



PSC Insurance Group Limited

MODERN SLAVERY
STATEMENT 2023

JULY 1, 2022 -- JUNE 30, 2023

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INTRODUCTION

PSC Insurance Group Limited (PSC) is a diversified insurance services group with operations in Australia, the United Kingdom, Ireland, Hong Kong, New Zealand and Bermuda. PSC opposes slavery in all its forms. This Modern Slavery Statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth) (The Act).

It applies to and describes the steps taken by PSC during the financial year ending 30 June 2023 (FY2023) to seek to minimise the risk of modern slavery occurring in the Group's businesses and supply chains.

Since meeting the requirements to report under the Modern Slavery Act in September 2019, PSC has released annual Modern Slavery statements reporting our Group-wide response to the threats of modern slavery practices across all subsidiary entity supply chains, worldwide.

This Statement is submitted as a joint statement on behalf of all reporting entities within the PSC Group during the reporting period.

MAJOR GROUP BRANDS

Australia / New Zealand



United Kingdom / Europe



Hong Kong



STRUCTURE AND OPERATIONS

PSC is a diversified ASX listed insurance business with a market capitalisation of approximately AUD 1.7 billion, a portfolio of over 200,000 clients, serviced by over 900 employees and over 200 Authorised Representative businesses across 4 continents. Our diverse portfolio of businesses range from startups to mature businesses. The Group operates through separately licenced subsidiaries across multiple jurisdictions, with a strong presence in Australia and the United Kingdom, supported by growing businesses in New Zealand, Hong Kong and Ireland.

Key businesses include:

AUSTRALIA/NEW ZEALAND

- PSC Insurance Brokers, providing commercial insurance broking across Australia, including a workers compensation and a life insurance business.
- PSC Network Insurance Brokers, an Authorised Representative network business across Australia and New Zealand. The Authorised Representatives operate commercial insurance broking businesses in their own right and PSC Network Insurance Brokers provides business support.
- Chase Underwriting, providing underwriting services in the construction, plant and equipment industries, hospitality, accommodation, medical, healthcare and travel.

UNITED KINGDOM & EUROPE

- Carrolls, a wholesale Lloyd's and London Markets broker.
- Paragon International Insurance Brokers, a specialist insurance broker wholesaler, operating in Lloyd's of London, Bermuda, European and International specialty markets.
- Breeze Underwriting, a Managing General Agent (MGA) specialising in property and liability classes.
- PSC UK Insurance Brokers – providing commercial insurance broking across the UK under multiple brands.
- 538 Underwriting, a construction based MGA operating within the UK.
- PSC Europe, a Dublin based business servicing European clients.

HONG KONG

- Charter-Gilman Insurance Group comprises of an insurance broking business specialising in personal, corporate and specialty lines as well as an underwriting agency business.
- Trans-Pacific Insurance Brokers operates as an independent insurance broker across a vast range of general and specialty insurance categories.
- Charter Union Insurance Brokers, a Hong Kong based general insurance broking business.



