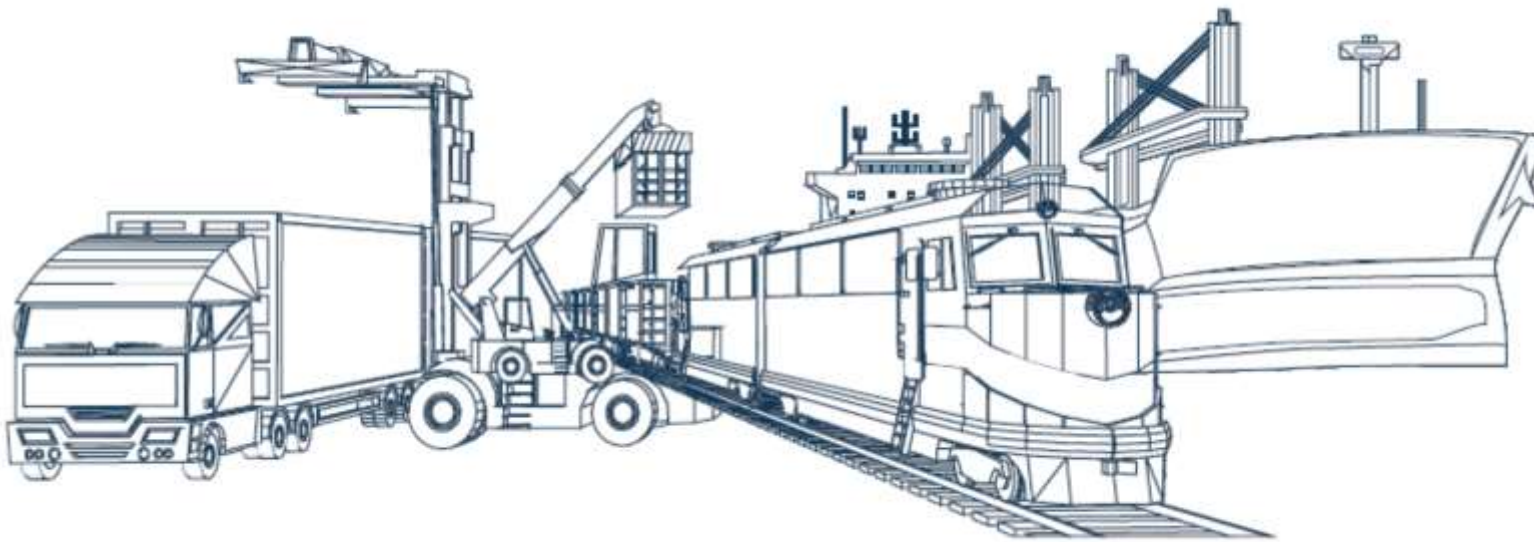




GRINDROD LIMITED

INTEGRATED ANNUAL REPORT 2016
Human Capital Information Supplement



FINANCIAL + FREIGHT + SHIPPING

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Human capital determines the capacity of an organisation to accomplish its goals. Grindrod employees represent a rich and diverse human-capital base that provides the skills, competencies, capabilities and experience that ensure the growth and sustainability of its businesses to provide innovative integrated logistics, banking and investment solutions.

Grindrod manages its human capital to ensure people’s health and safety and invest in their professional and personal growth.

Treating people with fairness, one of the six Grindrod values, forms the base for its human-capital management approach, supported by two of its four pillars of sustainability, the health and safety of employees and respect for people based on principles entrenched in the Universal Declaration of Human Rights.

Employee complement

Country	2016	2015	% change
South Africa	3 614	4 504	(19.8)
Rest of Africa	1 470	1 785	(17.7)
Asia	652	607	7.4
Middle East	55	55	-
Europe	42	46	(8.7)
North America	7	5	40.0
South America	13	13	-
Australia	28	29	(3.5)
Total	5 881	7 044	(16.5)

Group relationship	Permanent		Contract staff (SA citizen)	Contract staff (non-SA citizen)	Total
	Permanent staff (SA citizen)	staff (non-SA citizen)			
Total subsidiaries	2 668	588	134	700	4 090
Total joint ventures	695	506	10	-	1 211
Total associated companies	-	580	-	-	580
Total Grindrod group	3 363	1 674	144	700	5 881

Employee movement (expressed as a percentage of turnover) by division and gender for 2016 is as follows:

	Division				Gender	
	Freight Services	Shipping	Financial Services	Group	Male	Female
Resignation	192	20	9	43	154	110
Death	4	1	-	1	4	2
Dismissal	250	9	-	12	205	66
End of contract	322	95	7	34	353	105
Retirement	25	1	-	5	23	8
Redundancy	346	-	-	20	315	51
Transfer	73	1	1	-	57	18
Sale of business	177	107	-	-	161	123
Seafarers	-	31	-	-	31	-
Other	83	-	1	-	78	6
Turnover of employees (%)	7%	2%	6%	16%	6%	9%

The distribution of new employees hired during 2016 by division and gender is as follows:

	Division				Gender	
	Freight Services	Shipping	Financial Services	Group	Male	Female
New employees hired	487	152	34	34	498	209

Health and safety

A safe and healthy working environment is recognised by Grindrod as a fundamental human right, as enshrined in the 1948 Universal Declaration of Human Rights. The health and safety of employees, contractors, and visitors are of paramount importance and cannot be compromised. Grindrod maintains occupational health and safety management systems in accordance with the international standard OHSAS 18001 and has a zero-tolerance approach towards breaches of safety and security standards.

Health and safety is managed through a safety, health, environment, risk and quality (SHERQ) management committee, chaired by the group CEO. Management in divisions is involved in divisional SHERQ meetings and at businesses safety is guided by monthly meetings, from shopfloor to management level, and entrenched by the incorporation of safety as a KPI at management level.

The requirements for the mandatory occupational health certificate of fitness form the basis for ensuring a healthy and fit workforce.

Entrenched in occupational health and safety management systems are measures to:

- comply with all statutory health and safety obligations including the provisions of adequate supervision, information, instruction and training;
- implement and maintain appropriate procedures and management plans to identify, avoid and mitigate health and safety risks as well as promote continuous improvement of health and safety performance;

- establish clear targets and objectives on an annual basis to improve health and safety in the workplace;
- audit and report on such targets and objectives in a clear, concise and transparent manner;
- consult with employees on health and safety issues and commit to addressing reasonable concerns;
- investigate all incidents, implement corrective actions in a timely manner and ensure that injured persons receive the best possible medical care;
- provide, operate and maintain buildings, plant, equipment and systems of work that are safe and without risk to health; and
- supervise contractors to ensure compliance with Grindrod requirements and work with them to improve their health and safety performance.

Safety and health: key performance indicators

Key performance indicators	2016	2015	2014	2013	2012
Freight Services					
Fatalities	-	2	1	2	2
SHERQ spend (R'000)	31 354	27 575	56 545	22 896	17 326
Medical treatment cases	68	128	114	161	125
Lost-time incidents	42	58	68	112	120
LTIFR*	0.59	0.67	0.86	1.31	8.42
Shipping					
Fatalities	1	-	-	-	-
SHERQ spend (R'000)	14 913	15 262	7 842	11 828	6 287
Medical treatment cases	6	-	-	2	6
Lost-time incidents	7	3	8	8	2
LTIFR*	0.22	0.09	0.26	0.29	0.47
Financial Services					
Fatalities	-	-	-	-	-
SHERQ (R)	12 000	24 099	5 546	-	-
Medical treatment cases	-	-	2	-	-
Lost-time incidents	-	-	-	-	-
LTIFR*	-	-	-	-	-

* Measured per 200 000 hours worked

Human rights

Human rights are fundamentally entrenched basic rights as proclaimed in the Universal Declaration of Human Rights, which forms the foundation of international customary law. It is furthermore acknowledged in the South African Bill of Rights. Grindrod subscribes to the UN Global Compact's Protect, Respect and Remedy Framework, which clearly articulates the responsibilities of corporates to respect and protect human rights.

In order to achieve this commitment, Grindrod:

- treats its people with respect and dignity;
- requires contractors to respect Human Rights while working for Grindrod;
- assesses whether business processes or products cause or contribute to adverse human-rights impacts and strives to contribute to positive human-rights development;
- ensures that it is not complicit in human rights abuses;
- assesses human-rights impacts to determine, address and prevent, where necessary, any adverse human rights actions;
- implements and maintains appropriate grievance mechanisms;
- supports and promotes human rights through strategic social investments and collaborative partnerships; and
- monitors and reports on its efforts in this regard.



People development

Human-capital management is effected at business level, guided by Shared Services HR at central level to achieve Grindrod's objective of high standards for human-capital management through recruitment practices, skills development, talent management, performance management and employee relations – all aligned with the company's business strategy and employment equity targets. Shared Services HR is also responsible for guiding businesses to achieve targeted transformation objectives.

Transformation remains a key focus area, in support of company values and in line with the objectives of the B-BEE Act and the Department of Trade and Industry code of good practice to achieve a workforce reflecting country demographics. The transformation strategy is based on merit and potential, rather than mere statistical accomplishments.

