



PSC Insurance Group Limited

ENVIRONMENTAL AND
SOCIAL STATEMENT 2023

Overview

PSC Insurance Group Limited is proud to present our consolidated Environmental and Social Statement alongside our Corporate Governance Statement (ESG). Our approach to incorporating environmental, social, and governance initiatives into our operating framework is a testament to our commitment to our clients, staff, partners, shareholders, and the communities we serve. At the heart of our mission lies protecting our clients' assets and livelihoods, and we take great pride in being there for our clients during their moments of need and loss.

ESG, to us, is an ongoing and dynamic process that involves aligning our operations and controls with our core culture and values as a company. Our ESG commitments are strategically structured around three key areas that are highly relevant to our business:

- i. The Environment in which we operate,
- ii. Our People and Communities, and
- iii. Our Corporate Governance.

Since releasing our inaugural Environmental and Social Statement in FY21, we have endeavoured to improve and expand upon the quantitative metrics included in our annual reporting. This has allowed us to gain deeper insight into the role of ESG in our operations. Throughout this journey, we have actively engaged with both internal and external stakeholders to ensure we continue to progress and build upon our ESG commitments. We remain dedicated to further developing and enhancing our ESG strategy and framework.

Our Values

The "PSC DNA" captures the values and core principles of what our business and people stand for and the delivery of the best outcomes to our clients. We acknowledge and celebrate team members who embody the essence of the PSC DNA through peer nominations. This sense of ownership and involvement from our staff underscores the significance of the PSC DNA as a reflection of our culture and our shared aspiration to improve the workplace and positively impact the wider community.

Our PSC DNA plays a crucial role in embedding our social, environmental, and ethical standards throughout our global business. It serves as a compass, guiding our actions and decisions, and reinforces our dedication to conducting business responsibly and ethically while making a positive impact on society and the environment. With the support and dedication of our people, we are confident that our PSC DNA will continue to be a driving force in shaping our sustainable and responsible future.

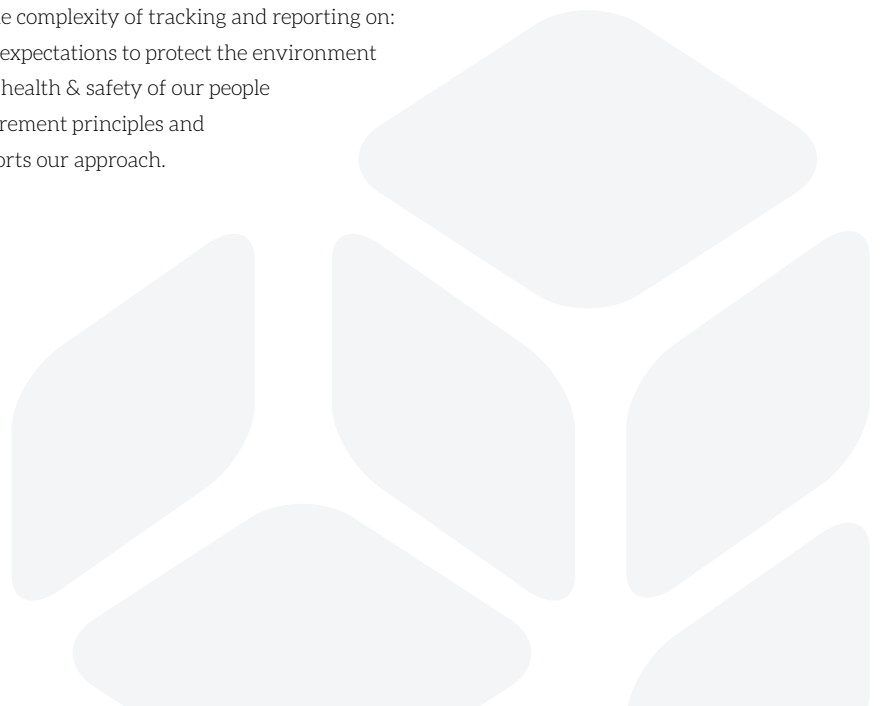
PSC Group ESG Steering Committee

The PSC ESG Steering Committee continues to provide guidance to the Group Board to facilitate the Board's ESG strategy and direction with respect to ESG Matters. The members of the committee represent the different businesses and jurisdictions of the PSC Group and meet quarterly to review the groups approach and track results.

