalised cybersecurity strategy, policies, charters, processes and systems specifically focused on POPIA compliance. • IT Governance, IT general controls and cybersecurity 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 cybersecurity resilience. • Controlled application management, including security protocols and governance standards.
Fraud, bribery and corruption <p>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.</p> <p>Fraud, bribery and corruption remain key risks in the Group due to their pervasive nature.</p>	<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"> • Fraud, bribery and corruption interactive training for entire employee base. Implementation of recommendations received from ENSAfrica. • 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



GRINDROD TERMINALS | MAPUTO

CUSTOMER SOLUTIONS

Through our **can-do attitude, tenacity and vision**, we provide customer solutions for an **efficient and cost-effective cargo-flow, moving cargo by road, rail, sea and air**, providing **integrated logistical and specialised services** across trade corridors.

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REPORT OF THE CHIEF EXECUTIVE OFFICER



Xolani Mbambo Chief Executive Officer

I would like to take the opportunity to thank our people for their contribution to Grindrod's strategy execution, particularly in driving operational excellence, ensuring that Grindrod takes advantage of strong commodity markets. I am humbled and inspired by the way our people have risen to the challenges faced.

BUSINESS REVIEW

Grindrod delivered good results, generating cash of R1.7 billion from its operations, a growth of 62% from R1.0 billion in 2021. Volume growth and our strategic focus on customer solutions drove strong performance in the Port and Terminals, and Logistics business segments.

Port and terminals

Record volumes of 9.8 million tonnes were handled by the port of Maputo in 2022, up 29% against the prior year. This growth reflects the efficient usage of the rehabilitated berths, commissioned in May 2022, and the implementation of 24-hour operations at the Lebombo/Ressano Garcia border in April 2022. In addition, the port benefitted from automated solutions implemented during the year.

Grindrod's terminals handled a record 16 million tonnes, up 23% on the prior year despite experiencing various disruptive challenges.

The Matola drybulk terminal handled 8.1 million tonnes, a resilient performance despite the loss of 20 vessel-loading days due to the berth infrastructure incident in April 2022 as well as the train collision in November 2022 impacting the flow of cargo between Komatipoort and the Ressano Garcia border. The Maputo terminal grew its volume throughput capacity in response to global demand, handling 3.2 million tonnes for the year. Results were further improved by profit participation on 0.5 million tonnes of coal cargo handled, driven by strong customer demand.

Logistics

Coastal shipping and container depot businesses recovered exceptionally well following the devastating floods in KwaZulu-Natal.

Earnings growth of 134% was underpinned by strong container handling performance and seafreight earnings and higher shipping rates on the sub-leasing of the chartered vessels, capitalising on favourable market conditions.

The northern Mozambique graphite solution continues to deliver for our customer with the alternative route to market via Pemba now in place. The Group also commenced its East Africa crude oil pipeline logistics solution for a key customer in the region.

The locomotive deployment and refurbishment programme is progressing well and whilst the business has experienced some success in short-term deployment, management continues to seek opportunities for long-term deployment.

The clearing and forwarding business delivered solid results for the year, supported by favourable freight rates and strong demand.

Bank

Grindrod successfully concluded the sale of Grindrod Bank to African Bank on 1 November 2022 for gross proceeds of R1.6 billion. This was in line with the continued execution of the non-core exit strategy.

Cash flow

Grindrod generated cash of R1.7 billion (2021: R1.0 billion) from its operations, growth of 62%, up from R1.0 billion in 2021.

Non-core operations

Private equity portfolio

The private equity portfolio exit is largely complete. The portfolio has one significant asset remaining.

KwaZulu-Natal North Coast property loans

Management is exploring options to recover the loans advanced to the KwaZulu-Natal north coast property owners.

Marine Fuels

Marine Fuels recorded 119% growth in its earnings due to the strong oil market which boosted margins.



REPORT OF THE CHIEF EXECUTIVE OFFICER continued

OUR PURPOSE-LED STRATEGY

Grindrod's purpose is central to our strategy, which comprises six pillars with our core values guiding how we conduct ourselves. We recognise, however, that within our current context, more is required of us.

The pandemic demonstrated that companies that recognise the criticality of adapting to changing socioeconomic and environmental conditions are better able to identify strategic opportunities and meet competitive challenges.

During the year, we undertook an exercise to develop our purpose-aligned ESG strategy, which underpins our strategic efforts. We believe this will support our resilience within a constantly shifting operating context and create financial value in the long term through cost reduction opportunities, productivity gains, alternative revenue sources and increased access to finance.

OUR DRIVING FORCE

Fulfilling our purpose and strategy requires that we earn our customers' trust by keeping to promises and exceeding customer expectations. While an embedded purpose and an integrated strategic approach are invaluable in achieving this, we recognise that our people are the heart of our business. We credit our successes during the period to their dedication, tenacity and can-do attitude.

THE YEAR AHEAD

Global growth is expected to continue to face near-term headwinds, with the severity of the downturn hinging on the course of the war in Ukraine, the extent of interest rate hikes required to tame four-decade-high inflation, Europe's energy crisis, and China's continued struggles with COVID-19.

As bottlenecks ease and energy markets re-organise, growth should resume. Higher interest rates globally are also expected to curb consumption and investment growth.

Amid these challenges, Grindrod will continue to drive the strategy of delivering efficient and cost-effective logistics solutions to its existing and new customers, and invest in the required infrastructure, where necessary.

EXTENDING SINCERE THANKS

Andrew Waller, the former Chief Executive Officer, retired at the end of 2022. I take this opportunity to thank him for his leadership over the years.

Thank you to our Board for their ongoing support and invaluable leadership and insight. I also extend my heartfelt gratitude to my executive team, managers and all Grindrod employees for their unwavering support.

Our customers and key stakeholders are the core focus of our business and we thank them for their continued support.

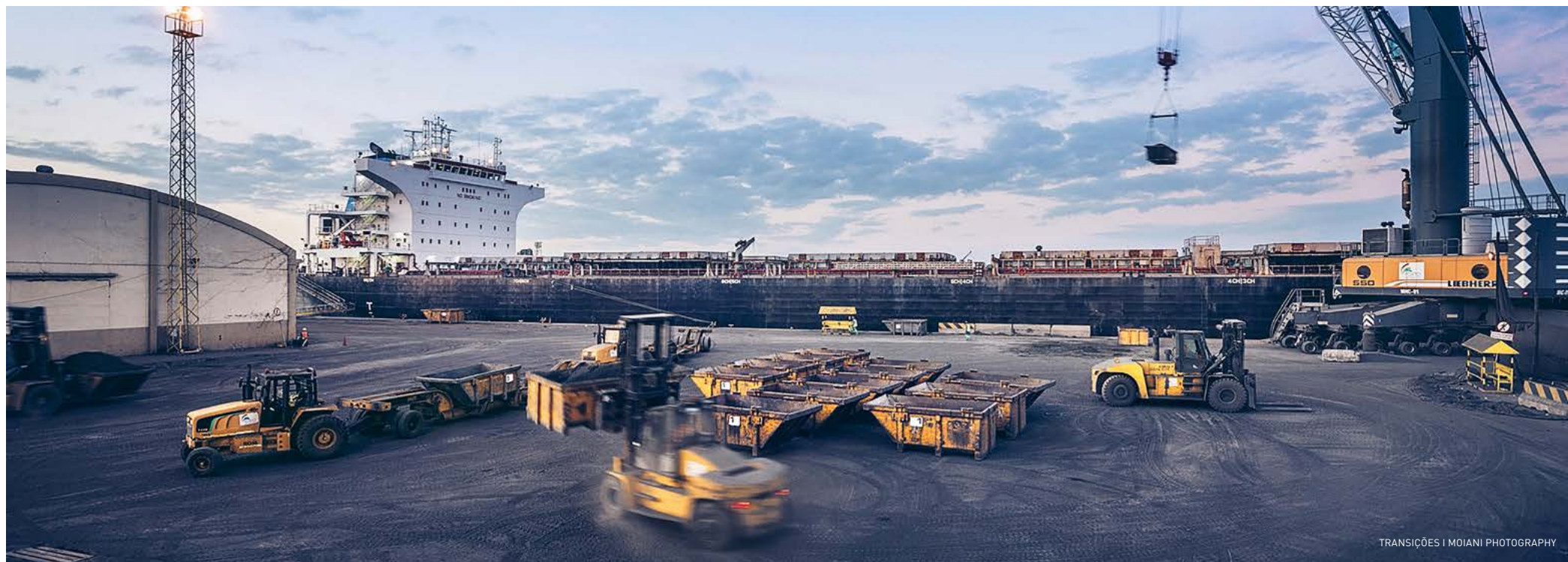
Our customers and business partners are our core focus and we thank them for their continued support. Grindrod is committed to unlocking value through innovative, efficient and cost-effective logistics solutions in partnership with our customers.



Xolani Mbambo

Chief Executive Officer

5 April 2023



TRANSIÇÕES | MOIANI PHOTOGRAPHY

STRATEGIC REVIEW

How we fulfil our purpose

How we get there...

OUR STRATEGIC ESG OBJECTIVES

Our daily efforts are underpinned by an emphasis on broader ESG matters to create and preserve sustainable value.

PROSPERITY FOR ALL



REGENERATIVE ENVIRONMENT



Our purpose is to make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate

SOCIALLY INCLUSIVE DEVELOPMENT



GOOD GOVERNANCE



PROVIDE CUSTOMER SOLUTIONS FOR AN EFFICIENT AND COST-EFFECTIVE CARGO-FLOW, NOW AND IN THE FUTURE.



We optimise (Horizon 1)

We start with what we have, leveraging our six strategic pillars to ensure we deliver cost-effective and efficient solutions.



We grow (Horizon 2)

We extend our current business, developing new solutions based on our existing capabilities to take advantage of opportunities that arise, including greenfield and acquisitive growth opportunities.



We innovate (Horizon 3)

We recognise that across industries, the pace of change is accelerating exponentially. Therefore, to remain relevant and drive the developments we want to see, we explore new game-changing businesses/research and development that align with our purpose.

WE EMBED THIS FOCUS INTO OUR DAY-TO-DAY OPERATIONS. OUR SIX STRATEGIC PILLARS

SP6

Shareholder value

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.

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

SP5

Revenue growth

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, establishing pioneering new businesses and processes, and augmenting acquisitions to consistently meet and exceed customer expectations to drive sustainable growth.

- Value-adding partnerships.
- Acquisitions.

SP4

Operational excellence

Grindrod delivers 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 enhance revenue growth.

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

SP1

Customer

At Grindrod, care is taken, and time is invested in understanding our customers' needs. 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 unwavering drive to exceed expectations.

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

SP2

Our people and communities

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

- 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.

SP3

Market differentiation

Our strategic assets, institutional knowledge, divergent thinking and agility differentiate us. With our extensive experience in Africa and 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.

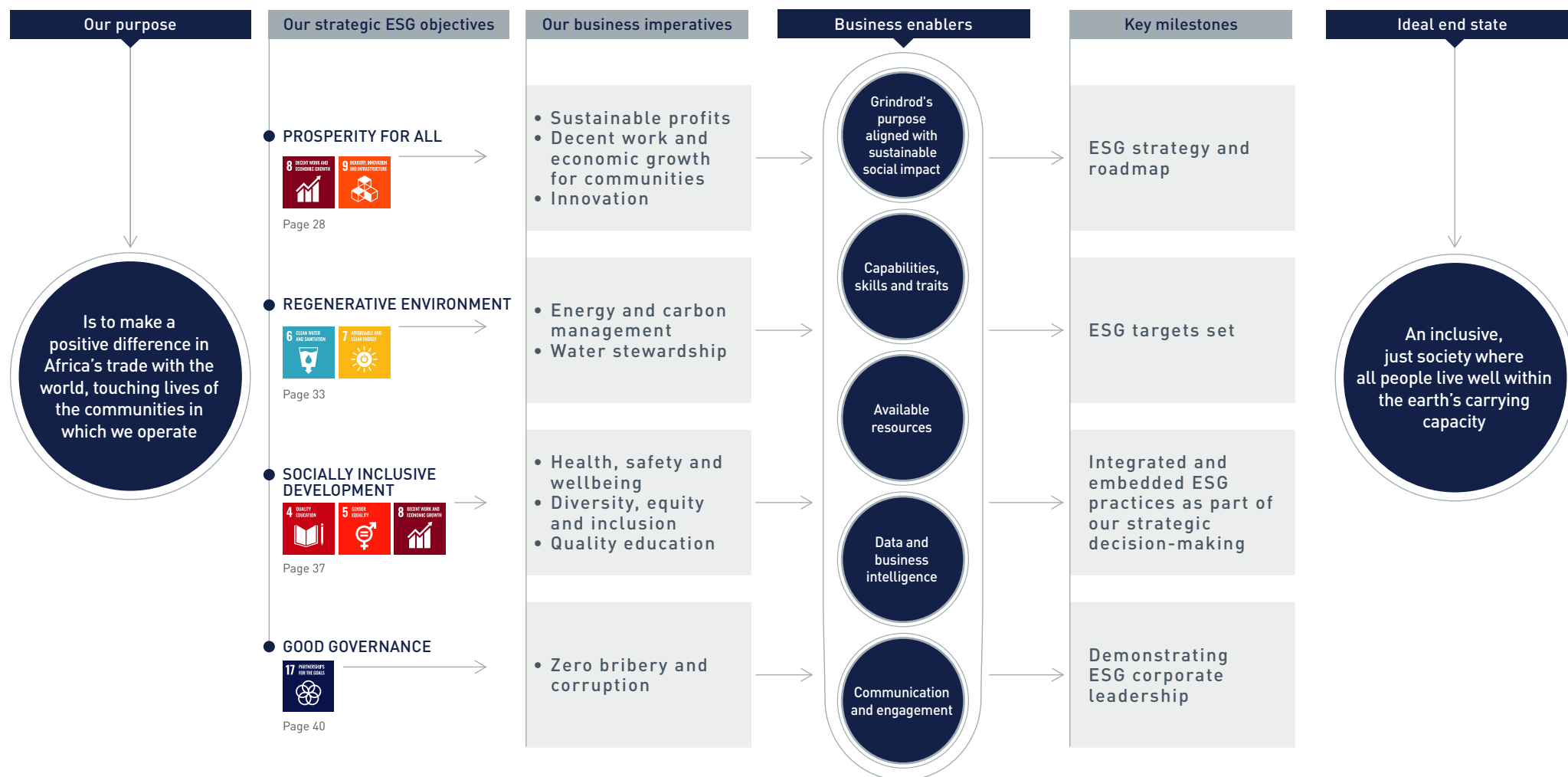
- Operational metrics.
- ISO certification.
- Operational system and process modernisation.
- Automation.
- Asset replacement.
- Compliance with equipment maintenance scheduling.

OUR STRATEGIC ESG TRANSFORMATION FRAMEWORK

GRINDROD STRATEGY AND ESG

Grindrod is moving beyond traditional silos and is committed to the integration of ESG considerations into its overarching corporate strategy. ESG factors are central to measuring the sustainability and ethical impact of the business. To prosper over time, Grindrod must deliver financial performance while also positively impacting its stakeholders, including shareholders, employees, customers and communities. Prosperity cannot be measured by financial results alone, the welfare of the Company's stakeholders is of critical importance to ensure mutual wellbeing and sustainability. Furthermore, Grindrod appreciates that corporates are indispensable role players in creating a just and inclusive society that can thrive within the ecological limits that the earth can sustain.

Accordingly, Grindrod's newly adopted ESG transformation framework (board-approved) comprises four strategic objectives, underpinned by nine business imperatives covering the economic, social and ecological domains, supported by overarching good governance. Our objectives are further aligned with the SDGs Grindrod deems most relevant to the business and communities it operates in. The Group intends to transition to a systemic, embedded ESG approach using this multi-dimensional strategy. That is, to a position where ESG risks and opportunities to enterprise value, as well as the Group's impact on society, communities and the natural environment, are continuously evaluated and managed. This framework provides a roadmap with key milestones. Grindrod has conducted materiality assessments and identified gaps in its current approach to facilitate the achievement of Group objectives.



ESG IMPLEMENTATION AND GOVERNANCE

ESG GOVERNANCE

Grindrod has established an ESG Steering committee to support its ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company. The ESG Steering committee is a cross functional senior management committee that will assist the CEO in integrating general strategy relating to ESG matters; developing, implementing, and monitoring initiatives and policies based on that strategy; overseeing communications with employees, investors and stakeholders with respect to ESG matters; and monitoring and assessing developments relating to enhancing the Company's understanding of ESG matters. We have a KPI driven implementation where employees have ESG metrics integrated into their annual KPIs.



Environment		Social		Governance	
Category	Owner	Category	Owner	Category	Owner
Water use and energy consumption	Group Sustainability Nelisiwe Nzimande	Human Capital	Group HR Thabo Moabi	Governance	Group Secretarial Vicky Commaille
		Diversity, equity and inclusion	Group HR Thabo Moabi	Business ethics	Group Secretarial Vicky Commaille
		Human rights	Group HR Thabo Moabi	Sustainable procurement	Group Secretarial Vicky Commaille
		Employee relations and rights	Group HR Thabo Moabi	Citizenship	Group Secretarial Vicky Commaille
		Safety and security	Group SHERQ Nelisiwe Nzimande	Data ethics	Group Secretarial Vicky Commaille



OUR VALUE OUTCOMES

PROSPERITY FOR ALL

Grindrod's purpose is to make a positive difference in Africa's trade with the world, touching the lives of the communities in which it operates. To achieve this end, the long-term economic sustainability of Grindrod must be secured for the Company's survival and its stakeholders' benefit.

SUSTAINABLE PROFITABILITY

The Group seeks to use its economic resources to generate prosperity for all by operating a robust, profitable and growing business. In this way, Grindrod creates jobs and contributes to the economic success of its communities. The results listed below were achieved through the Group's unrelenting strategic focus on customer solutions.



Overarching goal

Ensuring the long-term economic sustainability of Grindrod for the survival of the Company and the benefit of its stakeholders.

Rationale

Sustainable profitability is key to contributing to prosperity through reinvestment of retained earnings in new geographies where Grindrod can create opportunities for the communities in which it operates.

Performance topics

Return on equity*

Return on invested capital*

2022 performance	17%	11.4%
Targets	15%	To exceed the board-approved target.

* Core operations.

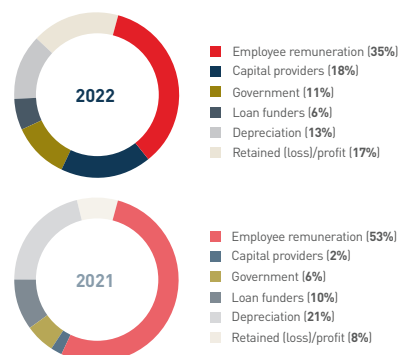
Value added*

	2022 Rm	2021 Rm
Total wealth distributed**		
Remuneration and benefits paid to employees	1 318	1 222
Rewards to providers of share capital	680	46
Payments made to governments	410	144
Providers of loan capital	210	226
Depreciation	500	488
Retained income	601	176
Total wealth distributed	3 719	2 302

* Extract from the Consolidated Financial Statements.

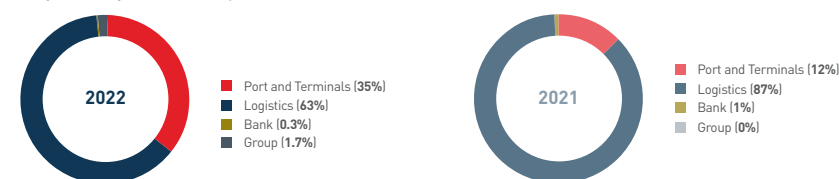
** Excludes Joint Ventures.

Wealth distribution

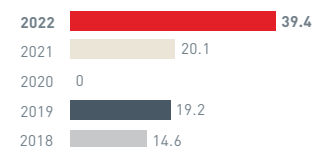


Capital investment

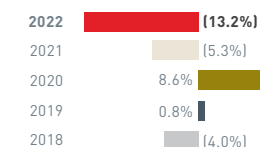
Capital expenditure by business area



Ordinary dividend per share (cents)



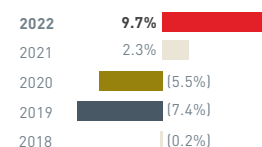
Net interest-bearing debt to total shareholders' funds



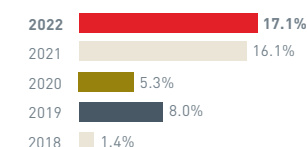
	2022 Rm	2021 Rm	2020 Rm	2019 Rm	2018 Rm
Total capital expenditure*					
Port and Terminals	266	65	49	98	93
Logistics	486	499	355	356	395
Bank	2	4	-	2	2
Group	13	-	-	-	-
Total capital expenditure	767	568	404	456	490

* Extract from the Consolidated Financial Statements.

Return on ordinary shareholders' funds



Return on equity – core business



OUR VALUE OUTCOMES continued

PROSPERITY FOR ALL

	Port and Terminals			Logistics			Group			Marine Fuel			Private equity and property			Total		
	2022 Rm	2021 Rm	Growth %	2022 Rm	2021 Rm	Growth %	2022 Rm	2021* Rm	Growth %	2022 Rm	2021 Rm	Growth %	2022 Rm	2021 Rm	Growth %	2022 Rm	2021* Rm	Growth %
Income statement																		
Revenue	3 713	1 413	162.8	3 635	3 242	12.1	57	28	103.6	16 955	12 814	32.3	–	52	(100.0)	24 360	17 549	38.8
Trading profit/(loss) before depreciation and amortisation	1 151	580	98.4	1 315	895	46.9	(292)	171	(270.8)	102	43	137.2	(359)	(165)	(117.6)	1 917	1 524	25.8
Profit/(loss) before interest and taxation	981	452	117.0	884	408	116.7	(335)	136	(346.3)	101	39	159.0	(359)	(165)	(117.6)	1 272	870	46.2
Share of associate companies' profit/(loss) after taxation	162	115	40.9	1	–	100.0	–	–	–	–	–	–	–	–	–	163	115	41.7
Attributable profit/(loss)	818	384	113.0	641	(82)	881.7	(369)	124	397.6	87	40	117.5	(401)	(405)	(1.0)	776	61	1 172.1
Statement of financial position																		
Non-current assets/investments	3 260	2 826	15.4	1 808	2 532	(28.6)	1 462	1 469	(0.5)	33	133	(75.2)	524	993	(47.2)	7 087	7 953	(10.9)
Bank loans, advances and liquid assets	–	–	–	–	–	–	–	–	–	–	–	–	1 073	1 217	(11.8)	1 073	1 217	(11.8)
Current assets	612	599	2.2	2 662	1 324	101.1	910	656	38.8	1 513	1 431	5.7	19	(107)	117.8	5 716	3 903	46.5
Bank balances and cash	690	343	101.2	550	670	(17.9)	1 647	187	780.2	375	231	62.3	10	9	11.1	3 272	1 440	127.2
Total assets	4 562	3 768	21.1	5 020	4 526	10.9	4 019	2 312	73.8	1 921	1 795	7.0	1 626	2 112	(23.0)	17 148	14 513	18.2
Equity	2 773	2 434	13.9	2 196	1 738	26.4	1 958	1 039	88.5	614	493	24.5	1 280	1 195	7.0	8 821	6 899	27.9
Net debts/deposits	856	782	9.5	663	1 224	(45.8)	1 689	1 178	43.4	–	143	(100.0)	173	763	(77.3)	3 384	4 090	(17.3)
Other liabilities	933	552	69.0	2 161	1 564	38.2	369	95	288.4	1 307	1 159	12.8	173	154	12.3	4 943	3 524	40.3
Total equity and liabilities	4 562	3 768	21.1	5 020	4 526	10.9	4 019	2 312	73.8	1 921	1 795	7.0	1 625	2 112	(23.0)	17 148	14 513	18.2

	Port and Terminals		Logistics		Marine Fuel		Private equity and property	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Return on ordinary shareholders' equity (%)	31.3	17.0	32.5	(4.4)	15.8	4.0	(31.3)	(79.6)
Operating margin (%)	26.4	32.0	24.3	12.6	0.6	0.3		(317.9)
Net debt/(cash): equity ratio	0.06:1	0.18:1	0.05:1	0.32:1	(0.61):1	(0.18):1	0.13:1	(0.39):1
Return on net assets (%)	20.8	13.2	13.4	1.3	5.6	1.8	(8.0)	8.9
Attributable profit/(loss) per employee (R'000)	1 157	756	314	(59)	1 399	624	–	–

* Re-represented for the impact of IFRS 5: Non-current assets held for sale and discontinued operations.

OUR VALUE OUTCOMES continued

PROSPERITY FOR ALL

DECENT WORK AND ECONOMIC GROWTH FOR COMMUNITIES

Recognising the constrained environment in which the Group operates, with African countries facing pervasive challenges such as unemployment, limited access to basic services and barriers to education, Grindrod seeks to foster a positive and lasting impact on its communities and society through meaningful interventions.



Overarching goal

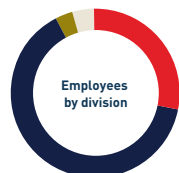
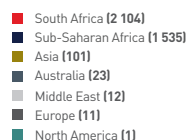
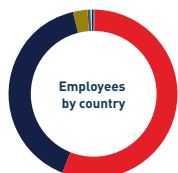
Grindrod's purpose is to make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate.

Rationale Grindrod's prosperity is inextricably linked to that of the communities in which it operates.

Performance topics	Access to decent work	Access to quality education	Access to reliable renewable energy	Access to reliable, safe water
2022 performance	3 787 staff employed 12 opportunities presented through the Grindrod Graduate Programme. Three-year apprenticeship programmes, with 17 work opportunities created. YES initiative saw 11 learners securing permanent positions. 27 opportunities created through Grindrod's people living with disabilities programme.	1 256 learners benefitted from the Adopt-a-School project. Bursaries provided to children of 83 employees, R302 300. CRET bursaries 5 students, R600 500.	One renewable energy project planned.	Two water projects planned.
Targets	A minimum of one job creation project.	Target as per the Adopt-a-School project.	A minimum of one renewable energy project.	A minimum of one water project.

SUPPORTING LOCALISATION

The Group strongly supports the principle of localisation, hiring from local communities, where possible, to support sustainable economic development in the areas in which it operates.



OUR STORIES

RISING AGAINST HUNGER

Rise Against Hunger envisions a world without hunger – a place where all members of society are well-nourished and able to thrive. Grindrod is honoured to play its part in helping this inspiring organisation achieve their vision.

During the year, our team in Komatipoort packed 10 000 meals (46 boxes) valued at R29 000. Our staff dedicated the remainder of the day to help distribute these meals to five early development centres in the area, benefitting 230 children.



