



PSG

Financial
Services



SOCIAL AND ETHICS
COMMITTEE REPORT

www.psg.co.za

2025



PSG's approach to ESG

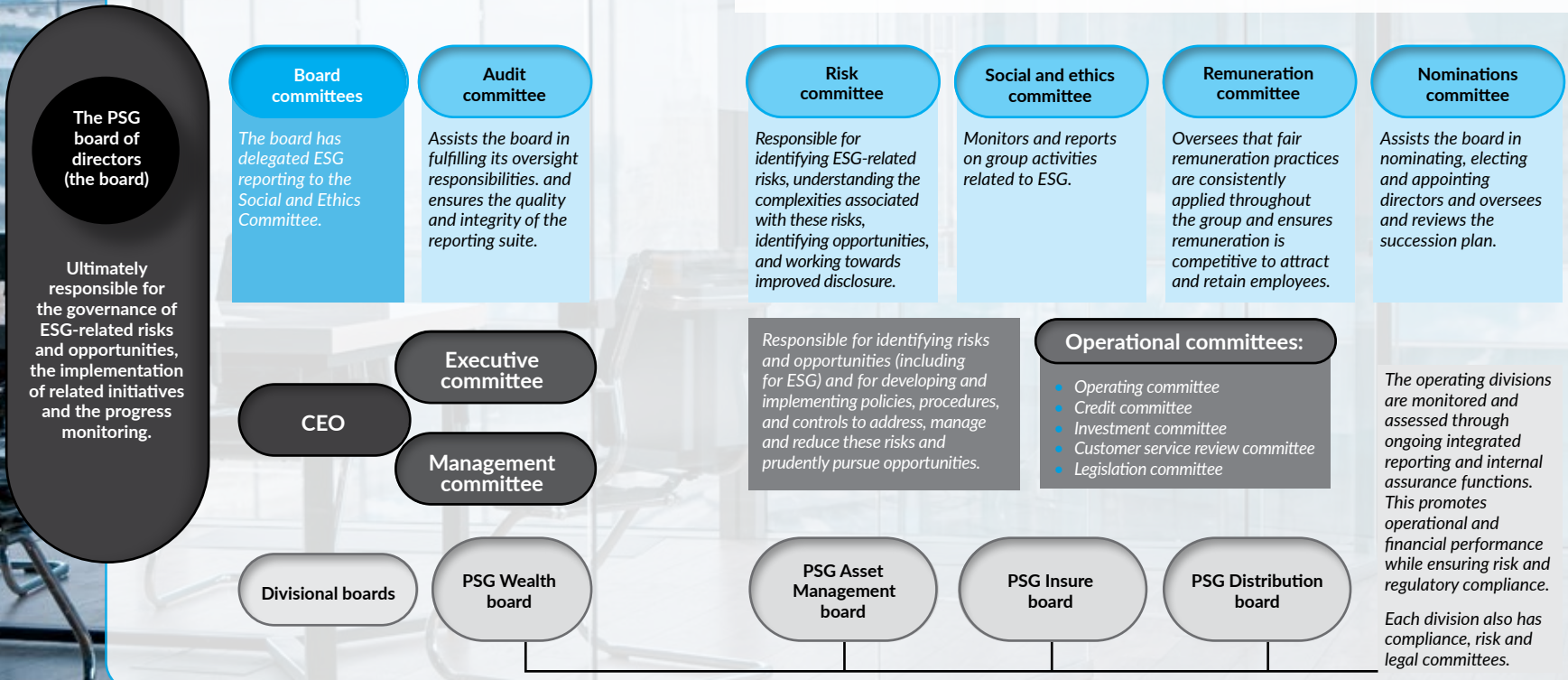
As a group with a conservative, long-term investment approach, PSG is aware of the impacts of environmental, social and governance (ESG) matters on sustainable returns for our group and stakeholders.

We acknowledge the financial materiality of ESG matters to our group as they can impact the long-term sustainability and profitability of each operating division – PSG Wealth, PSG Asset Management and PSG Insure. Considering ESG factors helps manage risks, ensures regulatory compliance, and enhances the reputation and trust of stakeholders, influencing the group's overall financial performance and success.

We also recognise the materiality of ESG matters in the context of our operations and investment decisions, which can impact environmental sustainability, community well-being, and broader societal concerns. Understanding and managing these impacts is integral to our commitment to responsible and sustainable business practices, environmental stewardship and social responsibility.