PSC is a professional services firm and is a low greenhouse gas (GHG) emitter. Notwithstanding this, PSC has always placed a high premium on being a good corporate citizen. Our cultural values promote supporting charities, giving back to local communities and encouraging our staff to participate in numerous worthwhile causes.

We acknowledge that as the Group grows, so does the complexity of tracking and reporting on:

- how we are meeting community and regulatory expectations to protect the environment
- what initiatives we have in place to promote the health & safety of our people
- whether our suppliers are in line with our procurement principles and
- how our corporate governance framework supports our approach.



OUR ENVIRONMENT

PSC Group is a services based company operating in local communities with a limited environmental footprint and limited exposure to supply chain risks such as modern slavery. Despite this, we remain conscious of the global climate pressures and are committed to minimising the environmental impacts of our business. A continued key focus in FY23 has been to further align the collection of businesses within PSC to a common set of environmental objectives. For the first time we have included our Hong Kong businesses in the Group environmental reporting and, in the process of doing so, continue to expand upon a consistent data collection methodology across each jurisdiction that PSC operates.

Our Objectives	How We Are Achieving Our Objectives
Monitor and reduce energy consumption	<p>Reducing energy consumption via:</p> <ul style="list-style-type: none"> • sensed lighting in offices and common spaces throughout some offices and outside office areas. • heating and air conditioner automatic switch on and off timers (including automatic switch off on weekends). Additionally, frequent servicing of our heating and air-conditioning units. • use of energy saving light globes in various offices. <p>Measuring emissions across PSC; see Emissions section for further detail.</p> <p>Our water usage is limited to that used in our office premises, and we continue to focus on reducing this where possible including the collection of rainwater from the gutters into large water tanks which supply water to our toilets in some of our regional offices.</p>
Minimise and encourage the reuse and recycling of waste items	<p>Active encouragement of recycling with computer equipment, paper, glass and aluminium in each office. A number of our businesses have relocated office premises during the reporting period and responsible recycling of office equipment and furniture has been a consistent priority during these moves.</p> <p>Contracting third party companies to recycle office and staff personal e-waste. General office waste is also recycled in line with the local requirements, with all offices providing recycling options.</p>
Promote sustainable transport to staff, clients and suppliers	<p>Where possible, offices are in central locations near public transport hubs.</p> <p>Our staff only undertake air travel where it is considered to be a net benefit for the business as well as combining with other initiatives where possible.</p> <p>Video and audio communication is encouraged in order to reduce air and road travel.</p>
Support sustainable procurement and other sustainable work practices	<p>The Group Procurement Policy promotes ethical behaviour, sustainability, social responsibility and the safety of staff and contractors.</p> <p>In 2022, supplier due-diligence was completed via a questionnaire seeking clarification on the supplier's sub-contracting practices, the nature and geographic source of goods and services provided to PSC entities, employment practices and modern slavery risks (if any) identified in their organisation. The questionnaire also required the supplier to attest to be bound by PSC's Modern Slavery Policy where they do not have their own policy.</p> <p>PSC has recently partnered with a third party expert provider to automate and expand on our supplier due-diligence procedures from the first quarter of FY24.</p> <p>Procurement of environmentally-friendly office supplies is encouraged.</p> <p>Double-sided printing in all offices and hard copy corporate brochures and business cards have moved to online versions.</p> <p>Hong Kong offices 'paperless' initiative (see further details below).</p>

Australian Business Recycling Focus

Following the surveying of our Australian offices' recycling practices in 2022, a concerted effort has been made in FY23 to introduce clearly marked recycling options in offices across the country by recycling waste types.

E-waste recycling was one particular area which we identified as needing significant improvement. In the last 12 months, 10 of our Australian offices have securely disposed and recycled large volumes of office and personal e-waste via verified third party e-waste collection companies. From our 5 Victorian offices alone, PSC received Certificates of Destruction for e-waste materials weighing a total of 624 tonnes. The remaining Australian offices will participate in e-waste recycling collections in FY24.

Hong Kong 'paperless' initiative

In 2023, PSC's Hong Kong businesses identified an opportunity to reduce their reliance on paper file-keeping in both offices. A taskforce was appointed to oversee the implementation of a number of key operational changes to reduce paper consumption. These included:

- Emailing all policy documents to clients instead of posting hard-copy printed documents.
- Utilising the upgraded broking system to verify policy details instead of printing for hard-copy checking.
- Operational staff ceasing to print supporting documents for all data entry tasks following installation of dual computer monitor set-ups.

