

 **PSG** Financial Services

 **PSG** Financial Services

www.psg.co.za

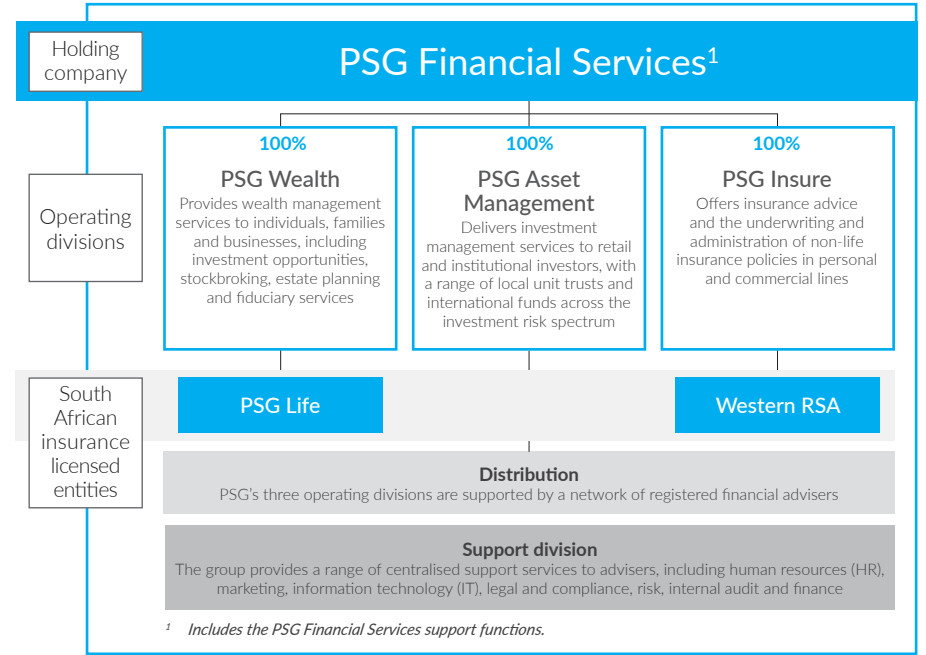
ESG summary
2026



PSG Financial Services is a leading financial services group

PSG Financial Services Limited (PSG or the group) was listed on the Johannesburg Stock Exchange Limited's (JSE) Equity Market on 15 June 2014. This primary listing was followed by a secondary listing on the Namibian Stock Exchange (NSX) on 16 July 2014 and a secondary listing on the Stock Exchange of Mauritius (SEM) on 27 November 2018. Through its wholly-owned subsidiary, PSG Treasury Limited, the group concluded its maiden listing on the JSE's Interest Rate Market in 2017. Affiliates of PSG Financial Services, a licensed controlling company, are authorised financial services providers.

The group offers various financial services and products through three operating divisions, predominantly servicing individuals and enterprises in South Africa and Namibia.



PSG's advice-focused business is founded on personal service, lifelong client relationships, integrity, trust and transparency. These values are encapsulated in the group's core principles.



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.

1

Environmental impact

How PSG impacts the environment, and how it identifies opportunities and risks arising from climate and environmental changes.

2

Social Impact

How PSG supports transformation, develops, and trains its employees, suppliers, and service providers, engages with communities, and safeguards company, client, and other stakeholder information.

3

Governance

How PSG embraces the principles of good corporate governance to promote sustainability, transparency, and accountability.

The dynamic landscape of ESG reporting

In recent years, there has been a global push to establish a universal foundation for sustainability disclosure, supplying pertinent information for investors. These standards aim to bring uniformity to sustainability reporting by outlining specific guidelines for reporting on material factors.

While the adoption timeline of these standards in South Africa remains uncertain, we endorse these efforts for standardised reporting. This aligns with our dedication to responsible investment and our acknowledgement of the urgent sustainability risks, particularly those related to climate change.