PROGRESS MADE TO COMBAT MODERN SLAVERY IN FY23

Focus Areas	Actions	How did we measure our effectiveness?	Outcome
Governance and collaboration	1. Board and management oversight.	1. Emerging issues identified and where necessary, action plans established by the ESG Steering Committee and Risk and Audit Committee.	1. Ongoing monitoring of risks in supply chains completed. No emerging issues identified during reporting period.
	2. Monitor the effectiveness of the Group procurement standards to govern supplier selection.	2. Application of procurement standards and enhanced due diligence resources to filter responsible suppliers.	2. Strict compliance with PSC procurement standards observed during reporting period.
	3. Review success of key performance indicators to monitor effectiveness of modern slavery actions.	3. Continual monitoring of modern slavery breach data.	3. No breaches identified during reporting period.
Policy and procedure	1. Modern Slavery contract provisions in Primary Supplier agreements.	1. Inclusion of PSC approved Modern Slavery contract terms (where applicable) by staff responsible for executing supplier agreements.	1. PSC approved Modern Slavery contract terms included in new supplier contracts where applicable.
	2. Refresher training provided to managerial staff involved in supplier procurement.	2. Key managerial staff completing training and learning assessment.	2. Refresher training planned for early 2024. Training to be accompanied by mandatory learning assessment.
	3. Annual review of Modern Slavery Policy and related procedures and practices.	3. Policies, procedures and practices reviewed during the reporting period for accuracy and effectiveness. Changes communicated to employees and suppliers.	3. Annual review of policies completed.
Due diligence and remediation	1. Supplier engagement on Modern Slavery risks.	1. Number of risk assessments conducted in FY2023.	1. 180 suppliers were issued with a PSC risk assessments during the reporting period, more than double the number of FY22.
	2. Completion of 2023 supplier questionnaire.	2. Completion rate of 2023 supplier questionnaire.	2. 21.7% of the invited suppliers completed PSC's assessment at the time this Statement was produced.
	3. Notify breaches to the Group Board of Directors each quarter.	3. Number of breaches identified to the Group Board of Directors.	3. Nil modern slavery breaches identified during the reporting period.
Supplier engagement	1. Reinforce to suppliers the PSC grievance channels through the PSC Whistle-blower Policy by re-circulating to current and new direct suppliers.	1. Number of supplier grievances raised via the PSC Whistle-blower Policy.	1. Nil supplier grievances raised via PSC Whistle-blower Policy in FY23. Grievance channels communicated to new suppliers through PSC procurement process during reporting period.
	2. Responding to third party requests from corporate partners and clients requesting information about PSC's modern slavery policies and procedures.	2. Response rate to due diligence requests by PSC Group Governance and Compliance team.	2. In FY23, PSC responded to a high number of requests for information from entities that PSC supplies services to, acknowledging our role in supporting the due diligence efforts of our corporate partners and clients.

PSC GROUP GOVERNANCE

PSC remains committed to operating honestly, lawfully and ethically in all its business dealings. To embody this commitment, PSC maintains an employee Code of Conduct which applies to all Directors, officers, employees, contractors or consultants of the Group.

The PSC Group Audit and Risk Committee has responsibility for overseeing the Group's response to modern slavery risks. Additionally, the PSC Group ESG Committee meet quarterly to assist in progressing the planned actions set out in the Annual Modern Slavery Statement and to report on progress to the Group Audit and Risk Management Committee. Modern slavery risk management is also presented to the Group Board who ultimately approve the Group's Annual Statement.

The PSC Group Governance and Compliance Team are responsible for responding to all external requests for information relating to PSC's policies, procedures and reporting on Modern Slavery. During the reporting period, PSC responded to a high number of requests for information from entities PSC supplies services to.

The PSC Modern Slavery Policy outlines the minimum standards expected of suppliers including:

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

A full description of these standards is outlined in the Policy which is published on the PSC Group website.

Each Group subsidiary management team has responsibility for identifying and managing any material risks in accordance with the Group's Procurement Policy and Delegated Authority Matrixes.

PSC maintains the following policies to assist in identifying and managing any material risks:

Group Procurement Policy	Whistleblowing Policy;
Group Code of Conduct	Workplace Health and Safety Policy;
Anti-bribery and Anti-corruption Policy	Diversity and Inclusion Policy.

New supplier agreements are required to contain approved wording outlining each party's intentions to combat modern slavery and corruption. This includes the requirement for suppliers to maintain policies, procedures and systems to ensure compliance with Anti-Corruption Rules and Sanctions Requirements as well as maintaining systems to promptly notify PSC in writing if it becomes aware of any breach or suspected breach by the supplier, its subcontractors or suppliers of Modern Slavery laws.

PSC maintains a risk-based approach to modern slavery due diligence. Ethical behaviour, sustainability and social responsibility are key considerations for all procurement decisions, as set out in our Procurement Policies. Standard procurement due-diligence considerations when assessing the risks of suppliers who provide services to our Group entities include:



RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAIN

PSC continued to focus on mapping the supply chain of suppliers engaged directly by the Group to provide products and services to PSC and its subsidiaries ("Primary Suppliers"). PSC has a global supply chain made up of more than 1,000 Primary Suppliers, with the majority based in Australia and the UK. Similar to Australia, the UK is subject to legislation in the form of the UK Modern Slavery Act (2015).

