

ANTI-CORRUPTION POLICY

	NAME	DESIGNATION	DATE
Approved	Executive committee / Social and Ethics committee	Executive committee / Social and Ethics committee	August 2021
Reviewed	Vicky Commaille	Group Company Secretary	July 2021
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Reviewed	Cathie Lewis	Group Company Secretary	April 2019
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Compiled	Cathie Lewis	Group Company Secretary	November 2017

1. INTRODUCTION AND SCOPE

In support of Grindrod's commitment to integrity in all business dealings, this policy sets out the Grindrod position regarding corruption and outlines associated responsibilities. The policy applies to all activities undertaken and relationships entered into by Grindrod Limited, and all its subsidiaries and joint ventures, regardless of geographic location.

2. SOCIAL AND LEGAL IMPLICATIONS OF CORRUPTION

Grindrod is committed to playing a responsible role in the socio-economic development in 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, there are important social compacts and many laws that prohibit corrupt business dealings, and Grindrod is committed to complying with these.

A list of the social compacts, laws and guidance documents that inform the Grindrod Anti-corruption policy can be found in **Annexure A**.

3. CONSEQUENCES OF CORRUPTION FOR GRINDROD, ITS EMPLOYEES AND THIRD PARTIES

Any involvement in corrupt activity is a significant risk to Grindrod as well as to the individuals and other parties involved. For Grindrod, failure to comply with anti-corruption legislation can result in criminal and civil penalties, including large fines and profit forfeiture amongst others. Disbarment from tender opportunities and the loss of operating licences are further undesirable consequences. Reputational risk, and all the allied consequences thereof, is a consequential risk.

For individuals, regardless of whether they were a Grindrod employee at the time of their involvement in a corrupt act, civil and criminal penalties including fines and imprisonment and professional debarment can apply. In addition to disciplinary action that will be taken against such employees, their actions may be reported to the applicable authorities. Under no circumstances will Grindrod pay for the legal costs, or any fines or associated costs, incurred by an employee arising from a charge of corruption against them.

For third parties, including intermediaries, agents and suppliers, any civil or criminal penalties that they may suffer will be in addition to the termination of their business relationship with Grindrod.

4. CORRUPTION AND ITS METHODS

For the purposes of this policy, Grindrod defines a corrupt act as one that involves an abuse of, or wrongful interference in, a process for the purpose of illegitimate gain.

Corrupt or illegitimate gain can be achieved by one or more of the following methods:

- Abuse of position (abuse of position of trust, access, authority or power)
- Bribery (the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust) and kickbacks (bribes paid after delivery of the advantage)
- Blackmail (the threat of revealing information that would be injurious to the target)
- Extortion (the threat of wrongful use of authority)
- Fraud (deliberate misrepresentation)

The illegitimate gain achieved using the above methods need not be a direct benefit, it can be indirect. For example, in cases of nepotism and cronyism or other forms of unfair favouritism where the direct beneficiary may be a family member or friend.

The parties to a corrupt act are deemed to have engaged in corruption regardless of whether they were the initiator of the transaction or not. A corrupt gain or bribe can be anything of value to the recipient.

In terms of anti-corruption legislation, it is illegal to offer or solicit, promise, give or receive anything of value in exchange for an improper advantage. This broad definition of 'anything of value' embraces improper advantages ranging from the smallest to the highest value. It is important to remember that what may be of low value to one can be high value to another.

In addition to direct cash payments, the definition of anything of value is illustrated by the following examples:

- Hospitality and gifts that are overly frequent or luxurious
- Sponsorships or donations to the 'pet charities' of public officials
- Payments for personal medical, educational or living expenses
- Employment including unpaid work experience opportunities to relatives of influential decision-makers

The relevant Grindrod policies and support specialists should be referred to for further guidance on the definition of 'anything of value' in the context of this corruption policy.

5. PROHIBITION OF BRIBERY AND ASSOCIATED REPORTING PROCEDURES

All bribery is prohibited, be these bribes or other inducements to subvert a fair procedure or gain a special advantage. This includes facilitation payments, the description given to bribes sought by officials seeking an additional incentive to perform routine duties efficiently.

Neither Grindrod funds or assets nor personal funds can be used by an employee to pay to acquire any unfair advantage for Grindrod.

Any solicitation of a bribe or suggestion of a corrupt act encountered by a Grindrod employee relating to the business of Grindrod must be reported immediately to the line manager and senior manager or executive, and must be reported within 48 hours to the Group Company Secretary / Grindrod Ethics Officer.

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. For this reason, any situation anticipated or encountered in which the suggestion that an illegitimate benefit is required by such an official must be escalated to the highest executive decision-making level.