OUR VALUE OUTCOMES continued

PROSPERITY FOR ALL



PRIORITISING QUALITY EDUCATION

Grindrod prioritises creating and promoting opportunities for quality education for its communities, recognising this as a sustainable contribution towards individual and societal advancement.

ADOPT-A-SCHOOL

The Adopt-a-School Foundation's mission is to create conducive learning and teaching environments in disadvantaged schools with the support of the government, the private sector, organisations and individuals.

Grindrod's long-standing relationship with Adopt-a-School aids schools in improving their pass rates through practical interventions such as infrastructure development or teacher training in Durban and the surrounding areas. Grindrod supported Hlahlindlela High School in 2022.

Given the Group's footprint in Richards Bay, Grindrod has sought to extend support to a school in the area and in 2022 the Group engaged with the Mabhodla Primary School to understand their needs. In response to this engagement, and through Grindrod's support, Adopt-a-School facilitated a school leadership advancement workshop to enhance leaders' skill sets. The workshop was followed by a strategic planning engagement to determine tangible deliverables. Since partnering with Adopt-a-School in 2010, Grindrod has contributed R5.1 million.

CYRIL RAMAPHOSA EDUCATION TRUST

Grindrod continues to support the Cyril Ramaphosa Education Trust. Currently, the programme supports 99 fully funded tertiary students and eight partially funded beneficiaries. The organisation intends to support 120 deserving students under the bursary programme during this academic year.

Grindrod funded five students working towards qualifications in Law, Economics, Architecture, Commerce and Freight Handling.

OUR STORIES

DELIVERING WHOLE-SCHOOL DEVELOPMENT AT HLAHLINDLELA HIGH SCHOOL

Grindrod has embraced the whole-school model supported by the Adopt-a-School Foundation, which seeks to acknowledge and honour each school's unique needs while prioritising strategic planning to enable sustainable development that goes beyond each contribution.

Through engagement and planning, specific needs were identified at Hlanlindlela High School. We believe that meeting these needs will support the school's long-term success and contribute towards community upliftment.

In June 2022, a team from Grindrod visited the Hlahlindlela School to unveil the two new classrooms built with donations from Grindrod.

Our CEO delivered a motivational address, followed by a prize-giving for the top learners in each grade, where learners were awarded Grindrod-sponsored vouchers and trophies.

Each learner also received a stationery pack, including essential items to assist them in their studies.

In line with the co-created plan for the school, Grindrod has committed to a further sponsorship in 2023 to develop the building infrastructure and purchase resources for the two newly completed classrooms.



OUR VALUE OUTCOMES continued

PROSPERITY FOR ALL

INNOVATION

Elements such as information technology systems, knowledge, skills and intellectual property that enable a sustainable business through innovative, customer-centric product offerings remain critical. Furthermore, in line with Grindrod's horizon three strategic ambitions, the Group seeks to explore new game-changing businesses, research and development that align with its purpose.



Overarching goal

Creating and maintaining an innovative culture.

Rationale

Delivering high-impact solutions for customers requires an innovative approach.

Performance topics

Digitisation

Thought leadership

Scientific collaboration

2022 performance

First in South Africa to update SAP to latest cloud based application, upgrade of smart ports, and successful completion of automation projects.

Undertook a significant thought leadership initiative.

Participated in a major horizon three scientific project using Grindrod assets as a platform.

Targets

One digitisation project, initiative or investment that drives profitable social impact.

One thought leadership project or investment per year that drives social impact.

One scientific collaboration, project or initiative.

INTERNET OF THINGS (IoT), BOTS AND AUTOMATION

IoT is used to optimise current assets and operations. Microsoft Robot systems are being deployed for smart business operations to simplify optimisation, reducing the cost and effort of automation projects. This in turn drives quick deployment of automation for business operations to drive customer-focused efficiency.

ENTERPRISE RESOURCE SYSTEMS (ERP)

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

SMART PORTS

Grindrod has been re-organising 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 intends to implement a "digital twin", a real-time, virtual representation of what happens on-site. This will enhance analytics, projections and planning to bolster efficiency at our port.

VISUAL INSPECTIONS

Following our digitisation of train visualisation, the focus is now to extend this function with visual train inspections and train planning. By having access to real-time train data, stockpile planning can be more effective, and it provides a base for shunting and staging of trains.

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

AUTOMATION OF ROAD CLEARANCE CERTIFICATION

Road export clearances to Eswatini have been automated and drivers can now submit requests via a WhatsApp bot. Through OCR technology, the data is synthesised and information transferred via an "action centre" to our customs clearing system. This is also linked to our weighbridge system, which has led to greater efficiencies benefitting our customers.

OUR STORIES

DELIVERING AGAINST THE ODDS

Managing complicated cargo parcels from origin to destination is what we do best. From project cargo and abnormal loads to heavy haulage and cross-border transport, we move, manage, and handle various cargo types, no matter their shape or size.

We delivered a fully integrated logistics solution for various "out of gauge" project cargo parcels used during the construction of the new airport for King Mswati in the Kingdom of Eswatini.

In transporting the 100 tonne specialised airport equipment over several voyages from Antwerp and Rotterdam to King Mswati's Airport in Eswatini via the port of Durban, the team used a combination of cranes, Mafi trailers and flat racks. The final overland journey of 506 kilometres was completed using multiple axle trailers and specialised cranes to offload the equipment at its final destination.

The entire door-to-door journey took just a few weeks and was delivered ahead of its critical schedule before international dignitaries arrived as guests of the King.



OUR VALUE OUTCOMES continued

REGENERATIVE ENVIRONMENT

Always mindful of the planet's finite resources, we are committed to minimising the adverse impact of our activities on the environment.

ENERGY AND CARBON MANAGEMENT

Grindrod aims to strengthen business resilience within a low-carbon economy while reducing its impacts and contribution to climate change by decarbonising its footprint.



Overarching goal

Grindrod seeks to participate in the just transition to a low-carbon future by decarbonising its footprint while engaging with affected stakeholders to secure the best outcomes for all.

Rationale

Climate change is a significant global risk, necessitating a just transition to a low-carbon future.

Performance topics

Greenhouse gas emissions

Energy mix

Just transition

Pollution

2022 performance

27.4% reduction.

7% of SGM's Cape Town offices powered by renewable energy sources.

Finalisation of the ESG Transformation Framework and establishment of an ESG steering committee to drive sustainability.

Nil spills or environmental incidents.
Ongoing project to reduce dust and particulate matter pollutants (dust fallout and PM10 levels).

Proposed targets

5% reduction by 2030.
10% reduction by 2050.

5% renewable energy mix by 2030.
10% renewable energy mix by 2050, with carbon offsets and natural climate solutions.

Development of a just transition plan, which includes decarbonisation and socioeconomic aspects.

5% reduction by 2030.
10% reduction by 2050.

ENERGY AND CARBON MANAGEMENT

Grindrod strives to minimise and mitigate the effects of its operations on the environment.

Our 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 which is integrated with occupational health and safety and quality management systems. These are audited, together with ongoing environmental and impact assessments, and the effectiveness of the mitigations implemented are reviewed. Ongoing training is provided to embed awareness of ecological issues as well as constant monitoring and measurement of actual results against set targets.

2025 CLIMATE CHANGE AND ENVIRONMENTAL POLICY

Grindrod's 2025 climate change and environmental policy establishes the guidelines for managing its 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 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 the Group's business strategy 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 the Group's business strategy.

Projects

GLA	Installed solar power at Komatipoort office to reduce carbon footprint.
TCM	Installation of Variable Speed Drives (VSD's) on 17 Conveyor belt links.
TCM, GML and MCTL	Energy efficiency drive – LED lighting and motion sensor switches at terminals.
Grindrod Logistics Operations	LED lighting project completed at the Bluff Road and Maitland sites. The Denver site in process of completion. External consultant engaged on best practice for water and energy conservation.
Grindrod Head Office	Conversion to LED lights at Durban campus.
SGM	The Cape Town facility has been connected to solar energy, feeding the main warehouse. The new depot in Durban is under construction, and will include solar panels, motion sensors, storage and reefer towers for conservation of energy. This will be rolled out to all SGM facilities during 2023.

OUR STORIES

GREENING FOR LONG-TERM IMPACT

We need trees to breathe and their very existence sustains ours. Moreover, trees provide shade, contribute to biodiversity and climate resilience as well as provide psychological benefits through the impact of greening spaces.

Recognising the long-term benefits for communities, Grindrod planted 40 trees at Matola Gare Primary School. In the interest of delivering ongoing benefits, the donated trees were fruit-bearing (oranges, mangoes, papaya and tangerines) to support food security in the area. This donation will benefit the 6 182 students attending the school and the community.



OUR VALUE OUTCOMES continued

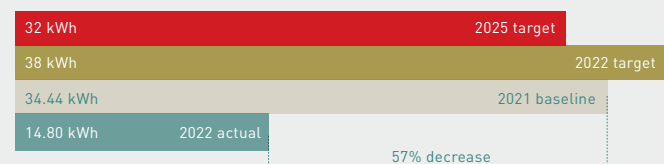
REGENERATIVE ENVIRONMENT

GREENHOUSE GAS (GHG) EMISSIONS

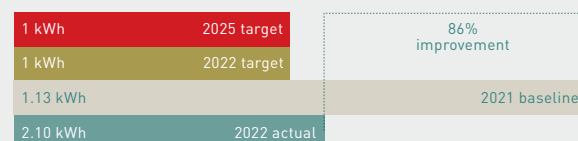
Grindrod's GHG emissions have declined steadily over the past five years.

Performance against targets

Normalised Group emissions (CO₂e per Rand revenue)



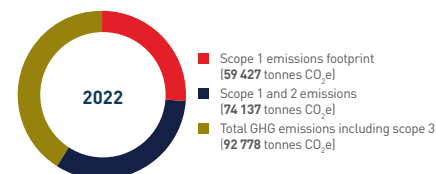
Land-based GHG emissions



Performance over time

Key performance indicator	2022	2021	2020	2019	2018
Scope 1 emissions footprint (tonnes CO ₂ e)	59 427	84 941	112 880	125 833	119 017
Scope 1 and 2 GHG emissions (tonnes CO ₂ e)	74 137	103 210	128 147	142 899	134 427
Total GHG emissions including Scope 3 (tonnes CO ₂ e)	92 778	127 737	156 200	181 437	169 611
SO _x emitted (tonnes)	13	15	20	18	16
NO _x emitted (tonnes)	358	370	414	689	619

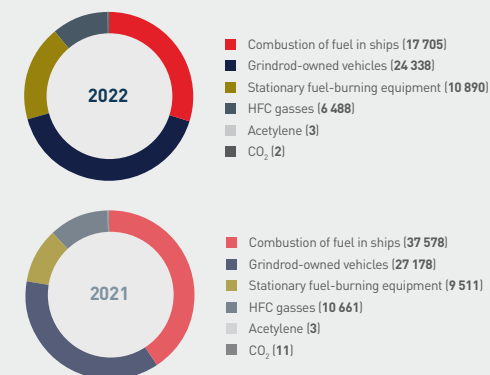
Total GHG emissions (tonnes CO₂e)



Grindrod Scope 1 footprint (tonnes CO₂e) per activity

Grindrod monitors its Scope 1 and 2 emissions to minimise GHG emissions. Currently, Freight Services account for approximately 98% of Grindrod's carbon footprint. Studies were conducted at several terminals to determine the feasibility of solar installations to reduce the division's impact. Regrettably, studies noted that rooftop areas were unsuitable given their positioning and due to dust issues in certain areas.

Other options are therefore being investigated.



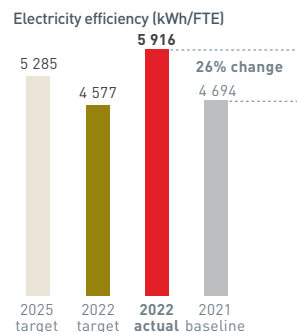
OUR VALUE OUTCOMES continued

REGENERATIVE ENVIRONMENT ASSURANCE

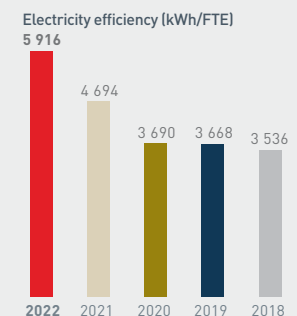
The GHG Protocol, King IV, the TCFD and other benchmarks guide the organisation's reporting on environmental activities. Carbon and climate change advisory firm, Promethium Carbon, reviews Grindrod's internally calculated GHG emissions. In addition, the Group's internal audit function performs limited assurance on selected sustainability performance indicators.

ELECTRICITY EFFICIENCY

Performance against targets

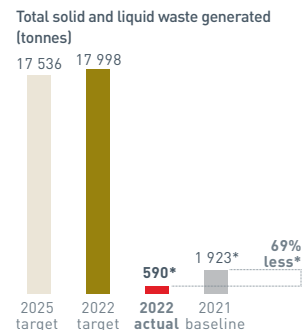


Performance over time

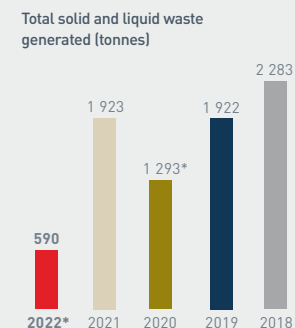


WASTE GENERATION

Performance against targets



Performance over time**



* Mineral sweepings no longer collected for FY 2022.

** The numbers for 2018 to 2021 have been adjusted to exclude sweepings for comparative purposes.

POLLUTION

Grindrod's transport and logistics services often carry commodities that produce dust fallout. Mitigating measures include:

- Sprinkler systems on tipplers, 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.

Further to these dust-suppression initiatives that help limit this environmental impact, the Group conducts monthly sampling and analysis of its dust footprint through an independent service provider.



OUR VALUE OUTCOMES continued

REGENERATIVE ENVIRONMENT

WATER STEWARDSHIP

Grindrod operates in water-scarce environments and recognises the necessity to conserve this invaluable resource. Therefore, water management constitutes a critical component of the organisation's operational and environmental management.

Overarching goal

Sound water stewardship to support reliable access to water for Grindrod and its communities.

Rationale

South Africa is a water-scarce country with many areas already experiencing water stress. Since water is a finite resource essential to life and critical to Group operations, water needs to be managed carefully.

Performance topics

Freshwater withdrawal, catchment management and community support.

2022 performance

151 834 kl of freshwater consumed (17.5% decrease).

24.3 kl freshwater consumption intensity.

86 water points in rural communities assessed and 23 repaired.

Borehole installation at Umlazi facility.

Projects initiated for stormwater management and introduction of run-off water conservation used for dust suppression.

Targets

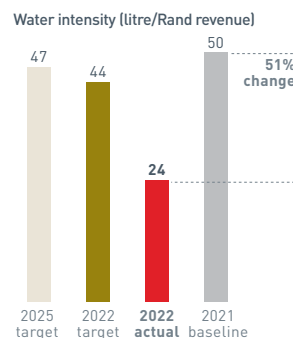
Reduction in freshwater withdrawal through water conservation, stormwater management and rain harvesting projects due for implementation during 2023.

Projects

GLM	23 boreholes repaired in Chuire region to aid the community and refugees in nearby camps. In Nacala, 86 water points were assessed and 11 that were found to be out of order will be repaired by GLM during 2023 as aid to the community.
Grindrod Logistics Operations	Borehole installed at the Umlazi facility, with allied conservation initiatives for a recycling water plant for container washing facilities at all depots in progress. Rainwater harvesting in use for ablutions.
Terminals Richards Bay	Projects in progress include updating of the stormwater management, water quality monitoring and introducing run-off water conservation to be used for dust suppression.
SGM	Rainwater harvesting in place. Water pressure reduction valves installed at offices and ablution facilities at the Johannesburg site.
GML	Water-smart project to harvest rainwater and installation of boreholes due for completion in 2023.

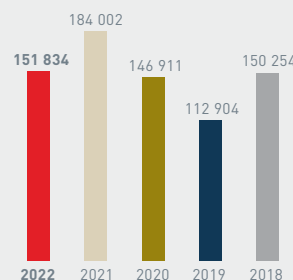
WATER EFFICIENCY

Performance against targets



Performance over time

Total water usage (kl)



OUR VALUE OUTCOMES continued

SOCIALLY INCLUSIVE DEVELOPMENT

Grindrod aims to develop and maintain mutually beneficial relationships, networks and partnerships for collective long-term sustainability while striving towards a diverse, equitable and inclusive work environment where all employees are treated equitably and fairly.

HEALTH, SAFETY AND WELLBEING

Keeping Grindrod's people and communities safe remains top of mind. The Group's policies and procedures guide its day-to-day operations, ensuring the wellbeing of its employees, customers, suppliers and communities.



Overarching goal	The organisation seeks to ensure that everyone goes home safely.	
Rationale	Safety is paramount, and Grindrod has zero tolerance for unsafe work or working environments.	
Performance topics	Workplace safety	Workplace safety and mental and physical wellbeing
2022 performance	Zero fatalities. 0.38 lost-time injury frequency rate (LTIFR).	ICAS BeWell employee wellbeing programme and CareWorks provides personal counselling services to all staff. Established an on-site clinic at the Durban campus.
Targets	Existing safety targets and KPIs of <0.5 LTIFR.	Establish a pre- and post-employment medical assessment centre.

Key performance indicators	2022	2021	2020	2019	2018
Freight Services					
Fatalities	0	0	1	1	1
SHERQ spend (R'000)	88 207	54 173	71 060	49 828	55 674
First aid cases	12	17	12	21	31
Lost-time incidents*	19	19	25	44	28
LTIFR*	0.38	0.47	0.57	0.88	0.62

* Following audit, the LTIFR reported on 2 March 2023 changed from 0.34 to 0.38, and LTI from 16 to 19 due to a reclassification of three first aid incidents.

RESPONDING TO COVID-19

COVID-19 remained a monitored health risk during the year, and a COVID-19 risk assessment tool was rolled out and utilised by employees throughout the business. While restrictions were lifted during the latter part of the year, the exercise provided valuable information for risk mitigation should there be a resurgence of the virus in the future.

Following lifting of COVID-19 restrictions, Grindrod welcomed employees back to the office environment, with enforced protocols in place. Remote working arrangements are still utilised by employees in exceptional circumstances or when necessitated by operational requirements.

WELLNESS

Fostering employee holistic wellbeing is a critical organisational priority. The Group works with ICAS and CareWorks to support employees' mental health. Where needed, ICAS provides employees with personal counselling services and a safe space to address mental health issues.

The Grindrod Durban Campus boasts an on-site clinic where employees can receive basic medical treatment and medical screening from a qualified medical doctor.

WOMEN'S MONTH

Grindrod celebrates Women's Month annually by recognising women in the workplace. Grindrod, hosted a High Tea event to celebrate women in the workplace.

OUR STORIES

CELEBRATING MANDELA DAY BY HOSTING A CHARITY WEBATHON

We live in a world with pervasive unemployment and heightening inequality. Sadly, COVID-19 exacerbated these disparities. In this context, responding to the 2022 Mandela Day call to action of doing what you can, with what you have, wherever you are was a top priority. Our South African and Mozambican staff participated in the first-ever 67-minute Grindrod charity webathon, personally pledging funds to feed the hungry. The webathon, hosted by Maeshni Naicker (who plays Shanti in Keeping Up with the Kandasamys), was hugely successful. A total of R45 790 was pledged by Grindrod staff, which was then matched by Grindrod – making it a total of R91 580 donated to Rise Against Hunger.



OUR VALUE OUTCOMES continued

SOCIALLY INCLUSIVE DEVELOPMENT

DIVERSITY, EQUITY AND INCLUSION

Grindrod has adopted a multi-pronged approach to diversity, equity and inclusion, focusing on critical aspects that form part of the organisation's holistic transformation agenda.



RACE AND GENDER PROFILE (SOUTH AFRICAN PERMANENT STAFF)

Race	Female	Percentage	Male	Percentage	Total employees
African	188	15	502	39	690
Coloured	52	4	60	5	112
Indian	135	10	171	13	306
White	73	6	106	8	179
Total	448	35	839	65	1 287

Overarching goal

Grindrod strives towards a diverse, equitable and inclusive work environment where all people are treated equitably and fairly.

Rationale

Improved diversity, equity and inclusion, especially within senior management, brings about higher levels of innovation, employee attraction and retention and customer satisfaction.

Performance topics

Diversity, equity and inclusion.

Metrics

33% women on the Board.

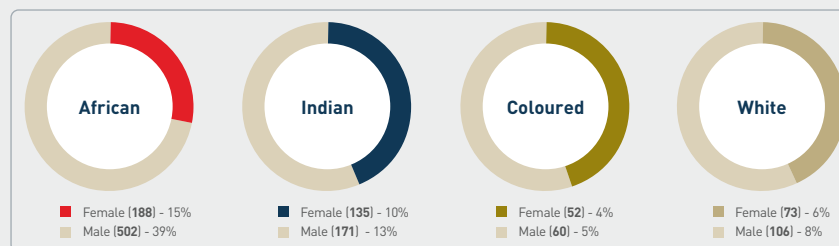
Of the total South African permanent workforce:

- African employees comprise 54%.
- HDI employees make up 86%.
- Females make up 35%.
- African females make up 15%, and African males make up 39%.
- Black females make up 29%.

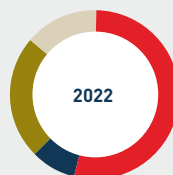
Targets

Targets as per the employment equity and B-BBEE requirements.

Employee profile



Total employees



DISABILITY LEARNERSHIPS

The Group seeks to foster representation of persons living with disabilities across the organisation. The Grindrod disability learnership therefore aims to empower traditionally marginalised members of society and provide opportunities for skills development and employment.

Grindrod's 2023 persons living with disability programme will recruit 27 candidates from previously disadvantaged backgrounds.



OUR VALUE OUTCOMES continued

SOCIALLY INCLUSIVE DEVELOPMENT

QUALITY EDUCATION

Grindrod seeks to embed a learning culture that supports its three horizons of growth across the short, medium and long term.



Overarching goal Retaining Grindrod's competitive advantage and ability to generate social impact as a learning organisation with an open mindset.

Rationale Quality education is a crucial tenet for continual improvement and maintaining the Group's position as a market leader.

Performance topics	Continual education and upskilling	Executive continual education	Middle management continual education
2022 performance	1 322 training participants during 2022 with 270 training sessions concluded.	Two senior executives participated in continual education and learning.	14 middle management employees participated in continual education and learning.
Targets	1 000 employees upskilled.	Two executive participants.	15 management participants.

Training spend by demographic grouping

	2022	2021
African male	51%	48%
African female	42%	47%
White male	6%	3%
White female	1%	2%
Total spend	R11.5 million	R10.5 million

Staff training

Human resources conducted training on vital topics during the year, including diversity, equity and inclusion, employee relations and intoxicating substances.

15 apprentices completed their trade tests in 2022 and 20 interns were on-boarded in 2022, positioning themselves for full-time employment opportunities within their respective areas of specialisation.

Management development

Grindrod places a strong emphasis on training and development. The Group partnered with the University of KwaZulu-Natal for management development programmes.

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.

Grindrod ran the YES programme with 27 young participants in 2022. Moreover, site visits were conducted at two host businesses for Grindrod's YES participants. Interviews conducted demonstrated the substantial impact the programme is making – including knowledge/skills development and securing permanent employment positions for many of the participants. However, participants who have not secured permanent positions were encouraged to participate in further learnerships to allow additional time to secure permanent placements.

Graduate programme

Grindrod seeks to enrich its talent pipeline with high-calibre candidates from top tertiary institutions around the country. Therefore, the Group began preparing for its inaugural intake of graduates for 2023 by utilising the LinkedIn platform and various university intranets to advertise the 12 positions. As a result, approximately 1 500 applications were received, and a screening process has been implemented to narrow the list of candidates to be considered. Subsequently, eight candidates have been successfully placed in South Africa whilst the recruitment process of the Mozambique based candidates is being finalised.

OUR STORIES

GROWING TALENT WHILE GENERATING SUSTAINABLE IMPACT

Thanduxolo Vezi matriculated from Inhlakanipho High School in 2016, a school supported by Grindrod through the Adopt-a-School Foundation. While attending Inhlakanipho High School, Thanduxolo's hard work produced excellent results, earning him a bursary from the Cyril Ramaphosa Education Trust to further his studies. Grindrod proudly supports the trust by funding bursaries for deserving students. In 2021, Thanduxolo graduated with a BCom honours degree in economics from the KwaZulu-Natal University. He went on to gain experience in warehouse operations, and we were delighted to welcome Thanduxolo during the year as he joined the transport division of Grindrod Logistics Africa.



OUR STORIES

EDUCATION SECURES THE FUTURE

Recognising the criticality of quality education, not only to our business but to the sustainable growth of the industry and the country, Grindrod Logistics Africa attended a career day at the Durban University of Technology during the year. Our team presented to approximately 20 students from the department of Maritime Studies, sharing their experiences and insights regarding the industry and vital steps to support career development. In addition, the division takes applications for shipping and logistics, operations and health and safety internships.



OUR VALUE OUTCOMES continued

GOOD GOVERNANCE

Grindrod's Board is committed to continuously improving corporate governance principles, policies and practices that address bribery and corruption through implementing regulatory and compliance best practice and acting on feedback from stakeholders.

ZERO BRIBERY AND CORRUPTION

The Group is committed to the highest standards of integrity and ethical behaviour, recognising that good conduct, underpinned by ethics, is fundamental to the sustainability of the business. Good conduct is evidenced through the daily behaviours of Grindrod's people and exhibited in individual and collective actions and decisions.



Overarching goal

To participate in the efforts towards a corruption-free South Africa and trading environment in which Grindrod operates.

Rationale

Bribery and corruption erodes economic value and the social fabric of society. It adds to the cost of doing business and trade, harms company morale and destabilises sustainable, ethical business.

Performance topics

Zero bribery

Zero corruption

2022 performance

A comprehensive suite of anti-bribery and corruption policies and bespoke training videos are communicated annually. In addition, training and awareness programmes are monitored and reviewed regularly.

Grindrod houses an ethics landing page for staff containing training materials, training videos, flyers, guides and links to our reporting hotlines, Deloitte Tipoffs Anonymous and EthicsDefender, and registers for declarations.

All Grindrod employees receive awareness training during the annual ethics sign-off campaign. During 2022, a 99% sign-off was achieved.

Targets

Zero cases of bribery.

Zero cases of corruption.