There may be a heightened risk of modern slavery among suppliers which PSC does not maintain a direct relationship with, such as supplier sub-contractors and others further down the supply chain. PSC's supplier risk assessment procedures target higher risk direct suppliers by seeking to understand their supply chains and the strategies being adopted to mitigate any risks of modern slavery and human rights contraventions.

IN PSC'S OPERATIONS

PSC primarily operates in the highly regulated financial services sectors of Australia and the United Kingdom which maintain labour and award safeguards for employees, as well as safe working environment protections. PSC reviews the risk of modern slavery in PSC human resource operations annually, and in FY2023 our risk assessment has remained low. The industry and jurisdictions in which we operate present a low inherent risk of forced labour, child labour and other forms of modern slavery due to the office-based nature of our work, the low proportion of characteristically vulnerable workers typically found within the workforce, and the higher level of skill required to perform the work within the financial services sector.

Remuneration for all employees continues to be reviewed on an annual basis 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 which reduces the risk of modern slavery practices. In May 2023, PSC reported to the Australian Workplace Gender Equality Authority for the second time, providing extensive employee remuneration and role type data.

PSC considers the risk of modern slavery in the operations of our major insurer partners is low, on the basis of the highly regulated environment and markets in which they operate, as well as their publicly stated commitment to environmental, social and governance (ESG) responsibility.

PSC maintains a relationship with a single supplier of contracted administrative staff in the Philippines. The supplier has an Australian parent that is required to comply with the Modern Slavery Act. According to the recently updated 2023 WalkFree Report, the Philippines remains among the top performers in terms of government response in combatting slavery. PSC completes annual enhanced due diligence on our supplier in the Philippines to ensure continued compliance with the PSC Modern Slavery Policy and applicable laws.