Governance of ESG-related matters

The PSG Financial Services' governance structure



Social and ethics committee

Membership

The Board has reviewed the composition of the SEC against the new requirements of the Companies Act and confirms that the committee complies with the relevant regulatory requirements and that the majority of members (three of five) have not been involved in the day to day management of the company for the last three financial years, have the necessary knowledge, skills and experience to enable the committee to perform its duties in accordance with regulatory requirements and its terms of reference.

The social and ethics committee is a formally constituted committee of the board. The committee operates in terms of the delegated authority of the board as recorded in its terms of reference, which are reviewed and approved annually by the board. The committee comprises five members, including both executive and non-executive directors, of which the majority are independent, non-executive directors. The Committee meets bi-annually and ad hoc meetings are arranged if required. The SEC held two meetings during the year which were attended by all members.

The members of the committee and its chairperson are appointed by the board. The current members are:

- Zodwa Matsau – independent non-executive chairperson
- Bridgitte Mathews – independent non-executive
- Modi Hlobo – independent non-executive
- Francois Gouws – executive
- Janine Johannes – executive

The CFO and COO attend as invitees, with other invitees attending as necessary to provide further insight and information.

The social and ethics committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Roles and responsibilities

- Monitoring the group's activities related to ESG matters and reporting
- Monitoring the group's sustainability and transformation activities, organisational ethics, responsible corporate citizenship, stakeholder relationships, and the ethical conduct of employees
- Monitoring all TCF outcomes reported to this committee
- Annually reviewing the group's Employment Equity Plan
- Reviewing and recommending the code of ethical conduct to the board for approval
- Annually reviewing its terms of reference and recommending amendments to the board for approval
- Evaluating the effectiveness of the customer services review committee (CSRC), the primary purpose of which is to monitor the group's service levels and TCF outcomes in relation to customer service
- Approving and annually reviewing the customer services review committee (CSRC) terms of reference
- Overseeing and evaluating the implementation of the code of ethical conduct
- Monitoring the group's activities and reports in respect of, inter alia:
 - The Employment Equity Act
 - The Broad-Based Black Economic Empowerment Act
- Health and public safety
- Labour and employment: the group's employment relationships and its contribution to the educational development of its employees

Key focus areas

During the reporting period, the committee performed its duties as detailed within its terms of reference, and specifically attended to the following:

- ESG-related monitoring and reporting
- Sustainability and transformation activities
- Stakeholder relationships and ethical conduct
- TCF outcomes
- Employment Equity Plan review
- Code of ethical conduct review
- CSRC oversight and review

Committee evaluation

Self-evaluation

The committee assessed its composition, meeting effectiveness and the performance of the chairperson and individual members. The review also considers oversight areas such as ethical conduct and transformation. The last evaluation was completed during the 2024 financial year.

The committee is satisfied that the evaluation process is improving its performance and effectiveness.

We are environmentally responsible

Our operations

Our business's operations, which are mostly advice and platform-based, are designed to have a low direct environmental impact. We are committed to responsible resource management. PSG offices use minimal electricity, paper, and water. The group's Cape Town head office holds a five-star green building rating, and our Waterfall and Centurion locations are rated as four-star green buildings.

Climate change

PSG INSURE – CLIMATE CHANGE AND INSURANCE

The consequences of climate change are already evident in more extreme weather events. The potential increased scale and frequency of severe weather and natural disasters directly impact the insurance industry.

Climate change was identified as a top-tier, increasing the inherent risk for Western in our 2024 ORSA report related to claims frequency and severity. Western will be impacted in the event of an increase in weather-related claims, especially catastrophe events, which will also impact reinsurance capacity and cost. To mitigate this risk, PSG Insure conducts diligent underwriting management and analysis of underwriting data by skilled teams. The division also ensures it is adequately reinsured to limit its exposure to large losses and catastrophe events.

PSG Insure is committed to continually enhancing its understanding of the risk climate change poses to its business and stakeholders.

PSG ASSET MANAGEMENT – CLIMATE STEWARDSHIP

The principles of responsible investment drive PSG Asset Management's investment philosophy and process: investing in businesses with long-term growth strategies and management teams that function as good custodians in clients' best interests. Assessing investee companies through an ESG lens offers additional insights into the strength of the management team, the moat and the risks and opportunities associated with the investments. Considering ESG factors will ultimately favour investors and improve their returns.