Our reporting suite aligns with the following reporting requirements and principles:

- IFRS and the International Financial Reporting Interpretations Committee's Interpretations
- The South African Institute of Chartered Accountants Financial Reporting Guides
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- The Companies Act, No. 71 of 2008, as amended
- The JSE Listings Requirements
- The IFRS Foundation's Integrated Reporting <IR> Framework, 2021
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹
- The Financial Sector Charter
- Governance and Operational Standards for Insurance
- Groups and Governance and Operational Standards for Insurers (collectively referred to as the "Prudential Standards")

¹ Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

While we have not adopted any ESG standard, we take note of the following standards and disclosure guidance for future consideration:

The 2026 PSG ESG summary

Despite the TCFD's disbandment, its recommendations continue to influence reporting, with its taxonomy adopted by the ISSB and ESRS and locally by the JSE and Prudential Authority. This ESG summary builds on our prior TCFD reporting. It offers insight into PSG's approach, organised around the four TCFD categories: governance, strategy, risk management, and metrics and targets.

We view ESG reporting as a journey, emphasising our commitment to transparency and honesty. This summary's "future focus" sections highlight realistic short- to medium-term objectives, reflecting our dedication to continuous improvement in managing ESG considerations. We encourage reading this summary alongside our detailed reporting suite for a comprehensive understanding. Our 2026 reporting suite can be found at <https://www.psg.co.za/investor-relations/corporate-governance>



The International Sustainability Standards Board (ISSB), under the International Financial Reporting Standards (IFRS), introduced IFRS S1 and S2, its inaugural sustainability and climate disclosure standards, in June 2023. The ISSB's establishment involved merging the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation, governing materials from the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC). As part of this initiative, The Financial Stability Board has entrusted the IFRS Foundation with overseeing companies' climate-related disclosures. This means the Task Force on Climate-related Financial Disclosures (TCFD) has concluded its work. IFRS S1 and S2 underwent a thorough and transparent due process, incorporating feedback from various stakeholders.



In July 2023, the European Commission approved the Delegated Act, marking the inception of the European Sustainability Reporting Standards (ESRS). Developed by the European Financial Reporting Advisory Group (EFRAG), these standards serve as a comprehensive framework for companies to communicate their ESG performance. The ESRS comprises topical standards covering the full range of environmental, social and governance issues.



The Johannesburg Stock Exchange's (JSE) Sustainability Disclosure Guidance and Climate Change Disclosure Guidance, published in June 2022, drew on the draft ISSB standards and will likely be updated to reflect any changes in the final ISSB Standards.



Environmental Impact

How ESG considerations are incorporated into our strategy and risk management

Strategy

We follow a holistic strategy review approach, considering the environmental, social and economic consequences of strategic decision-making and their potential impact on the sustainability of a business.

PSG Asset Management regularly meets with directors (executive and non-executive) and senior management of investee companies to ensure alignment with the group's investment approach. This includes promoting sustainable practices and incorporating ESG considerations such as:

- Gathering evidence around the quality and sustainability of the business, including moat (sustainable competitive advantage), earnings power and balance sheet
- Building evidence that management is acting as a good steward of our clients' capital
- Proactively promoting alignment with our philosophy:
 - » *Management aligned with shareholders through shareholding, incentives, long-term approach and per-share thinking*
 - » *Sustainable practices, including environmental, social and corporate governance considerations*
- Understanding the board's thinking behind remuneration policies and implementation thereof and proposed changes to the composition of the board

Refer to our integrated report for further details on PSG's strategy.

Environmentally related opportunities

The environmental opportunities outlined demonstrate how environmental stewardship, data-led decision-making, and improved disclosures can create long-term business value.

Business opportunity	Opportunity
Sustainable resource use	<ul style="list-style-type: none"> Transition to environmentally friendly and green office hubs across all locations. Strengthen recycling programmes, including paper reduction initiatives and responsible disposal of electronic equipment and devices.
Products and services	<ul style="list-style-type: none"> Implement data-driven pricing models incorporating hail and flooding risk segmentation, vehicle repair costs, and property attributes. Apply machine learning techniques to pricing, clustering policyholders based on climate-related risk drivers to improve underwriting and margin sustainability.
Markets and reputation	<ul style="list-style-type: none"> Enhance transparency and quality of ESG disclosures to improve ratings agency scores. Increase the relevance and decision usefulness of reported sustainability and risk information for investors, regulators, and other stakeholders.