ANTI-BRIBERY AND CORRUPTION COMMITMENT

Any involvement in corrupt activity is a significant risk to Grindrod as well as to the individuals and other parties involved. All bribery is prohibited, be these bribes or other inducements to subvert a fair procedure or gain a particular advantage. This includes facilitation payments, that is, bribes sought by officials seeking an additional incentive to perform routine duties efficiently. An employee can use neither Grindrod's funds nor assets nor personal funds to pay to acquire any unfair advantage for the organisation.

As corruption involving government officials and holders of political office is an offence against the public interest, particularly severe penalties apply in terms of anti-corruption laws. Grindrod is committed to fair procurement processes, and any favouritism towards suppliers on improper grounds is prohibited. Improper grounds include not only bribes and kickbacks but gifts and hospitality that aim to corrupt supplier selection. Stakeholders are obliged to follow Grindrod's internal procurement processes and policies as communicated from time to time.

Consistent with global best practice and legal requirements, certain groups have specific responsibilities for ensuring the sustained success of the Grindrod anti-corruption programme. Accordingly, the Board and its relevant committees articulate their unequivocal commitment to prohibiting and deterring corrupt activity in all Grindrod dealings. Likewise, the Board ensures that an effective anti-corruption policy framework, with associated procedures and controls, is maintained and operationalised and that an ethical culture is fostered – one that recognises and resists corruption in all its forms.

A robust corruption-risk assessment and mitigation programme is reviewed annually and at other appropriate intervals as needed. In bringing the approved anti-corruption policy and its associated programmes to fruition, the Grindrod Executive similarly demonstrates visible, consistent support and ensures that Grindrod is appropriately resourced to enable the timely recognition and eradication of any corrupt practices. The Executive is supported by every Grindrod employee in this process, and an ongoing corruption awareness programme is pursued.

Avenues by which employees and other stakeholders can confidently report suspicions or knowledge of corruption are made available. No corrupt act is considered too small or insignificant as not to warrant investigation and disciplinary action.

Grindrod stakeholders are expected to ensure that all relevant third parties understand and comply with Grindrod's ethics and anti-corruption policies. Appropriate safeguards, such as due diligence enquiries and contractual protection, are performed to ensure compliance. Any representative, agent or intermediary acting on behalf of Grindrod must comply with the spirit and the letter of the Grindrod anti-corruption policy and all related legislation.

Suppliers agree to adhere to Grindrod's position concerning corruption, to take measures to deter corruption in their operations and to immediately report to Grindrod any suspicion of corruption in their dealings, be these with Grindrod or on Grindrod's behalf. In addition, any potential business partner must fully disclose previous dealings and current relationships that may present a heightened risk of Grindrod being associated with corrupt activities.

Grindrod has two anonymous reporting hotlines, which all stakeholders can use to report wrongdoing. Moreover, the organisation enforces a comprehensive whistleblowing policy to protect those reporting.

OUR VALUE OUTCOMES continued

REGENERATIVE ENVIRONMENT

OUR STORIES

STEPPING IN TO PROVIDE
VITAL RELIEF

Cyclone Gombe had devastating consequences – destroying housing and infrastructure and claiming the lives of individuals across Mozambique, Madagascar and Malawi. Shortly after the cyclone hit, we partnered with the Coração Solidário Mission to establish Ilha de Moçambique, collaborating with our partners to develop a reconstruction plan. We also donated surgical masks, gloves, blood pressure meters, blood glucose meters and lanterns to help in the relief efforts.



PROSPERITY FOR ALL

OUR STORIES

CELEBRATING WOMEN'S DAY BY
SUPPORTING WOMEN'S HEALTH

Menstrual equity refers to the affordability, accessibility and safety of menstrual products and the provision of necessary education and reproductive care. In celebration of Women's Day in Mozambique and to promote the health, education and success of Mozambican girls and women, Grindrod created a strategic partnership with the Be Girl social enterprise to provide 1 000 sustainable, reusable feminine hygiene products and trained 35 teachers to enable ongoing education within the Matola Gare School.



OUR STORIES

CONTRIBUTING TO SUSTAINABLE CHANGE

Makobo Plataforma Solidária (the solidarity platform) seeks to provide services that promote the social wellbeing of disadvantaged groups through interventions carried out in an ongoing, planned and sustained manner to contribute to Mozambique's social, cultural and economic development. In August 2022, Grindrod Terminals contributed approximately R94 000 towards Makobo as part of a Grindrod Charity Drive.

SOCIALLY INCLUSIVE DEVELOPMENT

OUR STORIES

ENHANCING HEALTH
THROUGH CHARITABLE
DONATIONS











During December 2022, Grindrod Terminals responded to a call by Hospital Geral Jose Macamo for cleaning products to support the safe running of the hospital. We provided fully equipped cleaning carts and a three-month supply of cleaning products to support this aim.



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, pro-active, two-way engagement is the foundation for creating mutually rewarding benefits for the stakeholder groupings that rely and thrive on, the sustainability of the business.

We prioritise our stakeholders according to their level of influence on us and the level of influence we have on them. 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 state-owned entities.

STAKEHOLDER GROUP	Key ESG objectives	Why they are important	How we engage	Key issues/areas of interest	Our response
Employees 3 787 employees 4 continents	<ul style="list-style-type: none"> Prosperity for all. Socially inclusive development.   	Employees are the cornerstone of 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. Workplace transformation. Information and two-way dialogue. Participation and empowerment opportunities. Communication on strategy and direction. 	<ul style="list-style-type: none"> R1.4 billion in wealth distributed to employees. Ongoing health and safety initiatives. Continued investment in training and development. Wage adjustments. Strategic transformation targets.
Trade unions and bargaining councils 6 unions 373 employee members 1 council 42 employee members	<ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance.   	With a contingent of our employees being part of unions and a bargaining council, these organisations can and do affect our operations.	<ul style="list-style-type: none"> Wage negotiations 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. 	<ul style="list-style-type: none"> The fair treatment and remuneration of employees. Safe working conditions. Remuneration benchmarking. Good employee relationships and a positive workforce. Securing, retaining and developing necessary skills. 	<ul style="list-style-type: none"> Regular engagement and interaction with union leadership. Discussion of successes and challenges faced by the business and inviting union leadership to provide input into solutions.
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; Hlahlindlela School and Rise Against Hunger, to name a few.	<ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance. Regenerative environment.       	Establishing and maintaining respectful relationships with the communities in which we operate is central to our sustainability and Grindrod is committed to contributing positively to social and economic development. Our social responsibility favours investments in education and the environment and supports staff involved in these initiatives. Engaging and supporting the NGOs and communities in which we operate is not only the right thing to do, but builds goodwill and upholds our social licence to operate.	<ul style="list-style-type: none"> Meetings. Teleconferences. Emails. Site visits. Career exhibitions. Breakfast sessions. Round table discussions. Workshops. Memorandums of Understanding. 	<ul style="list-style-type: none"> Employment opportunities for communities near our operations. Small business development opportunities for local businesses. Development of community infrastructure through enterprise supplier development (ESD) and corporate social investment (CSI) programmes. Compliance with laws and regulations. Positive impact on fiscus. 	Continued contribution to community interest and wellbeing 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	Key ESG objectives	Why they are important	How we engage	Key issues/areas of interest	Our response
Investors, business partners and providers of financial capital, including banks 45 398 beneficial ordinary shareholders 1 916 preference shareholders	<ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance.   	Investors support Grindrod's long-term growth. Our business partners enable us to expand its service offering and footprint to provide efficient and cost effective solutions to customers.	<p>Grindrod aligns with the King IV guidelines in how we adopt a pro-active investor relations (IR) engagement process with stakeholders through:</p> <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. 	<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. Anti-bribery and corruption and sanctions controls. Operating environment. Ranking of claims relative to other financiers and creditors generally. 	<ul style="list-style-type: none"> R0.6 billion distributed in dividends. In addition to the interim and results presentations, engagement with analysts on an <i>ad-hoc</i> basis, with continued management access and engagement with key analysts.
Customers 6 000+ customers >R5 billion in revenue from core businesses	<ul style="list-style-type: none"> Prosperity for all. Good governance.  	Customers are our first strategic pillar, our core focus. We aim to meet and exceed customer expectations through consistently providing innovative, efficient and cost effective cargo-flow solutions thereby forging strong long-term partnerships.	<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-touchpoint approach to customer relationships. We focus 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 business costs. We continue to conduct customer engagements. We continue to pursue cross-border opportunities.
Suppliers 2 300+ suppliers >R3.5 billion in procurement spend	<ul style="list-style-type: none"> Prosperity for all. Good governance.   	Long-term, sustainable and mutually beneficial relationships with suppliers and within Grindrod's supply chain support operational efficiency and customer service.	<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 their 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	<ul style="list-style-type: none"> Good governance. 	Municipal, regional, local, national and international governments and governmental departments, the JSE, Takeover Regulation Panel (TRP), Competition Commission, SARS, Prudential Authority and SOEs all contribute toward an enabling environment for Grindrod.	<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 with laws and regulations. Skills development. Transformation. Employment equity. Gender diversity.

PERFORMANCE REVIEW



ERNEST NTULI
GRINDROD TERMINALS RICHARDS BAY

SHARED VALUE CREATION

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

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REPORT OF THE CHIEF FINANCIAL OFFICER



Fathima Ally Chief Financial Officer

Grindrod's core business is stable with healthy cash generation from operations and our balance sheet is strong. Capital allocation disciplines are well entrenched, and in addition to stay-in business and expansionary capital investments made in 2022, Grindrod held true to sustaining dividend flow to its

Fathima Ally
Chief Financial Officer
5 April 2023

Grindrod's 2022 financial year was one where new operational records were set, and solid financial performance was reported. The backdrop of challenges experienced in the year was met with the resilience of our teams and their customer-solutions-seeking mindset. Grindrod made good strides towards the non-core business exit strategy with the disposal of Grindrod Bank and certain significant private equity investments within the larger portfolio.

Grindrod's core business delivered good results for the year ended 31 December 2022, with headline earnings of R1.1 billion, up 37% on the prior year. In addition, Grindrod reported cash generated from operations of R1.7 billion in 2022, up 62% on the prior year.

The strong commodity markets bolstered volume growth in the Port and Terminals segment. This, together with profit participation on coal cargo handled, resulted in Port and Terminals headline earnings of R822 million, up 111% on the prior year.

The healthy freight and shipping rates contributed to the convincing performance of the Logistics segment, where headline earnings of R636 million was up 162% compared to the prior year. The coastal shipping and container depot businesses recovered exceptionally well following the devastating floods in KwaZulu-Natal. Headline earnings include losses of R26 million related to flood damage and insurance proceeds of R67 million.

The Group segment performance was impacted by various factors, including an impairment of R223 million on the loan previously advanced to set up the Richards Bay black empowerment structure, a R40 million expense linked to obligations under the employee share price linked long-term incentive scheme due to Grindrod's share price increase, and, lastly, increased withholding taxes on offshore dividend repatriations of R45 million.

The disposal of Grindrod Bank on 1 November 2022, for gross proceeds of R1.6 billion, represented a critical milestone. Grindrod Bank reported earnings of R142 million for the 10 months prior to disposal. The transaction resulted in a post-tax loss on sale of R292 million, and transaction costs of R26 million were recorded. In addition, contractual obligations of R85 million were raised on disposal, linked mainly to warranties provided to the buyer on specific loans and advances disposed of. In view of the disposal, the Bank segment was classified as a discontinued operation in 2022 in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, resulting in the prior year's income statement being re-presented.

The private equity investment portfolio has a carrying value of R319 million, with one significant asset remaining at R241 million. The carrying value of the KwaZulu-Natal north coast property loans at year-end amounted to R1.1 billion.

The robust oil prices resulted in the Marine Fuels segment results rising 119% from the prior year.

Financial review

Key segmental continuing income statement metrics (includes share of joint ventures on a line-by-line basis):

Rmillion	2022	2021*	Variance %
Revenue	24 360	17 550	39
Core operations	7 405	4 683	58
Non-core operations	16 955	12 867	32
Trading profit/(loss)	1 917	1 524	26
Core operations	2 174	1 646	32
Non-core operations	(257)	(122)	>100
Share of associate earnings	163	115	42
Non-trading items	54	(450)	>100
Net profit/(loss) attributable to ordinary shareholders	776	61	>100
Core operations	1 090	426	>100
Non-core operations	(314)	(365)	14

* Re-presented due to the disposal of Grindrod Bank.

Revenue growth in core operations was driven by volume growth, improved tariffs, and new customer solutions implemented. Non-core operations revenue related to the Marine Fuels segment and arose due to the strong oil market.

Trading profit from core operations was up 32%, benefitting from volume growth due to the solid commodity market. The R223 million impairment of the loan previously advanced to set up the Richards Bay black empowerment structure is recorded against core trading profit.

The non-core trading loss is largely attributable to net fair value losses on the private equity

portfolio of R132 million and impairment and fair value losses of R204 million relating to the KwaZulu-Natal north coast property loans mainly due to the increase in interest rates, which impacted the discount rates applied in the fair value model.

Share of associates earnings mainly relates to Grindrod's investment in the Port of Maputo, which delivered strong results capitalising on the additional slab and berthing capacity.

Non-trading items arose from property, plant and equipment disposals mainly due to the disposal of two flats in London in 2022.



REPORT OF THE CHIEF FINANCIAL OFFICER continued

Group headline earnings reconciliation

Rmillion	Continued core operations	Non- core operations	Dis- continued operations	Total
Net profit/(loss) attributable to ordinary shareholders	1 090	(314)	(175)	601
Scrapping and impairment of fixed assets due to floods, net of insurance proceeds	10	-	-	10
Reversals of impairment of fixed assets	(6)	-	-	(11)
Net profit on disposal of joint venture	(7)	-	-	(7)
Net profit on disposal of fixed assets	(30)	-	-	(30)
Loss on disposal of the Bank	-	-	292	292
Headline earnings/(loss)	1 057	(314)	117	860

Core headline earnings at R1.1 billion represent a 37% uplift from the 2021 core headline earnings of R772 million.

Statement of financial position

Key segmental statement of financial position metrics (includes share of joint ventures on a line-by-line basis)

Rmillion	2022	2021	Variance %
Property, plant and equipment (PPE), right-of-use assets and intangible assets	5 099	5 561	(8)
Assets held for sale	975	65	>100
Investments and other assets	1 988	2 472	(20)
Current assets and bank and cash	8 013	6 647	21
Loans and advances	1 073	9 537	>(100)
Liquid assets and negotiable securities	-	3 936	>(100)
Total assets	17 148	28 218	(39)
Total equity	8 821	8 571	3
Total interest-bearing debt	3 417	4 785	(29)
Deposits from Bank customers	-	11 221	>(100)
Current and other liabilities	4 546	3 641	25
Liabilities associated with assets held for sale	364	-	100
Total equity and liabilities	17 148	28 218	(39)

PPE, right-of-use assets and intangible assets decreased due to the transfer of assets to held for sale in view of the joint venture transaction with Maersk logistics and service operations and certain of Grindrod's container depots and its coastal shipping business, which became effective in early January 2023. This is also what the assets held for sale and liabilities associated with assets held for sale relate to.

The decrease in investments and other assets is mainly due to net fair value losses on, and disposal of, certain significant private equity investments and an impairment of the loan previously advanced to set up the Richards Bay black empowerment structure.

Current assets and bank and cash increased due to improved trading, as well as proceeds from the disposal of Grindrod Bank.

The significant decrease in loans and advances is largely attributable to the disposal of Grindrod Bank and, to a lesser extent, fair value losses of R204 million relating to the KwaZulu-Natal north coast property loans and advances.

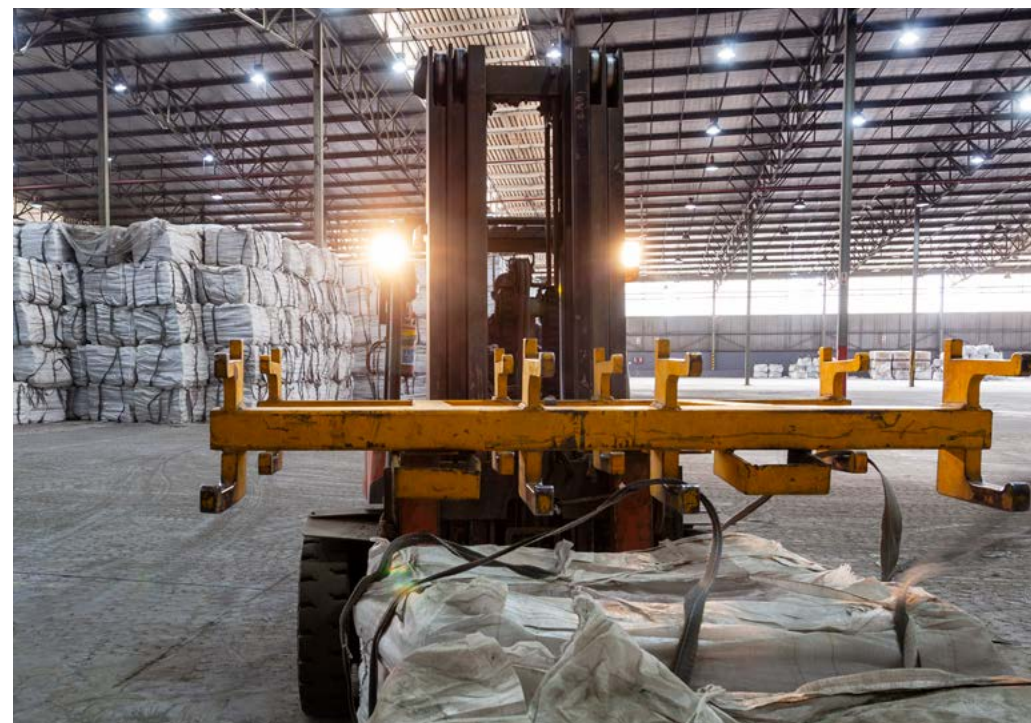
Exchange rate and current-year profits contributed to the increased equity. This was partly offset by dividends of R680 million declared and paid to ordinary and preference shareholders during 2022.

Interest-bearing borrowings have decreased due to the sale of Grindrod Bank, a reduction in the private equity debt and the transfer of lease liabilities to the held for sale disposal group arising from the conclusion of the joint venture with Maersk Logistics and Services operations.

The increase in current and other liabilities is largely due to increased trading activities.

Capital allocation

Grindrod's capital allocation fundamentals aim to safeguard the strength of the balance sheet whilst reinvesting to ensure the sustainability and growth of the business and simultaneously deliver returns to shareholders.



REPORT OF THE CHIEF FINANCIAL OFFICER continued

The Group generated positive cash from operations of R1.7 billion, which was utilised to settle interest, taxation and dividend obligations of R622 million. R578 million was utilised for capital expenditure, and R402 million was used to make lease liability and short-term borrowing repayments during the year.

Proceeds from the disposal of private equity investments of R176 million were applied to the settlement of the preference share funding of R150 million.

Proceeds of R197 million were also received in the current year linked to the 2021 disposal of the carrier businesses and the UK Real Estate investment under deferred payment arrangements.

Proceeds from the disposal of Grindrod Bank were utilised to settle transaction costs and make a special dividend distribution of 55.9 cents per share to the shareholders on 19 December 2022. The balance of the proceeds of R1.1 billion have been allocated to the Matola upgrade, the manganese logistics solution project and warranties on the sale.

As at 31 December 2022, the balance sheet reflects net debt of R182 million. However, excluding ringfenced cash of R1.1 billion from the disposal of Grindrod Bank, the net debt is R1.3 billion. This equates to a net debt-to-equity ratio of 15% using operational cash only. Headroom exists to facilitate the raising of funding to support the Freight Services expansion, ensuring that net debt to EBITDA of less than 2.5 times is always maintained.

Capital projects

Capital commitments of R556 million (2021: R269 million) were approved as of 31 December 2022, relating predominantly to the Matola terminal upgrade and the refurbishment of locomotives. 64% of current-year capital expenditure, including joint ventures, of R767 million (2020: 65% of R568 million) was expensary.

Annually, Grindrod sets the weighted average cost of capital (WACC) and project hurdle rates to ensure that all projects are assessed in detail and that a robust process for allocating capital is adhered to. All projects are deemed 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 the 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
Hurdle rate	18%	15%

Dividend declaration

A final gross ordinary dividend of 22.2 cents was declared, resulting in a total ordinary dividend for the year of 95.3 cents. Total preference share dividends of R56 million (2021: R46 million) were declared to preference shareholders during the 2022 financial year.

Foreign currency exposures

Grindrod has US\$265 million (2021: US\$227 million) of 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 the majority of 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 the 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 that 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.
- Independent oversight by the internal audit division through developing and testing financial control frameworks.

During 2022, 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 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 2021.

The Grindrod Bank disposal resulted in the Bank segment being presented as discontinued operations as it constituted a major line of business. Accordingly, the financial results in the income statement for 2021 have been re-presented.

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

The joint venture transaction between Maersk Logistics and Services operations was concluded with all conditions precedent fulfilled on 1 January 2023.

In January 2023, the Group acquired the remaining shareholding in its joint venture RBT Grindrod Terminals Proprietary Limited.

There are no other material post-balance sheet events to report.

Mandatory external auditor rotation

Following a robust and comprehensive screening and bid evaluation process, the Audit committee and Board of Directors have proposed PricewaterhouseCoopers Incorporated (PwC) to be appointed as the Group's external auditors for the financial year ending 31 December 2024, with Nqaba Ndiweni acting as the designated audit partner.

The change in audit firm is subject to the approval of shareholders, under a non-binding vote, at the Company's Annual General Meeting, which is scheduled to be held on 25 May 2023.

FIVE-YEAR REVIEW

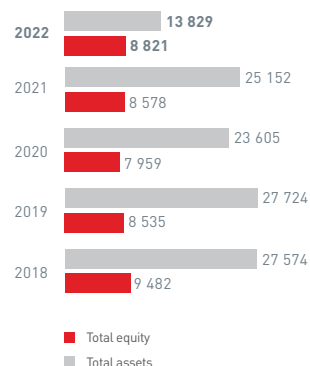
Rmillion	2022*	2021	2020	2019	2018
GROUP INCOME STATEMENT					
Revenue	5 884	3 905	3 751	3 834	3 467
Trading profit before expected credit loss, interest, taxation, depreciation and amortisation**	1 372	1 074	547	1 097	871
Expected credit loss***	(267)	12	(213)	(561)	-
Trading profit before interest, taxation, depreciation and amortisation	1 105	1 062	334	536	871
Depreciation and amortisation	(486)	(488)	(526)	(501)	(462)
Profit/(loss) before net interest, taxation and non-trading items	619	574	(192)	35	409
Non-trading items	61	(401)	(194)	(335)	(482)
Net interest income/(expense)	(77)	(127)	(211)	(142)	96
Profit/(loss) before associated and joint venture companies	603	(46)	(597)	(442)	23
Associated and joint venture companies	575	307	306	(117)	211
Profit/(loss) before taxation	1 178	353	(291)	(559)	234
Taxation	(348)	(102)	(120)	9	(180)
Profit/(loss) after taxation including associated companies	830	251	(411)	(550)	54
Loss after taxation from discontinued operation*	(175)	-	-	-	-
Profit/(loss) for the year	655	251	(141)	(550)	-
Outside shareholders' interest	2	(30)	47	-	(8)
Profit/(loss) for the year before preference dividends	657	221	(364)	(550)	46
Preference dividends	(56)	(45)	(51)	(66)	(66)
Profit/(loss) attributable to ordinary shareholders	601	176	(415)	(616)	(20)
Ordinary shareholders' interest in non-trading items	259	442	247	463	500
Headline earnings/(loss)	860	618	(168)	(153)	480
GROUP STATEMENT OF FINANCIAL POSITION					
Non-current assets	7 425	8 391	8 777	9 666	9 241
Loans and advances to bank customers	1 073	9 537	8 933	8 431	7 997
Current assets	5 331	7 224	5 894	9 627	10 336
Total assets	13 829	25 152	23 605	27 724	27 574
Total equity	8 821	8 578	7 959	8 535	9 482
Non-current liabilities	1 818	2 066	1 603	2 581	2 156
Deposits from bank customers	-	11 221	9 434	11 180	10 506
Current liabilities	3 190	3 287	4 609	5 428	5 430
Total equity and liabilities	13 829	25 152	23 605	27 724	27 574
GROUP CASH FLOWS					
Cash available from/(used in) operations	824	798	(1 993)	472	(5 191)
Distribution/dividends received/(paid)	(300)	198	218	(134)	31
Cash retained from/(utilised in) operations	524	996	(1 775)	338	(5 160)
Net cash proceeds on disposal of property, plant and equipment and other items	544	655	35	397	351
Cash available for investment/(utilised)	1 068	1 651	(1 740)	735	(4 809)
Cash invested	(455)	(393)	(311)	(305)	(789)
Net cash available for financing/(utilised)	613	1 258	(2 051)	430	(5 598)

* The financial performance of Grindrod Bank to the date of disposal and the disposal impacts are disclosed in one line "Loss after taxation from discontinued operation".

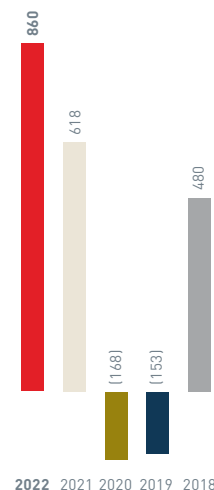
** Current period trading profit includes R311.4 million net fair value losses (2021: R42.2 million) relating to the private equity and property portfolio. In addition, prior period included fair value gains of R238.2 million on Grindrod Shipping shares.

*** Current period includes impairments of R24.5 million (2021: R86.8 million impairment reversals) relating to the private equity and property portfolio. Current period results also include an impairment of R222.5 million on the loan previously advanced to set up the Richards Bay black empowerment structure.