To obtain ESG information, the division conducts in-depth ESG research, which includes reviewing company disclosures and available qualitative ESG analysis. Analysts consider ESG aspects as part of each investee company's quality assessment on a case-by-case basis. Case study examples are provided in PSG Asset Management's Annual Stewardship Report, available at <https://www.psg.co.za/asset-management/esg-investment-philosophy>.

Key environmental aspects considered will vary by industry but generally include carbon emissions, water stress, land use, waste treatment, air pollution and biodiversity impacts. Analysts adopt a holistic approach when evaluating investments in companies where climate change is a key risk factor, considering the important nuances and ESG trade-offs associated with these investments.

PSG Asset Management acknowledges that holding companies accountable for ESG issues is a key part of its fiduciary duties and the right thing to do.



Future focus

PSG Asset Management's environmental assessments of investee companies include evaluating high-level metrics for environmental and climate-related risks and opportunities. The division's approach to ESG continues to evolve and grow as it weighs the various trade-offs between competing stakeholders and imperatives.

We strive to make a social impact

Our people

Developing employees is a priority for the group as part of their long-term well-being and job security.

We provide a pleasant, safe, secure working environment and extend learning and career development opportunities to ensure an attractive employee experience. The social and ethics committee ensures that employees receive equal advancement opportunities and work in a safe environment where their full potential is realised.

Transformation

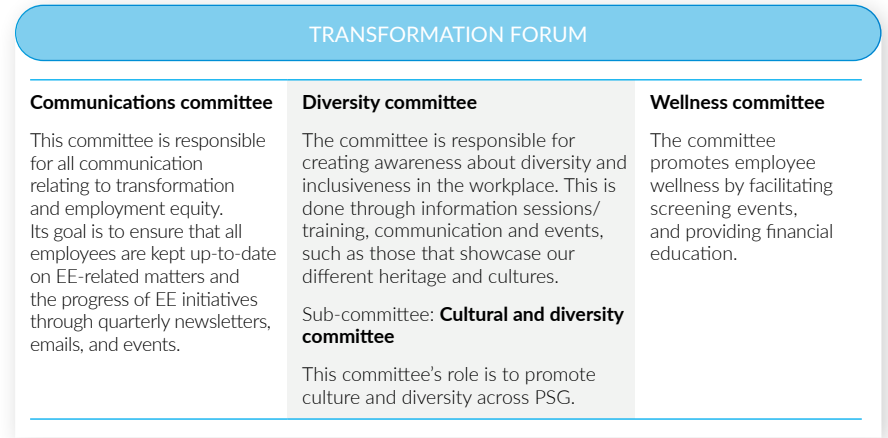
Transformation and diversity

We are dedicated to complying with all transformation requirements and we view transformation as vital for the group's future. To transform the group, we have implemented various strategies as stepping stones.

Transformation forum

PSG has established a transformation forum comprising of employees and management. The forum's main objective is to conduct a workplace analysis, prepare and implement an employment equity (EE) plan, and report on training, promotions and recruitment. The forum reports directly to the social and ethics committee, which ensures that transformation is addressed at the highest level while allowing for inclusive feedback from all employees.

Transformation forum structure:



PSG employee trust

In 2007, PSG established an employee trust as a broad-based ownership scheme in terms of the BBBEE codes. It was founded for the benefit of qualifying employees. This includes permanent employees of the group for an uninterrupted period of 24 months who comply with the definition of "black people" as defined by the Employment Equity Act, in other words, African, Coloured and Indian (ACI) individuals. The trust's objective is to uplift and empower previously disadvantaged South Africans and enable them to participate in the economic benefits and growth of the group. To ensure the trust fulfils its objectives, it is governed by a board of trustees constituting two-thirds of employee and one-third of employer representatives.