Clients are reached and serviced using their preferred channels

The customer service review committee ensures the necessary processes and systems are in place for PSG to comply with the Treating Customers Fairly (TCF) financial services regulatory framework.

PSG Wealth and PSG Insure's product governance committees confirm that approved products meet clients' risk requirements.

PSG works with other industry players, regulators and the government to improve the functioning of the financial service sector

Regulatory changes have an ongoing impact on the financial services industry. To help promote a robust South African financial services industry, we stay informed of new regulations and actively shape regulations wherever possible.

Risk management

Robust risk management ensures that acceptable risk and adequate capital levels are maintained. We enhance our systems and processes incrementally to monitor and manage risk – this includes leveraging existing processes for identifying, qualitative assessment, and managing ESG-related risks and opportunities.

The group's annual Own Risk and Solvency Assessment (ORSA) process includes enhancements to governance processes, risk strategy and documentation. The process and the annual PSG Financial Services ORSA report aim to demonstrate business sustainability and resilience.

Three layers of defence

- Internal and external audits play a crucial role in assessing, testing, and providing assurance to the board and management on the effectiveness of ESG-related policies, procedures, and controls.
- Finance, risk, legal, and compliance employees collaborate with management to implement ESG policies, procedures, and controls. However, their primary responsibility is to oversee the application of policies to ensure compliance. Level two employees report directly to the heads of finance, risk, legal, and compliance.
- Operational management is responsible for identifying ESG-related risks and weaknesses. They are tasked with developing and implementing specific policies, procedures, and controls to address, manage and reduce these risks and weaknesses to acceptable levels.

Key risk management

PSG manages the major risks it faces and understands that risk management is key to ensuring sustainable growth and success. The risks identified are within PSG's risk tolerance levels, and the challenges experienced are adequately addressed. This is supported by the outcome documented in the ORSA report. Our risk report included in the integrated report provides a more detailed summary of our key risks.

Climate risk management

Climate change continues to intensify, driving more frequent and severe natural disasters both globally and in South Africa, materially altering the risk landscape for insurers. Resulting in a rising exposure to droughts, floods, wildfires, and extreme weather events. There is increasing physical risk, challenging insurers to design more climate-resilient products, enhance risk governance, and develop innovative, climate-responsive insurance solutions.

The Western risk team has used the Autoregressive Integrated Moving Average (ARIMA), a time-series analysis and forecasting model, to forecast global average temperature increases to 2050. The aim is to quantify climate-related emerging risks and inform forward-looking risk management.

This climate risk management overview outlines how climate-related risks impact our business model, strategic direction, and decision-making.

Risk	Risk Description	Impact on PSG's business model
Operational risk and resilience	Increased frequency and severity of climate-related disruptions	<ul style="list-style-type: none"> Weather-driven disruptions to offices, suppliers, call centres, and infrastructure Supply chain interruptions and production downtime Higher catastrophe response, recovery, and business continuity costs
Financial and underwriting risk	Climate impacts affecting assets, liabilities, and pricing adequacy	<ul style="list-style-type: none"> Higher loss ratios and deteriorating profitability Asset valuation uncertainty
Regulatory and Capital Risk	Evolving climate-related regulatory requirements	<ul style="list-style-type: none"> Rising capital requirements (e.g., stress testing, scenario modelling) Mandatory climate-related disclosures under GN3 (governance, metrics, targets) Increased compliance and reporting costs
Market and Customer Risk	Growth in Insurance Protection Gap	<ul style="list-style-type: none"> Affordability pressures and widening protection gaps Reputational risk and reduced investor appeal if the climate strategy is inadequate

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



Future focus

We will continue to identify new physical and transition risks and opportunities as they arise and monitor the impact of the risks and opportunities on our business strategy over the short, medium, and long term. We will formally integrate the processes for identifying, assessing, and managing ESG-related risks into overall risk management and assign responsibilities for climate risk management to groups or individuals throughout the group.

Metrics, targets and initiatives

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.

PSG Climate Change Response Plan

The PSG climate response plan integrates the outcomes of its portfolio reviews with targeted strategic initiatives to strengthen risk insight and decision making. These initiatives include comprehensive geocoding of the insurance portfolio to enhance location level risk visibility, integration of third party risk platforms to support advanced analytics, and the use of the ESRI risk accumulation tool to improve exposure monitoring and aggregation, complemented by Western's diligent underwriting management practices and comprehensive reinsurance programme to mitigate these risks.