Total equity and assets (Rm)



Headline earnings/(loss) (Rm)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW



REVENUE

▲ 38.8%

R24 360 million

(2021: R17 549 million)

PORT AND TERMINALS

▲ R3 713 million

(2021: R1 413 million)

LOGISTICS

▲ R3 635 million

(2021: R3 242 million)

GROUP

▲ R57 million

(2021: R28 million)

MARINE FUELS AND AGRICULTURAL LOGISTICS

▲ R16 955 million

(2021: R12 814 million)

PRIVATE EQUITY AND PROPERTY

▼ Rnil million

(2021: R52 million)



TRADING PROFIT

▲ 25.8%

R1 917 million

(2021: R1 524 million)

PORT AND TERMINALS

▲ R1 151 million

(2021: R580 million)

LOGISTICS

▲ R1 315 million

(2021: R895 million)

GROUP

▼ R292 million loss

(2021: R171 million)

MARINE FUELS AND AGRICULTURAL LOGISTICS

▲ R102 million

(2021: R43 million)

PRIVATE EQUITY AND PROPERTY

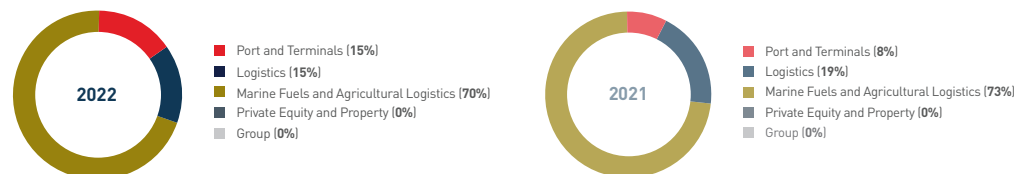
▼ R359 million loss

(2021: R165 million loss)

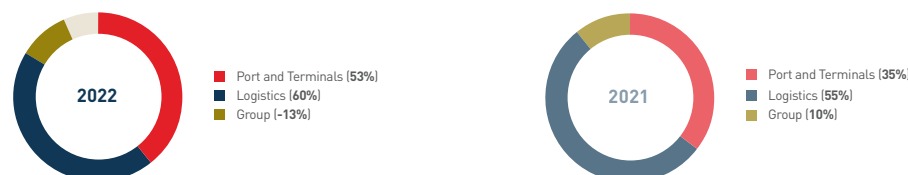
OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

CONTRIBUTION TO FINANCIAL PERFORMANCE

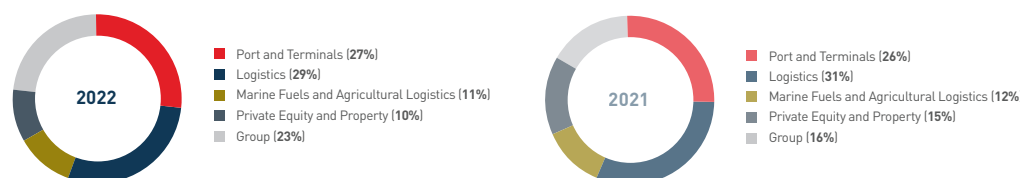
Revenue continuing by business area



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



Total assets continuing by business area



Capital expenditure by business area

R million	2022	2021	2020	2019	2018
Port and Terminals	266	65	49	98	93
Logistics	486	499	355	356	395
Bank	2	4	-	2	2
Marine Fuels and Agricultural Logistics	-	-	-	-	-
Group	13	-	-	-	-
Shipping*	-	-	-	-	266
Total capital expenditure**	767	568	404	456	756

* Grindrod Shipping spin-off in June 2018.

** 64% (2021: 65%) of capital expenditure was expansionary, and the balance relates to maintenance or replacement capital expenditure.

REVENUE AND CORE OPERATIONS TRADING PROFIT

Volume growth due to strong commodity markets and strategic focus on customer solutions were the drivers of performance in both the Port and Terminals and Logistics business segments. Maputo Port volumes were up 29% against the prior period, capitalising on the additional slab and berthing capacity. Grindrod's drybulk terminals volumes were up 23% on the prior period. Grindrod benefited from further profit participation on 0.5 million tonnes of coal cargo handled, driven by strong customer demand. Grindrod's coastal shipping and container depot business performance benefited from healthy charter rates secured on the leasing and sub-leasing of vessels. The Northern Mozambique graphite operations embedded its alternative breakbulk solution out of the port of Pemba, handling 61 853 tonnes for the period. The clearing and forwarding business delivered solid results for the period, supported by favourable freight rates.

ASSETS

Following the sale of Grindrod Bank, total assets have declined, partially offset by an increase in exchange rates and growth.

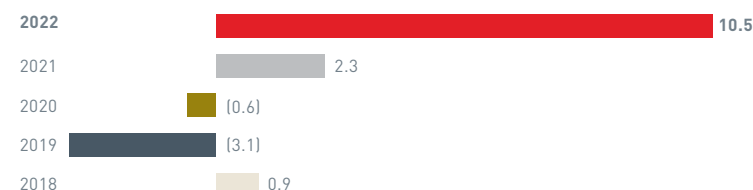
Investment in assets (at cost)

▲ **35.0%**
R767 million
(2021: R568 million)

Return on net assets

▲ **10.5%**
(2021: 2.8%)

Return on net assets (%)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

PORT AND
TERMINALS

PORT

Our investment in MPDC holds the concession for the Maputo port in Mozambique, a gateway to international export markets.

TERMINALS

Our infrastructure is designed to handle a variety of bulk, breakbulk commodities, vehicles and containers:

- Car terminal.
- Drybulk terminals.
- Multi-purpose terminals.
- Stevedoring.

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.

Key challenges 2022

- Floods in KwaZulu-Natal.
- Shortage of locomotives.
- Collision between a vessel and the TCM berth.
- Impacts of the Port strike.
- Derailments and infrastructure vandalism.

Key achievements 2022

- Maputo Port volumes up 29% against prior period.
- Profit participation in 0.5 million tonnes of coal handled.
- Collaboration with South African miners, Eswatini Rail and Mozambique Ports and Railways (CFM).
- Maputo sized coal increased volume by 393%, and Maputo Car Terminal (MCTL) increased volumes handled by 62%, on the prior period.
- Completed deployment of SHERQ portal.
- Successful ISO and IMS audits.
- Achieved record loading on a single vessel of 148 201 tonnes.
- Growth in line with customer demand, back of port facility for Matola, additional temporary footprint for sized coal terminal and petcoke terminal area in Namibia.
- Developed and delivered value-added solutions for coal customers in line with strategy.
- Solutions for junior miner volumes in excess of 3.2 mtpa.
- Completed the buy-up of Navitrade coal terminal post year-end.

Number of employees

▼ 8.8% 1 077 employees
(2021: 1 181)

Total GHG emissions (CO₂e)

▲ 7.8% 16 590 tonnes
(2021: 15 394 tonnes)

Revenue

▲ 162.8% R3 713 million
(2021: R1 413 million)

Fatalities

● Zero
(2021: Zero)

LTIFR

▲ 0.40
(2021: 0.37)

Electricity usage

▼ 11.3% 6 582 kWh
(2021: 7 421 kWh)

Trading profit

▲ 98.4% R1 151 million
(2021: R580 million)

Water usage

▲ 2.5% 72 068 kl
(2021: 70 328 kl)

US\$-based revenue

▲ 230.5% R3 156 million
(2021: R955 million)

Total land-based diesel

▲ 9.9% 2 348 kl
(2021: 2 137 kl)

OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

OPERATING CONTEXT AND MARKET TRENDS

Grindrod's purpose is to make a positive difference in Africa's trade with the world, touching the lives of the communities in which we operate. Through its presence in the port and terminals, its logistics capabilities, covering, clearing and forwarding, marine logistics, project cargo handling and rail, Grindrod remains well positioned to deliver on its purpose.

The outlook on the operating environment is volatile. Global growth is receding and sub-Saharan Africa's growth outlook is facing headwinds. However, East Africa is expected to remain resilient. Global inflationary pressures will increase input and capital funding costs. Momentum in the mining commodity markets is slowing down, particularly in the steel-making input minerals. The coal market outlook remains unfavourable in the long-run due to the green energy demand dynamics. However, the energy transition dynamics impact the timing and manner of transition.

PERFORMANCE

Port of Maputo

A new handling record was achieved by the Port of Maputo in 2022, having registered growth of 20% compared to 2021 in own and sub-concession volumes. The total volume handled in 2022 was 26.8 million tonnes, against 22.3 million tonnes in 2021. This growth reflects the efficient usage of the rehabilitated berths 6, 7, 8 and 9, which were inaugurated in May 2022, and the implementation of 24-hour operations at the Lebombo-Ressano Garcia border during April 2022.

The record of the biggest loading on a single vessel was broken in 2022, with a total volume loaded of 148 201 tonnes.

Rail volumes for chrome and ferrochrome registered a sharp increase of 73% compared to the previous year (from 1.4 million tonnes in 2021 to 2.4 million tonnes in 2022). The rail versus road ratio also showed some improvement, from 21%:79% in 2021 to 26%:74% in 2022, where stakeholders continued to address the need for more balanced volumes between rail and road cargo.

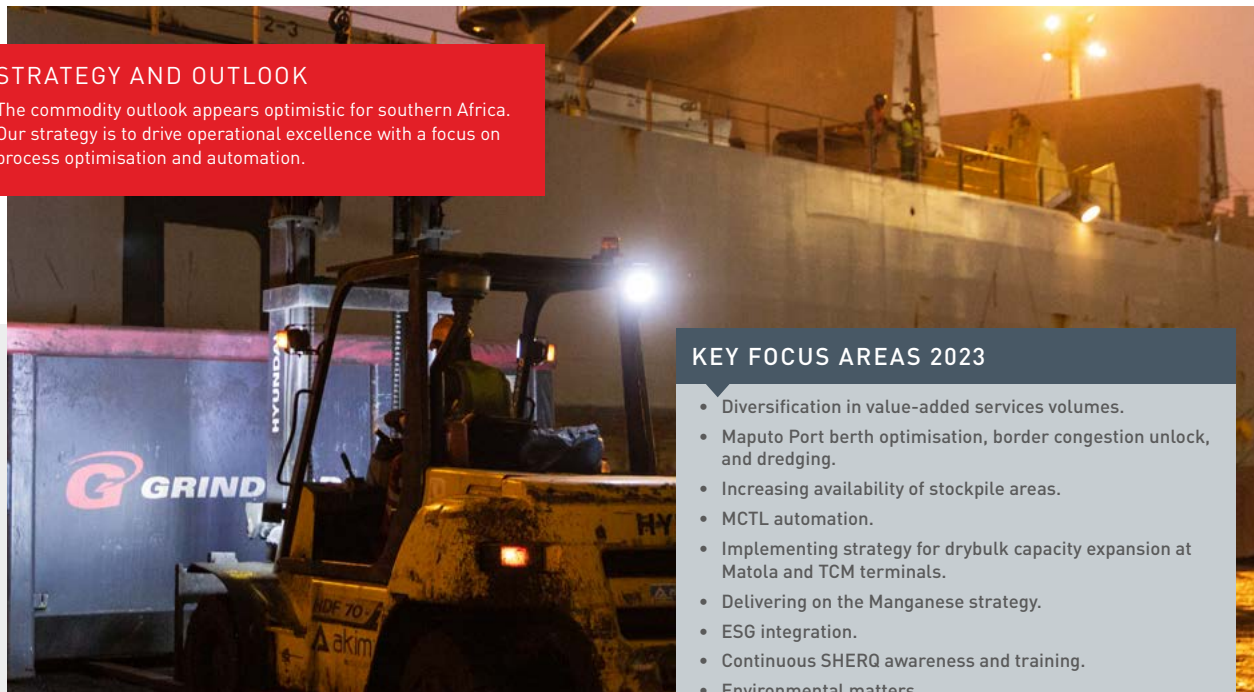
The investment and implementation of automation solutions within the port continued throughout 2022 and even greater efficiency in the logistics supply chain is expected during 2023.

The concession's 20th anniversary will be celebrated during 2023. The Port of Maputo began the implementation of the new masterplan designed to meet future challenges and increase the Port's footprint to meet growing demand. The plan includes using the latest equipment, such as mobile harbour cranes and supporting equipment, to improve efficiencies through improved turnaround times and throughput.

Tonnes	2022	2021	% change
Chrome/ferrochrome (own handled)	9 835 273	7 638 362	29
Sub-concession and other	16 936 943	14 626 314	16
Port of Maputo	26 772 216	22 264 676	20
Trucks per day into Maputo (average)	541	438	24
Trains per week into Maputo (average)	17	11	55

STRATEGY AND OUTLOOK

The commodity outlook appears optimistic for southern Africa. Our strategy is to drive operational excellence with a focus on process optimisation and automation.



KEY FOCUS AREAS 2023

- Diversification in value-added services volumes.
- Maputo Port berth optimisation, border congestion unlock, and dredging.
- Increasing availability of stockpile areas.
- MCTL automation.
- Implementing strategy for drybulk capacity expansion at Matola and TCM terminals.
- Delivering on the Manganese strategy.
- ESG integration.
- Continuous SHERQ awareness and training.
- Environmental matters.

Terminals

In the face of unprecedented operational environment challenges, Grindrod continued to deliver efficient and cost effective solutions to its customers. Record volumes of 16 million tonnes were handled by the drybulk terminals. Matola Terminal achieved volumes of 8.1 million tonnes and earnings of R190.5 million. Volumes for the year were 12% higher than budget despite the 10-day ports strike during October 2022. This is the second year in a row that the terminal exceeded its nameplate capacity.

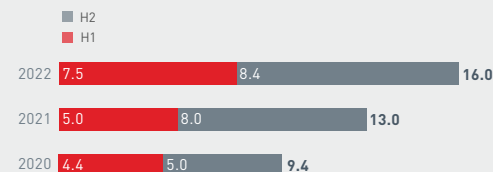
MCTL volumes increased by 62% in vehicle units, resulting in increased earnings of 5%.

The Maputo terminal volume increased significantly, with terminal capacity expanded to 4.5 million tonnes.

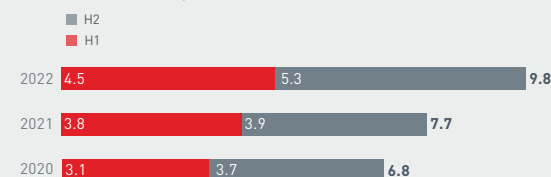
Grindrod's Eswatini corridor solution enhanced traffic flow through the Komatipoort border, benefiting our customers.

Profit participation of 0.5 mtpa coal handled added R167.1 million of earnings.

Terminal volumes (mtpa)



Port volumes (mtpa)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW 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.

INTERMODAL

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

SEAFREIGHT LOGISTICS

Door-to-door seafreight solutions with a feeder service for containerised cargo in the southern African region.

CONTAINER LOGISTICS

Our container depots in Johannesburg, Cape Town, Gqeberha and Durban provide logistics solutions that include container handling and storage, container structural repairs, reefer services, container transport and parts sales.

SHIPS AGENCY AND MARINE
TECHNICAL SERVICES

We provide a ships agency, logistics and marine technical and engineering services to the maritime, offshore and oil and gas sectors.

RAIL

Our rail business provides full end-to-end customer logistics solutions that include cost-effective rolling stock leasing solutions and rail operations.

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 and feeder service across the southern African region.

CLEARING AND FORWARDING

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

TRANSPORTATION

We assess all options for transporting bulk/breakbulk cargo to a hub for storage, distribution or export. Road transportation is integrated into our logistics operations. Through strong strategic partnerships with reputable airlines, Röhlig-Grindrod secures preferential rates and delivers reliable, cost-effective, flexible solutions.

Key achievements 2022

- Delivering container depot solutions for our customers.
- Denver container depot park development.
- Improvements to enhance the United Container Depots (UCD) container business.
- Exceptional recovery time following the devastating floods in KwaZulu-Natal.
- Successful completion of the Maersk joint venture.
- Two new sites established and operational.
- Establishment and growth of a long-haul corridor between Durban and Gauteng.
- Increased the cross-border footprint.
- Established Eswatini Freight corridor for moving bulk cargos into the Port of Maputo.
- Conclusion of the five-year contract for iron ore in Sierra Leone, improved deployment and continued execution of the locomotive refurbishment programme.
- East Africa Lake Victoria transport solution progressing well.
- Established an alternative route to market for graphite through the Port of Pemba.
- Increased freight management footprint in SADC, including Zambia and Malawi.
- Established a new footprint in Uganda.
- Delivered our first revenue from our East Africa crude oil pipeline logistics solution.
- Ships Agency reported good profit at the end of the year, specifically Gqeberha and Richards Bay.
- Solid performance by Röhlig-Grindrod.
- Progress in establishing marine logistics capabilities.

Key challenges 2022

- Devastating floods in KwaZulu-Natal.
- Port strike.
- Reduced container volumes as a result of the war in Ukraine.
- Fuel price increases.
- Cost-push inflation.
- Business interruption due to security issues in northern Mozambique.
- Shortage of freight logistics skills in new footprint areas.

Number of employees

▲ 9.2% 2 432 employees
(2021: 2 227)

Total GHG emissions (CO₂e)

▼ 32.5% 74 313 tonnes
(2021: 110 138 tonnes)

Revenue

▲ 12.5% R3 635 million
(2021: R3 242 million)

Fatalities

● Zero
(2021: Zero)

LTIFR

▼ 0.39
(2021: 0.54)

Electricity usage

▼ 26.5% 6 675 kWh
(2021: 9 077 kWh)

Trading profit

▲ 46.9% R1 315 million
(2021: R895 million)

Water usage

▼ 31.8% 74 159 kl
(2021: 108 805 kl)

US\$-based revenue

▼ 12.6% R598 million
(2021: R685 million)

Total land-based diesel

▼ 33.9% 11 277 kl
(2021: 17 068 kl)

OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

OPERATING CONTEXT AND MARKET TRENDS

Post the pandemic, the global logistics sector still faces disruptions which have resulted in delays globally in logistics operations, especially in the seafreight sector.

Challenges faced in the logistics sector have seen a trend of collaborative logistics, with companies coming together to overcome obstacles faced. Other rising trends are warehouse and transport automation to improve efficiencies and productivity through autonomous vehicles. Multimodal or multichannel logistics (the use of all modes of transportation) is becoming prevalent to reduce the dependency on one mode of shipping.

Green logistics is gaining prominence, with switches to alternative fuels and renewable energy to reduce CO₂ emissions. Bio-LNG can reduce up to 85% of emissions.

Outlook

Market	Current exposure	Short-term fundamentals	Long-term fundamentals
Container	300 000 m ²	●	●
Graphite	360 000 tpa	●	●
Agriculture	Grapes, citrus	●	●
Projects	Crude oil projects	●	●

MARKET OUTLOOK

POSITIVE



VOLATILE



NEGATIVE



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.

PERFORMANCE

Upgraded terminals, redesigned processes and a footprint across southern Africa firmly positions the business as a market leader in container services, warehousing and transport.

The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 134% in 2022. This was underpinned by strong container handling performance and higher shipping rates on the sub-leasing of the chartered vessels, capitalising on favourable market conditions.

Earnings from East Africa were up 95% compared to 2021.

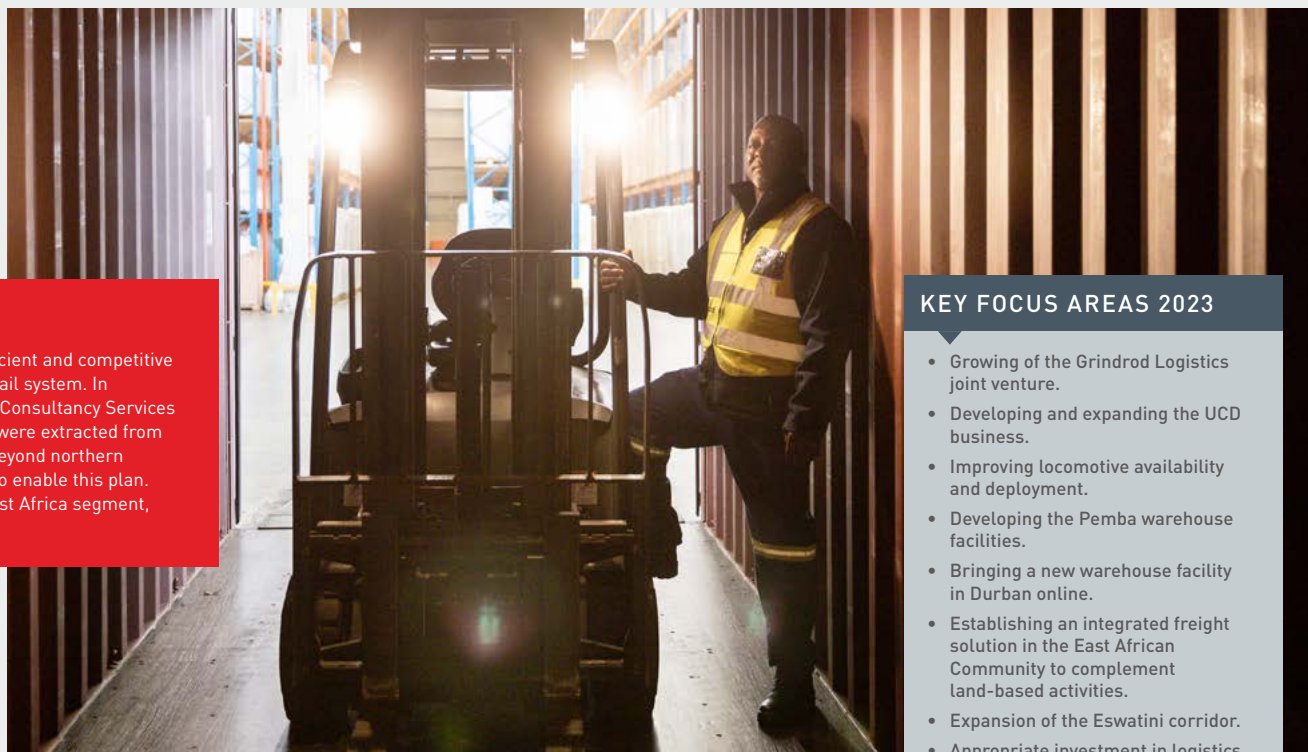
Operations resumed for our Nacala-based graphite operations transporting graphite by road from the mine to our Nacala intermodal facility for transfer to global markets. GLM and Nacala generated earnings of US\$4.3 million for the year, with volumes up 76% on the prior year.

A total volume of 113 281 tonnes (2021: 99 643 tonnes) and 61 853 tonnes (2021: nil) was handled through the Nacala and Pemba facilities, respectively.

Clearing and Forwarding recorded a good performance with earnings of R62.8 million, up 39% on 2021.

SGM improved earnings by R43.1 million exceeding budget by 37%. Ships Agency performed well, and the technical business showed marked improvement in the face of headwinds.

Rail deployment improved from the prior year, albeit under shorter-term contracts. Rail leasing returned earnings of R52.4 million (2021: R27.3 million).



KEY FOCUS AREAS 2023

- Growing of the Grindrod Logistics joint venture.
- Developing and expanding the UCD business.
- Improving locomotive availability and deployment.
- Developing the Pemba warehouse facilities.
- Bringing a new warehouse facility in Durban online.
- Establishing an integrated freight solution in the East African Community to complement land-based activities.
- Expansion of the Eswatini corridor.
- Appropriate investment in logistics infrastructure in the Port of Pemba and Uganda.

EXCEEDING CUSTOMER EXPECTATIONS

Our greatest asset is our people, and their can-do attitude motivates them to take on any challenge, exceed expectations and overcome barriers. Together, we are a united, agile, enthusiastic force – committed to providing our customers with innovative, efficient and cost-effective logistics solutions.

OUR STORIES

OPENING TRADE CORRIDORS

Grindrod's Matola terminal in Maputo received its second train from Botswana and successfully discharged 50 wagons using the terminal's tipplers. This marks a significant milestone for Grindrod's drybulk terminal in the main Port of Maputo, Mozambique. Grindrod is proud to be part of this initiative to unlock trade corridors, and it is envisaged that this corridor could realise an annual volume throughput of 350 000 to 400 000 metric tonnes of coal from Botswana earmarked for the global market.



OUR STORIES

EXPANDING TO MEET GLOBAL DEMAND

Global coal demand remains high amid the ongoing global energy crisis. In response to the increasing demand for export capacity, the Maputo and Matola drybulk terminals (GML and TCM), the sub-concessions of the MPDC, have sought to expand their footprints to meet demand.

GML's throughput was increased from the current capacity of 1.5 million tonnes per annum to 4.5 million tonnes per annum in the first half of 2022, representing an increase of 200%. TCM's capacity is expected to increase substantially following further investment in infrastructure, subject to approvals being received.

These enhancements will increase South Africa's mining exports on a year-on-year performance basis, bolster volume exports by existing port users and promote port access to new users.

The expansion plans are included in the Port of Maputo's new masterplan, which was presented in May 2022 during the Maputo Port's Conference.

OUR STORIES

PORT OF MAPUTO INAUGURATES REHABILITATED BERTHS

A total of 1 058 metres of berthing area was inaugurated in May 2022 by the President of Mozambique, Filipe Jacinto Nyusi. The berths were rehabilitated, expanded, and dredged to depths of up to 16 metres and are now fully operational, allowing the port to receive and load an increasing number of bigger vessels (capesize).

Preceding the berth inauguration, MPDC held the Seventh Conference of the Port of Maputo, presenting its recent achievements and the port's plans up to and beyond 2043.

Planned investments include:

- Construction of a new berth for bulk cargo.
- Creation of a food terminal (grains, sugar, vegetable oils, molasses).
- Expansion of the container terminal.
- Development of the intermodal container terminal.
- Expanding TCM capacity.

The vision for the port's future considers the fundamental principles of port planning in its interaction with the city, port efficiency, and sustainable development.

OUR STORIES

BOLSTERING ECONOMIC DEVELOPMENT THROUGH THE EAST AFRICA MARINE TRANSPORT FERRY

During the year, a keel-laying ceremony took place in Uganda, marking an important milestone in the construction of the East Africa Marine Transport Ferry. Once built, the 96-metre-long purpose-built roll-on/roll-off ferry will transport fully laden trucks, operating a safe, scheduled freight service between Port Bell (serving Kampala, Uganda) and the port at Mwanza South, Tanzania. Grindrod is proud to be part of this project and believes it will have a sustainable impact on the local economy, alleviating many of the challenges faced by businesses in the region while promoting trade and contributing to economic growth.



OUR STORIES

THE COBRE PANAMA PROJECT – ANOTHER SUCCESS STORY FOR OUR PROJECT CARGO TEAM

Grindrod is a global logistics provider specialising in heavy-lift, project-related and oversized cargo. Cobre Mine Panama is a large open-pit copper mine located 120 kilometres west of Panama City, with a concession consisting of four zones totalling 13 600 hectares. Equipment was sourced globally in preparation for the mine opening, including from suppliers and manufacturers of mining equipment from the Democratic Republic of Congo, Zambia and South Africa. Grindrod was contracted to provide a range of onshore services and provided an integrated freight logistics solution, including full project management support and timeline management for 24 months to ensure delivery of the equipment to the mine in Panama within the estimated cost and time budgets. Equipment included ball and sag mills, mill shells, abnormal disassembled cranes and many manufactured components for the new mine.