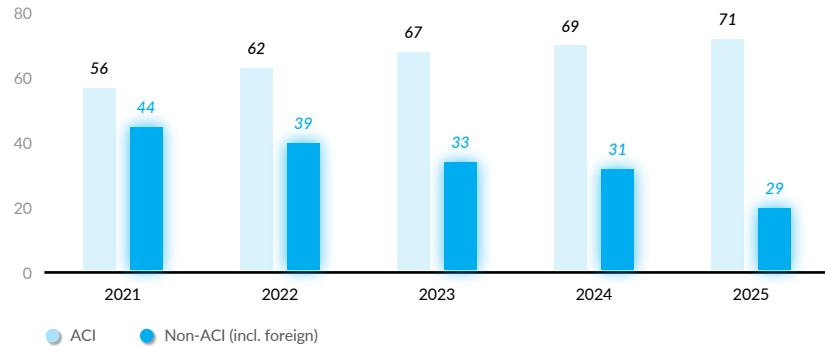
The trust currently benefits

741 employees

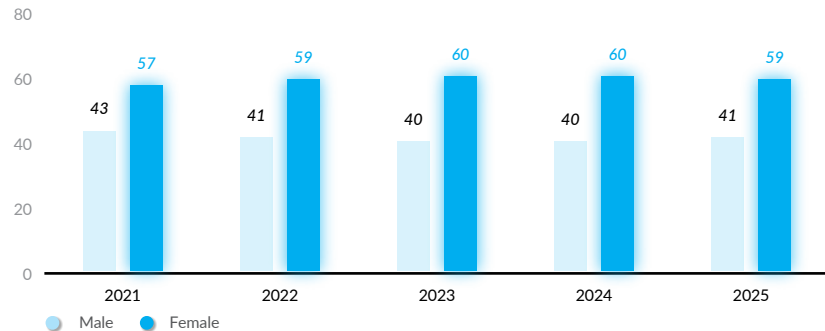
Diversity and equity by the numbers

ACI core employee demographics have increased from 56% to 71% in the last five years. Emphasis is placed on the participation of African employees across various management levels.

Employee race diversity for the past 5 years (%)



Employee gender diversity for the past 5 years (%)



Employee training and development

Transformation within PSG is built on three pillars: employment equity, talent development and empowerment. The golden thread is our approach to education.

Our commitment to career development is reflected in offerings such as bursaries and study loans for part-time and full-time studies, training in work-related disciplines and specialist fields to meet our future business requirements. PSG actively develops young talent through employee and adviser graduate and bursary programmes.

Skills development

For skills development, we outline the extent to which PSG carries out initiatives designed to develop the competencies internally and externally.

Internal bursaries

We provide financial assistance to employees to qualify as industry professionals, such as CFP, CFA, actuary, and tax professionals. During 2025, PSG invested 2.2 million to empower 98 employees.

Young talent development

The financial industry faces a scarcity of skilled professionals and intensifying competition for talent. PSG's commitment to talent development and internal promotion addresses industry challenges and cultivates a skilled workforce for sustained prosperity. The programme has enriched our talent pipeline, promoting internal growth and diversity, and has given talented South Africans opportunities and during 2025, PSG invested 24.8 million towards the programme.

Skills Development Corporation

During 2025, aligned with our recruitment process and strategy of developing a future talent pool, we partnered with the Skills Development Corporation and funded learnerships for 331 ACI learners, the majority of whom are disabled. We aim of equipping these learners with the right skills for absorption with PSG.

Training of our employees

We have a more formalised approach to internal skills and quarterly tracking. Our training includes leadership and management training across all managerial occupational levels to support the development and growth of our employees with a specific focus on ACI. Our human resources department is tasked with developing a skills development plan for all employees.

In collaboration with Momentum, PSG has an Employee Assistance Programme (EAP) that focuses on counselling, coaching, legal debt management, credit health, financial wellness and Health screening services.

To ensure that our employees make financially informed decisions, we host financial education sessions that aim to provide the necessary information, such as medical aid information sessions, beneficiary update awareness, and retirement, savings and investment planning.

Graduate programme

Core graduate programme

The graduate programme aims to bring young talent into the functional and technical areas of the group. The programme develops, nurtures, and employs graduates, enabling them to take ownership of decisions and realise their full potential. Graduates come into the group with no work experience and the objective is to mentor these graduates to become a pool of talent to fill other specialist scarce skill roles and for promotion to management positions.

Adviser development programme

PSG advisers provide quality, personal service to clients in the cities and towns where they live.

Our advisers' capabilities in on-boarding and retaining clients are critical to our success. We regulate the advice process to ensure that clients receive high-quality advice. We share our strategy and growth targets with advisers, offering them products and services with a solid track record. Senior management promotes open, frequent and effective communication with advisers.

We face challenges finding suitably qualified candidates for specialised roles within our adviser distribution network. Therefore, we offer continuous learning opportunities to advisers.