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/documents/for-professional-investors/PSG-AM-Stewardship-report-2025.pdf>

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.



Social Impact

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 provides oversight to ensure that employees receive equal advancement opportunities and work in a safe environment where their full potential is realised.

Transformation

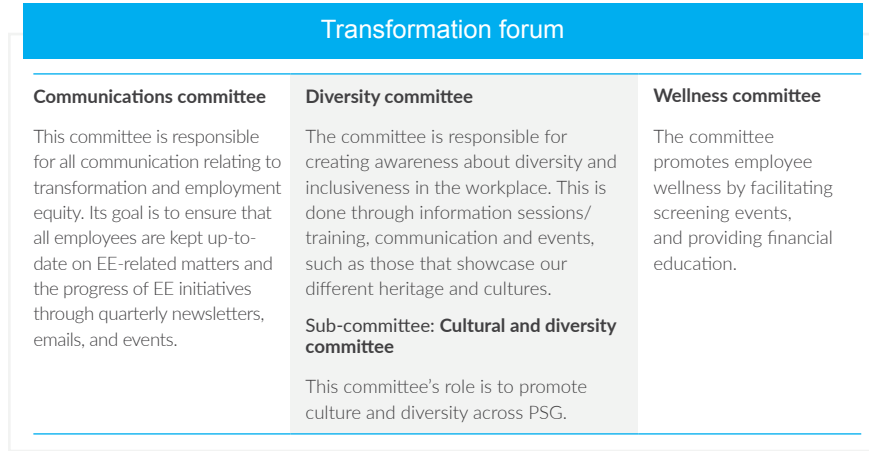
Transformation and diversity

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

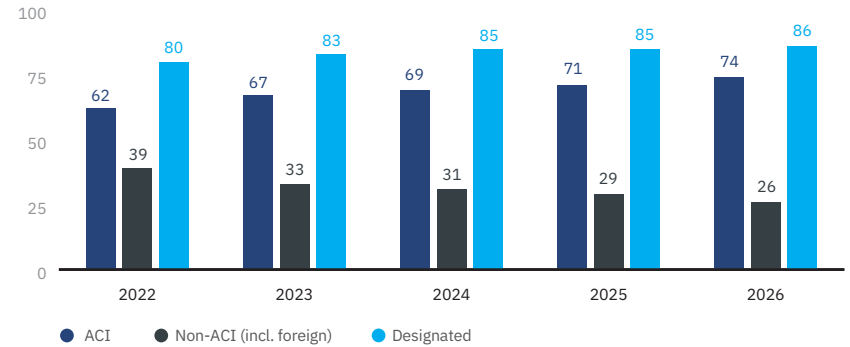
In 2007, PSG established an employee trust as a broad-based ownership scheme in terms of the BBBEE codes. It was founded for the benefit of qualifying employees. This includes permanent employees of the group for an uninterrupted period of 24 months who comply with the definition of "black people" as 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 **840 employees**

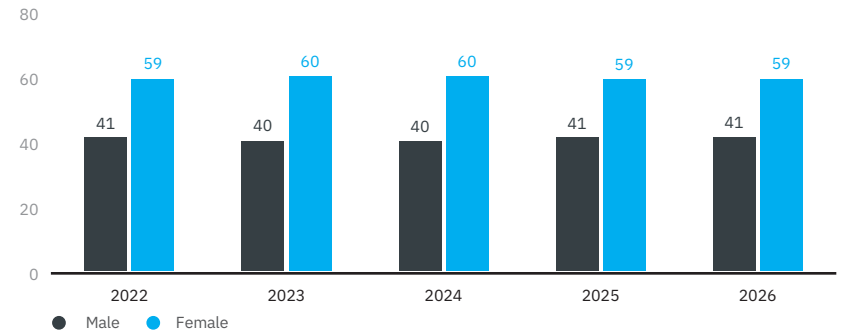
Diversity and equity by the numbers

ACI core and designated employees have increased from 62% to 74% and 80% to 86% respectively 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.