6. EXTORTION EXEMPTION AND ASSOCIATED REPORTING PROCEDURES

In an exceptional set of circumstances, a payment to avert an imminent threat to the physical safety and belongings of an employee and their family members will not be treated as a disciplinary offence provided that the incident and the related circumstances are reported immediately to the line manager and senior manager or executive, and within 48 hours to the Group Company Secretary / Grindrod Ethics Officer. In turn, Grindrod will work with the relevant authorities to limit the exposure of employees to such circumstances.

7. IMPLICATIONS FOR SPECIFIC BUSINESS PRACTICES

Given the definition of a corrupt gain in return for an improper advantage as 'anything of value', there are certain business practices regarding which extreme caution should be exercised in order that these do not give rise to the perception or charge of corruption.

7.1 Gifts, hospitality and entertainment

Only gifts, entertainment and hospitality that are reasonable, proportionate and made or received in accordance with the Gifts policy, Conflict of Interest policy and Code of Ethics, shall be acceptable. If there is any doubt as



to the appropriateness of giving or receiving gifts, entertainment or hospitality, guidance must be sought from a line manager, a Grindrod Senior Manager or Executive or from the Ethics Officer. The current Ethics Officer is Vicky Commaile, who can be contacted on 031-302 7145 or Vicky.Commaile@grindrod.com.

7.2 Political, community and charitable contributions

Grindrod prohibits the making of contributions to any political party or politician for political purposes either directly or through third parties. Grindrod has in the past and shall continue to make contributions to community and social upliftment projects, charities and enterprise development activities. Such donations are permissible provided they are made in good faith; all relevant internal approvals have been obtained and the donation is in compliance with Grindrod's corporate social investment strategy.

7.3 Procurement

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 aims to or succeeds in corrupting supplier selection. Contracts improperly awarded shall be set aside. Stakeholders are obliged to follow Grindrod's internal procurement processes and policies as communicated from time to time.

8. ANTI-CORRUPTION PROGRAMME RESPONSIBILITIES

Consistent with global best practices and legal requirements, certain groups have special responsibilities for ensuring the sustained success of the Grindrod anti-corruption programme.

The Board and its relevant committees are responsible for the articulation of an unequivocal commitment to prohibiting and deterring corrupt activity in all Grindrod dealings, and for the visible and consistent demonstration of this commitment. This includes ensuring that an effective Anti-corruption policy framework with associated procedures and controls is maintained and operationalised, and that an ethical culture that recognises and resists corruption in all its form is fostered. A robust corruption-risk assessment and mitigation programme must be 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 will similarly demonstrate visible, consistent support, including by ensuring that Grindrod is appropriately resourced to ensure the timely recognition and eradication of any corrupt practices. The Executive needs to be supported by every Grindrod employee in this process, and an ongoing corruption awareness programme will be pursued to secure this. Avenues by which employees and other stakeholders can confidently report suspicions or knowledge of corruption are to be made available. No corrupt act will be considered too small or insignificant as to not warrant investigation and disciplinary action.

Every company within Grindrod will be responsible for identifying company-specific corruption risks and for the implementation of programmes to combat both these and generic risks applicable across Grindrod.

Every support function within Grindrod is required to prioritise the appropriate specialist contribution to the identification of corruption risk, the formulation and review of appropriate risk mitigation measures, the identification of instances of corruption and the investigation and appropriate resolution thereof. These support functions include Risk and Compliance (Ethics officer), Procurement, Internal Audit, Finance and Human Resources.

The relevant Grindrod stakeholders are expected to ensure that all relevant third parties understand and comply with this policy. Appropriate safeguards, such as due diligence enquiries and contractual protection are required to ensure compliance.

9. CORRUPTION RISK ASSESSMENT

A corruption risk assessment must be undertaken according to prevailing best practices, and risk mitigation plans must be made and which the applicable executives take responsibility for implementing. The corruption risk assessment and management plan will be reviewed annually. Annual reviews will be supplemented by 'as and when', specific risk reviews and due diligence exercises, for example, ahead of mergers and acquisitions, and when the corruption risk in any area of the business is heightened for any reason.

10. ASSOCIATED OBLIGATIONS ON EMPLOYEES

Every employee must not only adhere to this policy but must participate in and co-operate with programmes aimed at maintaining, assessing and reviewing the anti-corruption control environment. It is a legal and moral duty for every employee to bring suspected or known unethical activity including corruption to the attention of Grindrod via the designated channels.