The 'paperless' taskforce team will continue to identify and roll-out procedural changes in our Hong Kong businesses to reduce paper usage in FY24.

Emissions Reporting Obligations

PSC Group is committed to being a responsible and sustainable company. PSC emissions data recorded below covers the Group's offices located throughout Australia, New Zealand, the United Kingdom, Ireland, Bermuda and for the first time, Hong Kong.

Being a professional services firm, PSC remains a low greenhouse gas (GHG) emitter, however the collection and reporting of GHG data across our businesses remains key to understanding our global footprint and to ensure our forward strategies and initiatives are aligned to our multi-jurisdictional environmental impacts. PSC is continuing to evolve its reporting of its carbon footprint and we continue to monitor proposed reporting disclosure requirements moving forward.

On 26 June 2023, the International Sustainability Standards Board (ISSB) issued its first two International Financial Reporting Standards (IFRS)

- Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and
- IFRS S2 Climate-related Disclosures (IFRS S2).

In Australia, this was quickly followed by Treasury releasing its Climate-related financial disclosure: Second consultation paper on 27 June 2023. With the release of this consultation paper, we now have a better indication of the detailed implementation and sequencing of standardised, ISSB aligned requirements for disclosing non-financial risks and opportunities in Australia with the focus on the disclosure of climate-related risk information. Specifically, this includes further information on suggested coverage, content, assurance requirements and timing of reporting. The transition timeframe that Australian businesses will likely be subject to starts in FY25. Now there is a clear path forward, PSC will work with our external assurance partner to ensure we will be 'assurance ready' for all future sustainability disclosures.

In New Zealand, the Aotearoa New Zealand Climate Standards remain in place and applicable for covered entities. We understand the External Reporting Board (XRB) is closely monitoring the ISSB developments, and we may see further alignment in due course.

PSC's Emissions

The emissions reporting period across the Group spans the 12 month period from April 2022 to March 2023. For the first time, we have captured and included the emissions generated by our Hong Kong operations.

The Clean Energy Regulator in Australia is a Government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting (NGER) scheme. PSC's emissions data follows the NGER scheme which encompasses the following categories of greenhouse gas emissions:

- Scope 1: emissions released to the atmosphere as a direct result of business activities (gas usage and vehicle transport).
- Scope 2: indirect emissions from the burning of coal (office electricity usage).
- Scope 3: emissions not reported under the NGER Scheme which are indirectly caused by our business activities. In FY22, PSC reported on our indirect emissions created by our staff air travel. In this year's reporting, we have also tracked our hotel and taxi/rideshare emissions as part of our Scope 3 reporting.

GHG emissions scope 1 and 2 (tonnes CO ₂ -e)	2023	QTR1	QTR2	QTR3	QTR4
Australia	756	186	219	169	182
New Zealand	4	1	1	1	1
United Kingdom	201	51	42	45	63
Hong Kong	73	11	16	24	22
Scope 1 & 2 GHG emissions (tonnes CO₂-e)	1,034	249	278	239	268

Group-wide breakdown	2023	QTR1	QTR2	QTR3	QTR4
Scope 1					
Gas	102	25	27	21	28
Vehicle transport (personal transport)	145	34	38	35	38
Scope 2					
Electricity	788	190	213	183	202
Scope 3					
Vehicle transport - trains / taxis	24	5	6	7	6
Travel - flights	962	168	212	411	171
Travel - hotels	41	8	13	10	10
Total global GHG emissions (tonnes CO₂-e)	2,061	431	509	667	454

PSC Australia and New Zealand Greenhouse Gas (GHG) Emissions

PSC's Australian and New Zealand businesses grew to 417 staff across 26 office locations. In the 12 months to 31 March 2023 in Australia and New Zealand:

- PSC's combined Scope 1 (Gas, Vehicle Transport) and Scope 2 (Electricity) emissions in Australia and New Zealand was 761 tonnes of GHG Emissions (CO₂-e) which represented a 9% increase (63 tonnes) on the previous 12 month reporting period.
- Key considerations:
 1. The increase was mainly attributed to a 7% rise (42 tonnes) in Scope 2 electricity usage which was contributed to by:
 - Acquisitions resulting in the addition of 6 new offices and over 36 new staff members
 - our staff working from PSC offices for the entire 2023 reporting period, having completed the transition from remote working arrangements in early 2022. Previous reporting periods were characterised by staff partly or predominantly working remotely due to COVID-19 restrictions throughout 2020 and 2021.
 2. Scope 1 motor vehicle emissions increased by 24 tonnes (28%) on the prior year as restrictions on staff mobility were completely non-existent for the entire reporting period. Our staff frequently drove between branches and to visit clients and authorised representative offices after a prolonged period of restrictive travel.
 3. As predicted, we are reporting an increase in Scope 1 and Scope 2 emissions in 2023 following a full 12 months of conventional business operations.
- Our Australian and New Zealand staff air travel totalled 255 tonnes of GHG, representing a 567% (210 tonnes) increase on the corresponding prior 12 month period. Our Australian and New Zealand staff air travel remained significantly reduced during the prior reporting period due to the impact of COVID-19 and has increased to at least pre-COVID levels from the first quarter of 2022 as travel restrictions, both domestic and international, were eased.
- Our hotel and taxi/rideshare emissions were 41 tonnes and 8 tonnes of GHG respectively.
- Solar energy exported to the grid from PSC regional office buildings was 46 tonnes of GHG Emissions (CO₂-e) which represents an increased offset of 11 tonnes on the previous 12 months.

PSC United Kingdom Greenhouse Gas (GHG) Emissions

PSC United Kingdom, including Dublin and Bermuda (PSC UK) grew to 369 staff across 8 office locations. In the 12 months to 31 March 2023:

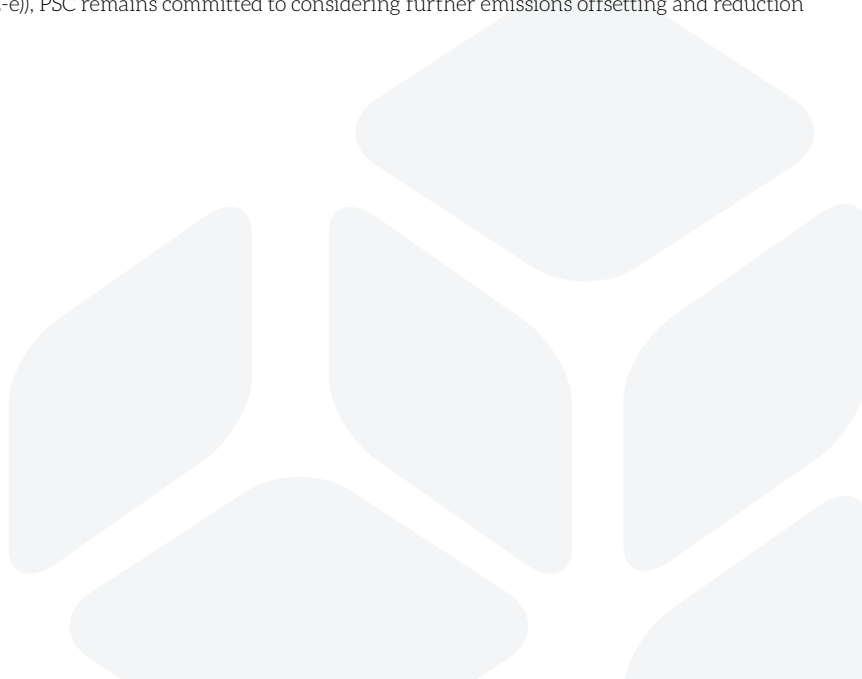
- PSC's UK operations recorded a combined 201 tonnes of Scope 1 (Gas, Vehicle Transport) and Scope 2 (Electricity) GHG emissions (CO₂-e) which represented a 73% increase (85 tonnes) on the previous 12 month reporting period.
- This was made up of 80 tonnes of GHG from electricity usage, 27 tonnes of GHG from gas usage, and 12 tonnes of GHG from motor vehicle travel.
- Key considerations:
 1. The increase was mainly attributed to a 296% rise (53 tonnes) in Scope 1 gas emissions contributed to by:
 - PSC's UK Scope 1 and Scope 2 emissions for the previous reporting period represented a low baseline due to staff being required to work from home throughout most of 2021 and part of 2022 due to extended COVID-19 lockdowns and 'stay at home' orders.
 - Following the easing of COVID-19 restrictions in early 2022, there was a gradual return of staff to our offices throughout 2022, with occupancy returning to full staffing occupancy in most regional locations and at least 3 days a week for our London based offices.
 - Over the past 12 months, PSC has continued to work with landlords to provide improved energy reporting and also developed a refined data collection method. Whilst there remains some isolated challenges in sourcing energy usage data from some landlords in the UK, the comprehensiveness of the emissions captured in this 2023 report has improved significantly.
- PSC UK staff commercial air travel emissions rose by 633 tonnes of GHG Emissions (CO₂-e) and 1 GHG tonne of train travel. We acknowledge that air and train travel remained reduced for much of the prior reporting period before sharply increasing throughout 2022 as travel restrictions, both domestic and international, eased. Key drivers of air travel for the reporting period included:
 - The resumption of staff travel between our UK, Ireland and Bermuda offices.
 - Paragon's global reach requiring reintroducing international travel to reconnect with our clients and broker partners.
 - Return travel by staff to the Group's annual conference held in Sydney in November 2022.

