MATERIAL MATTERS

OUR 2021 MATERIAL MATTERS

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

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

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

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

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

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

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

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

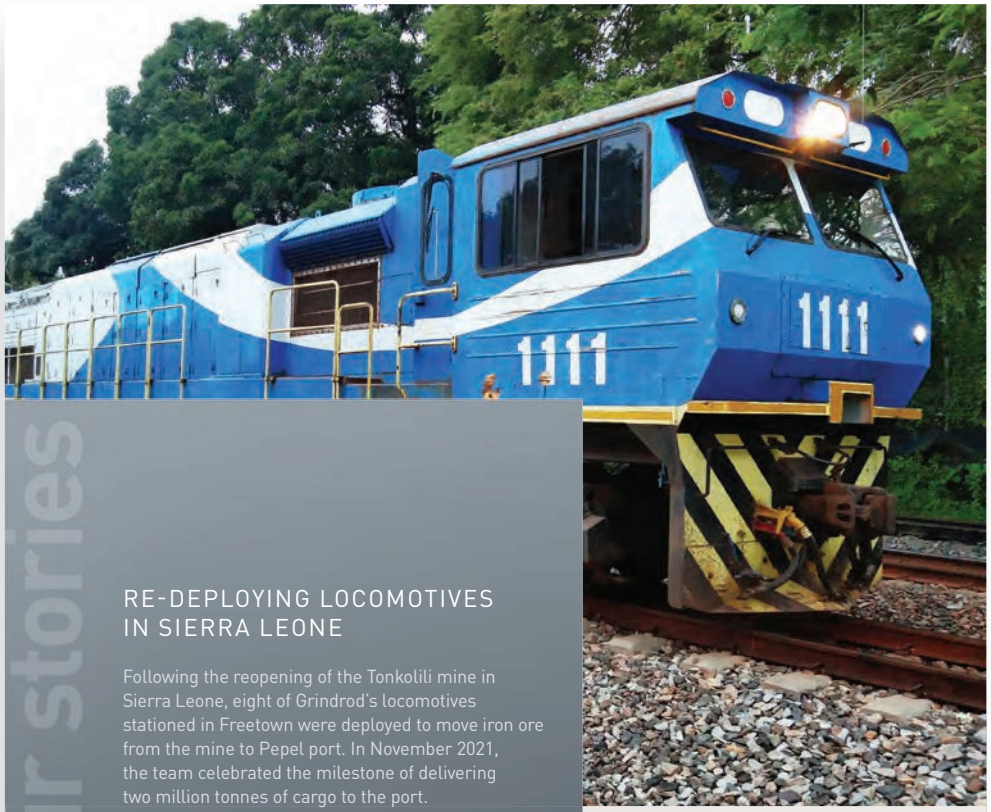
Technology adoption for operational efficiency
- Smart Port and Terminals.
- Digitisation and automation to consolidate value chains.
- Cybersecurity, cyber resilience and data protection.
- Innovation, efficiency and modernisation.

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

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

The role of the business in environmental and social impacts
- Corporate social responsibility and community upliftment.
- Collaboration and partnership with stakeholders.
- Integration of ESG into strategy and processes.
- Disclosure and reporting standards.
- Supply chain efficiency and reduction of emissions.

Regulatory changes and good governance requirements
- Business integrity and ethics.
- Sound risk management.
- Comprehensive legal compliance.
- Data privacy and information security.
- Managing corruption and fraud.



our stories

RE-DEPLOYING LOCOMOTIVES IN SIERRA LEONE

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

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

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

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