Adviser practice development programme

The programme is designed to provide a structured path for internal progression from the adviser development programme to the adviser practice development programme. The programme focuses on the development of essential skills in client management, strategic thinking, practice management, resilience, and leadership. Additionally, it offers candidates the opportunity to connect with industry professionals and peers while receiving mentorship and continuous support to navigate career challenges. PSG plans to partner with the Graduate Institute of Financial Sciences (GIFS) and the Insurance Institute of South Africa (IISA) for the mentorship programme.



Future focus

- Increasing representation of designated groups with a focus on shared offices.
- Improving retention of designated groups talent leaving within three years.
- Attracting top class young talent through our graduate and adviser development programmes.
- Providing healthcare benefits for all employees (including low-income earners).

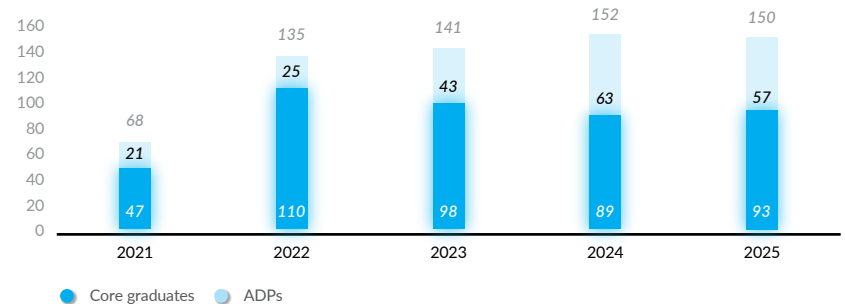
Developing an adviser talent pipeline

With an industry-wide shortage of ACI advisory talent, the PSG adviser development programme is designed to develop and empower graduates from the designated group, allowing them to build a career in the financial services industry.

The programme includes a short-term learnership or work based internship programme. Graduates are appointed as trainee planners or adviser assistants. Its focus is to help unemployed learners gain employment by allowing them to study further and gain meaningful work experience. It equips them with a solid foundation of knowledge, qualifications and experience.

In the last 5 years we have employed 646 qualified graduates of which 402 remain active graduates in the firm, demonstrating a 62% retention rate.

Graduate programme



Career growth through our graduate programme



Sambeso Gunguta joined the PSG Graduate Programme in 2018 and progressed to the role of Head of Engineering. He credits this rapid progression to his early interactions with senior management, which played a significant role in shaping his growth and success. These interactions included opportunities to participate in strategic discussions, among other experiences, allowing Sambeso to gain invaluable insights and confidence in his abilities. His journey exemplifies the opportunities PSG offers for both personal and professional development.

His involvement in complex, large-scale projects marked a turning point in his career. Despite facing numerous challenges, his dedication and willingness to go the extra mile earned him recognition across the company, opening doors to further opportunities. This success was made possible by the Graduate Programme's structure, which immerses new graduates in real-world business challenges and empowers them to develop practical solutions. It also highlights the strong support, mentorship, and guidance the company provides to new graduates, ensuring a clear path for career growth and development.



Future focus

To attract top performing graduates on our programmes while providing ongoing support and learning opportunities to our advisers.

Our suppliers and service providers

Our investment in SMEs contributes to creating a brighter future for South Africans while achieving meaningful and measurable commercial and social impact outcomes.

Enterprise and supplier development is an approach to stimulating economies and creating greater diversity in supply chains. The aim of enterprise and supplier development is also to create sustainable jobs and businesses.

ASISA Enterprise and Supplier Development Fund (ESD Fund)

This initiative invests in the sustainability of SMEs in South Africa. It also supports the government's drive for job creation and economic growth.

PSG invests in the fund to help build businesses through tailored business acceleration and investment support. PSG has invested R51.1 million with over R49.4 million of committed capital deployed to benefit ACI South Africans. 100% of the programme participants are black South Africans and 50% are females. This investment was also used to support ACI stockbrokers, fund managers, and intermediaries in the wealth industry. The ESD Fund focused on supporting numerous ACI-owned motor body repairers within the insurance sector.

The graduation of the ESD Fund from enterprise development beneficiary only to one of our suppliers is another initiative that drives our commitment to better supplier development.

South African SME Fund

The SA SME Fund was established by members of the CEO Initiative – a collaboration between government, labour and business to address some of the most pressing challenges to the country's economic growth – as an avenue of support for the SME sector.

The SA SME Fund invests in funds that support and develop entrepreneurs. The fund is mandated through partner funds to invest 75% of the capital into ACI owned and managed businesses. The fund invests in 2 types of funds; venture capital funds and growth funds.