PSC Hong Kong Greenhouse Gas (GHG) Emissions

PSC Hong Kong businesses comprise 74 staff across 2 office locations. In the 12 months to 31 March 2023:

- PSC's combined Scope 1 (Gas, Vehicle Transport) and Scope 2 (Electricity) emissions in Hong Kong was 29 tonnes of GHG Emissions (CO₂-e).
- Key consideration:
 - Hong Kong maintained most COVID-related restrictions until March 2023, with staff working remotely for periods of time during the reporting period. We recognise that subsequent reporting periods will reflect an increase in Scopes 1 and 2 emissions as business operations have now returned to pre-COVID status.
 - Our Hong Kong staff air travel totalled 4 tonnes of GHG Emissions (CO₂-e). Our Hong Kong staff air travel remained significantly reduced for the majority of the reporting period due to the impact of local COVID-19 restrictions for both domestic and international travel. With air travel returning to pre-COVID levels during 2023, we anticipate our Hong Kong Scope 3 emissions in FY24 to be notably elevated from the FY23 reported level.
 - Our Hong Kong staff hotel and taxi/rideshare emissions totalled 40 tonnes and 2 tonnes of GHG respectively.

Despite PSC's group-wide GHG emissions falling well below the threshold for businesses to report their GHG emissions under the NGER scheme (50,000 tonnes of Scope 1 and 2 GHG Emissions (CO₂-e)), PSC remains committed to considering further emissions offsetting and reduction initiatives for adoption in FY24.



OUR PEOPLE AND OUR COMMUNITIES

Supporting our People

Australia/New Zealand/Hong Kong FY23 key initiatives:

- PSC's Australian Employee Assistance Program (EAP) continued to support our staff (and their families') wellbeing by providing a confidential private avenue for staff to access trusted mental health support. We acknowledge that our people are our greatest asset and we are proud to foster a culture where staff feel supported and comfortable seeking assistance from management and the existing resources and benefits provided.
- Manager training to support staff experiencing or at risk of domestic violence.
- Over the past 12 months, PSC expanded its list of corporate partnerships to offer our Australian-based staff, authorised representatives and their dependent family member's, including exclusive retail store and gym membership discounts. PSC also maintained its partnerships with private healthcare providers in Australia and the UK which entitles our staff to PSC subsidised benefits in support of their health and wellbeing.
- Australian staff were offered company subsidised flu vaccinations for the winter influenza period.
- Ergonomic training for staff to promote a comfortable and supportive workplace that reduces the risk of musculoskeletal disorders and enhances overall health and wellbeing. Our Hong Kong staff benefit from discounts on all classes of insurance as well as discounted health checks.

UK/Ireland/Bermuda FY23 key initiatives:

- Throughout the past 12 months, our UK Culture Committees ran a number of staff activities including, office yoga, trivia nights, pancake and milkshake days, an Easter egg hunt, a football tournament, lunches to celebrate commemorative occasions such as International Women's Day and the Royal Coronation.
- In the UK, there has been a continued emphasis on improving people's mental health and the UK Mental Health Awareness Week in May 2023 served as a great opportunity to recognise the exceptional psychological stresses placed on our people in recent years. PSC's UK businesses participated in various activities throughout the week including puppy therapy, mood board sessions and an office nail salon.
- Our UK businesses remained committed to staff welfare causes such as the UK's Cyclescheme, a cycle to work benefit which significantly reduces the costs of staff purchasing bicycles and accessories.