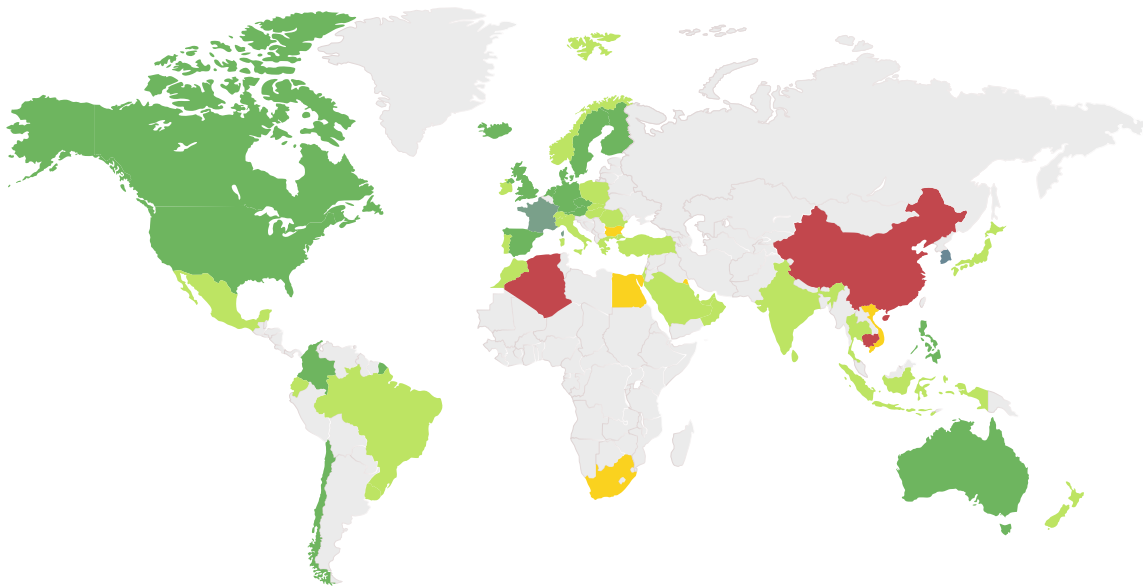


FY 2023 SUPPLIER RISK ASSESSMENT

In FY23, PSC partnered with a specialist supply chain risk assessment provider to expand upon our Group-wide supplier enhanced due-diligence program. Through the use of the provider's Modern Slavery Assessment Tool (MSAT), PSC has been able to gain enhanced insights into our supply chain by capturing significantly more data than previous reporting periods from a wider scope of suppliers. In FY23, 180 key PSC suppliers were invited to complete our self-assessment questionnaire online, more than three times the number of suppliers that were contacted to complete enhanced due-diligence in FY22. Whilst only 39 suppliers (22%) have completed the assessment prior to this statement being published, we expect an increase in the participation rate in the FY24 reporting period as suppliers continue to submit their responses through the MSAT and as they become more familiar with the process.

PSC SUPPLY CHAIN – COUNTRIES OF OPERATION

As part of the FY23 risk assessment, suppliers were asked in which countries or regions their organisation had operations. The map below highlights countries or regions of operation for all assessed suppliers, overlaid with the Trafficking in Persons Report tiers.



- Tier 1 Countries and regions whose governments fully meet the Trafficking Victims Protection Act's (TVPA) minimum standards.
- Tier 2 Countries and regions whose governments do not, at the date of this assessment, fully meet the TVPA's minimum standards, but are making significant efforts to meet those standards.
- Tier 2WL Countries and regions whose governments do not, at the date of this assessment, fully meet the TVPA's minimum standards, and as the (increasing) number of victims is significant without proportional action, and/or no evidence of increased efforts to combat trafficking has been provided.
- Tier 3 Countries and regions whose governments do not, at the date of this assessment, fully meet the minimum standards and are not yet making significant efforts to do so.
- Uncategorised Insufficient information is available about these countries or regions and a tier has not been assigned.

PSC SUPPLY CHAIN RISK PROFILE

Suppliers that have already completed PSC's MSAT have been assigned one of the colour-coded risk categories in the table below. To determine the appropriate risk category, responses were first evaluated for risks inherent to a supplier's operations, production, and sourcing. This is referred to as the Inherent Risk Score. The Inherent Risk Score was calculated based on the geographical location, type of goods/services, industry sector, and workforce parameters that the supplier indicated in the MSAT.

The Unmitigated Risk Score was then evaluated. This score was calculated by asking suppliers about the policies, processes, and procedures they have in place to reduce modern slavery risks. A supplier's Unmitigated Risk Score determined whether they were categorised as having adequate or inadequate risk control.

		Inherent risk		
		Very high	High to Moderate	Low-risk
Risk control	Adequate	High-risk (High levels of inherent risk)	Low-risk (Adequate risk control)	Low-risk (Low levels of inherent risk)
	Partial		Medium-risk (Partial risk control)	
	Inadequate		High-risk (Inadequate risk control)	

Below is a breakdown of PSC's assessed suppliers' overall risk scores for the FY23 reporting period:

Risk categories	% of suppliers per risk category
● Low-Risk (No inherent risk)	46.2%
● Low-Risk (Adequate risk control)	5.1%
● Medium-Risk (Partial risk control)	38.5%
● High-Risk (Inadequate risk control)	10.3%
● High-Risk (High levels of inherent risk)	0%

KEY ASSESSMENT INSIGHTS OVERVIEW

The risk assessment further highlighted supplier insights in relation to the following key statements.

PSC suppliers that operate in at least 1 high risk sector.



● Unable to answer: 13%

PSC suppliers that issue a policy prohibiting all forms of discrimination.



● Unable to answer: 8%

PSC suppliers that issue a policy explicitly ensuring wages meet applicable host country legal requirements.



● Unable to answer: 15%

PSC suppliers that have made some type of undertaking to address Modern Slavery supply chain risk.



PSC suppliers that issued a policy explicitly prohibiting all forms of forced labour and human trafficking.



● Unable to answer: 8%

SUPPLY CHAIN RISKS AND RISK DRIVERS

High-risk Sectors of Operation

Suppliers were asked in which high-risk sector/s their organisation had operations. A low percentage advised they operate in either the **accommodation and food service, manufacturing** and/or **wholesale** sectors.