Since 2016, PSG has invested R2 million in the fund.

Programme for young entrepreneurs unlocks economic potential

The ASISA Foundation's L+EARN #BIZ programme stands as a beacon of hope amidst South Africa's socio-economic challenges. Designed to empower young black micro-entrepreneurs across the nation, this initiative represents a crucial step towards addressing the pressing need for income generation and economic participation among South Africa's youth.

In a country where young people aged 15 to 34 comprise over a third of the population, harnessing their potential is key to driving labour productivity and economic growth. Yet, with alarmingly high levels of unemployment in this demographic – 58% for those aged 15 to 24 and 38,3% for those aged 25 to 34 – targeted interventions are crucial.

"This is where the **ASISA Foundation's** L+EARN #BIZ programme, now in its third year, steps in to bridge this gap by equipping beneficiaries with essential financial literacy knowledge and business acumen, empowering them to actively engage in the economy," says programme manager Ivor Msimang.

At its core, L+EARN #BIZ focuses on enabling informed financial decision-making and enhancing small business management. "By imparting skills such as budgeting, cash flow management, financial reporting and marketing strategies, participants are better equipped to navigate the complexities of #entrepreneurship," Ivor says. "This way, they not only improve their own financial well-being but also contribute to the growth and sustainability of their businesses, generating employment and instilling hope within the communities they serve and live in."



The programme's dual approach of digital and face-to-face delivery ensures inclusivity and accessibility, aligning perfectly with the global shift towards digital empowerment, especially among the younger generation.

Proven success from the outset

Although the programme is still in its infancy, the first two iterations have been hugely successful, according to independent monitoring and evaluation reports.

Last year, the #BIZ programme gained popularity among young entrepreneurs. The 2023 programme included eight content training webinars and four business coaching sessions. Participants achieved an average content assessment score of 76%, indicating a strong understanding of the training. The programme significantly impacted participants' businesses, with a total revenue of R1.4 million generated over three months and an average of 109 jobs maintained.

Programme for young entrepreneurs unlocks economic potential

"These outcomes of the L+EARN #BIZ programme serves as a testament to the transformative power of financial education in fostering business growth and employment opportunities for young entrepreneurs," Ivor says.

Amogelang Majaka, founder of a construction company in 2020, was the best business owner of the 2023 #BIZ group. He started with minimum resources and now employs 15 employees. "The programme was incredible. Interacting with other young entrepreneurs was eye-opening and inspiring, and taught me the importance of collaboration. My mentor, who is also in the construction industry, gave me practical advice and open avenues that I wasn't aware of."

Supporting national and international goals towards economic growth

The goals of the L+EARN #BIZ programme align seamlessly with South Africa's strategic

objectives to improve youth employability and economic engagement.

Collaborations crucial to ensure more economic inclusion

The success of the programme is bolstered by strategic partnerships with both public and private sector entities.

Reflecting on L+EARN #BIZ's journey thus far, it becomes evident that its potential knows no bounds. "The positive outcomes of the past two iterations underscore the importance of extending its scope and reach. By scaling up the programme, we can empower even more young South Africans, especially from rural and township communities, opening up opportunities for economic participation, and driving sustainable development," Ivor concludes.

Preferential procurement

Preferential procurement supports the use of black-owned companies as suppliers. Improving preferential procurement is a continuous process. We engaged ASISA to analyse all of PSG's vendors. We have a centralised approved vendor database. We constantly review the scorecards of our suppliers and actively encourage procurement from exempted micro-enterprises and qualifying small enterprise vendors.

Wherever a suitable vendor with a better recognition level is found and transitioning to a new vendor is practical, the approved list is updated. Future business will be conducted through the new vendor. We use the BEE 123 software system to track our vendors' BBBEE scorecards. Our centralised BBBEE certificate storage repository helps the group remain abreast of vendors' BBBEE levels and compliance.



Future focus

We will continue contributing to the Enterprise and Supplier Development (ESD) Fund for the foreseeable future. PSG believes that ASISA is best placed to use the money in the most effective manner possible for the industry.

Our communities

PSG invests in educational and social programmes that create future employment, economic empowerment prospects while also reducing the impact of poverty in South African communities.

PSG Financial Services bursary programme

The bursary programme provides bursaries covering tuition, textbooks, accommodation, meal allowance, a monthly allowance and exam care gifts to each promising student every year. In the 2025 financial year, 10 students received bursaries and the total cost invested in the bursary programme was R1 741 190.

