

Supplier Sustainability Code

	NAME	DESIGNATION	DATE
Reviewed	Cathie Lewis	Sustainability	Nov 2020
Approved	Executive Committee		Nov 2017
Compiled	Cathie Lewis	Company Secretary	Nov 2017

1. PURPOSE

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.

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 suite of SHERQ protocols and standards 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.

Sustainability, Transparency and Continuous Improvement are integral principles of supplier relationships in Grindrod.

2. ENVIRONMENT AND CLIMATE CHANGE

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 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.
- 2.2 Document and implement a relevant Environmental Management System (aligned with international standards such as ISO 14001) to identify, control and mitigate significant environmental impacts.
- 2.3 Minimise impacts to ecosystems, environment and climate by optimising the use of non-renewable natural resources.

- 2.4 Implement and demonstrate sound measures to prevent pollution and minimize / eliminate generation of solid waste, wastewater and air emissions and have in place systems and processes to adopt suitable preventive and corrective measures.
- 2.5 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.
- 2.6 Have in place an energy and climate change programme that includes measurable goals for improving energy efficiency and minimising / eliminating greenhouse gas emissions.
- 2.7 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

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 Demonstrate senior management's commitment to occupational health and safety.
- 3.2 Develop and implement a documented health and safety management system in accordance with an international standard such as ISO 45001: 2018.
- 3.3 Develop and implement an occupational health and safety policy relevant to their operations.
- 3.4 Set goals, commitments and / or actions for continuous improvement in health and safety performance.
- 3.5 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).
- 3.6 Ensure that controls are effectively communicated to all employees.
- 3.7 Develop and implement appropriate emergency preparedness and response procedures and plans.
- 3.8 Ensure employees and contractors receive regular and appropriate occupational health and safety training.
- 3.9 Report and investigate health and safety incidents and implement additional controls to prevent reoccurrence.
- 3.10 Conduct periodic workplace inspections and audits.
- 3.11 Measure and monitor occupational health and safety performance.

4. LABOUR AND HUMAN RIGHTS

Grindrod expects its suppliers to observe and respect internationally recognised human rights as described in the International Labour Organisation (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 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).
- 4.2 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.
- 4.3 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).
- 4.4 Provide their employees fair wages, benefits and working hours that meet legal or industry standards as a minimum.
- 4.5 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.
- 4.6 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.
- 4.7 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.
- 4.8 Duly map its human rights impacts whenever the need for such action is agreed.
- 4.9 Have in place adequate remedial mechanisms in case of any human rights violations.

5. BUSINESS ETHICS

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 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.
- 5.2 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.
- 5.3 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.
- 5.4 Suppliers will not offer, promise or provide money or any benefit to a government or public official in the commercial marketplace.
- 5.5 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.
- 5.6 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.
- 5.7 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.
- 5.8 Protect all Grindrod equipment, property and information from loss, disclosure or misuse and they will not be provided for the personal or discretionary use of customers, public officials and in dealings with the private sector. 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

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.

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 request 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.

Any suspected misconduct can be reported via the independently operated and anonymous Tip Offs helpline (0800 213 118 or grindrodethics@tip-offs.com or via the website www.tip-offs.com, or send an SMS to 32840 at a cost of R1.00 per SMS (South Africa only).

Use Grindrod's alternative interactive independent anonymous whistle-blowing site – Ethics Defender. <https://grindrod.ethicsdefender.com>.