Key Risk	10.3% of assessed suppliers had operations in at least 1 sector identified in the Global Estimates of Modern Slavery* as one of forced labour exploitation.
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Supply Chain - Production of Goods in High-risk Sectors

Suppliers were also asked in which high-risk sector/s their organisation produced goods. A very low percentage of assessed suppliers advised they supplied goods in the **wholesale** sector.

Key Risk	2.6% of assessed suppliers produced goods in 1 sector identified in the Global Estimates of Modern Slavery as one of forced labour exploitation.
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Supply Chain - Sourcing Goods in High-risk Sectors

Suppliers were asked from which high-risk sector/s their organisation sourced goods. A low percentage of assessed suppliers advised they supplied goods in either the **accommodation and food service, retail, personal services, transportation and storage** and/or **wholesale** sectors.

Key Risk	20.5% of assessed suppliers sourced goods from one or more of the sectors identified in the Global Estimates of Modern Slavery as one of forced labour exploitation.
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RISK MITIGATION ACTIONS ALREADY UNDERTAKEN BY PSC SUPPLIERS

PSC's assessed suppliers most commonly undertook the following actions to mitigate their risk of modern slavery.

Risk Mitigation Action	% Suppliers
Implement a vulnerability assessment policy.	51%
Maintain a public disclosure policy and conduct a supply chain assessment.	41%
Maintain a policy prohibiting charging workers recruitment fees.	41%
Maintain a policy prohibiting withholding worker identity/immigrations docs.	38%

RISK MITIGATION ACTIONS RECOMMENDED TO PSC SUPPLIERS

Suppliers that completed the assessment were also provided with suggested action items to complete post-assessment. If implemented, the actions will reduce the unmitigated risks uncovered during the assessment. The below list of actions were most commonly lacking from supplier responses and consequently suggested as part of their post-assessment action plans.

Risk Mitigation Action	% Suppliers
Update contractual T&C's to ensure suppliers affirmatively agree to company policies.	3%
Establish a comprehensive list in which company has operations.	3%
Implement policies regulating the use of foreign/domestic migrant workers as well as migrant worker housing.	3%
Implement documents check and employment contracts policies.	5%

Suppliers who are yet to complete the assessment were not assessed or assigned a risk category but PSC now has the capability of completing supplier risk due-diligence throughout the course of any given reporting period. Suppliers who did not complete PSC's questionnaire by the reporting deadline will continue to be contacted by PSC and their responses included in our FY24 Statement.

PLANNED FOCUS AREAS FOR THE NEXT 12 MONTHS

- **Training and Education:** In early 2024, PSC will carry out refresher training to staff of the risks of Modern Slavery in our supply chains and to equip staff responsible for procurement decisions.
- **Ongoing Supplier Due Diligence:** PSC will continue to conduct supplier risk assessments throughout the FY24 reporting period and continue to contact suppliers who are yet to complete PSC's modern slavery risk assessment during the FY24 reporting period. Any suppliers profiled as medium and high risk will be subject to a regular review of their progress against their PSC issued modern slavery action plan.
- **Board and Management Oversight:** The PSC Group ESG Steering Committee and Risk and Audit Committee continue to monitor supply chain risks to identify emerging issues and establish action plans where necessary.
- **Corporate Partner and Client Engagement:** PSC strongly acknowledges the role we play in supporting the due diligence efforts of entities that PSC supplies services to, and the Group will continue to share information about our policies, processes and procedures that govern the work we do to prevent modern slavery from occurring in our supply chain.

CONSULTATION

PSC's modern slavery framework continued to evolve over the course of FY23.

We recognise the importance of continuing to obtain meaningful data and feedback from our suppliers as well as continuing to assess the effectiveness of our approach to identifying and managing modern slavery risks within our operations and supply chain.

PSC's overarching policies, systems and processes have been prepared in consultation with the relevant departments in our business including our procurement, operations, legal, risk and compliance teams.

This Statement was reviewed by PSC's Group Governance and Compliance Manager who is responsible for the overarching risk management in this area. The policy has been approved by PSC's Board of Directors.



Tony Robinson
Managing Director