I am currently a graduate in the Distribution Ops & IT department at PSG Financial Services. I studied at Stellenbosch University, where I obtained a BEng (Electrical and Electronic Engineering).

In my final year, PSG awarded me a bursary covering all my costs – including tuition, accommodation, food, and textbooks – while also providing a helpful allowance. On top of that, they guaranteed me a job upon graduation, which I gladly accepted.

Coming from a family without the financial means to afford university fees (let alone accommodation) and as the first in my family to attend tertiary education, I can confidently say that PSG recognised my potential and gave me an incredible opportunity. Their support motivated me to work hard, meet their requirements, and build a solid foundation for my professional career.

Thanks to the PSG bursary programme, I was able to focus entirely on my studies without the burden of financial stress. Now, while many of my peers are still searching for jobs, I am already employed and gaining valuable experience. The support from PSG has made a lasting impact on both my academic and professional journey.



Yaseen van der Schyff

The PSG bursary programme

PSG Adopt-a-School programme

This programme supports and enhances disadvantaged schools' learning and teaching environment to address inequalities and inadequacies in poorer communities. PSG has adopted 7 schools and spent R3.4 million. These schools are near the economic hubs, enabling PSG employees to provide hands-on support.



PSG handing over laptops at the Tsiba Business School.

PSG handing over office chairs and computers at the Salesian Institute Youth Projects.

BeSmarta-Digemy

BeSmarta is an interactive online platform that provides financial education intended to upskill learners and empower them to make proper financial decisions. The PSG partnered platform provides financial education learning content to the learners, the content themed, *Managing your finances in a Gen Z World* includes an introduction to basic finance, the power of compound interest, facing your financial hurdles, being vigilant, cryptocurrency, the Importance of good financial education, and a few tips and tricks for managing your money in a Gen Z world.

The content is available in several ways, including text, audio, and video formats, to ensure that the learners can seamlessly engage with the learning content in a manner convenient for them. The learning programmes are delivered both online and in-person, with the latter providing the learners with an opportunity to access the portal using either desktops or mobile phones. Learners can access the portal online to register, take quizzes, and complete their courses.

In 2025, 50 learners were enrolled and completed the learning programme, demonstrating a 100% completion rate.



Registration of BeSmarta-Digemy learners.

Soup Kitchen

PSG Financial Services supports the local Soup Kitchens in nearby communities with monthly feeding schemes to the benefit of neighbouring poorer communities, the majority being ACI communities. In 2025, we contributed R171 939 towards the initiative.

Childcare and children's homes

Childcare centres and children's homes support children in need in local communities. PSG provides the care centres and homes with monthly food parcels and funding. In 2025, we contributed R2.8 million.

Local community involvement

PSG's offices are active within their communities with historically disadvantaged backgrounds. The group's extensive footprint in South Africa enables these initiatives to have a far-reaching impact at a grassroots level. In 2025, we contributed R1.5 million towards our local community involvement.

Contributing towards, for example:

- an NPO for children with development disabilities and special needs,
- printing of schools' annual reports,
- after school programmes



Future focus

We aim to move the adopted schools into a maintenance state and adopt four more schools in due course. We will continue to evaluate how best PSG can contribute towards Socio-Economic Development.

Privacy and Security

PSG's Information Technology Security Department works to safeguard company, clients and other stakeholder information.

PSG has implemented an Information Security Policy and the Protection of Personal Information (POPI) Policy to outline and establish the measures required to protect PSG's information assets, information resources, information systems and personal information of all our stakeholders against all types of threats.

As a response to the threat of security breaches and cyberattacks, PSG has a designated team that focuses on the data security of the company overseen by the chief information officer (CIO). The team is established to strengthen our security defences to protect our organisation and uphold the trust of our clients and stakeholders.

The team is responsible for rolling out user awareness and training programmes to ensure that PSG employees are knowledgeable and follow data privacy and security best practices.

Incident and problem management related to security and breaching of information resources are performed according to PSG's formal Incident and Problem Management Policy. Incidents are formally logged at the appropriate Service Desk Level or Incident Manager and escalated to the relevant Information Security task team.

PSG reports data privacy and security incidents in line with the group's risk methodology that

evaluates the severity of the incident against the financial, non-financial, regulatory and reputational implications for the group.