At PSG, we are deeply committed to empowering our people to grow and realise their full potential. We support this journey through bursaries and study loans that enable both part-time and full-time learning, giving individuals the flexibility to develop in ways that suit their goals and circumstances. Our training programmes focus on building meaningful skills in work-related disciplines and specialist fields, equipping our people for both current roles and future opportunities. We also invest in the next generation of talent through our employee and adviser graduate programmes, as well as bursary initiatives, creating pathways for young professionals to thrive and build rewarding careers.

Skills development

At PSG, our skills development initiatives align with our B-BBEE skills development pillar, focusing on building capabilities internally while empowering talent in the broader communities we serve.

Internal bursaries

We provide financial assistance to employees to qualify as industry professionals, such as CFP, CFA, actuary, and tax professionals. During 2026, PSG invested R2.3 million to empower 91 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 2026, PSG invested R29 million towards the programme.

Skills Development Corporation

During 2026, aligned with our recruitment process and strategy of developing a future talent pool, we partnered with the Skills Development Corporation and funded learnerships for 200 ACI learners, 40% of whom are disabled. We aim on equipping these learners with the right skills within Wealth Management and Short-Term Insurance for absorption with PSG.

Training of our employees

At PSG, we follow a structured approach to internal skills development, supported by quarterly tracking to ensure progress and accountability.

Our training interventions include leadership and management development across all managerial levels, complemented by mentorship to support employees in their growth, leadership capability, and career progression.

We also prioritise the financial wellbeing of our employees by hosting financial education sessions. These sessions equip employees with the knowledge to make informed decisions, covering topics such as medical aid, beneficiary updates, and retirement, savings, and investment planning.

Our Graduate Programme is designed to attract and develop young talent within key functional and technical areas of the business. Through structured development, mentorship, and practical experience, graduates are supported to build their capabilities, take ownership of their careers, and progress into specialist and future leadership roles.

In our adviser network, we recognise the challenge of sourcing suitably qualified candidates for specialised roles. To address this, we offer continuous learning and mentorship through our Adviser Development Programme (ADP). This is complemented by the Adviser Practice Development Programme (PDP), which provides a structured pathway for career progression. The programme focuses on strengthening skills in client management, strategic thinking, practice management, resilience, and leadership, while offering mentorship, industry exposure, and ongoing support.

Looking ahead, our focus remains on increasing representation of designated groups and improving retention, while continuing to strengthen our mentorship culture to support inclusive and sustainable talent development.

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.



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).

Adviser Career Progression Plan

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 Development programme

In response to an industry-wide shortage of designated group advisory talent, the PSG adviser development programme is designed to develop and empower graduates from the designated group, with a focus on Black talent, allowing them to build a career in the financial services industry. The Adviser Development Programme includes a five-year roadmap designed to transform ambitious candidates into fully fledged Financial Advisers. The programme is marked by three prestigious badges that you earn as you progress.

Each badge acts as a milestone, unlocking opportunities for formal qualifications, regulatory qualifications, various training and development initiatives as well as practical experience.

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.

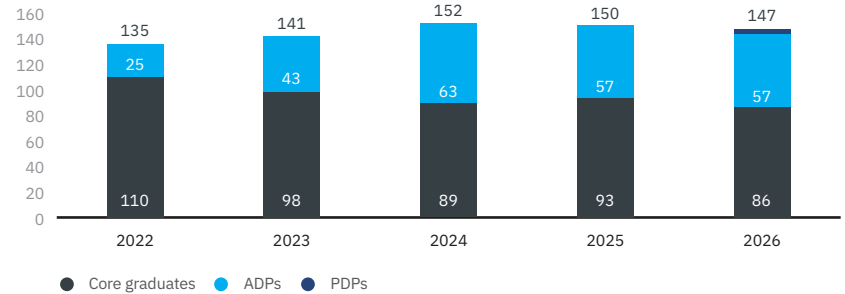
Rural Bursary Programme

In 2026, PSG Distribution launched the rural bursary Programme. This flagship programme was designed to uplift high-potential Grade 12 learners from non-metropolitan communities while simultaneously addressing the talent attraction challenges faced by several of our adviser offices. The Rural School Bursary Initiative offers a targeted, high-impact investment in developing young talent within these regions.