The abnormally large out of gauge equipment was road hauled from the source in the DRC and Zambia to the Port of Durban in South Africa for export. The project utilised 11 vessels over the two years. Due to the complexity of scale and domicile, a dedicated team of project cargo specialists constantly tracked and managed the consignments to remain within timelines, budgets and restrictions during transit, constantly updating key stakeholders to progress against expectations. Circumstances such as border delays had to be proactively managed to avoid demurrage costs and related standing time charges. The integrated nature of the solution required hands-on management of various sub-contractors for heavy lifts and road haulage, freight and route surveys in order to mitigate liability risks from origin to destination. Grindrod's extensive port, cross-border and intra-Africa knowledge was imperative to the project's eventual success.



OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

NON-CORE BUSINESS

THE PRIMARY NON-CORE BUSINESSES ARE

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

KEY FOCUS AREAS 2023

- Capital allocation.
- Return on Equity and ROIC.
- Managing realisation of assets.

NORTH COAST LAND ADVANCES

Management is exploring options to recover the loans advanced to the KwaZulu-Natal north coast property owners at a carrying value of R1.1 billion as at 31 December 2022.

PRIVATE EQUITY

The private equity portfolio of R319.2 million now consists of one significant private equity investment.

MARINE FUELS

The Marine Fuels business was profitable, benefiting from the higher fuel margins resulting from the Russo-Ukrainian conflict. Marine Fuels reported a profit of R87.4 million (2021: R40.0 million).



GOVERNANCE PRINCIPLES AND PRACTICES



CLEMENT DONCABE
REACH STACKER DRIVER, GRINDROD LOGISTICS

LEADERSHIP PRINCIPLES

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

- 58 Corporate governance report
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- 65 Social and Ethics and Sustainability committee report
- 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 with Grindrod's purpose and core values; guides the Board, as the guardian of responsible corporate governance, in the formulation and implementation of Grindrod's 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 with 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 BOARD

BOARD COMMITTEES

GROUP COMPANY SECRETARY

SOCIAL AND ETHICS AND SUSTAINABILITY COMMITTEE

Ensures that Grindrod is a responsible corporate citizen, with focused oversight over ethics, sustainable development, stakeholder engagement, strategic empowerment and compliance.

RISK COMMITTEE

Provides focused support to achieve effective risk management governance, with oversight of risk management procedures and risk control infrastructure, implementing and monitoring compliance and the mitigation of risk.

INVESTMENT COMMITTEE

Makes recommendations that guide and support strategy and the efficient application of capital in alignment with strategic short-, medium- and long-term objectives.

NOMINATION AND GOVERNANCE COMMITTEE

Reviews, monitors and advises on directors' nominations, election, appointment and performance, and Group governance, with a focus on board recruitment and succession planning, annual board evaluations, linking of Company strategy to recruitment, induction, training and the development of new directors.

REMUNERATION COMMITTEE

Assists in recommending, determining and implementing remuneration policy, ensuring that directors, executives and prescribed officers are remunerated fairly and responsibly, that remuneration policy is aligned with strategy, and that the remuneration report is transparent and complete.

AUDIT COMMITTEE

Provides independent assistance in audit and finance-related governance supervision through monitoring the process around financial reporting and the effectiveness of internal controls.

Ensures legal and regulatory compliance and proper corporate governance principles.

HEAD OF
INTERNAL
AUDIT

EXECUTIVE MANAGEMENT assisting the Chief Executive Officer to implement board-approved strategy

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 principles and recommendations contained in King IV are entrenched in Grindrod's governance and risk-management structures, policies and procedures. 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, supported by the Social and Ethics and Sustainability committee. 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. The Board and Executive are responsible to lead ethically and effectively, and formal written assessments are conducted annually as an accountability mechanism.
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 and acts in good faith and with proper purpose, with care, skill and diligence, and in the best interest of the Company and the Group. The Group Company Secretary is the custodian of governance and the Grindrod ethics officer and is responsible for ensuring that Grindrod, its employees and relevant stakeholders adhere to its ethical standards and culture. In 2022, 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 2022, the Code and all related governance policies were reviewed and updated. Grindrod operates two independent, toll-free fraud reporting and whistleblowing hotlines through Deloitte Tip-offs Anonymous (incidents reported: 2022: 12; 2021: 5) and EthicsDefender, an interactive anonymous site with an App and website for reporting fraud or unethical behaviour (incidents report: 2022: 1; 2021: 2). All reports are investigated and captured into a register. Any incidents of corruption, including 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 identified during 2022 (2021: 0). Grindrod's POPIA and anti-fraud landing pages are housed on the Group's intranet, which provides access to staff for 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 2022. Grindrod South Africa, Grindrod Mauritius and Sturrock Grindrod Group are 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 and Sustainability 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 and Sustainability committee is primarily responsible for monitoring Grindrod's standing as a good corporate citizen and ensures adherence to sound corporate governance principles, organisational ethics, sustainable development, constructive stakeholder engagement, employee health and workplace safety. The committee also monitors the impacts of Grindrod's operations on the environment and oversees diversity, transformation and B-BBEE.
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 and 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 is 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 and Sustainability committee.

CORPORATE GOVERNANCE REPORT continued

KING IV PRINCIPLE

Application

EFFECTIVE CONTROL

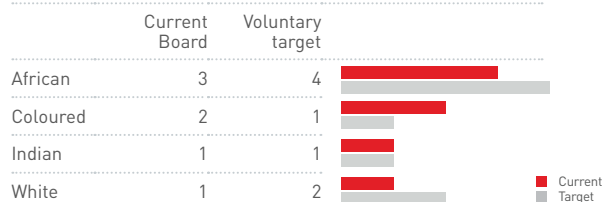
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in Grindrod

- 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 2022, 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.

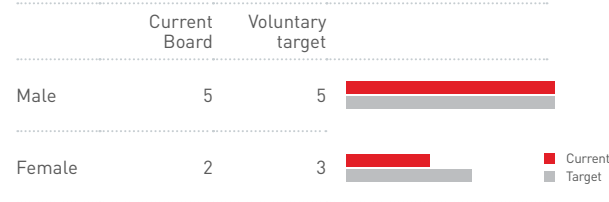
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

- **Composition:** Suitable candidates are appointed to the Board through a robust and formal selection process. The Nomination and Governance 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 given 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. Following the retirement of Andrew Waller as CEO at the end of December 2022, and appointment of CEO of Freight Services, Xolani Mbambo, to the position of CEO of Grindrod Limited, the Board comprised nine directors, two of whom are executive directors.
- **Evaluation:** During February 2023, the Nomination and Governance committee evaluated the composition of the Board and its committees against their core functions and Group strategy. 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 and Governance 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 re-appointment by the shareholders. Grant Gelink will be retiring as non-executive director and chair of the Audit committee at the 2023 Annual General Meeting and will not be standing for re-election. The Company is grateful to Mr Gelink for his valued contribution during his 10-year tenure as non-executive director. The Nomination and Governance committee considered the suitability of the directors retiring by rotation and, following assessment, the Board resolved in March 2023 to recommend Cheryl Carolus and Nkululeko Sowazi to shareholders for re-election. The Nomination and Governance committee also formally evaluated the suitability of the proposed members of the Audit committee. Based on the recommendation of the committee, the Board proposes the appointment of Zimkhitha Zatu Moloi as Chair, and Deepak Malik and Ben Magara 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. The shareholders resolved the appointment of Cheryl Carolus as Grindrod's non-executive chairperson 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.
- **Independence:** In February 2023, in accordance with King IV, the Nomination and Governance 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 2023. The Nomination and Governance committee resolved that Walter Grindrod should not be deemed to be independent due to the 11.02% shareholding of Grindrod Investments Proprietary Limited, of which Mr Grindrod is an associate. 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 and Board committee meetings.
- **Voluntary diversity targets:** As a purpose-led and values-driven Company, Grindrod aspires to create a diverse and inclusive workplace. Our Board, on the recommendation of the Social and Ethics and Sustainability committee, in May 2021 reviewed and approved the 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 as at 31 December 2022



Non-executive directors as at 31 December 2022



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 to 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, outlines matters reserved for board and shareholder decision-making and the delegation of authority to management. These limits are reviewed annually by the Board. Certain functions of the Board are delegated to properly constituted Board committees, each of which has formal terms of reference that 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 February 2023, 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 these evaluations. Board members also evaluated the performance and effectiveness of the Chair and the board sub-committees. Based on this evaluation process, the Nomination and Governance 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 the finance function. The Audit committee found the Group Financial Director and the 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 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. 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.
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 31000 and the COSO ERM, 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 with 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. 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

- 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 and Sustainability committee bi-annually and by the Audit committee.
- The Board resolved that the Company and its Board of Directors have, during the twelve months ended 31 December 2022, complied with all of the JSE Listings Requirements and every disclosure requirement for continued listing on the JSE imposed by the JSE during that period, save for the late disclosure of a small related-party transaction where a fairness opinion was inadvertently not obtained, due to a mathematical error in the categorisation calculation at the time the transaction occurred. This has been communicated to the JSE and the required announcement has been made.

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

- Grindrod supports the objectives of economic empowerment in compliance with the requirements of the 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.
- The Board tables the Group's Remuneration Policy and Implementation Report at the Annual General Meeting of shareholders, for a separate non-binding vote and the director's emoluments are duly disclosed in terms of section 30 of the Company Act and 3.84(j) of the JSE Listings Requirements.

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

- 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

- 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.
- The Board recognises that stakeholder inclusivity and sustainable value creation are interdependent, and drives engagement through the Group's Stakeholder Engagement Framework (refer page 26) which speaks to the Group's four strategic ESG objectives of Prosperity for All, Regenerative Environment, Socially Inclusive Development and Good Governance.



COMMITTEE REPORTS

The committees established by the 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 and Sustainability committee	Risk committee	Investment committee	Nomination and Governance committee	Remuneration committee	Audit committee
Chair WALTER GRINDROD Members Cheryl Carolus Zimkhitha Zatu Moloi Xolani Mbambo	Chair DEEPAK MALIK Members Cheryl Carolus Xolani Mbambo Ben Magara Nkululeko Sowazi	Chair NKULULEKO SOWAZI Members Cheryl Carolus Walter Grindrod Xolani Mbambo	Chair CHERYL CAROLUS Members Nkululeko Sowazi Walter Grindrod	Chair BEN MAGARA Members Cheryl Carolus Nkululeko Sowazi	Chair GRANT GELINK Members Zimkhitha Zatu Moloi Deepak Malik
Number of meetings: 2	Number of meetings: 2	Number of meetings: 7	Number of meetings: 4	Number of meetings: 4	Number of meetings: 4
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 the defined risk appetite and tolerance limits. 	MANDATE The committee: <ul style="list-style-type: none"> Assesses capital allocation for projects and/or acquisitions to support the achievement of the Grindrod's strategic objectives. Evaluates, approves and recommends to the Board as appropriate the mergers, acquisitions, divestments and disposals aligned with Grindrod's growth strategy. Monitors progress on the implementation of projects or integration of new acquisitions, ensuring these deliver in line with stated metrics. 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. Ensures effective corporate governance mechanisms to align with the Group's strategy and operating environment. 	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. Aligning incentives with shareholder value delivery. 	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.
FOCUS AREAS FOR 2023	FOCUS AREAS FOR 2023	FOCUS AREAS FOR 2023	FOCUS AREAS FOR 2023	FOCUS AREAS FOR 2023	FOCUS AREAS FOR 2023
<ul style="list-style-type: none"> Driving transformation, an ethical culture, safety of employees and stakeholders and Grindrod's good citizenship. Ensuring sustainability. Integration of the ESG Transformation Framework into all aspects of the business. Ongoing assessing and monitoring of stakeholder's expectations to ensure meaningful stakeholder engagement. Monitoring of anti-bribery and corruption initiatives. Driving diversity and inclusion. Integrating human rights into business processes. 	<ul style="list-style-type: none"> Reviewing and approving the ERM framework of the Group's risk management framework and risk tolerances. Full integration of the ESG risk framework. Ensuring that effective combined assurance, internal control and risk management was in place across the Group. 	<ul style="list-style-type: none"> Reviewing strategy and monitoring of progress. Overseeing diversity efforts of capital expenditure projects. Overseeing disposals and monitoring updates. Monitoring the Group's capital performance. 	<ul style="list-style-type: none"> Overseeing Board composition. Ensuring optimal performance by the Board and its committees through robust evaluations and alignment with Group strategy. Driving shareholder engagement. Ensuring succession planning. Monitoring independence and tenure. 	<ul style="list-style-type: none"> Implementing the remuneration policy. Ensuring short- and long-term relevance of remuneration and incentive schemes in line with best practice and strategic objectives. Reviewing staff retention risks and mitigation plans. 	<ul style="list-style-type: none"> Overseeing financial performance, financial management, key audit matters and significant areas of judgement. Ensuring effective balance sheet and liquidity management. Overseeing non-audit services for ongoing projects. Ensuring rotation of auditors in line with MAFR requirements. Ensuring compliance with JSE pro-active monitoring.

COMMITTEE REPORTS continued

Social and Ethics and Sustainability committee	Risk committee	Investment committee	Nomination and Governance committee	Remuneration committee	Audit committee
KEY MATTERS DEALT WITH	KEY MATTERS DEALT WITH	KEY MATTERS DEALT WITH	KEY MATTERS DEALT WITH	KEY MATTERS DEALT WITH	KEY MATTERS DEALT WITH
<ul style="list-style-type: none"> Monitoring and reviewing Grindrod's standing as a good corporate citizen. The 2022 IAR corporate governance report. Reviews of compliance with applicable laws and consideration of non-binding rules, codes and standards. Driving the new strategic ESG transformation framework, integrated into Grindrod's overarching strategy. Stakeholder engagement. Diversity policy and voluntary diversity targets. Legal compliance. Review of Group policies. Ethics annual sign-off by employees and update of ethics policies. Prevention and elimination of harassment in the workplace policies finalised and implemented. 	<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 the risk framework. 	<ul style="list-style-type: none"> Driving the Grindrod core business strategy. Approving and overseeing the disposals strategy and processes. Oversight of the finalisation of the sale of Grindrod Bank. Oversight and successful finalisation of a new B-BBEE partnership. 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. 	<ul style="list-style-type: none"> Succession planning appointments in 2022. Succession planning for executive/senior management. Evaluating the composition and independence of the Board. Performance evaluations of the Chair, board sub-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. 	<ul style="list-style-type: none"> Monitoring the Group's remuneration policy and its implementation. Stakeholder engagement with shareholders and implementation of enhancements to policy. Remuneration and implementation reports for the integrated annual report. Review of Group CEO and CFO incentive payments. KPIs set for CEO, CFO, CFO of Freight Services and the Grindrod Bank Managing Director. 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. Benchmarking to ensure best practice. 	<ul style="list-style-type: none"> Ensuring that appropriate financial reporting procedures are in place and functioning, including consideration of all entities forming part of the consolidated Group financial statements. Ensuring the integrity and effectiveness of reporting in the 2022 IAR. Going concern and dividend reviews. Considered the expertise and experience of the financial director and internal audit manager. Reviewed the IT governance report. JSE pro-active monitoring. Oversight of the internal financial controls attestation. Auditor independence, and adherence to the non-audit services policy. Requested and received all decision letters, findings and reports from the external auditors per S22.15(h) of the JSE Listings Requirements. Reviewing the ERM framework, financial reporting risks, internal controls and the combined assurance received. Oversight of the MAFR process for the 2024 financial year-end. Oversight of the financial controls for the Grindrod Bank sale.

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

SOCIAL AND ETHICS AND SUSTAINABILITY COMMITTEE REPORT

MANDATE AND OVERSIGHT

Grindrod's Social and Ethics and Sustainability committee ensures adherence to sound corporate governance principles, organisational ethics, sustainable development, constructive stakeholder engagement, employee health and workplace safety. The committee also monitors the impacts of Grindrod's operations and that of its subsidiaries, on the environment and oversees transformation and B-BBEE.

The committee ensures compliance with relevant laws, regulations and codes, and reviews corporate governance reports for inclusion in the integrated annual report (IAR). It also seeks to draw matters within its mandate to the attention of the Board as occasion requires and reports to its shareholders, through the Social and Ethics and Sustainability committee report in the IAR, on the matters within its mandate prior to the Annual General Meeting.

In compliance with the Companies Regulation 43, the committee monitors Grindrod's activities concerning social and economic development, including the Group's standing in terms of:

- The 10 principles set out in the United Nations Global Compact Principles.
- The OECD recommendations regarding corruption.
- The B-BBEE Act, No 53 of 2003.
- The Employment Equity Act, No 55 of 1998.

The committee is also responsible for:

- Supporting good corporate citizenship, ensuring Grindrod's promotion of equality, the prevention of unfair discrimination, and measures to address corruption.
- Monitoring the Group's contribution to the development of the communities in which its activities are conducted in line with Grindrod's purpose.
- Overseeing Grindrod's corporate social investment programmes and spending.
- Ensuring the health and safety of all staff.
- Monitoring the impact of the Group's activities and services.
- Managing stakeholder relations and engagement, including reviewing the adequacy and effectiveness of the Group's engagement and interaction with its stakeholders.

COMPOSITION

- During the year under review, the committee comprised the Chair, Walter Grindrod, two independent non-executive directors (Board Chair, Cheryl Carolus, and Zimkhitha Zatu Moloi), and one executive director, outgoing CEO, Andrew Waller. Incoming CEO, Xolani Mbambo, replaced Andrew Waller following his retirement in December 2022.
- Committee members met at scheduled meetings twice a year. In addition, unscheduled meetings are held when required to address urgent matters within the committee's scope of responsibility. However, no unscheduled meetings were necessary in 2022.
- Committee members' attendance at the committee meetings is listed on page 8 of this report, and fees paid to committee members are detailed on page 68.

TERMS OF REFERENCE

The committee operates in accordance with its formal terms of reference and annual work plan, which are reviewed and amended annually. A copy of the committee's terms of reference is available on Grindrod's website.

SUSTAINABILITY

The committee supports the fundamental concepts of King IV that value creation is to be accomplished sustainably. This aligns with the United Nations SDGs and South Africa's National Development Plan. Under the leadership of the Board and the committee, Grindrod's new ESG transformation framework was developed and approved for integration into the Group's overarching strategy (refer to page 25).

STAKEHOLDER ENGAGEMENT

Grindrod recognises that it depends on its stakeholders to deliver its purpose. Under the committee's leadership, a new comprehensive stakeholder engagement framework is being developed to outline the approach to communicating and working with stakeholders consistently. Engagement is critical to understanding stakeholders' needs, interests and expectations, which feeds into strategy and responsible decision-making. The committee also assists the Group and its subsidiaries in identifying initiatives to uplift disadvantaged communities within the areas where the Group's operations are situated, in line with the Group's CSI policy, specifically focusing on educational upliftment.

ETHICS AND HUMAN RIGHTS

- The committee drives the creation of a culture that embraces and supports legal compliance and good ethical conduct.
- The Grindrod way of doing business is underpinned by adherence to the Group's six core values, namely integrity, respect, fairness, transparency, accountability and professionalism, whilst also embracing the United Nations Global Compact principles relating to the protection of human rights and the environment, ethical and fair labour practices and combating corruption.
- The purpose of the Grindrod Code of Ethics is to guide stakeholders to the standards of conduct required of all ambassadors of Grindrod – this includes all directors, employees, business partners, communities, suppliers, contractors and anyone else representing Grindrod's interests. Grindrod has a comprehensive ethics awareness programme and requires all employees to annually confirm their compliance with the Group's Code of Ethics, including the anti-corruption, conflict of interest, competition compliance and whistleblowing policies. The committee reviews these policies annually, and the Group follows a zero-tolerance approach to unethical behaviour.
- Grindrod is committed to playing a responsible role in the socioeconomic development of the regions in which it operates and strives to be a role model for ethical business conduct. Corruption has an adverse impact on society in that it results in the circumvention of fair processes and diverts benefits away from the rightful, intended beneficiaries. For this reason, various social compacts and laws prohibit corrupt business dealings, and Grindrod is committed to complying with these.
- The committee reinforces the obligation of those who contract with Grindrod to bring to its attention information regarding unethical and illegal activity affecting it and enable all employees to fulfil their duty to Grindrod in terms of the Code of Ethics, overseeing effective channels for related reporting, including safe and anonymous methods, where Grindrod has two reporting hotlines, supported by the whistleblowing policy in place, namely Deloitte's Tip-offs Anonymous and EthicsDefender.
- The committee also provides oversight pertaining to consumer relationships.

KEY MATTERS IN 2022 AND FOCUS AREAS FOR 2023

Please refer to the Committee Reports on page 63. Key matters overseen during 2022 included, *inter alia*, the monitoring and reviewing of Grindrod's standing as a good corporate citizen, reviewing and approval of the 2022 IAR corporate governance report, review of compliance with applicable laws and consideration of non-binding rules, codes and standards, driving the new strategic ESG transformation framework and ensuring integration into Grindrod's overarching strategy, stakeholder engagement, diversity policy and voluntary diversity targets and recommendations to the Board, all legal compliance, the review and approval of Group policies, oversight of the ethics annual sign-off by employees and update of ethics policies, and the introduction of prevention and elimination of harassment in the workplace policies.

CONFIRMATION

The Social and Ethics and Sustainability committee confirms that during the year under review, the committee:

- Fulfilled its mandate and allied responsibilities as prescribed by the Companies Regulations to the Companies Act, and there was no material non-compliance regarding disclosure.
- Ensured it was appropriately constituted with clearly defined terms of reference and reporting lines to the Board.
- Confirmed that the frequency and duration of committee meetings were appropriate to enable members to discharge their mandate and responsibilities.
- Ensured an appropriate mix of required skills to address a range of issues and risks under its mandate.

HUMAN CAPITAL, SAFETY AND HEALTH

The committee:

- Assesses, monitors and guides the Group's standing in terms of the International Labour Organization Protocol on decent work and working conditions, employment relationships and contribution by the Group towards the educational development of its employees.
- Oversees legal compliance relating to human capital and guides the Group on areas that require focus.
- Monitors and guides the Group's SHERQ policies and performance, where staff safety is paramount.
- Ensures that the Group has embraced and duly executed the necessary measures to ensure proper implementation of transformation and B-BBEE and that the Group develops and implements programmes to address the requirements of B-BBEE and all other appropriate legislation and monitors the implementation of these initiatives.


Walter Grindrod
Chair
5 April 2023

MANAGING PERFORMANCE THROUGH REMUNERATION

DIRECTORS' INTERESTS IN GRINDROD

At 31 December 2022, the directors held interests in Grindrod as follows:

	2022		2021	
	Beneficial direct	Non-beneficial and beneficial indirect	Beneficial direct	Non-beneficial and beneficial indirect
Ordinary shares				
WJ Grindrod		76 931 244*		21 610
MJ Hankinson			27 000	8 000
XF Mbambo			301 711	
DA Polkinghorne			394 076	
AG Waller	1 388 991		988 991	
FB Ally				
	1 388 991	76 931 244	1 711 778	29 610

* Following a review of the criteria used for the determination of non-beneficial indirect shareholding, and pursuant to Mr Grindrod's status as an associate of Grindrod Investments Proprietary Limited, his shareholding reported above includes the following:

- (a) 21 610 shares held by immediate family; and
- (b) 76 909 634 shares (11.02% of Grindrod's issued ordinary share capital) held by Grindrod Investments Proprietary Limited, where Mr Grindrod has been determined to be an associate. Grindrod Investments Proprietary Limited is an anchor shareholder of Grindrod which acquired the 11.02% shareholding on 29 October 1990.

The beneficial direct shareholding increased by 79 667 after year-end further to vesting in terms of the forfeitable share plan.

BACKGROUND STATEMENT

2022 FOCUS

The Remuneration committee's top priorities remained the implementation of remuneration strategies and practices that support the effective execution of Grindrod's overall strategic objectives and the appropriate remuneration of staff. Measures include competitive remuneration, bonus structures, benefits structures, growth and career development opportunities.

The committee regularly reviews remuneration policies and practices to ensure they remain competitive, relevant, responsible and transparent. Consideration was given to proposals and recommendations on compensation packages by Human Resources, external consultants and shareholders in this regard. In addition to matters considered in terms of its mandate, focus areas of the committee during the year included:

- Implementing the remuneration policy.
- Ensuring short- and long-term relevance of remuneration and incentive schemes in line with best practice and strategic objectives.
- Review staff retention risks and mitigation plans.

The matters that the Remuneration committee dealt with were:

- Monitoring the Group's remuneration policy and its implementation.
- Stakeholder engagement with shareholders and implementation of enhancements to policy.
- Overseeing the drafting of Remuneration and implementation reports for the integrated annual report.
- Reviewing the Group CEO and CFO incentive payments.
- Overseeing the setting of KPIs for the CEO, CFO and the CEO of Freight Services and the Grindrod Bank Managing Director.
- Reviewing the CEO to lowest earner ratio.
- Approving 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.

Business review

The Group continues to deliver on its customer focused strategy supported by strong management and dedicated, committed, and innovative people striving for operational excellence. This is demonstrated in the Group's solid performance for 2022 with revenue growth for core operations up 58% from the prior year and headline earnings from core operations of R1.1 billion. The Group returned R0.6 billion to shareholders in dividends and reported share price growth in excess of 100% in 2022. Zero fatalities were reported in 2022. The Group's pleasing performance reflects that current remuneration, philosophy and policies continue to support the achievement of the Grindrod's strategic objectives attracting and retaining the talent required to promote and maintain sustainable growth of the Group.

Chief Executive Officer (CEO) transition

Andrew Waller retired as CEO and executive director effective 31 December 2022. Consequently, his outstanding long-term incentive awards were prorated as detailed on page 73.

Xolani Mbambo was appointed as CEO with effect from 1 January 2023 and his total remuneration for 2023 was benchmarked against appropriate market remuneration.

Advisory note

At the Annual General Meeting held on 3 June 2022, Grindrod secured a vote in excess of 75% for both the Remuneration Policy (2022: 85.14% approval; 2021: 77.82% approval) and its implementation (2022: 80.30% approval; 2021: 69.92% approval). This demonstrates the alignment of the changes implemented in the 2022 year with the feedback provided from shareholder engagement.

Future focus

The remuneration philosophy and policies are intended to support the achievement of strategic objectives that promotes fair, responsible and transparent remuneration. The committee is satisfied that its decisions taken in 2022 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

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. These policies are structured to achieve value-based management, which promotes 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.

The Grindrod remuneration philosophy rewards individual performance. To ensure fairness and accountability, individual performance is measured against objective structures. The process is aligned in support of organisational sustainability, a high-performance culture and the retention of scarce and specialised skills.

Individual performance is measured against individually tailored, predetermined key performance indicators (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.

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.

MANAGING PERFORMANCE THROUGH REMUNERATION continued

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.

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. This structure seeks to align the interests of key individuals to that of the shareholders.

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 shareholder equity. The long-term incentives include a retention scheme that, in specific circumstances, is used by the committee to award 1 879 000 shares as retention shares, which could result in up to a 0.11% dilution of the Group's equity net of treasury stock.