Cybersecurity

As PSG, we acknowledge our responsibility to promote cybersecurity literacy and awareness of our staff, clients and vendor ecosystem. These efforts are essential in preventing fraud, fostering brand loyalty, and reducing exposure to supply chain attacks.

Our Internal audit team performs audit reviews on the effectiveness of PSG's cybersecurity practices. These reviews help determine how well the company governs the data it processes and shares both internally and across borders.

We recognise that addressing cyber risks within the framework of ESG not only protects our operations and clients but also supports our broader social responsibilities.

We consider our company's privacy and cybersecurity practices to be a sustainable aspect of doing business.

In the FY2025, PSG recorded one reportable data privacy incident and the appropriate remedial actions as required by the group policies were taken.



Future focus

Leveraging advancements in technology, particularly in artificial intelligence (AI) and Machine Learning (ML) to enhance our cybersecurity capabilities. We plan to expand on innovation, automation and advancing our security posture.

ESG-related policies and commitments

Responsible investing

As long-term investors, we appreciate the impact that sustainability issues can have on the competitive environment within and across industries. We strongly believe that an ESG lens offers additional insights into the management team's strength, the company's moat, and the risks and opportunities associated with the investments.

We acknowledge that holding investee companies accountable for ESG issues is a vital part of our fiduciary duties.

As a signatory to the United Nations Principles for Responsible Investment (UN PRI) and the Code for Responsible Investing in South Africa (CRISA) principles – which promote responsible investment practices locally, PSG Asset Management commits to incorporating ESG factors into its investment decisions, contributing to the broader global effort for sustainable and responsible investing. PSG Asset Management has an ESG policy, and its ESG approach is embedded in its investment philosophy and process.

Ethics and compliance

The PSG group's business conduct is guided by the code of ethical conduct, which outlines our ethical commitment to stakeholders.

The board is responsible for adopting the code of ethical conduct and setting the tone of the group's values, including its core business principles and the requirements of responsible corporate citizenship.

The board, together with the social and ethics committee, ensures the group conducts its business ethically and effectively to achieve the following governance outcomes:



In line with King IV, the social and ethics committee regularly reviews the code of ethical conduct. This code serves to, among other things:

- Outline the group's ethical commitment to stakeholders
- Guide the group's conduct and relationships with key stakeholders (including clients)
- Ensure the group is led not only effectively but ethically

The board completed annual monitoring of the group's ethical conduct standards by reviewing the code of ethical conduct in line with King IV recommendations.

Fraud and corruption

The group has a zero-tolerance approach to fraud and corruption. Employees are kept up to date with the latest local and international trends in crime and fraud.

The group encourages and enables directors and employees to feel confident in raising concerns and disclosing unethical behaviour in a safe and confidential manner in line with our Whistle-blowing policy.

PSG operates a fraud and whistle-blower hotline. Any matters of an unethical nature are submitted to the management committee as part of human resources reporting for the group. Our confidential hotline number is widely advertised throughout the organisation. Where to report unethical activities:

- Whistle-blowing hotline: +27(0)11 996 5278
- Whistle-blowing email: whistle@psgkonsult.co.za

Our Whistle-blowing policy that we have in place is working as required.

Conflicts of Interest

PSG acknowledges that the group's ethical culture is aligned with the tone set by the board through the implementation of the group conflict of interest management policy. The continuous and effective implementation of the policy mitigates the potential for conflict of interest and ensures that, in cases where conflict cannot be avoided, it is properly disclosed and proactively managed within the boundaries of the law and principles of good governance.

Each director submits a declaration of financial, economic and other interests in related parties at least annually or whenever there are significant changes in such interests. Disclosure of related-party relationships and transactions is provided in the annual financial statements.

At reporting date, the board can confirm that no breaches of the policy were reported.



Dealing in PSG shares

The group has a policy on dealing in PSG shares, incorporating the most recent amendments to the JSE Listings Requirements. The policy imposes closed periods to prohibit dealing in the group's shares before the announcement of interim and year-end financial results and in any other period considered price-sensitive by the JSE Listings Requirements. The directors, extended family of directors, prescribed officers, company secretary and other key employees (including their associates, investment managers and brokers) of PSG and its major subsidiaries may not trade during a closed period.

The policy has been widely distributed within the group to ensure that directors and employees are familiar with its content. The policy is reviewed and approved annually by the PSG board.

During the past 12-month period, no incidents in breach of the policy were reported.