Dedication to our Communities

It is our aim to help anyone from within PSC to be able to give back to the community. We are fortunate enough to have passionate and committed individuals making significant contributions to their community in order to benefit others. Over the years, our people in their own capacity and via the PSC Foundation have driven the support of familiar causes and vulnerable groups within our community. PSC's support includes volunteering at community events, the donation of vital equipment and merchandise, as well as cash grants. In FY23, PSC proudly partnered and supported local sporting clubs, community organisations and charitable causes across the globe including:

Australia/New Zealand/Hong Kong

- Australian Red Cross
- Dementia Australia & the Memory Walk and Jog for Dementia
- The Starlight Children's Foundation
- Royal Far West
- FightMND
- Australia's Biggest Morning Tea
- St. Mary's House of Welcome
- The Smith Family
- MS Australia (the MS Gong Ride)
- Menslink

United Kingdom/Ireland/Bermuda

- Blue Marine Foundation
- The Great Ormond Street Children's Hospital
- Gary Speed Charity Walk
- Golden Giving
- Cancer Research UK
- BACKUP North West
- The Orange Door Charity
- Share the Dignity
- Talent Tap and upReach.

For the second year, our UK Business supported UK work experience charity programs including Talent Tap and upReach. Both organisations strive to make a real difference to the lives of young people experiencing poor social mobility in rural and coastal communities across the UK. Through partnering with the charities we have been able to provide students from social mobility cold spots with valuable experience of working in our offices in the city of London which they might have otherwise not been able to gain. In the UK we have also partnered with Community Activities Project Ealing (CAPE) to enable young persons in London opportunities to pursue a career in the insurance broking industry where they may not otherwise be considered due to poverty, poor mental health, social service intervention and/or institutional racism. The work CAPE carries out includes mentoring young people to help them realise and build upon their strengths, find networks and career opportunities to support their future.

Supporting Our Clients

At PSC our commitment is to always act in the best interests of our clients in everything we do.

We focus on our clients above all else and take a personal approach to each client: to evaluate all aspects of their business, their risks and their situation. Our attention to every detail about their business beyond just insurance and risk means PSC Insurance Brokers provide the right advice to suit our client's individual situations.

Our personal approach to our client's business means our focus is to:

- Understand our client's needs, their industry and their risks.
- Negotiate on their behalf to provide the most appropriate coverage and terms available to them.
- Deliver quality, timely and cost-effective client services that are bespoke to their business situation.

At PSC, we have a continued focus on building the awareness of our people to support vulnerable clients by maintaining internal policies to better identify and understand vulnerability, and how to best respond with sensitivity, dignity, respect and compassion. Over the past 12 months, there has been an emphasis on training our staff to offer a number of support services to prevent communication barriers when dealing clients who could be impacted by language barriers, a disability or limited literacy skills. Our staff are also encouraged to exercise flexibility with our internal policies for clients who may require additional support to meet identification requirements such as clients who are from an Aboriginal or Torres Strait Islander community or a non-English speaking background.

Protecting our clients' information

Cyber Security has been a core focus across PSC in FY23. A number of major steps have been undertaken over the course of the last 12 months to strengthen our security and increase our preparedness to potential cyber attacks:

- Routine penetration testing to identify security gaps.
- External cyber awareness training and assessments completed by staff and Directors.
- Formulation of Group-wide cyber attack decision tree.
- Ransomware Scenario testing.
- Standardised Group cyber security standards.
- External cyber experts review of PSC protocols and procedures.