The short- and long-term incentive schemes reward an individual's contribution to Group 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 positions are graded using the Tuned Assessment of Skills and Knowledge (TASK) job evaluation system. TASK grades the level of job complexity considering factors such as sales volumes, profits, number of employees, assets managed and salary/wage account. Executive remuneration is then determined considering the outcome of the job evaluation process and in consultation with external independent compensation consultants.

Employment contracts of Executive committee members contain a six-month notice period to ensure continuity in top management and promote the overall sustainability of Grindrod.

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.

Short-term incentives

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 60% of TCOE), which is based on targeted divisional and Group profits, targeted ROE, targeted ROIC and share-price and share-price growth. Market conditions, return on equity and financial performance are considered in determining the profit, ROE, ROIC and share-price targets. This element triggers on achieving the board-approved target. A straight-line incremental award is then applied depending on the allocated and agreed stretch achieved above the target.
- 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 with the delivery of shareholder value; and
 - A non-specified value-added component, specific 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 2022, 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 69. 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.

Long-term incentives

Grindrod Limited's primary performance incentive, the share-price-linked option scheme, aims to reward and retain executives and key managers without 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 forfeitable share plan, 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 1 879 000 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 takes place 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.

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.

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. 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.

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.

MANAGING PERFORMANCE THROUGH REMUNERATION continued

IMPLEMENTATION REPORT

Emoluments paid to directors and prescribed officers

The table below provides an analysis of the emoluments paid to executive and non-executive directors and prescribed officers of Grindrod in relation to the 2022 and 2021 financial years. In respect to executive directors, the amounts below relate to their approved total cost to company and short term incentive payments. For details of payments relating to long term incentives refer to page 71.

2022*

	Directors/ Boards fees R'000	Committee fees R'000	Basic remuneration R'000	Retirement, medical and other benefits R'000	Total package R'000	Bonus R'000	2022 total R'000	% increase, excluding bonus R'000
Executive directors								
DA Polkinghorne ^{1,8}	–	–	4 341	1 001	5 342	6 616	11 958	–
AG Waller ^{2,9}	–	–	6 876	1 625	8 501	17 270	25 771	5.3
XF Mbambo ³	–	–	5 134	1 015	6 149	6 017	12 166	5.5
FB Ally	–	–	3 097	1 180	4 277	3 236	7 513	5.0
Sub-total	–	–	19 448	4 821	24 269	33 139	57 408	
Non-executive directors								
CA Carolus ⁵	794	299	–	–	1 093	–	1 093	
MJ Hankinson ⁴	465	225	–	–	690	–	690	
GG Gelink	420	296	–	–	716	–	716	
NL Sowazi	840	337	–	–	1 177	–	1 177	
PJ Uys ⁶	348	463	–	–	812	–	812	
WJ Grindrod	420	285	–	–	705	–	705	
WO van Wyk ⁷	–	13	–	–	13	–	13	
B Magara	420	124	–	–	544	–	544	
ZP Zatu Moloi	420	260	–	–	680	–	680	
D Malik	420	180	–	–	600	–	600	
Sub-total	4 547	2 482	–	–	7 030	–	7 030	
Total emoluments	4 547	2 482	19 448	4 821	31 299	33 139	64 438	

* No remuneration or benefits were received or receivable from subsidiaries and fellow subsidiaries, associates, joint ventures or entities that provide management or advisory services to the Company.

1 DA Polkinghorne emoluments have been calculated until 1 November 2022 due to the disposal of Grindrod Bank. Consequently, the salary increase has not been calculated as this is distorted as prior year figures reflect a full 12 months of emoluments.

2 AG Waller retired with effect from 31 December 2022. The impact of his retirement are detailed on page 73.

3 XF Mbambo was appointed CEO effective 1 January 2023.

4 MJ Hankinson retired as non-executive director and Chair of the Board with effect from 3 June 2022.

5 CA Carolus was appointed as Chair of the Board with effect from 3 June 2022.

6 PJ Uys resigned effective 17 October 2022. All fees earned in 2022 were ceded to Remgro.

7 WO van Wyk resigned effective 17 October 2022. All fees earned in 2022 were ceded to Remgro.

8 Includes R6.5 million retention bonus. Refer to page 73 for more details.

9 Includes R11.6 million special incentive bonus payment. Refer to page 73 for more details.



MANAGING PERFORMANCE THROUGH REMUNERATION continued

2021*

	Directors'/ Board 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, 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	
GG 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	4 479	2 627	18 321	5 494	30 921	21 856	52 777	

* No remuneration or benefits were received or receivable from subsidiaries and fellow subsidiaries, associates, joint ventures or entities that provide management or advisory services to the Company.

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 comprises 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 an accurate measure as the prior year's remuneration only includes part of the year following the 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

Benchmarking

No benchmarking of executive or non-executive remuneration was done during the period. Remuneration was informed by the benchmark exercises completed in the 2021 financial year.

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:

	2022	2021
FB Ally	75	76
XF Mbambo	97	100
AG Waller	69	83
DA Polkinghorne*		80 [^]
Target weighting	100	100

* Grindrod Bank was disposed in the year, hence DA Polkinghorne is no longer an executive of the Group.

[^] In the prior year for the bank bonus scheme, the 80% achievement qualified for a bonus of 50% of the TC0E.

FB Ally	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	40	40
ROIC Target	10	5
Growth in Grindrod Share price	10	10
Transformation	15	–
Exit of carrier business	10	10
Optimise backoffice support structure	10	7
Balance sheet restructure and liquidity	5	3

XF Mbambo	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	50	50
ROE Port and Terminal, Logistics	10	10
Operational excellence	10	10
Strategy execution	10	7
Strategic relationships	10	10
Sustainability, safety, transformation and employee engagement	10	10

AG Waller

	Target weighting	Performance against target
Group, Port and Terminal, Logistics Headline earnings	35	35
ROIC target	15	8
Growth in Grindrod share price	10	10
Guide executive team	15	4
Develop and maintain stakeholder relationships	10	2
SHERQ, sustainability, transformation and brand	15	10



MANAGING PERFORMANCE THROUGH REMUNERATION continued

Grindrod Limited share-price-linked option scheme

The committee approved payments of R20 643 516 to the Scheme participants, including amounts to the executive directors and prescribed officers set out below:

	Share-price-linked option payment	
	2022 R	2021 R
Executive directors/prescribed officers		
XF Mbambo	–	27 675
DA Polkinghorne*	4 199 210	64 574
AG Waller*	15 795 343	150 417
Total	19 994 553	242 666

* Refer to page 73 for more details.

A summary of options granted to executives and senior management, still to vest as at 31 December 2022, is as follows:

Date option granted

	2018	2019	2020	2021	2022	Total
Price (R)	7.40	8.13	3.67	5.10	5.73	
Number of options granted	5 197 287	6 397 000	10 655 100	15 160 000	9 342 000	46 751 387
Vesting on retirement/transfer*	(333 472)	(1 721 979)	(1 995 322)	(1 518 947)	(675 084)	(6 244 804)
Vested	(2 385 332)	(1 895 334)				(4 280 666)
Sub-total	2 478 483	2 779 687	8 659 778	13 641 053	8 666 916	36 225 917
Forfeiture	(1 707 690)	(711 000)	(681 300)	(213 000)	(200 000)	(3 512 990)
Forfeiture on retirement	(7 461)	(271 354)	(1 018 778)	(1 552 053)	(1 913 916)	(4 763 562)
	763 332	1 797 333	6 959 700	11 876 000	6 553 000	27 949 365

* Relates to the accelerated vesting on share options to DA Polkinghorne due to the disposal of the bank and the pro-rated vesting of share options to AG Waller, as detailed on page 73.

As at 31 December, the fair value of these options was R76.5 million.

The details of awards granted to executives as at 31 December 2022 are as follows:

Director	Options at 1 January 2022	Options granted during the year	Vested	Vested on retirement	Forfeited on retirement	Options at 31 December 2022	Vesting price R	Option price R	Original vesting dates
AG Waller	334 900		(334 900)			–	5.73*	7.65	Mar 22
	223 871		(223 871)			–	5.69*	7.40	Feb 22
	223 869			(216 408)	(7 461)	–	10.05	7.40	Feb 23
	868 333		(868 333)			–	5.88*	8.13	Mar 22
	868 333			(814 063)	(54 270)	–	10.05	8.13	Mar 23
	868 334			(651 250)	(217 084)	–	10.05	8.13	Mar 24
	869 100			(675 967)	(193 133)	–	10.05	3.67	Aug 23
	869 100			(506 975)	(362 125)	–	10.05	3.67	Aug 24
	869 100			(405 580)	(463 520)	–	10.05	3.67	Aug 25
	952 666			(555 722)	(396 944)	–	10.05	5.1	Mar 24
	952 667			(416 792)	(535 875)	–	10.05	5.1	Mar 25
	952 667			(333 433)	(619 234)	–	10.05	5.1	Mar 26
		793 333		(198 334)	(594 999)	–	10.05	5.73	Mar 25
		793 333		(148 750)	(644 583)	–	10.05	5.73	Mar 26
		793 334		(119 000)	(674 334)	–	10.05	5.73	Mar 27
	8 852 940	2 380 000	(1 427 104)	(5 042 274)	(4 763 562)	–			

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



MANAGING PERFORMANCE THROUGH REMUNERATION continued

Director	Options at 1 January 2022	Options granted during the year	Vested	Options at 31 December 2022	Vesting price R	Option price R	Vesting dates
XF Mbambo	67 585		[67 585]	–	5.73*	7.65	Mar 22
	95 944		[95 944]	–	5.69*	7.40	Feb 22
	95 944			95 944		7.40	Feb 23
	331 333		[331 333]	–	5.88*	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
		497 334		497 334		5.73	Mar 25
		497 333		497 333		5.73	Mar 26
		497 333		497 333		5.73	Mar 27
	5 189 173	1 492 000	[494 862]	6 186 311^			

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

^ As at 31 December 2022, the fair value of these options was R16.0 million.

Director	Options at 1 January 2022	Options granted during the year	Vested	Options at 31 December 2022	Vesting price R	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
		371 666		371 666		5.73	Mar 25
		371 667		371 667		5.73	Mar 26
		371 667		371 667		5.73	Mar 27
	1 164 000	1 115 000		2 279 000^			

^ As at 31 December 2022, the fair value of these options was R4.2 million.

Director	Options at 1 January 2022	Options granted during the year	Vested	Vested on disposal of business	Options at 31 December 2022	Vesting price R	Option price R	Vesting dates
DA Polkinghorne	143 616		[143 616]		–	5.73*	7.65	Mar 22
	117 065		[117 065]		–	5.69*	7.40	Feb 22
	117 063			[117 063]	–	9.92	7.40	Feb 23
	128 333		[128 333]		–	5.88*	8.13	Mar 22
	128 333			[128 333]	–	9.92	8.13	Mar 23
	128 334			[128 334]	–	9.92	8.13	Mar 24
	135 600			[135 600]	–	9.92	3.67	Aug 23
	135 600			[135 600]	–	9.92	3.67	Aug 24
	135 600			[135 600]	–	9.92	3.67	Aug 25
	71 000			[71 000]	–	9.92	5.1	Mar 24
	71 000			[71 000]	–	9.92	5.1	Mar 25
	71 000			[71 000]	–	9.92	5.1	Mar 26
		69 666		[69 666]	–	9.92	5.73	Mar 25
		69 667		[69 667]	–	9.92	5.73	Mar 26
		69 667		[69 667]	–	9.92	5.73	Mar 27
	1 382 544	209 000	[389 014]	[1 202 530]	–			

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

The cost of scheme settlements is hedged against 28 856 628 treasury shares (2021: 29 083 354), not allocated to the forfeitable share plan. During 2022, 125 000 shares (2021: 6 174 122 shares) were bought back at an average price of R5.72 (2021: R4.85).



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	Grant date	Number of forfeitable shares granted	Price ^{2,3} R	Number of forfeitable shares vested	Number of forfeitable shares forfeited	Total forfeitable shares ⁴
28 February 2017	2 017	140 514	13.87	(90 514)	(50 000)	-
26 June 2017	2 017	4 462 282	13.87	(3 388 516)	(1 073 766)	-
1 November 2017	2 017	778 418	15.48	(633 596)	(144 822)	-
2 March 2020	2 020	859 000	4.05	-	(500 000)	359 000
2 March 2020	2 020	120 000	3.19	-	-	120 000
31 August 2020 ¹	2 020	500 000	3.68	-	-	500 000
1 March 2022	2 022	900 000	5.50	-	-	900 000
		7 760 214		(4 112 626)	(1 768 588)	1 879 000

1 This award relates to AG Waller. Subsequent to year-end and following approval by the Remuneration committee, AG Waller received his pro-rated allocation of shares in line with the forfeitable share scheme based on the rules of the schemes that cover retirement. Refer to page 73.

2 The price reflects the market price on the date of the awards.

3 The vesting price for the February 2017, June 2017 and November 2017 awards that vested during 2022 were R5.88, R8.87 and R10.26, respectively.

4 At 31 December 2022, the fair value of these options based on a closing share price of R10.0 was R18.8 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 2022:

Award date	Opening balance 1 January 2022	Number of forfeitable shares granted	Number of forfeitable shares vested	Total forfeitable shares ¹
XF Mbambo	389 856	400 000	(150 856)	639 000
AG Waller	500 000	-	-	500 000
FB Ally	-	300 000	-	300 000
	889 856	700 000	(150 856)	1 439 000

¹ As at 31 December 2022, the fair value of these options, based on a closing share price of R10.0, was R6.4 million for XF Mbambo, R3.0 million for FB Ally and R5.0 million for AG Waller.

Grindrod Bank share price linked scheme option

The Group no longer has any obligations on the scheme due to the disposal of Grindrod Bank. In the current year, whilst still a subsidiary of the Group, bonus payments of R412 507 were made on options vested and settled of which R136 881 was paid to DA Polkinghorne.

Payments due to business disposal and retirement

The disposal of shares in Grindrod Financial Holdings and the Grindrod Bank was approved by shareholders in the 2022 financial year. In line with this process and the remuneration and incentive policies, payments were made to DA Polkinghorne and AG Waller.

AG Waller received an incentive award of R10.5 million directly relating to the disposal. This award was approved by shareholders at a general meeting of shareholders held on 23 August 2022. Grindrod Bank paid R6.5 million to DA Polkinghorne to secure his skills for a 12-month period following the closing date of the disposal. In addition, DA Polkinghorne received R4.2 million in line with the accelerated vesting of shares linked to rules governing transfer of employment to a purchaser other than the Company or one of its subsidiaries.

AG Waller retired in 2022 and consequently, received payments from the long-term incentive schemes in line with the rules. AG Waller received R15.8 million for his prorated interest in the share price linked option scheme. AG Waller also received his prorated allocation of shares in line with the forfeitable share scheme based on the rules of the schemes that cover retirement. The number of shares allocated was 304 629 and the value of the shares based on a 31 December 2022 closing share price of R10.0 was R3.0 million.



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 2022 (the report).

SCOPE OF WORK

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

- LTIFR.
- Petrol consumption (MJ).
- Diesel consumption (MJ).
- Electricity consumption (MW).
- Total direct and indirect GHG emissions – scope 1 and scope 2 (CO₂e tonnes).
- 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 2022 based on the procedures we have performed and 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 processes that Grindrod Group has in place to collate data, validate to source on a sample basis to ensure sustainability data reported is valid, accurate and complete.
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected key sustainability performance indicators.
- 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 2022 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 2022 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 Grindrod's internally developed policies and procedures.

Grindrod Internal Audit

15 March 2023

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

15 March 2023



SHAREHOLDERS' INFORMATION



ORLANDO MOUZINHO
SHERO LINE MANAGER, TERMINALS MAPUTO

KING IV STAKEHOLDER RELATIONS

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

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

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SHARE ANALYSIS OF ORDINARY SHAREHOLDERS as at 31 December 2022

	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	41 755	91.99	17 632 930	2.53
5 001 to 10 000 shares	1 334	2.94	9 790 383	1.40
10 001 to 50 000 shares	1 550	3.41	33 952 029	4.86
50 001 to 100 000 shares	256	0.56	18 329 772	2.63
100 001 to 1 000 000 shares	404	0.89	116 522 820	16.69
1 000 001 to 10 000 000 shares	85	0.19	252 600 132	36.19
10 000 001 shares and over	7	0.02	249 203 520	35.70
	45 391	100.00	698 031 586	100.00
Non-public shareholders	10	0.02	187 122 433	26.81
Directors of the Company	7	0.02	1 839 677	0.26
Treasury Stock (share options)	1	0.00	30 735 628	4.40
Strategic holdings (more than 10%)	2	0.00	154 547 128	22.14
Public shareholders	45 381	99.98	510 909 153	73.20
	45 391	100.00	698 031 586	100.00
Investor profile				
Banks and Brokers	156	0.34	97 074 890	13.91
Close Corporations	260	0.57	6 040 501	0.87
Endowment Funds	138	0.30	4 280 344	0.61
Individuals	36 721	80.90	72 446 798	10.38
Insurance Companies	199	0.44	17 508 479	2.51
Investment Companies	7	0.02	671 064	0.10
Medical Schemes	29	0.06	2 075 514	0.30
Mutual Funds	314	0.69	188 106 041	26.95
Other Corporations	272	0.60	517 097	0.07
Own Holdings	1	0.00	30 735 628	4.40
Private Companies	1 043	2.30	116 688 960	16.72
Public Companies	13	0.03	1 386 452	0.20
Retirement Funds	1 413	3.12	137 743 729	19.72
Trusts	4 825	10.63	22 756 089	3.26
	45 391	100.00	698 031 586	100.00

	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of shares
Geographical breakdown				
South Africa	44 636	98.34	639 734 142	91.66
United States of America and Canada	67	0.15	24 656 387	3.53
United Kingdom	88	0.19	18 856 125	2.70
Rest of the World	505	1.11	7 496 991	1.07
Rest of Europe	95	0.21	7 287 941	1.04
	45 391	100.00	698 031 586	100.00

	Number of shares	Percentage of shares
Beneficial shareholders holding 5% or more		
Government Employees Pension Fund	90 413 094	12.95
Grindrod Investments Proprietary Limited	76 909 634	11.02
	167 322 728	23.97

Top 10 Fund Managers		
Public Investment Corporation	79 284 242	11.36
360NE Asset Management	46 880 384	6.72
Coronation Fund Managers	36 550 759	5.24
PSG Asset Management	33 512 129	4.80
Truffle Asset management	31 912 812	4.57
Peresec Prime Brokers	23 762 091	3.40
Sanlam Investment Management	18 815 174	2.70
Steyn Capital management	17 075 738	2.45
SBG Securities	12 962 356	1.86
Allan Gray Asset Management	11 063 060	1.58
	311 818 745	44.68

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

as at 31 December 2022

	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	1 654	86.33	1 659 796	22.43
5 001 to 10 000 shares	139	7.25	1 013 998	13.70
10 001 to 50 000 shares	100	5.22	2 016 639	27.25
50 001 to 100 000 shares	17	0.89	1 232 652	16.66
100 001 shares and over	6	0.31	1 476 915	19.96
	1 916	100.00	7 400 000	100.00
Non-public shareholders	1	0.05	1 609	0.02
Public shareholders	1 915	99.95	7 398 391	99.98
	1 916	100.00	7 400 000	100.00
Investor profile				
Banks and Brokers	10	0.52	426 526	5.76
Close Corporations	20	1.04	219 958	2.97
Endowment Funds	16	0.84	137 101	1.85
Individuals	1 541	80.44	3 249 809	43.92
Insurance Companies	3	0.16	85 582	1.16
Investment Companies	1	0.05	1 958	0.03
Medical Schemes	1	0.05	2 749	0.04
Mutual Funds	24	1.25	1 359 566	18.37
Other Corporations	11	0.57	29 338	0.40
Private Companies	81	4.23	678 760	9.17
Public Companies	1	0.05	178 390	2.41
Retirement Funds	6	0.31	64 324	0.87
Trusts	201	10.49	965 939	13.05
	1 916	100.00	7 400 000	100.00
Geographical breakdown				
South Africa	1 894	98.86	7 076 320	95.63
Rest of the World	11	0.57	14 352	0.19
Rest of Europe	4	0.21	942	0.01
United States of America and Canada	1	0.05	1 400	0.02
United Kingdom	6	0.31	306 986	4.15
	1 916	100.00	7 400 000	100.00

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of Grindrod Limited (**Grindrod** or the **Company**) will be held electronically on Thursday, 25 May 2023 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 3 June 2022 are available for inspection at the registered office of Grindrod until 16:00 on 19 May 2023.

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

- 1.1 To present the audited Annual Financial Statements for the financial year ended 31 December 2022, 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 and Sustainability committee, set out on page 65 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 CA Carolus

2.1.2 NL Sowazi

GG Gelink, CA Carolus and NL Sowazi were required to retire by rotation in terms of article 5.1(8) of the MOI. GG Gelink, after a 10-year tenure, is retiring and will not be standing for re-election. The Nomination and Governance 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, and available for re-election, the Board recommends the re-election of CA Carolus and NL Sowazi to shareholders.

Brief CVs of the directors are provided on page 7 of the integrated annual report.

2.2 **Ordinary resolution 2.2:** 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 ZP Zatu Moloi, an independent non-executive director of Grindrod, as a member of the Audit committee and her appointment as the Chair of the Audit committee, until the end of the next Annual General Meeting of Grindrod.

A brief CV of the Audit committee members is provided on page 7 of the integrated annual report.

NOTICE OF THE ANNUAL GENERAL MEETING continued

2.3 Ordinary resolution 2.3: 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:

2.3.1 D Malik

2.3.2 B Magara

2.4 Ordinary resolution 2.4: Re-appointment of independent auditors and the designated audit partner

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

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

2.4.2 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.

Additional information in respect of Ordinary Resolution Number 2.4

In terms of the provisions of section 90(1) of the Act, a public company shall at each AGM appoint an auditor to hold office from the conclusion of that meeting until the conclusion of the next AGM.

In terms of the rule on Mandatory Audit Firm Rotation (**MAFR**) published by the Independent Regulatory Board for Auditors (**IRBA**) in compliance with section 10(1)(a) of the Auditing Profession Act (No. 26 of 2005), a non-binding advisory vote has been proposed below under 4.3 for the appointment of PricewaterhouseCoopers Incorporated (**PWC**) as auditors and Nqaba Ndiweni as designated audit partner for the financial period ended 31 December 2024.

2.5 Ordinary resolution 2.5: 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 2.5 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 2.5 above to be approved, it must be supported by more than 50% (fifty percent) of the voting rights exercised.

2.6 Ordinary resolution 2.6: General authority to issue ordinary shares for cash

That, as an ordinary resolution, and subject to ordinary resolution number 2.5 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 2.5 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, however, related parties may participate in a general issue for cash through a bookbuild process, provided that:
 - related parties only participate with a maximum bid price at which they are prepared to take up shares or at a book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
 - equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.
- 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 669 379 587 ordinary shares in Grindrod's issued share capital excluding treasury shares 5% (five percent) being 33 468 979 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 2.6 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 2.6 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 2023 to 30 June 2024, as set out below, be approved.

	Member/Chair	Present	Proposed
Board of Directors	Chair	R1 178 330	R1 249 030
	Lead independent director	R862 990	R914 769
	Non-executive director	R431 495	R457 385
Audit committee	Chair	R303 630	R321 848
	Member	R167 429	R177 475
Investment committee	Chair	Nil	R214 602*
	Standing member	R111 725	R118 429
	Ad-hoc member (per meeting)	R25 637	R27 175
Nomination and Governance committee	Chair	R167 429	R177 475
	Member	R92 524	R98 075
Remuneration committee	Chair	R167 429	R177 475
	Member	R92 524	R98 075
Risk committee	Chair	R202 455	R214 602
	Member	R112 885	R119 658
Social and Ethics and Sustainability committee	Chair	R202 455	R214 602
	Member	R112 885	R119 658

* The Terms of Reference of the Investment committee were amended by the Board to require that the committee be chaired by an independent non-executive director. There had been no fee approved for the chair in prior years as this position had previously been held by the CEO who was an executive director. The proposed fee has been aligned to that of the Risk committee and Social and Ethics and Sustainability committee.

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 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.
 - 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

3. SPECIAL RESOLUTIONS continued

3.4 Special resolution 3.4: General repurchase of Grindrod's ordinary shares 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 and 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.
- (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.
- (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 7 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.
- 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 2022 and the issuing of this notice of Annual General Meeting to shareholders.

3.5 Special resolution 3.5: Replacement of MOI

That the existing MOI of the Company be amended by substituting the Company's existing MOI with the new MOI following changes being made to refresh the existing MOI, as set out in detail in Annexure 1 to this notice of Annual General Meeting.

The proposed amendments to the MOI were approved by the JSE on 8 March 2023. A copy of the new MOI is available on the Company's website at www.grindrod.com and is also available for inspection during normal business hours at the Company's registered office from 6 April 2023 until the date of the Annual General Meeting, being 25 May 2023.

No change has been made to terms relating to the creation of any class of shares, the variation of any preferences, rights, limitations or other share terms attaching to any class of shares, the conversion of one class of share into one or more other classes, the increase in the number of securities of a class, the consolidation of securities, the sub-division of securities, a change of the name of the Company or a conversion of shares from par value to no par value.

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 67 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.

4.3 Non-binding advisory vote on the appointment of independent auditor for the financial year ending 31 December 2024

To vote, each by way of a separate non-binding advisory vote, on the appointment of PwC as independent auditors and Nqaba Ndiweni as the audit partner of Grindrod for the financial year ending 31 December 2024.

The percentage of voting rights required to pass this non-binding advisory vote: 50% (fifty percent) plus one vote of the votes exercised. The non-binding advisory vote will be tabled to the shareholders to be endorsed in the same manner as an ordinary resolution. However, the non-binding advisory vote is of an advisory nature only and failure to pass it will therefore not have any legal consequences. Should 25% (twenty-five percent) or more of the votes exercised on this non-binding advisory vote be cast against it, the Board undertakes to engage with identified dissenting shareholders as to the reasons therefore and take appropriate action (as determined at the discretion of the Board) to reasonably address issues raised. Details of the engagement will be communicated in the voting results announcement of the Annual General Meeting.

NOTICE OF THE ANNUAL GENERAL MEETING continued

4. NON-BINDING ADVISORY VOTES continued

Additional information in respect of Non-binding advisory vote Number 4.3

In terms of the rule on MAFR published by the IRBA in compliance with section 10(1)(a) of the Auditing Profession Act (No. 26 of 2005), an audit firm may not serve as the appointed auditor of a public interest entity for more than 10 (ten) consecutive financial years. This rule is effective for financial years of companies commencing on or after 1 April 2023.

