

## SUPPLIER SUSTAINABILITY CODE

	NAME	DESIGNATION	DATE
Approved	Executive Committee	Executive Committee	February 2022
Reviewed	Vicky Commaile	Group Company Secretary	January 2022
Reviewed	Cathie Lewis	Group Company Secretary	October 2018
Approved	Executive Committee	Executive Committee	November 2017
Compiled	Cathie Lewis	Group Company Secretary	November 2017

### 1. PURPOSE

- 1.1 Grindrod is aware of its corporate responsibility towards people, communities and the environment and supports the global sustainable development agenda. Our suppliers are critical to our success and we aim to build strong, proactive and long-term working relationships with them. At Grindrod, suppliers are defined as suppliers of all goods and services, including suppliers of all materials, services, contractors, consultants, outsourcing services, distributors and business partners.
- 1.2 Grindrod's Sustainability Code of Conduct for Suppliers (the 'Code') sets out the minimum standards and expectations for environmental, social and ethical performance for all our suppliers. We will implement this Code in conjunction with our governance structure including our Code of Ethics, the Group SHEQ policy and the Grindrod Sustainability Pillars. The Code states the key standards that direct our conduct and enable our policies. It encourages all those with whom we do business to observe the same standards and we expect our suppliers to apply similar requirements for their own supply chain.
- 1.3 Sustainability, transparency and continuous improvement are integral principles of supplier relationships in Grindrod.

### 2. ENVIRONMENT AND CLIMATE CHANGE

- 2.1 Grindrod expects its suppliers to not only comply with all applicable environmental, health and safety laws, regulations and directives, but also conduct operations in a manner that protects the environment and minimises waste, emissions, energy usage and greenhouse gas emissions. In this regard we expect our suppliers to:
  - 2.1.1 Demonstrate senior management's commitment to environmental protection and management by adopting an effective Environmental policy. The policy should include consideration of climate change and set goals, commitments and actions for continuous improvement in environmental performance.
  - 2.1.2 Document and implement a relevant Environmental Management System (aligned with international standards such as ISO 14001) to identify, control and mitigate significant environmental impacts.
  - 2.1.3 Minimise impacts to ecosystems, environment and climate by optimising the use of non-renewable natural resources.

- 2.1.4 Implement and demonstrate sound measures to prevent pollution and minimise / eliminate generation of solid waste, wastewater and air emissions and have in place systems and processes to adopt suitable preventive and corrective measures.
- 2.1.5 Comply with all applicable environmental laws and regulations regarding hazardous materials, air emissions, waste and wastewater discharges, including the manufacture, transportation, storage, disposal and release to the environment of such materials.
- 2.1.6 Have in place an energy and climate change programme that includes measurable goals for improving energy efficiency and minimising / eliminating greenhouse gas emissions.
- 2.1.7 Engage in the development and use of climate-friendly products and processes to reduce energy consumption and greenhouse gas emissions.

### **3. OCCUPATIONAL HEALTH AND SAFETY**

- 3.1 Grindrod expects its suppliers to provide a safe, secure and healthy working environment for their employees and contractors. We require our suppliers to:
  - 3.1.1 Demonstrate senior management's commitment to occupational health and safety.
  - 3.1.2 Develop and implement a documented health and safety management system in accordance with an international standard such as OHSAS18001.
  - 3.1.3 Develop and implement an occupational health and safety policy relevant to their operations.
  - 3.1.4 Set goals, commitments and / or actions for continuous improvement in health and safety performance.
  - 3.1.5 Identify, assess and manage hazards and associated risks by implementing reasonable and necessary controls to reduce risks of accidents, injuries and exposure (especially where hazardous materials are present).
  - 3.1.6 Ensure that controls are effectively communicated to all employees.
  - 3.1.7 Develop and implement appropriate emergency preparedness and response procedures and plans.
  - 3.1.8 Ensure employees and contractors receive regular and appropriate occupational health and safety training.
  - 3.1.9 Report and investigate health and safety incidents and implement additional controls to prevent reoccurrence.
  - 3.1.10 Conduct periodic workplace inspections and audits.
  - 3.1.11 Measure and monitor occupational health and safety performance.

### **4. LABOUR AND HUMAN RIGHTS**

- 4.1 Grindrod expects its suppliers to observe and respect internationally recognised human rights as described in the International Labour Organization (ILO)'s conventions, United Nations Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights and the United Nations Global Compact. We require our suppliers to:
  - 4.1.1 Ensure that all work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice. Not tolerate any modern slavery (slavery, forced, compulsory or bonded labour, servitude, human trafficking).
  - 4.1.2 Respect the right of their employees to form and join trade unions of their choice and to bargain collectively without fear of retaliation or discrimination. Where the right to freedom of association and collective bargaining is restricted under law, the employer should facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.
  - 4.1.3 Not tolerate any instances of child labour (any person below the age of 15) and ensure that special

protections are in place for young workers (those below the age of 18 and above legal minimum working age).