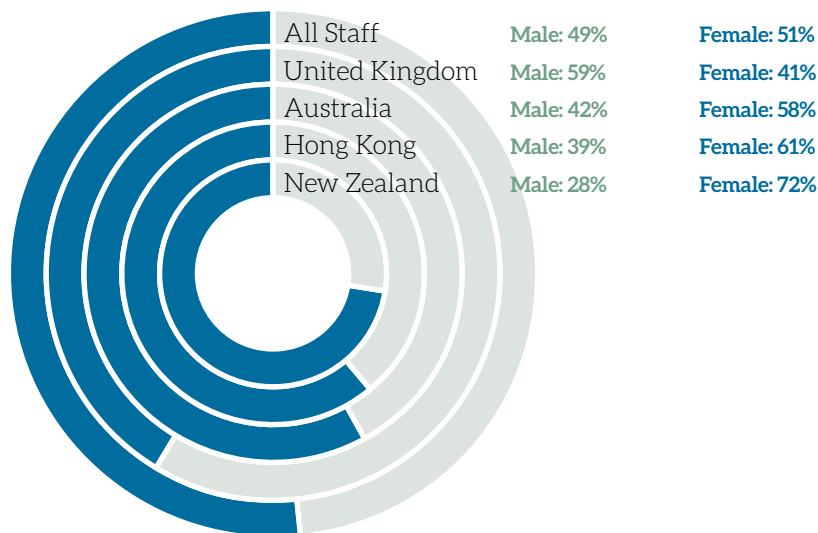


Workplace Diversity and Inclusion

PSC maintains a strong commitment to promoting a Group wide culture which highly values equality and inclusiveness and believes strongly in creating working environments free from discrimination and harassment. The Company places a high value on attracting and retaining personnel of different backgrounds, knowledge, experiences and abilities. We are committed to supporting a diverse and inclusive workforce by recognising and responding to people's needs at different stages of their lives.

At PSC, equality and diversity means:

- an inclusive workplace that embraces individual differences;
- a workplace that is free from discriminatory behaviours and business practices including discrimination, harassment, bullying, victimisation and vilification;
- equitable frameworks and policies, processes and practices that assist with equal advancement opportunities;
- equal employment opportunities based on capability and performance;
- awareness of the different needs of staff;
- the provision of flexible work practices and policies to support staff;
- attraction and retention of a diverse range of talented people.



The above graph provides an insight into the gender diversity across our businesses for the entire Group's operations across Australia, United Kingdom (including Ireland & Bermuda), New Zealand, and Hong Kong.

PSC strives to create an inclusive workplace where individuals can reach their full potential and its strategy supports the recruitment, retention and development of diverse talent.

PSC recognises that equality and diversity amongst its staff and Directors:

- broadens the pool of high-quality directors and staff;
- enhances the ability of the company to attract talent and retain staff; and encourages greater innovation by drawing on different perspectives.

A review of the PSC Diversity and Inclusion Policy was undertaken during FY23, with updates to our recruitment, selection and succession processes. PSC is committed to maintaining pay equality for all staff working in like for like roles.

Gender Equality

Remuneration for all staff is reviewed annually in accordance with PSC's Remuneration Policy and starting salaries are determined by market benchmarking. Such remuneration reviews ensure fair pay and adherence to workplace laws and regulations. PSC maintains a strong commitment to promoting an organisational culture which highly values gender equity and inclusiveness and believes strongly in social responsibility and transformation. The Company recognises the value of attracting and retaining personnel of different backgrounds, knowledge, experiences and abilities. PSC's Remuneration and Nomination Committee is responsible for recommending measurable objectives to the Board in light of the Company's general selection policy for staff and Directors. Any measurable objectives adopted with the ASX Corporate Governance Principles and recommendations.

Gender equality and diversity contributes to the Company's business success and benefits individuals, clients, teams, shareholders and stakeholders. Our business policies, practices and behaviours promote diversity and equal opportunity to create an environment where individual differences are valued and all personnel have the opportunity to realise their potential and contribute to the Company's success. PSC's Employee Code of Conduct obligates all staff within the Group to promote a safe work environment in which all staff and Directors can excel regardless of race, religion, age, disability, gender, sexual preference or marital status.

These principles were tested as part of PSC's second gender equality reporting submission (Australian employee data) to the Workplace Gender Equality Agency (WGEA) in May 2023 where we reported for the period 1 April 2022 – 31 March 2023. Pleasingly, we saw an improvement in most core gender equality metrics:

- 32% of leadership roles were held by female staff.
- 58% of internally advertised roles filled by females.
- 57% of externally advertised roles filled by females.
- 50% of promotions were awarded to females.

Open and Transparent Workplace

PSC believes in the strong ethical values of integrity and business honesty and is committed to a culture of high compliance, high ethical behaviour and acting lawfully. PSC is committed to creating and maintaining an open and transparent working environment in which staff, directors and contractors are able to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct.