11. OBLIGATIONS ON THIRD PARTIES

Any representative, agent or intermediary acting on behalf of Grindrod is required to comply with the spirit and the letter of the Grindrod Anti-corruption policy, and with all related legislation.

Any supplier must agree to adhere to the Grindrod position against corruption, to taking measures to deter corruption in their own operations, and to the immediate reporting to Grindrod of any suggestion of corruption in their dealings be these with Grindrod or on Grindrod's behalf.

Any potential business partner is obliged to make full disclosure of previous dealings and current relationships that may present a heightened risk of Grindrod being associated with corrupt activities. Any red flags identified must be resolved before any business commitments are made.

12. HOW TO REPORT SUSPECTED OR KNOWN CORRUPTION

For Grindrod to effectively combat corruption within the organisation, all stakeholders are required to report suspicions of bribery and corruption in one of the following ways:

- To a line manager, other Grindrod Senior Manager or Executive
- To the Ethics Officer by contacting Vicky Commaille on (+27) 31 302 7145 or via e-mail Vicky.Commaille@grindrod.com
- Via the independently operated and anonymous Tip-Off Anonymous or EthicsDefender website
- Report via Deloitte Tip-Off Anonymous: Use of a dedicated free call number which is: South Africa and Namibia - 0800 213 118 Maputo - 800 359 359 (Mozambique)
- UAE - 800035703346
- Access to the Deloitte Tip-offs Anonymous website which is: www.tip-offs.com Use of one unique email address which is: grindrodethics@tip-offs.com Free post address: Free post KZN 138, Umhlanga Rocks, 4320



- Free facsimile: 0800 00 77 88 (Only from SA and Namibia) / international fax: +27 31 560 7395 Send an SMS to 32840 at a cost of R1, 00 per SMS (SA only).
- Use Grindrod's alternative interactive independent anonymous whistleblowing site - Ethics Defender: <https://grindrod.ethicsdefender.com>

Grindrod shall protect the identity of all complainants. No employee shall be prejudiced should Grindrod lose business because of a failure to pay a bribe or engage in conduct contrary to this policy.

The Ethics Officer is responsible for oversight of this policy. Reported incidents may be investigated internally by the Risk and Internal Audit services or externally by the national police services. To this end, the investigators shall have unlimited and unrestricted access to management, employees, activities, physical locations and to all information necessary to fully discharge his/her obligations. All stakeholders are obliged to co-operate fully in any investigation into allegations of bribery and/or other forms of corruption.

13. POLICY REVIEW RESPONSIBILITY AND FREQUENCY

An annual review of this policy shall be undertaken by the Social and Ethics Committee, and any amendments will be informed by changes in legislation, evolving best practices and lessons learned from actual incidents experienced directly or indirectly that have relevance for Grindrod.

14. RELATED POLICIES

This policy is to be read in conjunction with, inter alia, the following Grindrod policies:

POLICY	AVAILABLE ON INTRANET
Competition Compliance	Yes
Code of Ethics	Yes
Conflict of Interest	Yes
Directors and Staff Dealings	Yes
Gifts	Yes
International Trade Relations	Yes
Legal and other compliance	Yes
Protection of Personal Information (POPI)	Yes
Procurement	Yes
Supplier Sustainability Code	Yes
Whistleblowing	Yes

ANNEXURE A

The Grindrod Anti-corruption Policy is informed by and in support of a number of social compacts, laws and guidance documents. These include the following:

Social compacts

[The UN Convention against Corruption](#)

[The UN Sustainable Development Goals, 'Goal 16: Promote Just, Peaceful and Inclusive Societies'](#)

[The World Economic Forum Framework for the Measurement of Stakeholder Capitalism](#)

[The OECD Anti-Bribery Convention](#)

[The World Bank Integrity Compliance Guidelines](#)

Anti-corruption laws and associated guidance documents

[The Prevention and Combatting of Corrupt Activities Act No 12 of 2004 \(South Africa\)](#)

[The SADC Protocol against Corruption](#)

[The French Law on Transparency, the Fight against Corruption and Modernisation of Economic Life \(Guidelines in English\)](#)

[The UK Bribery Act 2010](#)

[The UK Bribery Act 2010 Quick Start Guide](#)

[UK Ministry of Justice Bribery Act 2010 Guidance \(2012\)](#)

[UK Serious Fraud Office Operational Handbook: Evaluating Compliance Programmes \(2020\)](#)

[The US Foreign Corrupt Practices Act 1998](#)

[US Department of Justice Resource Guide to the US Foreign Corrupt Practices Act \(2020\)](#)

[U.S. Department of Justice Evaluation of Corporate Compliance Programs \(2020\)](#)