- 4.1.4 Provide their employees fair wages, benefits and working hours that meet legal or industry standards as a minimum.
- 4.1.5 Treat all employees and contractors fairly and respectfully and to prohibit discrimination or harassment on the grounds of gender, marital or parental status, ethnic or national origin, social background, sexual orientation, religious belief, political affiliation, age, disability, or union membership.
- 4.1.6 Ensure their workplaces are kept free of harassment, harsh treatment, violence, intimidation, corporal punishment, mental or physical coercion, intimidation and verbal or sexual abuse, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment. Not tolerate any forms of inhumane treatment of employees or contractors.
- 4.1.7 Employ workers who are legally authorised to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation. All employees of a Grindrod supplier must have employment contracts.
- 4.1.8 Duly map its human rights impacts whenever the need for such action is agreed.
- 4.1.9 Have in place adequate remedial mechanisms in case of any human rights violations.

## 5. BUSINESS ETHICS

- 5.1 Grindrod does not tolerate any form of bribery or corruption by our employees, suppliers and those with whom we do business. All our employees and suppliers are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Grindrod Group. We require our suppliers to:
  - 5.1.1 Conduct their business in an open and transparent manner, and in accordance with our Code of Ethics and Anti-corruption policy. Suppliers shall obey all antitrust and other competition laws.
  - 5.1.2 Not tolerate any form of bribery or corruption and to neither give nor accept bribes nor permit others acting on their behalf to do so.
  - 5.1.3 Not tolerate facilitation payments in any form to third parties not legally entitled thereto conduct all their dealings with governments and public officials in a transparent and ethical way, promoting honest and constructive engagement.
  - 5.1.4 Suppliers will not offer, promise or provide money or any benefit to a government or public official in the commercial marketplace.
  - 5.1.5 Not make any political donations, contributions or incur any political expenditure, in any form, whether to political parties, causes or to support individual candidates, anywhere in the world.
  - 5.1.6 Not offer, give or receive any gifts or hospitality which is intended, or may be construed, as a bribe, or which may place, or be perceived to place (directly or indirectly) Grindrod under an obligation towards the party offering or giving such gift or hospitality, regardless of local custom.
  - 5.1.7 Inform Grindrod if any Grindrod employee has a financial interest in the supplier's business, which might cause a conflict of interest. Additionally, if a supplier learns of any material non-public information while working for Grindrod, they must not share that information with others or use it for market trading.
  - 5.1.8 Protect all Grindrod equipment, property and information from loss, disclosure or misuse and may not be used for personal use. All information relating to Grindrod must be kept private and confidential, and all relevant privacy laws in handling and / or processing data must be respected.

## 6. APPLYING THE CODE

- 6.1 Grindrod expects its suppliers to meet the relevant local, national and regional laws and international treaties. Where our Code represents a higher standard than these, we expect our suppliers to follow this Code. We understand that not all of our suppliers will immediately meet every requirement of this Code and we will work with them to implement appropriate corrective actions where minimum standards are not being met.
- 6.2 Suppliers must enable access to documentation relating to the requirements of this Code at reasonable notice or immediately for planned site audits by Grindrod staff or their agreed 3rd. party monitors. Grindrod requests that suppliers maintain an open and transparent dialogue with us regarding breaches or potential breaches of this Code including high-risk issues in your key suppliers related to business with Grindrod. Violations and complaints relating to the content of this Code should be systematically recorded and escalated / communicated to Grindrod, if affected.
- 6.3 Any suspected misconduct can be reported via the below independently operated and anonymous channels.

## 7. CHANNELS FOR REPORTING UNETHICAL ACTIVITY

Grindrod is committed to integrity in all its business dealings and to ethical and lawful conduct throughout its operations. Grindrod's Whistleblowing Policy sets out the processes to follow and mechanisms available to those needing to report unethical activity, and the rights and responsibilities of those making and those receiving such reports ('report recipients'). The rights and responsibilities of those making reports ('reporters') apply not only to employees of Grindrod, its subsidiaries and joint ventures, regardless of geographic location, but to former employees and stakeholders including agents, contractors and their employees. Depending on the contractual relationship between Grindrod and a third party, both employers maybe jointly liable for legal compliance in respect of employees.

In order that all stakeholders can report unethical activity in Grindrod as easily as possible, a variety of channels are made available. Those wishing to make a report are encouraged to use whichever of the channels is most suited to the circumstances.

### **Direct reporting through a Grindrod Management Representative**

Direct reporting has the advantage of enabling effective ongoing communication about a matter and makes direct feedback possible. Employees are welcome to raise their concerns with their line manager, a senior manager or an executive. They are also invited to do so via a manager, senior manager or executive from Human Resources, Risk and Internal Audit or via the Group Ethics Officer / Group Company Secretary.