Our policy provides strong protections for individuals who disclose wrongdoing, help uncover misconduct that may not otherwise be detected, hold PSC accountable to its ethical and professional standards, and promote compliance with applicable laws and the importance of a 'speak up' culture.

Staff Health and Wellbeing

Staff safety is of utmost importance to PSC and the Group sees the benefits of a continuous focus on providing safe workplaces for all staff across PSC's worldwide operating locations. PSC Safex provides our Australian businesses with specialised, consistent and efficient implementation of risk control and mitigation measures to reduce the likelihood and severity of workplace incidents. PSC also recognises our responsibility to ensure that staff enjoy a work-life balance as part of our commitment to promoting staff health and safety. PSC management considers the needs of the business and the preferences of our staff when considering flexible working arrangements. A number of our people have thrived from the opportunity to vary their working location and shift times to improve their work life balance and wellbeing.

Parental Leave

As PSC continues to grow, an increasing number of staff take parental leave each year. PSC recognises the importance of family and that, following parental leave, staff may need to adjust their work patterns to assist them in handling their family responsibilities. To this end, PSC promotes flexibility in both job functionality and hours of work, where possible, to assist staff returning from parental leave.

Integrating Staff from New Acquisitions

PSC has a long and successful history of growth through the acquisition of businesses which align to the ethos and culture of PSC. PSC welcomed new businesses and their staff into the PSC family in Australia, the United Kingdom and Hong Kong during FY23.

PSC acknowledges the biggest asset of any business we acquire is the people within that business who are crucial to the businesses continued client retention, growth and success. For this reason, PSC has focused on retaining and integrating the staff of acquired businesses and supporting their continued professional development and personal growth and wellbeing.

Human Rights and Eradicating Modern Slavery

PSC's 2022 Group Modern Slavery Statement (published on the Australian Border Force and PSC Group websites) describes the steps taken by PSC during the financial year ending 30 June 2022 (FY22) to seek to minimise the risk of modern slavery occurring in the Group's businesses and supply chains. PSC's Modern Slavery Policy outlines the minimum standards expected of suppliers including:

- Legal wages
- No forced labour
- Adequate safety & hygiene
- No bribery
- No discrimination
- No child labour.

PSC's Procurement Policy documents our Group-wide response to the threats of modern slavery practices across all subsidiary entity supply chains, worldwide. The Policy documents the expectations we place on suppliers to comply with all local and national laws and regulations on bribery, corruption, money laundering, prohibited business practices as well as human rights, fair employment practices, health and safety, discrimination, harassment and bullying. PSC's Procurement Policy also requires suppliers to agree to adhere to PSC's Code of Conduct and Whistleblower Policy when entering into new supplier agreements with PSC.

PSC continued to strengthen our modern slavery risk management in FY23 as we seek to proactively identify, mitigate and remedy modern slavery risks in our operations and supply chains. Over the past 12 months PSC has partnered with a specialist supply chain due-diligence company to expand on our procedures to identify potential suppliers subject to enforced domestic or international sanctions to expand and automate our supplier due-diligence from July 1 2023.

A full list of the planned focus areas for the next 12 months can be reviewed within the 2022 Modern Slavery Statement published on the PSC Group website.

PSC has grown to manage a global supply chain made up of more than 1000 Tier 1 suppliers, with 80% based in Australia and the UK in FY22. Despite both jurisdictions retaining a low risk rating of Modern Slavery contraventions according to the 2018 Walk Free Global Slavery Index, PSC organised for a Modern Slavery questionnaire to be completed by the top 40 Tier 1 suppliers who had not previously published a Modern Slavery Policy or Statement.

The questionnaire achieved a 65% completion rate, with no risks identified in the provision of services to PSC, and no suppliers flagging investigations or charges incurred relating to breaches of modern slavery or human rights laws. The suppliers that did not respond to our survey by the reporting deadline will continue to be contacted by PSC and their responses included in our 2023 statement.

PSC also completed an internal assessment at the end of 2022 and identified the risk of modern slavery in PSC human resource operations as low. All businesses in PSC monitor and address human rights issues in our operations under the PSC Code of Conduct as well as the PSC Diversity Policy.

We look forward sharing enhanced supplier insights in our 2023 Modern Slavery Statement.