Employment-equity targets have been formalised for the short and medium term, and is supported by transformation KPIs included in executives' performance scorecards. HR guides reporting entities to meet the procedural requirements of managing transformation as stipulated by the Employment Equity Act. Grindrod works closely with the Department of Labour, which has reviewed all equity reports and plans.

Occupational levels	Male			Female				2016 Designated	2015 Total	White	Foreign nationals		Total
	African	Coloured	Indian	African	Coloured	Indian	White	Total	Total	Male	Male	Female	
2016													
Top management	1	-	3	1	1	1	2	8	7	9	1	-	19
Senior management	7	2	15	3	2	3	14	44	32	63	3	-	112
Middle management	14	8	62	15	8	37	66	169	144	130	1	1	342
Skilled	192	51	171	82	44	132	165	1 339	627	207	31	2	1 077
Semi-skilled	785	93	133	136	49	52	55	967	1248	73	14	0	1 390
Least skilled	207	17	10	69	6	1	0	309	310	9	4	1	324
Total permanent	1 206	171	394	306	110	226	302	2 866	2413	491	54	4	3 264
Temporary / contract	90	12	16	21	1	9	10	229	149	40	6	0	205
Grand total	1 296	183	410	327	111	235	312		2562	531	60	4	3 469
Percentage (%)	37.4	5.3	11.8	9.4	3.2	6.8	9	74.8	73.9	15.3	1.7	0.1	100.0
2015 total	1 432	162	427	349	112	253	360	3 095		642	385	16	4 138
Percentage (%)	34.6	3.9	10.3	15.5	8.4	2.7	6.1	74.8	73.9	8.7	9.3	0.4	100.0

* Note that 2 412 employees employed by South African-based companies work outside of South Africa and therefore are not reflected under South Africa on the geographic employee complement table above.



	Male %			Female %				Designated Total %	Male White	Total
	African	Coloured	Indian	African	Coloured	Indian	White			
At 31 December 2016										
Freight Services	41.9	5.5	10.8	10.4	3.3	5.7	8.1	85.7	14.3	100
Shipping	34.3	9.4	24.5	4.9	2.1	5.6	6.3	87.1	12.9	100
Financial Services	8.3	1.0	11.2	7.8	5.4	17.6	20.5	71.8	28.2	100
Shared Services	15.6	1.7	13.3	13.9	4.0	13.9	15.6	78.0	22.0	100
12-month targets	40.4	5.6	10.4	11.7	3.7	6.0	7.6	85.4	14.6	100
Freight Services	36.2	9.6	24.6	6.1	2.0	5.5	5.5	89.5	10.5	100
Shipping	10.5	3.2	11.4	12.3	4.1	17.3	18.6	77.4	22.6	100
Financial Services	15.8	1.8	11.7	18.1	2.9	17.0	19.3	86.6	13.4	100
Shared Services	41.9	5.5	10.8	10.4	3.3	5.7	8.1	85.7	14.3	100

B-BBEE requirements are addressed through employment-equity activities and skills-development programmes. Grindrod achieved a Level 3 B-BBEE status.

In compliance with the requirements of the Broad-Based Black Economic Empowerment Amendment Act No 46 of 2013, the Broad-Based Black Economic Empowerment Regulations 2016 and the JSE Listings Requirements, a B-BBEE compliance report is included as an appendix to this supplement.

Employee relations, also a central function, experienced a challenging year as a result of business restructuring in a year in which union activity across all business sectors increased due to economic conditions.

Grindrod subscribes to the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, which is considered to be the foundation of the four principal, internationally acknowledged labour rights. Grindrod commits to:

- comply with all applicable statutory labour obligations;
- promote and recognise in good faith the right of our employees to the freedom of association and collective bargaining;
- not permit any form of forced or compulsory labour;
- not permit child labour;
- not permit discrimination in respect of employment and occupation;
- maintain grievance mechanisms for employees and contractors; and
- monitor and report on its efforts in this regard.

Contractors are required to abide with these principles.

Talent management is aimed at developing adequate skills to ensure the sustainability and growth of the company into the future, both at operational and management levels. Leadership development and senior-management succession are two focus areas. Performance management and retention initiatives support the process, which is being standardised to further entrench a uniform and objective approach across group businesses. Performance discussions are held twice a year with employees to recognise the achievement of goals, address areas of development and define learning skills that may be required to improve productivity, career growth and development.

Skills development comprises formal training, professional development and on-the-job coaching internally and through external service providers. A total of 2 691 employees attended training interventions (2015: 3 685), of whom some 85 per cent (2015: 85 per cent) were designated employees.