PSG will fund 10 Grade 12 learners per year, each receiving up to R20 000 toward their matric year. This is a practical, high-value contribution to learners who often need financial support to complete school successfully. This programme goes beyond a bursar as participating offices will appoint these learners on a full-time basis post-matric. Furthermore, successful learners will transition into a 12-month PSG-funded learnership while being employed by an adviser office after completion of matric thus also positively reducing the unemployment statistics of the country.

In the last 5 years we have employed 721 graduates and 427 remain active in the business, demonstrating 59% retention rate.

Graduate programme



Career growth through our graduate programme



Helena-Michelle Ellis

Helena-Michelle Ellis began her journey with the organisation through the Graduate Programme in 2017, where she was given the opportunity to immerse herself in real business challenges from day one. Early exposure to complex actuarial work, combined with access to experienced leaders and mentors, laid a strong foundation for her professional development.

Throughout her progression, Helena-Michelle was entrusted with responsibilities that expanded her technical capabilities and strengthened her ability to engage strategically across the business. This included involvement in pricing, reserving, capital modelling, reinsurance analysis, and data-driven optimisation initiatives – all

of which contributed to shaping her as a well-rounded actuarial professional. The programme's emphasis on learning, support, and continuous improvement provided her with the tools and confidence to excel.

As her career advanced, Helena-Michelle moved into a managerial role where she now leads Western National's dynamic actuarial team and contributes to strategic direction at executive forums. Her development reflects not only her dedication and work ethic but also the organisation's commitment to building future leaders by offering exposure, mentorship, and opportunities for meaningful impact.

Her story demonstrates how the Graduate Programme helps talent grow into influential contributors within the organisation – fostering technical excellence, leadership capability, and long-term career progression.



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)

The initiative invests in the sustainability of small and medium-sized enterprises (SMEs) in South Africa, while supporting 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. To date, PSG has invested R51.2 million, with R49.4 million of committed capital deployed to benefit Black South Africans. The ASISA ESD Fund provides 97% of its funding to Black SMEs in South Africa, 53% of which are Black female-owned businesses.

This investment has also supported Black stockbrokers, fund managers, and intermediaries within the wealth industry. In addition, the ESD Fund has focused on supporting numerous Black-owned motor body repairers within the insurance sector.

In FY26, the Fund created 16 jobs attributable to PSG's contribution.

The graduation of the ESD Fund from an enterprise development beneficiary to one of our suppliers is a further initiative that reinforces our commitment to meaningful supplier development.

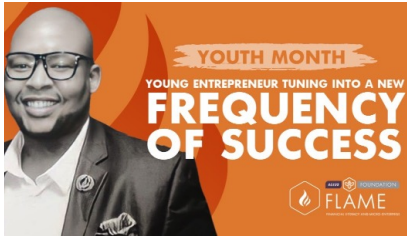
South African SME Fund

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.

How a Young Entrepreneur Amplified His Community's Voice Through ASISA's FLAME Programme



Tuning into a new frequency of success – how one young entrepreneur amplified his community's voice

The path to economic empowerment isn't paved by traditional employment but by the bold pursuit of entrepreneurship. It's a journey that demands passion, vision, and a refusal to be silenced. This is the story of Siyamthanda "Siya" Johns, a dynamic young entrepreneur from George, who identified a crucial gap in his community and, with the right support, is building a media empire that gives a voice to the voiceless.

Siya is the founder of Muzi Capital Media, the parent company of Muzi FM – an online community radio station broadcasting primarily in isiXhosa. In a region dominated by English and Afrikaans media, Siya saw more than a gap in the market – he identified a cultural void.

His mission is a testament to what happens when youthful ambition meets community needs, creating a powerful frequency for change.

From a spark to a broadcast

A growing appetite for skills development sparked Siya's journey into media. In 2019, drawing on his background in radio, he started conducting media training workshops for unemployed youth in George and across the Garden Route.

"We soon realised that we kept training the same people, and they kept coming back. That told us there were no real opportunities in radio for them. We saw that gap and decided to start our station to create those opportunities," Siya explains.