Given that Deloitte & Touche, the existing auditor of Grindrod, would on 1 April 2023 have served as the auditor of Grindrod for more than 10 consecutive years, the Audit committee engaged in a robust and comprehensive screening and bid evaluation process and selected PwC as the new auditor and Nqaba Ndiweni as the audit partner of Grindrod and the Group for the financial year ending 31 December 2024, for recommendation to the shareholders of Grindrod.

Following the above, the Audit committee and Board proposes as an indicative non-binding resolution for the appointment of PwC, as auditor and Nqaba Ndiweni as the audit partner of Grindrod and the Group, for the financial year ending 31 December 2024, although the ordinary resolution to effect the statutory appointment would only serve at Grindrod's 2024 Annual General Meeting. The appointment of PwC as auditor and Nqaba Ndiweni as the audit partner will be recommended to shareholders at Grindrod's 2024 Annual General Meeting. The appointment will be for the reporting period ending 31 December 2024, following a transition period working with current auditors Deloitte & Touche.

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, 31 March 2023.

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, 19 May 2023. Accordingly, the last date to trade in order to be eligible to attend and vote at the Annual General Meeting is Tuesday, 16 May 2023.

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 Thursday, 25 May 2023, 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 +27844334836 (Farhana Adams), +27817114255 (Izzy van Schoor) and +27614400654 (Michael Wenner) as soon as possible, but in any event no later than 11:00 on Monday, 22 May 2023.

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 Central Securities Depository Participant (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.

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 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 2.6, which requires 75% (seventy-five percent) approval in terms of the JSE Listings Requirements.

The minimum percentage of voting rights 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, JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, South Africa, 2196, email meetfax@jseinvestorservices.co.za or facsimile 086 674 2450 by no later than 14:00 on Tuesday, 23 May 2023.

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
2196

Attention: Michael Wenner, Farhana Adam or Izzy van Schoor

Email: Michael.wenner@tmsmeetings.co.za Tel: +27614400654
Email: farhana.adam@tmsmeetings.co.za Tel: +27844334836
Email: izzy.vanschoor@tmsmeetings.co.za Tel: +27817114255
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
6 April 2023

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 56th 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 Thursday, 25 May 2023 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 2.1: Re-election of directors retiring by rotation			
2.1.1 CA Carolus			
2.1.2 NL Sowazi			
Ordinary resolution 2.2: Election of member and appointment of Chair of the Audit committee – ZP Zatu Moloi			
Ordinary resolution 2.3: Election of members of the Audit committee			
2.3.1 D Malik			
2.3.2 B Magara			
Ordinary resolution 2.4: Re-appointment of independent auditors and the designated audit partner			
2.4.1 Re-appointment of Deloitte & Touche as independent auditors			
2.4.2 Re-appointment of M Holme as designated audit partner			
Ordinary resolution 2.5: General authority to directors to allot and issue ordinary shares			
Ordinary resolution 2.6: General authority to issue ordinary shares for cash			
Special resolution 3.1: Approval of non-executive directors' fees			
Special resolution 3.2: General authority to provide financial assistance in terms of section 44 of the Act			
Special resolution 3.3: General authority to provide financial assistance in terms of section 45 of the Act			
Special resolution 3.4: Repurchase of Grindrod's ordinary shares			
Special resolution 3.5: Replacement of MOI			
Non-binding advisory vote 4.1: Confirmation of the Group remuneration policy			
Non-binding advisory vote 4.2: Confirmation of the Group implementation report			
Non-binding advisory vote 4.3: Appointment of independent auditor for the financial year ending 31 December 2024			

Date

Signature:

Please read the notes and instructions overleaf.

This Form of Proxy is valid until conclusion of the Annual General Meeting on 25 May 2023.

Grindrod Limited 2022 Integrated Annual Report

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

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.

1. 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.
2. 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.
3. 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;
4. unless that person's power of attorney or authority is deposited at the offices of Grindrod's share transfer secretaries, JSE Investor Services 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 the JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, South Africa, 2196 (PO Box 4844, Johannesburg, 2000), 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 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 Tuesday, 16 May 2023 and Wednesday, 24 May 2023 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, 22 May 2023.
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 dialling 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:

ANNEXURE 1

DETAILS OF AMENDMENTS TO THE MOI

1. All references to sections of "the Act" in the headings have been deleted.
2. All references to "JSE" at the end of clauses have been amended to "*JSE Listings Requirements*".
3. References to "his" were amended to "its" or "such person" where applicable throughout the document.
4. All references to "chairman" were replaced with "chair" throughout the document.
5. Insert "This Memorandum of Incorporation was adopted by special resolution of the shareholders of the Company passed on XX in substitution for the existing Memorandum of Incorporation of the Company." on the cover page and delete reference to the entire paragraph "ADOPTION OF MEMORANDUM OF INCORPORATION" on page 4.
6. **PAGE INDEX:**
 - 6.1 Delete "ADOPTION OF MEMORANDUM OF INCORPORATION".
 - 6.2 Amend "ARTICLE 1" to read "NATURE, POWERS AND GOVERNANCE OF THE COMPANY".
7. **DEFINITIONS AND INTERPRETATION:**
 - 7.1 Amend clause (a) to read "'Act" means the Companies Act 71 of 2008, as amended from time to time;".
 - 7.2 Delete clauses (b), (d), (g), (l), (m) and (p) in their entirety.
 - 7.3 Delete "the" before "Board" in the newly numbered clause (b).
 - 7.4 Delete "the" before "Company" and amend "Registration" to read "registration" in the newly numbered clause (d).
 - 7.5 Insert the following new clauses:
 - "(e) "equity securities" has the meaning given to the term in the JSE Listings Requirements;".
 - "(g) "JSE Listings Requirements" means the listings requirements of the JSE;".
 - "(l) "writing" or "written" includes electronic communication (as the term is defined in the Act);".
 - 7.6 Amend the newly numbered clause (f) to read:
 - "(f) "JSE" means the security exchange operated by the JSE Limited, registration no. 2005/022939/06, as a licensed exchange under the Securities Services Act 36 of 2004;".
 - 7.7 Amend the newly numbered clause (h) to read:
 - "(h) "Memorandum of Incorporation" means this document, being the Memorandum of Incorporation of the Company, including Annexure "A" hereto;
 - 7.8 Delete "fax number" after "... electronic mail address," in the newly numbered clause (j).
 - 7.9 Insert "section 72 of" before "the Act;" in the newly numbered clause (k).
 - 7.10 Amend the newly numbered clause (n) to read "words importing any one gender shall include the other of masculine, feminine and neuter; and".
 - 7.11 Amend the newly numbered clause (o) to read "the provisions contained in Annexure "A" hereto form part of this Memorandum of Incorporation."
8. **ARTICLE 1 on pages 4 to 5:**
 - 8.1 Amend the heading to read "NATURE, POWERS AND GOVERNANCE OF THE COMPANY".
 - 8.2 Amend clause 1.1 to read "Nature" and the paragraph to read "The Company is a public company, as it is not a private company, state-owned company or a personal liability company."
 - 8.3 Clause 1.2, Powers of the Company:
 - 8.3.1 Amend clause (1) to read "The Company is not subject to any restrictive conditions or prohibitions, as contemplated in section 15(2)(b) and (c) of the Act."
 - 8.3.2 Delete clause (2) in its entirety and replace with:
 - "(2) As provided in section 19(1) of the Act, the Company has all the legal powers and capacity of an individual except to the extent that:
 - (a) a juristic person is incapable of exercising any such power, or having any such capacity; or
 - (b) this Memorandum of Incorporation provides otherwise"
 - 8.4 Insert a new heading "1.3", "Governance" with the wording amended as follows:
 - "(1) The Company is governed by:
 - (a) the unalterable provisions of the Act, subject to any higher standard, greater restriction, longer period of time or any similarly more onerous requirement set out in this Memorandum of Incorporation; and
 - (b) the alterable provisions of the Act, subject to any negation, restriction, limitation, qualification, extension or other alteration set out in this Memorandum of Incorporation; and".

Clause (c) under clause "1.3", "Governance" remains unchanged.
 - 8.5 Clause 1.4, Memorandum of Incorporation and rules:
 - 8.5.1 Amend clause (1) to read:

"Any amendment to this Memorandum of Incorporation must be approved by a special resolution of the ordinary shareholders of the Company, save where such an amendment is ordered by a court in terms of section 16(1)(a) and 16(4) of the Act. For the avoidance of doubt, amendments include but are not limited to, the creation of any class of shares; the variation of any preferences, rights, limitations or other share terms attaching to any class of shares; the conversion of one class of shares into one or more other classes; the increase in the number of securities of a class; the consolidation of securities; the sub-division of securities; and a change of the name of the Company; and a conversion of shares from par value to no par value. [*JSE Listings Requirements Sch 10: 10.5(d)*]"
 - 8.5.2 Amend clause (2) as follows:

Insert "of the Company" after "preference shares" in the second line; delete "such" and replace with "the" before "preference shares" in the 2nd line, delete "shareholders" before "in writing" in the 6th line and insert the following at the end of the paragraph: "In such instances, the holders of the preference shares shall be allowed to also vote at the meeting of the ordinary shareholders where the amendment to this Memorandum of Incorporation is proposed to be passed, subject to any applicable limitation on their voting rights. No resolution of the ordinary shareholders shall be proposed or passed, unless a special resolution, of the holders of the preference shares, have approved the amendment. [*JSE Listings Requirements Sch 10: 10.5(e) and (f)*]"
 - 8.5.3 Insert ", which provided such an address." at the end of clause (3).
 - 8.5.4 Amend clause (4) to read as follows:

"The Board shall not have the authority to make rules for the Company in terms of section 15(3) of the Act. [*JSE Listings Requirements Sch 10: 10.4*]"

ANNEXURE 1 continued

9. ARTICLE 2, SECURITIES OF THE COMPANY on pages 5 to 7:

9.1 Clause 2.1, General, insert a new clause (4) as follows:

"(4) The Company shall not be entitled to take any lien over any securities issued by it. *[JSE Listings Requirements Sch 10: 10.12]*"

9.2 Clause 2.2, Shares:

9.2.1 Amend clause (1) as follows:

Delete "subject to" after "this Memorandum of Incorporation," in the 2nd line and replace with "which ordinary shares and preference shares shall have" and delete "associated with each class" in the last line.

9.2.2 Delete clause (3) in its entirety.

The reason for this deletion is that the limitations in this provision was unnecessary as it related to shares already in issue. Amendments to share capital must be done in terms of the JSE Listings Requirements.

9.2.3 Amend the new clause (3) by replacing all references to "shares" with "securities".

9.2.4 Amend the new clause (4) to read as follows:

"(4) Shares of the Company are to be issued in dematerialised form."

9.2.5 Amend the new clause (5) by deleting "The certificates or other" before "evidence" and change "evidence" to read "Evidence" in the beginning of the clause and delete "requirements of the" before "JSE" in the 3rd line and insert "Listings Requirements" after "JSE".

10. INSERT A NEW CLAUSE 2.4:

"2.4 Capitalisation shares

The Board may issue capitalisation shares (including offering a cash payment in lieu of awarding a capitalisation share) in accordance with the provisions of section 47 of the Act. *[JSE Listings Requirements Sch 10: 10.6]*"

11. ARTICLE 3, SHAREHOLDERS on pages 7 to 9:

11.1 Clause 3.1, Notices:

11.1.1 Insert new clauses (2) to (8) as follows:

"(2) The Company may give notices by personal delivery, by sending them prepaid through the post or by transmitting them by electronic communication. The Company must give notice of availability of a document, record or statement to the holder of registered shares either to its last known electronic mail address, physical or postal address.

(3) Any holder of registered shares which has furnished an electronic mail address to the Company, by doing so:

- (a) authorises the Company to use electronic communication to give notices or notices of availability of the foregoing to it; and
- (b) confirms that same can conveniently be printed within a reasonable time and at a reasonable cost.

(4) The Company shall not be held liable in any manner whatsoever for any notice delivered or deemed to have been delivered to the incorrect registered address, where such address was given to the Company by the holder of any shares (or its agent).

(5) Every person who, by operation of law, transfer or other means whatsoever becomes entitled to any share, shall be bound by every notice in respect of such share which, previously to its name and address being entered in the register, shall have been given to the person from whom the transferee derives its title to such share.

(6) All notices may, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is named first on the register and notice so given shall be sufficient notice to all the holders of such shares.

(7) A holder of registered shares (or his executor) shall be bound by every notice delivered to him, notwithstanding that he may then have been deceased or may subsequently have died or have been or become otherwise incapable of acting in respect of his shares, whether or not any transfer of his shares was registered at that date.

(8) Any notice required to be given by the Company to shareholders, and in respect of which the Act or the JSE Listings Requirements does not expressly prohibit the provisions of this Article from applying, shall be sufficiently given by posting it on the Company's website until at least the date when the event to which the notice refers occurs, provided that the Company gives a notice similar to a notice of availability in the manner contemplated in Article 3.1(2) above."

11.2 Amend the old clause (2) to read clause (9) and delete "contemplated" in the 2nd line and replace it with "defined".

11.3 Delete the old clause (3) in its entirety.

11.4 Clause 3.2, Proxies, powers of attorney and representatives:

11.4.1 Delete "not less than 48 hours" in the 6th line of clause (2).

12. ARTICLE 4, SHAREHOLDERS MEETINGS on pages 9 to 11:

12.1 Clause 4.1, General:

12.1.1 Amend clause (2) by deleting "be entitled to take the" before "chair" and "at" after "chair" in the 2nd line and insert "he" after "or" in the 4th line.

12.1.2 Amend clause (3) by:

12.1.2.1 Changing "shareholder" to read "shareholders" in the 2nd line.

12.1.2.2 Adding ", or in such a manner which allows the shareholders to participate in the meeting by means of electronic communication in the manner contemplated in section 63(2) of the Act," after "person" in the 3rd line.

12.1.2.3 Inserting "as contemplated in section 60 of the Act." at the end of the paragraph.

12.1.2.4 Adding "and (d)" after "(c)" at the end of the paragraph.

12.2 Clause 4.2, Notice of shareholders' meetings:

12.2.1 Delete clauses (2) and (5) to (7) in their entirety.

12.2.2 Amend clause (1) by:

12.2.2.1 Deleting "who has elected to receive such documents" and inserting "at least 14 Business Days before the date of the meeting." after "...such meeting" in the 2nd line.

12.2.2.2 Adding "(a), (b) and" before "(e)" at the end of the paragraph.

12.2.3 Amend the new clause (2) by inserting "As provided for in section 63(6) of the Act" before "The" in the beginning of the paragraph.

12.3 Clause 4.5, Votes of shareholders:

12.3.1 Amend clause (4) by deleting "be" and replacing same with "is" before "present" in the 4th line and delete "that one of the said persons to present" and replacing same with "the person" before "whose name stands" in the 5th line.

ANNEXURE 1 continued

13. ARTICLE 5, DIRECTORS AND OFFICERS OF THE COMPANY on pages 12 to 14:

13.1 Amend clause 5.1, Composition of the Board as follows:

13.1.1 Amend clause (1) by deleting "eight" and replacing same with "five" in the first line.

13.1.2 Delete clause (3) and (5) in their entirety.

13.1.3 Insert a new clause (3) as follows:

"(3) Any appointment by the Board of Directors to fill a vacancy on the Board, shall be subject to confirmation by the shareholders at the next Annual General Meeting or other shareholders meeting, which approval shall not be given by written resolution. *[JSE Listings Requirements Sch 10: 10.1.16(b) and (c)]*"

13.1.4 Amend clause (4) by deleting "the eligibility of director of potential" after "recommend" in the 4th line and replace same with "eligible".

13.1.5 Amend the new clause (5) by deleting "cancelled" after "...director shall be" in the 11th line and replacing same with "terminated" and amend "Company" to read "company" in the 13th line.

13.1.6 Amend the new clause (9) to read "A retiring non-executive director may be re-elected to the office of director."

13.1.7 Amend the new clause (11) by amending (a) to read "becomes ineligible or disqualified to act as a director, as determined in accordance with the provisions of the Act;"

13.2 Amend clause 5.2, Authority of the Board as follows:

13.2.1 Amend clause (1) to read "Except to the extent that this Memorandum of Incorporation provides otherwise, the authority of the Board to manage and direct the business and affairs of the Company is not limited or restricted."

13.2.2 Amend clause (2) by inserting "the" after "...a committee of" in the 1st line and inserting "shall" before "be valid.." in the 2nd last line.

13.2.3 Insert a new clause 5.5 to read as follows:

"5.5 Committees of the Board

The authority of the Board to appoint committees of directors, and to delegate to any such committee any authority of the Board, as set out in section 72(1) of the Act, and to include in any such committee persons who are not directors, as set out in section 72(2)(1) of the Act, is not limited or restricted by this Memorandum of Incorporation."

14. ARTICLE 6, DIVIDENDS AND PAYMENTS TO SHAREHOLDERS on page 15:

14.1 Amend clause (1) to read "Dividends shall be declared by the directors in accordance with the provisions of the Act *[JSE Listings Requirements Sch 10: 10.17(a)]*."

14.2 Amend clause (6) by deleting "indefinitely" after "Company" in the 1st line.

15. ARTICLE 7, CHANGE OF LAWS on page 15:

Amend by deleting "requirements of the" before "JSE" and inserting "Listings Requirements" after "JSE" in the 2nd and last lines.

In terms of clause 1.4 of the MOI, read with sections 16(1)(3) and 65(11)(a) of the Act, amendments to the MOI can only be effected if approved by shareholders of the Company by way of a special resolution.



SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS



GOODMAN MLONDO
GRINDROD TERMINALS RICHARDS BAY

COLLABORATION AND LONG-TERM THINKING WILL SHAPE THE FUTURE

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APPROVAL OF THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

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 2022. Based on the financial results of Grindrod and the cash flow forecast for the year ended 31 December 2022, 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 Ms Cheryl Carolus and Mr Xolani Mbambo in their respective capacities as Chair and Chief Executive Officer to sign off the Summarised Consolidated Financial Statements. The Summarised Consolidated Financial Statements which appear on pages 90 to 102, are therefore signed on its behalf by:



Cheryl Carolus

Chair
Durban

5 April 2023



Xolani Mbambo CA(SA)

Chief Executive Officer
Durban

5 April 2023

COMPLIANCE STATEMENT BY THE GROUP COMPANY SECRETARY

for the year ended 31 December 2022

The Group Company Secretary of Grindrod Limited certifies that, in terms of section 88(2) of the Companies Act 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 2022.



Vicky Commaille
Group Company Secretary
Durban

5 April 2023

PREPARATION OF THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

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 Consolidated Financial Statements.

The audited Consolidated Financial Statements are available at Grindrod's registered office for inspection.

The Summarised Consolidated Financial Statements and the full set of consolidated Annual Financial Statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of Directors on 5 April 2023. The directors take full responsibility for the preparation of these Summarised Consolidated 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 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 2022 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated Annual Financial Statements for the year ended 31 December 2022 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 89 of this integrated annual 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

5 April 2023

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

to the shareholders of Grindrod Limited

OPINION

The summarised consolidated financial statements of Grindrod Limited set out on pages 90 to 102, which comprise the summarised consolidated statement of financial position as at 31 December 2022, the summarised consolidated income statement, statement of other 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 2022.

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

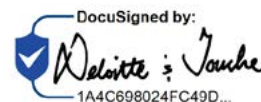
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 5 April 2023. That report also includes, the communication of other key audit matters as reported in the auditor's report of the audited consolidated financial statements.

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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated 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.



Deloitte & Touche
Registered auditors
Per: MH Holme CA(SA), RA Partner

5 April 2023

First Floor
The Skye
2 Vuna Close
Umhlanga Ridge, 4319
Durban

SUMMARISED INCOME STATEMENT

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Continuing operations		
Revenue	5 883 735	3 417 350
Trading profit before expected credit losses, depreciation and amortisation**	1 372 265	890 906
Expected credit losses***	(267 114)	30 550
Depreciation and amortisation	(486 338)	(475 177)
Profit before interest, taxation and non-trading items	618 813	446 279
Non-trading items	61 002	(401 156)
Interest income	141 487	99 933
Interest expense	(218 024)	(235 085)
Profit/(loss) before share of joint venture and associate companies' profit	603 278	(90 029)
Share of joint venture companies' profit after taxation	543 041	287 719
Share of associate companies' profit after taxation	31 563	19 169
Profit before taxation	1 177 882	216 859
Taxation	(347 864)	(82 134)
Profit for the year from continuing operations	830 018	134 725
Discontinued operation		
(Loss)/profit after taxation from discontinued operation	(175 153)	116 428
Profit for the year	654 865	251 153

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Attributable to:		
Owners of the parent	601 081	175 578
From continuing operations	776 234	61 259
From discontinued operation	(175 153)	114 319
Preference shareholders – continuing operations	56 396	45 780
Non-controlling interests	(2 612)	29 795
From continuing operations	(2 612)	27 686
From discontinued operation	-	2 109
	654 865	251 153
Basic earnings/(loss) per share:		
From continuing operations (cents)	116.4	9.1
From discontinued operation (cents)	(26.3)	17.1
Total	90.1	26.2
Diluted earnings/(loss) per share		
From continuing operations (cents)	116.3	9.1
From discontinued operation (cents)	(26.3)	17.1
Total	90.0	26.2

* Re-presented for the impact of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Refer to basis of preparation.

** Current period trading profit includes R311.4 million net fair value losses (2021: R42.2 million) relating to the private equity and property portfolio. In addition, prior period included fair value gains of R238.2 million on Grindrod Shipping shares.

*** Current period includes impairments of R24.5 million (2021: R86.8 million impairment reversals) relating to the private equity and property portfolio. Current period results also include an impairment of R222.5 million on the loan previously advanced to set up the Richards Bay black empowerment structure.

HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Reconciliation of headline earnings		
Profit/(loss) attributable to ordinary shareholders	601 081	175 578
From continuing operations	776 234	61 259
From discontinued operation	(175 153)	114 319
Adjusted for:	258 633	442 788
Continuing operations:		
(Reversal of impairment)/Impairment of intangibles, property, terminals, machinery, vehicles and equipment	(15 225)	57 730
Loss on re-measurement to fair value less costs to sell	–	240 066
Loss on scrapping of intangibles, property, terminals, machinery, vehicles and equipment due to KwaZulu-Natal floods	45 211	–
Impairment of intangibles, property, terminals, machinery, vehicles and equipment due to KwaZulu-Natal floods	5 349	–
Insurance compensation on property, terminals, machinery, vehicles and equipment impaired and scrapped due to KwaZulu-Natal floods	(54 115)	–
Impairment of goodwill**	–	24 840
Net (profit)/loss on disposal of subsidiaries	(7 376)	136 114
Net profit on disposal of plant, terminals, machinery, vehicles and equipment	(43 120)	(289)
Gain on bargain purchase	–	(6 769)
Foreign currency translation reserve release	–	(50 536)
Total taxation effects of adjustments	31 814	(6 728)
Joint ventures and associates:		
Net profit on disposal of intangibles, property, terminals, machinery, vehicles and equipment	(54)	(58)
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	4 512	48 440
Discontinued operation:		
Loss on disposal of subsidiary	265 616	–
Net profit on disposal of plant, terminals, machinery, vehicles and equipment	(99)	(22)
Total taxation effects of adjustments	26 120	–

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Headline earnings	859 714	618 366
Continuing operations	743 230	504 069
Discontinued operation	116 484	114 297
Ordinary share performance		
Number of shares in issue less treasury shares (000s)	667 296	666 528
Weighted average number of shares (basic) (000s)	666 860	670 933
Diluted weighted average number of shares (000s)	667 656	670 933
Basic headline earnings per share		
From continuing operations (cents)	111.5	75.1
From discontinued operation (cents)	17.4	17.1
Total	128.9	92.2
Diluted headline earnings per share		
From continuing operations (cents)	111.4	75.1
From discontinued operation (cents)	17.4	17.1
Total	128.8	92.2
Ordinary dividends		
Dividends per share – interim (cents)	17.2	–
Dividends per share – final (cents)	22.2	20.1
Dividend cover (headline) (times)	3.3	4.6
Dividends per share –special (cents)	55.9	–

* Re-presented for the impact of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Refer to basis of preparation.

** Goodwill was impaired to recoverable amount of the cash generating unit which was assessed using value in use principles.

SUMMARISED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Profit for the year	654 865	251 153
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	266 083	377 761
Items that will not be subsequently reclassified to profit or loss		
Actuarial (losses)/gains	(1 382)	6 831
Fair value gain arising on financial instruments*	403	3 001
Total comprehensive income for the year	919 969	638 746
Total comprehensive income attributable to:		
Owners of the parent	922 551	607 227
Non-controlling interests	(2 582)	31 519
	919 969	638 746

* Net of taxation.

SUMMARISED INCOME STATEMENT FOR DISCONTINUED OPERATION

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Revenue*	448 329	487 634
Trading profit before expected credit losses, depreciation and amortisation	142 527	182 872
Expected credit losses	(23 316)	(42 610)
Depreciation and amortisation	(13 262)	(12 932)
Profit before interest, taxation and non-trading items	105 949	127 330
Non-trading items**	(265 517)	22
Interest income	7 949	8 653
(Loss)/profit before taxation	(151 619)	136 005
Taxation	(23 534)	(19 577)
(Loss)/profit for the year	(175 153)	116 428
Attributable to:		
Owners of the parent	(175 153)	114 319
Non-controlling interest	-	2 109
	(175 153)	116 428
Cash flows from discontinued operation		
Net cash (outflows)/inflows from operating activities	(411 430)	34 781
Net cash inflows/(outflows) from investing activities	8 597	(4 179)
Net cash inflows from financing activities	692 022	163 379
Net cash inflows	289 189	193 981

* Revenue includes interest earned on loans and advances using effective interest rates.

** Current year non-trading item relates to the Group loss on disposal of the Bank.

The Grindrod Bank disposal was effective on 1 November 2022 and consequently, Bank has been presented as a discontinued operation in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations as it constituted a separate major line of business.