Other stakeholders, such as suppliers and customers, can raise their concerns with a senior manager or executive within the Grindrod operation that is their primary point of contact, or via the Group Risk and Internal Audit Manager, Group Internal Audit Manager or Grindrod Group Ethics Officer / Group Company Secretary.

If a report is directed to a member of management and the reporter has reason to believe that it has been ignored, the report can be re-reported to the Group Risk and Internal Audit Manager, Group Internal Audit Manager or the Group Ethics Officer. Reports can be made verbally or in writing.

When making a direct report you are welcome to advise of any sensitivities or confidentiality preferences that you wish to be considered when pursuing your report. It is Grindrod policy that disclosure reports should be appropriately escalated for attention, and that only personnel essential to the handling of the matter will be advised of the report details.

### **Contact details**

Group Risk and Internal Audit Manager: Hazel Xulu (hazel.xulu@grindrod.com | +27 31 302 7249).

Group Internal Audit Manager: Atish Maharaj (atish.maharaj@grindrod.com | +27 31 365 9115).

Group Ethics Officer / Group Company Secretary: Vicky Commaile (vicky.commaile@grindrod.com | +27 31 302 7145).

If a reporter has reason to be uncomfortable using these normal business channels, they should use one of Grindrod's two reporting mechanisms that provide assured anonymity, as described below.

### **Independently managed Grindrod Ethics Hotline**

The Grindrod Ethics Hotline is independently operated by Deloitte Tip-offs Anonymous ('Tip-offs'), a specialist ethics hotline service provider. Tip-offs is annually certified by The Ethics Institute as meeting the requirements of the 'SafeLine-EX' standard for independent ethics hotline providers. Find more information about Tip-offs at <https://www.tip-offs.com/>.

Reports can be made telephonically, via a web-based form, email, mail or fax, and are received and handled in a secure environment by professionally trained personnel at Tip-offs Anonymous.

No information that reveals the identity of the person making a report will be included in the information provided by Tip-offs Anonymous to Grindrod, if the person has chosen to remain anonymous. Only if the reporter has given their express consent will their contact details be communicated to Grindrod. Tip-offs will also facilitate any further communication between the reporter and Grindrod.

The information provided by Tip-offs to Grindrod is received by a designated senior member of Grindrod with responsibility for group matters, who will follow-up on the information in a sensitive manner. Users of the Grindrod Ethics hotline operated by Tip-offs can make a report of suspected or known unethical conduct using one of the following channels:

- A dedicated telephone number:
  - South Africa and Namibia - 0800 213 118 (Free Call)
  - Mozambique - 800 359 359 (Free Call)
  - UAE – 800035703346 (Free Call)
  - Other countries - (+27 800 213 118)
- Online submission via a webform at: [www.tip-offs.com](http://www.tip-offs.com)
- Email to: [grindrodethics@tip-offs.com](mailto:grindrodethics@tip-offs.com)
- Post to (Ethics Officer, PO Box 1, Durban, KwaZulu Natal, South Africa, 4000) or from within South Africa use Free Post KZN 138, Umhlanga Rocks, 4320



- Fax +27 31 560 7395 (international) or Free Facsimile from RSA and Namibia: 0800 00 77 88
- Send an SMS to 32840 at a cost of R1.00 per SMS (SA only).

### The EthicsDefender interactive chat system

The EthicsDefender web-based service, independently operated by FraudCracker, is a technology system that enables anonymous and confidential interactive communication between a reporter and the designated senior manager in Grindrod. FraudCracker is annually certified by The Ethics Institute as meeting the requirements of the 'SafeLine-EX' standard for Digital Safe Reporting Service Providers. Find more information about EthicsDefender at <https://www.ethicsdefender.com/>.

The EthicsDefender system provides an electronic shield that means that Grindrod cannot access the contact details of the reporter unless they choose to disclose these. At the same time the reporter is able to interact electronically and directly with Grindrod without having to communicate via the third-party (Tip-offs). Reporters wishing to report unethical activity at Grindrod can do so at: <https://grindrod.ethicsdefender.com>

## 8. POPIA

The right to privacy is an integral human right recognised and protected in the South African Constitution and in the Protection of Personal Information Act 4 of 2013 ("POPIA"). Grindrod is committed to compliance with POPIA and other applicable legislation, protecting the privacy of data subjects and ensuring that their personal information is used appropriately, transparently and securely. Please refer to Grindrod's POPIA policy.

## 9. RELATED POLICIES

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

POLICY	AVAILABLE ON INTRANET
Anti-Corruption	Yes
Code of Ethics	Yes
Competition Compliance	Yes
International Trade Relations	Yes
Legal and other compliance	Yes
Protection of Personal Information (POPI)	Yes
Sustainability Pillars	Yes
Supplier Sustainability Code	Yes
Whistleblowing	Yes