Course programme	Total attendees	% designated	% black*	% female	Total cost (R)	% cost on black*
Computer skills	47	91.5	74.5	66.0	115 289	12.4
Continual professional development	131	77.1	50.4	53.4	572 248	49.3
Formal qualifications	14	71.4	64.3	50.0	191 775	64.1
Learnership	133	95.5	92.5	50.4	3 349 484	96.2
Management and support	165	78.2	67.9	38.2	347 737	38.6
Management development programme	58	77.6	69.0	29.3	1 237 998	67.3
Off-site training	3	66.7	66.7	-	22 389	64.7
On-the-job training	802	83.3	80.2	13.1	577 776	54.6
Other	59	88.1	86.4	18.6	-	-
Regulatory	668	88.5	85.5	7.3	1 832 930	74.0
Shipping and logistics	43	74.4	65.1	18.6	151 775	68.1
Workplace effectiveness	568	84.7	76.2	32.0	205 815	67.5
Grand total	2 691	84.8	78.5	22.7	8 605 216	76.0

*:Includes Black, Coloured and Indian

Learnerships were arranged by Grindrod for 133 learners (2015: 228):

2016 scope and demographics	Black		White		Total	% Black*
	Male	Female	Male	Female		
Apprentice - Industrial Refrigeration	1	-	3	-	4	25
Business Administration NQF 4	-	10	-	-	10	100
Cadet Training	1	-	1	-	2	50
Credit Risk Assessment NQF 5	1	3	-	-	4	100
Disability Learnership – Credit Risk Assessment NQF 5	4	2	-	-	6	100
Disability Learnership – Domestic Services	-	7	-	-	7	100
Disability Learnership – Domestic Services NQF 1	15	12	-	-	27	100
Foundation Diploma Institute of Chartered Shipbrokers	-	2	-	-	2	100
Freight Forwarding and CC	3	1	-	2	6	67
Freight Handling NQF 3 – Durban	3	4	-	-	7	100
Freight Handling NQF 3 – Cape Town	5	-	1	-	6	83
General Management and Business Administration NQF 4	5	1	-	-	6	100
Generic Management NQF 5	3	2	-	-	5	100
Learnership Training – Core Banking	4	6	-	1	11	91
Learnership Training – Generic Management	6	4	1	1	12	83
Learnership Training – Generic Management NQF 5	3	5	-	-	8	100
National Certificate – Generic Management NQF 5	-	2	-	-	2	100
Supervisory Management NQF 3	6	2	-	-	8	100
Grand total	60	63	6	4	133	89

*:Includes Black, Coloured and Indian

Appendix – B-BBEE Compliance Report



Broad-Based Black Economic Empowerment Commission

Compliance Report by Companies Listed on the Johannesburg Stock Exchange (JSE)

(in terms of Section 13G (2) of the Act)

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation	GRINDROD LIMITED
Registration Number	1966/009846/06
Physical Address	QUADRANT HOUSE, 115 MARGARET MNCADI AVENUE DURBAN, 4001
Telephone Number	+27 (31) 302 7516
Email Address	XOLANI.MBAMBO@GRINDROD.COM
Indicate Type of Entity / Organisation	SHIPPING AND LOGISTICS
Industry / Sector	TRANSPORT
Relevant Code of Good Practice	MARITIME TRANSPORT & SERVICES SUB-SECTOR GAZETTE 32511
Name of Verification Agency	AQRATE KZN
Name of Technical Signatory	VIVESHA ANNOOP

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS

B-BBEE Elements	Target Score	Bonus Points	Actual Score
Equity Ownership	20	3	21.43
Management Control	10	2	8.74
Employment Equity	15	3	5.82
Skills Development	15	-	9.86
Preferential Procurement	20	-	15.54
Enterprise Development	15	-	15.00
Socio-Economic Development	5	-	5.00
Total Score	100	8	81.39
Priority Elements Achieved	N/A	Original Transport Sector Code	
Empowering Supplier Status	YES	Automatic application as per minister's notice	
Final B-BBEE Status Level	Level 3		

SECTION C: FINANCIAL REPORT

1. BASIC ACCOUNTING DETAILS:

a. Accounting Officer's Name:

b. Address:

c. Accounting Policy: (*Your accounts are done?*)

Weekly	Monthly	Other (specify)
	YES	

d. Has the attached Financial Statements and Annual Report been approved by the entity?


2. PLEASE ATTACH THE FOLLOWING:

i) Copy of Annual Financial Statement including Balance Sheet and Income and Expenditure Report.

ii) Annual Report

3. Entity Annual Turnover:

4. Sign-off and Date

 <hr/> Signature	3 March 2017 <hr/> Date
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