SUMMARISED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Property, terminals, machinery, vehicles, equipment	1 681 084	1 738 159
Right of use assets	636 853	1 054 609
Goodwill and intangible assets	356 678	507 793
Investments in joint ventures	3 440 943	3 058 527
Investments in associates	187 590	145 941
Investment property	113 252	86 168
Other investments	567 770	1 097 668
Deferred taxation	124 722	186 978
Finance lease receivables	111 023	–
Long-term negotiable securities	–	312 958
Loans and advances	1 072 958	7 029 849
Long-term receivable	204 950	202 099
Total non-current assets	8 497 823	15 420 749
Liquid assets and short-term negotiable securities	–	3 623 026
Current portion of loans and advances	–	2 507 462
Current portion of long-term receivable	–	43 115
Inventories	38 827	66 639
Trade and other receivables	1 670 186	1 347 191
Current portion of finance lease receivables	22 338	–
Taxation receivable	20 005	20 696
Bank balances and cash	2 605 514	2 057 642
Total current assets	4 356 870	9 665 771
Non-current assets held for sale	974 805	65 000
Total assets	13 829 498	25 151 520

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Share capital and premium	3 934 557	3 928 711
Non-distributable reserves	2 163 645	1 885 547
Accumulated profit	2 785 174	2 808 394
Equity attributable to owners of the Company	8 883 376	8 622 652
Non-controlling interests	(61 914)	(44 704)
Total equity	8 821 462	8 577 948
Long-term borrowings	1 087 767	610 853
Lease liabilities	446 344	797 026
Long-term Bank and private equity funding	108 924	543 361
Derivative financial liabilities	–	24 277
Deferred taxation	14 132	57 450
Provision for post-retirement medical aid	20 202	21 816
Deposits from Bank customers	–	239 720
Provisions and other liabilities	140 325	11 670
Total non-current liabilities	1 817 694	2 306 173
Trade and other payables	1 662 610	1 310 696
Current portion of long-term borrowings	235 820	146 366
Current portion of lease liabilities	161 829	249 284
Current portion of provisions and other liabilities	40 350	–
Current portion of Bank and private equity funding	63 444	908 778
Current portion of deposits from Bank customers	–	10 981 413
Short-term borrowings and bank overdraft	410 967	603 491
Taxation payable	251 518	67 371
Total current liabilities	2 826 538	14 267 399
Non-current liabilities associated with assets held for sale	363 804	–
Total equity and liabilities	13 829 498	25 151 520

SUMMARISED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Profit before interest, taxation and non-trading items	724 762	573 609
From continuing operations	618 813	446 279
From discontinuing operation	105 949	127 330
Non-cash adjustments	1 228 044	498 998
Cash generated from operations before working capital changes	1 952 806	1 072 607
Working capital changes	(265 058)	(33 328)
Cash generated from operations	1 687 748	1 039 279
Net interest paid	(122 887)	(171 766)
Net dividends (paid)/received	(300 222)	197 782
Taxation paid	(253 610)	(175 915)
	1 011 029	889 380
Other operating cash flows from Bank		
Net (advances to)/deposits from customers and other short-term negotiable securities	(487 236)	106 686
Net cash flows from operating activities	523 793	996 066
Net movement on acquisition/disposal of property, terminals, machinery, vehicles and equipment	(454 245)	(392 998)
Net movement on disposal/acquisition of investments, subsidiaries, and businesses	450 055	594 852
Net movement on disposal of non-current assets held for sale	65 000	44 034
Funds received from joint ventures and associate companies	21 607	16 150
Net cash flows from investing activities	82 417	262 038
Acquisition of treasury shares	(715)	(29 922)
Acquisition of non-controlling interest	–	(25 224)
Borrowings raised	1 365 852	821 330
Borrowings repaid	(1 329 199)	(1 468 554)
Net cash flows from financing activities	35 938	(702 370)
Net increase in cash and cash equivalents	642 148	555 734
Cash and cash equivalents at the beginning of the year	1 518 020	943 955
Difference arising on translation	34 385	18 331
Cash and cash equivalents at the end of the year*	2 194 553	1 518 020

* Cash and cash equivalents is net of the Bank balances and cash balance of R2.6 billion (2021: R2.1 billion) and the Overdraft balance of R411.0 million (December 2021: R539.6 million).

SUMMARISED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Ordinary and preference share capital and share premium	3 934 557	3 928 711
Balance at the beginning of the year	3 928 711	3 950 427
Share options vested	6 561	8 206
Treasury shares acquired	(715)	(29 922)
Equity compensation reserve	39 075	43 597
Balance at beginning of the year	43 597	47 857
Share-based payments	2 039	3 946
Share options vested	(6 561)	(8 206)
Foreign currency translation reserve	2 196 770	1 927 156
Balance at the beginning of the year	1 927 156	1 598 738
Foreign currency translation realised	–	(50 536)
Foreign currency translation adjustments	269 614	378 954
Other non-distributable statutory reserves	(72 200)	(85 206)
Balance at the beginning of the year	(85 206)	(110 863)
Foreign currency translation adjustments	(3 561)	(2 917)
Net business combination acquisition	(27 140)	28 574
Disposal of business	43 707	–
Accumulated profit	2 785 174	2 808 394
Balance at the beginning of the year	2 808 394	2 622 984
Other comprehensive income from financial instruments	403	3 001
Actuarial (losses)/gains recognised	(1 382)	6 831
Profit for the year	657 477	221 358
Ordinary dividends declared	(623 322)	–
Preference dividends declared	(56 396)	(45 780)
Total interest of shareholders of the Company	8 883 376	8 622 652
Equity attributable to non-controlling interests of the Company	(61 914)	(44 704)
Balance at the beginning of the year	(44 704)	(150 134)
Foreign currency translation adjustments	30	1 724
Non-controlling interest acquired	27 140	(53 801)
Non-controlling interest disposed	(40 844)	128 636
(Loss)/profit for the year	(2 612)	29 795
Ordinary dividends declared	(924)	(924)
Total equity attributable to all shareholders of the Company	8 821 462	8 577 948

SEGMENTAL INFORMATION

for the year ended 31 December 2022

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Revenue		
Port and Terminals	3 712 833	1 413 393
Logistics	3 635 366	3 242 393
Group	56 621	26 872
Total core operations	7 404 820	4 682 658
Marine Fuels	16 954 683	12 814 442
Private equity and property	399	52 223
Total continuing operations	24 359 902	17 549 323
Segmental adjustments**	(18 476 167)	(14 131 973)
	5 883 735	3 417 350
Trading profit/(loss) before depreciation and amortisation		
Port and Terminals	1 150 905	580 499
Logistics	1 314 745	894 893
Group	(291 881)	170 354
Total core operations	2 173 769	1 645 746
Marine Fuels	102 148	43 095
Private equity and property	(359 232)	(164 759)
Total continuing operations	1 916 685	1 524 082
Segmental adjustments**	(811 534)	(602 626)
	1 105 151	921 456
Profit/(loss) before interest, taxation and non-trading items		
Port and Terminals	981 172	452 342
Logistics	883 743	408 427
Group	(335 118)	135 362
Total core operations	1 529 797	996 131
Marine Fuels	101 272	39 474
Private equity and property	(359 232)	(166 043)
Total continuing operations	1 271 837	869 562
Segmental adjustments**	(653 024)	(423 283)
	618 813	446 279

	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Share of associate companies' profit after taxation		
Port and Terminals	161 510	115 140
Logistics	1 017	285
Total core operations	162 527	115 425
Segmental adjustments**	(130 964)	(96 256)
	31 563	19 169
Profit/(loss) attributable to ordinary shareholders		
Port and Terminals	818 811	383 606
Logistics	640 581	(81 508)
Group	(369 480)	124 043
Total core operations	1 089 912	426 141
Marine Fuels	87 421	39 960
Private equity and property	(401 099)	(404 842)
	776 234	61 259
Geographical revenue		
North America	137 094	83 558
South America	-	4 134
Middle East	7 711 245	4 475 248
United Kingdom/Europe/Isle of Man	-	237 521
Singapore/Asia/Far East	9 121 379	8 048 886
Australia^	48 130	39 957
South Africa	3 178 287	2 881 628
Rest of Africa	4 163 767	1 778 391
	24 359 902	17 549 323

* Re-presented for the impact of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Refer to basis of preparation.

** For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby the 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.

^ Revenue from Australia was previously aggregated with Singapore/Asia/Far East but has been separately disclosed due to the different economic factors that influence this jurisdiction.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2022

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 2022 R'000	Audited 31 December 2021 R'000
Opening exchange rate	15.93	14.62
Closing exchange rate	16.98	15.93
Average exchange rate	16.40	14.90

2. REVENUE

Revenue category	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Bulk terminals – recognised at a point in time**	2 859 996	469 460
– Handling	1 373 106	469 460
– Commodity export sales	1 486 890	–
Container handling^	1 820 936	1 433 330
– Recognised at a point in time	1 275 029	999 795
– Recognised over time	545 907	433 535
Logistics – recognised at a point in time^	443 327	776 132
Ships agency income – recognised at a point in time^	462 518	447 341
Other services^^	296 958	291 087
	5 883 735	3 417 350

* Re-presented for the impact of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Refer to basis of preparation.

** Reflected in Port and Terminals segment except for handling revenue of R365.4 million (2021: Rnil million) relating to the Logistics segment.

^ Reflected in Logistics segment.

^^ Reflected in Port and Terminals, Logistics and Group segments and comprises revenue recognised at a point in time and over time.

3. TRADING PROFIT BEFORE EXPECTED CREDIT LOSSES, DEPRECIATION AND AMORTISATION

Exchange rates (ZAR/US\$)	Audited 31 December 2022 R'000	Audited 31 December 2021* R'000
Revenue	5 883 735	3 417 350
Less: Operating expenses	(4 718 838)	(2 626 961)
– Staff costs	(1 143 577)	(1 010 935)
– Subcontractor handling, plant hire, transport and other related costs	(1 010 771)	(707 029)
– Cost of commodities for export sales	(803 835)	–
Agent commission on commodity export sales	(377 858)	–
– Bunker costs	(110 046)	(95 002)
– Other container and bulk handling expenses	(282 258)	(246 176)
– Property and infrastructure related costs	(414 879)	(230 007)
– Audit and non-audit fees	(27 130)	(28 698)
– Other operating expenses	(217 976)	(285 031)
– Net foreign exchange (loss)/gain	(19 151)	18 126
– Net loss on financial instruments	(311 357)	(42 209)
Add: Other income	207 368	100 517
– Insurance income	150 983	4 243
– Other income	56 385	96 274
	1 372 265	890 906

* Re-presented for the impact of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Refer to basis of preparation.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

4. 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, 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 (R40.7 million) was received on 4 November 2022;
- £5.2 million is to be received on 4 May 2024; and
- £5.7 million is to be received on 4 November 2024.

Following the disposal, the remaining proceeds of £10.9 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 borrowings with a similar collateral profile, factoring in the credit risk of the buyer. In addition, interest at 1.5% on the outstanding proceeds commenced 13 months from the date of disposal.

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Carrying value of the receivable at year-end converted at a closing exchange rate of R20.47/£ (2021 December: R21.53/£)*	204 950^	245 214^
Split as follows:		
Non-current	204 950	202 099
Current	–	43 115

^ The impact of a R1 change in the exchange rate would result in a change in the receivable carrying value of R10.0 million (2021: R11.4 million).

* The impact of a 1% change in the discount rate at inception would have resulted in a change in the receivable carrying value of R5.8 million.

Expected credit losses of R1.6 million (2021: R0.4 million) have been raised relating to the abovementioned receivable.

5. 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.

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 macroeconomic and microeconomic environments.

	2022					
	Fair value instruments					Other non-financial instruments
	Carrying value R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000	Amortised cost* R'000	R'000
Financial instruments						
Bank balances and cash**	2 605 520	–	–	–	2 605 520	–
Other investments**	574 200	58 554	92 982	299 641	123 023	–
Finance lease receivables	133 361	–	–	–	133 361	–
Loans and advances	1 072 958	–	–	935 500	137 458	–
Long-term receivable	204 950	–	–	–	204 950	–
Trade and other receivables**	1 891 624	–	–	–	1 593 265	298 359
Borrowings**	(2 787 202)	–	–	–	(2 787 202)	–
Trade and other payables**	(1 754 307)	–	–	–	(1 262 621)	(491 686)
Provisions and other liabilities	(180 675)	–	–	–	(85 000)	(95 675)
Non-financial instruments						
Investment property	113 252	–	–	113 252	–	–
Total		58 554	92 982	1 348 393	662 754	(289 002)

* Carrying value approximates fair value.

** Includes balances disclosed in held for sale. Refer to note 7.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

5. FINANCIAL INSTRUMENTS DISCLOSURE continued

	2021					
	Carrying value R'000	Fair value instruments			Amortised cost [^] R'000	Other non- financial instruments
		Level 1 R'000	Level 2 R'000	Level 3 R'000		
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	(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.

Reconciliation of Level 3 fair value measurements of financial assets

	Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Opening balance	3 306 467	4 114 635
Purchases	341 334	458 101
Settlements	(371 461)	(1 088 645)
Disposal of subsidiary	(1 699 208)	–
Total gains/(losses) recognised in:		
– Summarised consolidated statement of other comprehensive income	(1 504)	13 579
– Summarised consolidated income statement	(227 235)	(191 203)
Closing balance	1 348 393	3 306 467

Fair value losses recognised in the summarised consolidated statement of other comprehensive income for Level 3 financial instruments were R228.7 million (2021: R177.6 million).

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 2022 R'000	Fair value at 31 December 2021 R'000	Valuation method	Un-observable input	Range of input	Relationship of unobservable inputs to fair value
Medical	–	175 977	This investment was disposed in the current year			
Vehicle financing	241 000 [^]	301 700	Price multiple approach	PE multiple	6.81x	Increased PE multiple to 7.81x would increase FV to R276 658 000
						Decreased PE multiple to 5.81x would decrease FV to R205 825 000
North coast property loans	935 500 [*]	1 456 749 [*]	Monte Carlo simulation	Combined property valuation determining rate per hectare, discount rate and time to maturity	Rate per hectare determined per expert valuation (commercial /residential)	The value of the two combined properties held as security for the loans ranges from R2.6 billion to R3.0 billion based on independent valuations
						These valuations together with the Group's mortgage bonds were inputs into a Monte Carlo simulation to determine an independent valuation range between R0.6 billion and R1.2 billion on the loans
						Increase of rate per hectare by 10% would increase FV by R163.7 million
						Decrease of rate per hectare by 10% would decrease FV by R174.1 million
				Discount rate	9.25% to 15.25%	Decrease of the discount rate by 2% would increase the FV by R82.7 million
						Increase of the discount rate by 2% would decrease the FV by R98.0 million
				Time to Maturity	2.0 to 3.0 years	Decrease of 6 months would increase the FV by R104.0 million
						Increase of 6 months would decrease the FV by R92.6 million

[^] The Directors draw attention to the negative industry factors that arose post the year-end, and are comfortable with the year-end valuation as this is a non-adjusting event.

^{*} The two combined properties are held as security for the fair value loan of R935.5 million (2021: R1.5 billion) per the table above, as well as amortised cost loans of R137.5 million (2021: R353.6 million).

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

5. 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 Financial Director (FD) prior to approval. Teams present their valuations for significant investments to the FD who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the FD 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;
- **Earnings growth factor for unlisted investments:** these are estimated based on market information for similar types of companies or historical growth patterns; and
- **Independent expert valuations:** valuations were conducted by registered independent experts using both the market approach and investment method.

6. DISPOSAL OF SUBSIDIARIES AND 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
Grindrod Financial Holdings Banking	Banking services	Sale of ordinary shares – disposal of subsidiary	100%	1 November 2022	1 264 195
Grindrod Bank Limited	Banking services	Sale of preference shares – disposal of subsidiary	100%	1 November 2022	292 699
Total disposal consideration					1 556 894

Reason for current year disposal

The disposal is in line with Grindrod's strategic intent to separate its Freight Services and Banking services businesses.

Net assets disposed

The net assets disposed are as follows:

Company	Total disposal R'000
Property, terminals, machinery, vehicles and equipment	5 326
Right of use assets	3 830
Other investments	5 727
Financial assets	5 808
Loans and advances	7 992 789
Deferred taxation	65 106
Trade and other receivables	78 282
Taxation	16 219
Liquid assets and short-term negotiables	5 249 782
Bank balances and cash	1 395 554
Business combination reserve	(28 574)
Long-term borrowings	(1 141 641)
Lease liabilities	(6 771)
Financial liabilities	(504)
Current liabilities	(96 098)
Deposits from Bank Customers	(11 807 325)
Total	1 737 510
Loss on disposal	(265 616)
Less: financial guarantees raised on disposal	
Advances warranty provision*	70 000
Other warranty provision**	15 000
Proceeds on disposal	1 556 894
Less: Cash disposed	(1 395 554)
Net cash inflow on disposal of subsidiaries	161 340

* The Group provided warranties for a maximum of R300 million on specific loans and advances secured by KZN North Coast properties. These were fair valued at disposal date and a provision of R70.0 million was raised.

** The Group provided other warranties for a maximum of R100 million. Exposure was assessed to be R15.0 million and a provision was raised.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

6. DISPOSAL OF SUBSIDIARIES AND BUSINESSES continued

During the prior 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 4.

Reason for prior year 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 Proprietary Limited. In 2021, 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.

Net assets disposed in the prior year

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 THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

7. NON-CURRENT ASSETS HELD FOR SALE AND NON-CURRENT LIABILITIES ASSOCIATED WITH ASSETS AS HELD FOR SALE

The joint venture transaction between Maersk logistics and services operations with certain of the Group's container depots and its coastal shipping business was completed with all conditions precedent fulfilled on 1 January 2023. Consequently, the assets and liabilities, subject to disposal, are classified as held for sale.

The disposal is not a discontinued operation as it does not constitute a separate major line of business to the Group, therefore earnings have been presented in continuing operations.

Company	Total disposal R'000
Property, terminals, machinery, vehicles and equipment	326 034
Right of use assets	231 968
Goodwill and intangible assets	147 327
Other investments	6 430
Inventory	41 602
Bank balances and cash	6
Trade and other receivables	221 438
Total non-current assets held for sale	974 805
Lease liabilities	(272 107)
Trade and other payables	(91 697)
Non-current liabilities associated with assets held for sale	(363 804)

8. RELATED PARTY TRANSACTIONS AND BALANCES

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 external third parties.

Below is a list of significant related party transactions and balances for each year:

Nature of relationship		Audited 31 December 2022 R'000	Audited 31 December 2021 R'000
Goods and services sold to:			
Portus Indico	Joint venture	134 693	79 492
Terminal De Carvão da Matola Limitada	Joint venture	284 933	140 982
Grindrod Rail Consultancy Services Proprietary	Joint venture	47 208	30 062
Röhlig-Grindrod Proprietary Limited	Joint venture	40 642	33 657
France Rail Industry South Africa Proprietary Limited	Other related party*	751	664
Interest earned on loans to associates	Associates	77 269	101 031
WJ Grindrod and C Grindrod	Other related party^	32 736	–
Goods and services purchased from:			
Cockett Marine Oil Private Limited	Joint venture	52 234	84 561
Amounts due from related party:			
Maputo Intermodal Container Depot, S. A	Joint venture	86 494	61 014
Railco Africa Limited	Joint venture	74 644	97 141
RBT Grindrod Terminals Proprietary Limited	Joint venture	185 901	153 940
RBT Resources Proprietary Limited	Other related party	–	204 222
GPR Leasing Africa Proprietary Limited	Joint venture	97 817	–
Loans to associates	Associates	–	1 057 660
Property-owning entities		–	828 527
Private equity portfolio		–	229 133
Interests held by directors:	Equity investment in:	% held	% held
Various directors	Grindrod Limited ordinary and preference shares	0.26	0.25

* ZP Zatu Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.

^ WJ Grindrod, a non-executive director of Grindrod, and C Grindrod, purchased a UK residential property from the Group. The purchase price agreed was within the range of two valuations performed by independent valuers. The transaction was reviewed by the Group's lead independent non-executive director. The gross purchase price amounted to £1 650 000 (R35 564 265). The company has finalised the regulatory requirements of this transaction, as announced on SENS on 3 April 2023.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2022

9. CONTINGENT LIABILITIES

The Company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R3 626.0 million (December 2021: R4 213.1 million) of which R1 589.2 million (December 2021: R1 779.9 million) had been utilised at year-end.

Management is currently in an appeal process with the South African Revenue Service around customs VAT on a leased vessel linked 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 three 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.

10. CAPITAL EXPENDITURE AND COMMITMENTS

	Capital expenditure		Split as follows	
	2022 R million	2023 R million	Approved not contracted R million	Approved and contracted R million
Core operations	767	556	353	203
Port and Terminals	266	338	301	37
Logistics	486	218	52	166
Bank	2	–	–	–
Group	13	–	–	–
Split as follows:				
Subsidiaries	669	222	53	169
Joint ventures	98	334	300	34

Total capital expenditure was R767.4 million (2021: R568.4 million), of which 64% (2021: 65%) was expansionary and the balance maintenance or replacement capital expenditure.

11. CASH FLOW AND BORROWINGS

The financial position reflects net debt of R181.7 million (December 2021: net cash of R450.6 million). The Group generated cash before working capital changes of R1 952.8 million (December 2021: R1 072.6 million) during the year. Working capital contributed to a net outflow of R265.1 million (December 2021: R33.3 million).

12. STATEMENT OF FINANCIAL POSITION

With total assets of R13 829.5 million (December 2021: R25 151.5 million) and low gearing, the Group's financial position remains solid. Book net asset value per share is 1 211 cents (December 2021: 1 176 cents).

Shareholders' equity increased to R8 821.5 million (December 2021: R8 577.9 million) mainly due to profits in the current year and gains in the foreign currency translation reserve. The increase of R269.6 million in the foreign currency translation reserve was due to the weaker Rand against the US dollar from R15.93/US\$ in December 2021 to R16.98/US\$ in December 2022.

In addition, share buy backs of R0.7 million (December 2021: R29.9 million) were completed. Ordinary shares in issue remain unchanged from the prior year at 698 031 586.

13. BASIS OF PREPARATION

The Summarised Consolidated 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 of South Africa requirements applicable to Summarised Consolidated Financial Statements.

The Grindrod Bank disposal was effective on 1 November 2022 and the Bank segment has been presented as a discontinued operation in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations as it constituted a separate major line of business. Accordingly, the financial results in the income statement for 2021 have been re-presented.

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 5 April 2023, on recommendation by the Audit committee.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the Summarised Consolidated Financial Statements are in terms of IFRS and are consistent with those of the Consolidated Financial Statements for the year ended 31 December 2021.

Trading profit is generated by the Group's operating activities and comprises revenue net of directly attributable costs and fair value gains and losses on financial instruments. Trading profit does not include finance related income and expenses. Trading profit is disclosed before expected credit losses, depreciation and amortisation, non-trading items and joint venture and associate equity accounted earnings.

Non-trading items are a non-IFRS measure and consist of items that are usually capital in 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.

14. POST BALANCE SHEET EVENTS

The joint venture transaction between Maersk Logistics and Services operations was concluded with all conditions precedent fulfilled on 1 January 2023. Cumulative proceeds of R272 million were received post-year-end.

In January 2023, the Group acquired the remaining shareholding in its joint venture RBT Grindrod Terminal Proprietary Limited, for R60 million.

There are no other material post balance sheet events to report.

GENERAL INFORMATION



GRINDROD VALLEY TERMINAL | RICHARDS BAY

ALL FOR AFRICA

For **our customers**

For **our people**

For **communities**

For **transformation**

For **collaboration**

For **abundance**

For **growth**

For **the world.**

104 List of abbreviations

105 Company information

LIST OF ABBREVIATIONS

Abbreviation	Definition
AGM	Annual General Meeting
B-BBEE	Broad-Based Black Economic Empowerment
BDO	Binder Dijker Otte
Board	Grindrod Limited Board of Directors
C	Carbon
CEO	Chief Executive Officer
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 2 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
CV	Curriculum vitae
DOL	Department of Labour
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
EAC	East African Community
EBITDA	Earnings before interests, tax, depreciation and amortisation
EE	Employment equity
ED	Enterprise Development
ENS	Edward Nathan Sonnenbergs
ERM	Enterprise Risk Management
ERM (framework)	Enterprise Risk Management (framework)
ERP	Enterprise Resource Systems
ESG	Environmental, social and governance
EU	European Union
EV	Electrical vehicles
FSP	Forfeitable Share Plan
FTE	Full-time equivalent
GDP	Gross domestic product
GHG	Greenhouse gas
GLM	Grindrod Logistics Mozambique Limitada
GML	Grindrod Mozambique Limitada
GRI	Global Reporting Initiative
Grindrod	Grindrod Limited
Group	Grindrod Limited, its subsidiary companies, joint ventures and associates

Abbreviation	Definition
HDI	Human Development Index
HEPS	Headline earnings per share
HR	Human Resources
ICAS	Independent Counselling and Advisory Services
ICT	Information and Communication Technology
IIRF	International Integrated Reporting Framework
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMS	Integrated Management System
IoT	Internet of Things
IR	Investor relations
IRBA	Independent Regulatory Board for Auditors
<IR>	Integrated Reporting
ISO	International Organisation for Standardisation
IT	Information Technology
JSE	Johannesburg Stock Exchange Limited
King IV	The King IV Report on Corporate Governance™ for South Africa, 2016
kl	Kilolitre
KPI	Key performance indicator
KPMG	Klynveld Peat Marwick Goerdeler
kWh	Kilowatt hour
kWh/FTE	Kilowatt hour per full time employee
l	Litre/s
LTIFR	Lost-time injury frequency rate
LNG	Liquefied natural gas
m ²	Square metre
MAFR	Mandatory Audit Firm Rotation
MCTL	Maputo Car Terminal Limitada
MDP	Management Development Programme
MICD	Maputo Intermodal Container Depot
ML	Megalitre
MOI	Memorandum of Incorporation
MPDC	Maputo Port Development Company
mtpa	Million tonnes per annum
MW	Megawatt
n/a	Not Applicable
NGO	Non-governmental Organisation
NLPI	NLPI Limited
NOx	Nitrous oxide
NPAT	Net profit after tax
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety

Abbreviation	Definition
PA	Prudential Authority
PEP	Politically exposed person
POPIA	Protection of Personal Information Act
PWC	PricewaterhouseCoopers
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
SDGs	Sustainable Development Goals
SGM	Sturrock Grindrod Maritime
SHERQ	Safety, Health, Environment, Risk and Quality
SIRE	Select Industrial Real Estate UK Fund Limited
SMDP	Senior management development programme
SMME	Small, medium and microenterprise
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
TMS	The Meeting Specialist Proprietary Limited
TRACE	TRACE International, Inc.
TRP	Takeover Regulation Panel
UAE	United Arab Emirates
UCD	United Container Depots
UN	United Nations
US	United States
USD	United States Dollar
US\$	United States Dollar
YES	Youth Employment Service
ZAR	South African Rand
£	British pound

COMPANY INFORMATION

Grindrod Limited

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ISIN: ZAE000072328 and ZAE000071106

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EthicsDefender

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Integrated Annual Report

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