

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 educate 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.

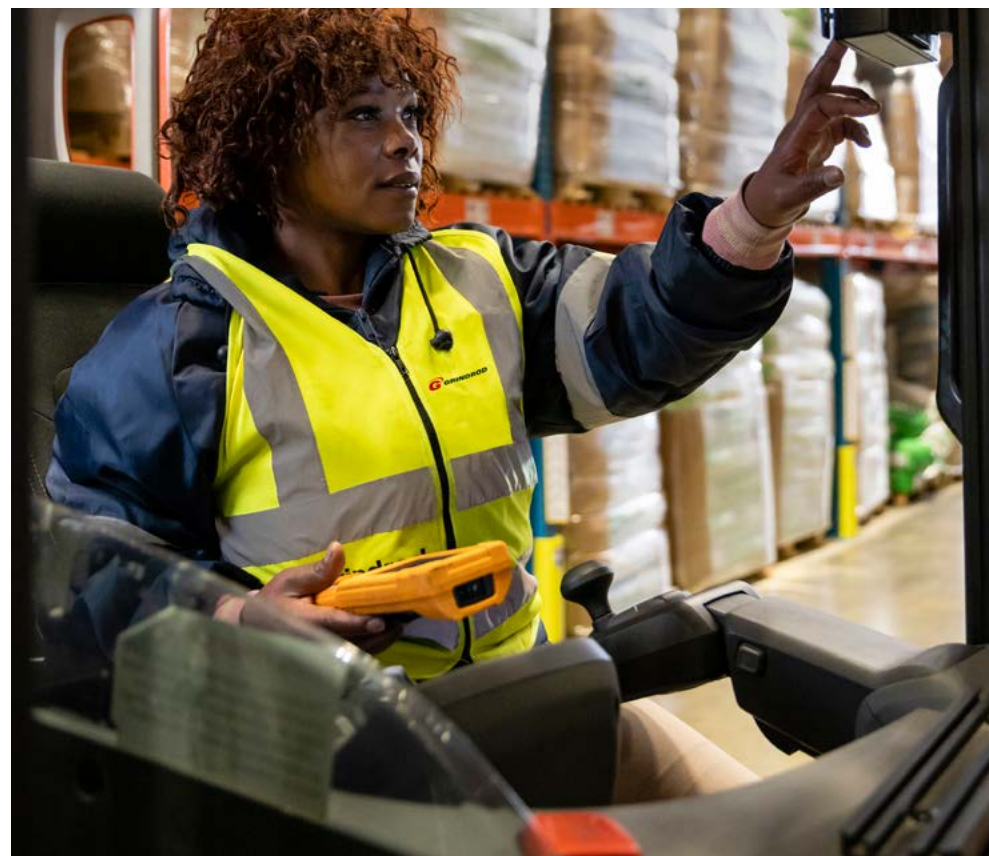
Grant Gelink will be retiring at this year's Annual General Meeting and I thank Grant on behalf of the Board for his valued contribution during his 10-year tenure as non-executive director and as chair of the Audit committee. We look forward to welcoming Zimkhitha Zatu Moloi as the incoming chair of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