This realisation was the genesis of what would become Muzi FM. The vision was to create more than just a training ground; it was to build an incubator for local talent and a platform that spoke directly to the region's isiXhosa-speaking population. "After doing market research, I discovered a real need for a station that speaks to people in the language they understand," he shares.

Muzi FM was born to serve this demand, focusing on content rooted in heritage, culture, and community empowerment.

Navigating the static of entrepreneurship

The path was far from smooth. Like many small businesses, Siya's venture faced significant headwinds, including the COVID-19 pandemic, which forced a temporary shutdown. Beyond external crises, he faced internal challenges common to many founders. The most pressing was financial management.

Finding the right frequency with FLAME

That search for guidance led him to the ASISA Foundation's **Financial Literacy and Micro-Enterprise (FLAME) programme**. FLAME aims to empower micro-enterprise owners in townships and rural areas by equipping them with the skills to develop and grow their businesses. The multi-phase programme provides in-person workshops, business coaching, and personal mentoring to enhance financial literacy and reinforce positive business practices.

For Siya, FLAME was a game-changer. The programme provided the structure and financial management skills he desperately needed. The coaching he received through FLAME was also transformative, particularly in one crucial area – pitching. "After a FLAME session on pitching, everything changed," he says with pride. "I started entering competitions and won first place in three of them. That coaching was invaluable."

The sound of success – impact beyond the airwaves

Armed with financial discipline and a polished pitch, Siya has propelled Muzi Capital Media to impressive heights. Today, Muzi FM reaches over 280 000 listeners across the Garden Route and parts of the Eastern Cape, KZN, and Gauteng online. The business has achieved a staggering 160% monthly revenue growth since August 2024 and has created five new jobs in addition to the seven that existed when it started.

The impact of the FLAME programme also enabled a tangible expansion of his services. With grant support,

Siya acquired equipment for outdoor broadcasting, allowing Muzi FM to connect directly with communities at events. This not only broadens the platform's reach but deepens its community connection, affirming the station's role as a local voice.

A message for the next generation of trailblazers

Siya says his journey offers a powerful message for other young people with a business idea that "Never miss an opportunity to learn and develop your mind. When a programme like FLAME comes along, an opportunity to better yourself as an entrepreneur, take it."

Siyamthanda Johns' story is more than a business success story; it is a potent reminder that with passion, resilience, and targeted support, young entrepreneurs can not only achieve their financial freedom but can also become powerful engines for community upliftment, creating jobs, preserving culture, and amplifying the voices of those who need to be heard.

Preferential procurement

Preferential procurement supports the use of Black-Owned, Black Female-Owned, EME or QSE Sized B-BBEE Compliant companies with valid B-BBEE Certificate or Affidavits as suppliers. Improving preferential procurement is a continuous process. We are constantly reviewing 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.

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 2026 financial year, 11 students received bursaries and the total cost invested in the bursary programme was R680 601.



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.



The PSG bursary programme



Nigel Mofati

I am deeply grateful for the opportunity afforded to me by the PSG Bursary Programme during the final year of my BSc Computer Science studies at the University of Pretoria. The programme provided invaluable support and helped build my confidence, particularly as someone who has often struggled with imposter syndrome. I also benefited from mentorship and guidance from individuals who are now my colleagues, which made the experience even more meaningful.

My final year of study was challenging in its own right, and I cannot imagine how much more difficult it would have been with uncertainty about the future. Knowing that a graduate programme awaited me at the end of my studies provided immense mental and emotional reassurance, allowing me to focus fully on completing my degree.

Today, I am proud to say that I have been a Software Engineering Graduate at PSG Distribution for three months, where I continue to learn and grow every day. This opportunity has pushed me to develop both professionally and personally. I am excited about the person I am becoming, and I am confident that the PSG Bursary Programme has been the catalyst for this journey.



Humaira Mohamed Ibrahim

As a young professional, I have recently joined the PSG Financial Services graduate program as part of the Actuarial and Product team. I graduated with a BSc in Mathematical Science – Actuarial Science from the University of Johannesburg (UJ).

Upon graduation, I was eager to continue my academic journey and pursue a BCOM Honours in Actuarial Science from the University of Cape Town (UCT). This dream became a reality when PSG awarded me with a bursary, which has been a catalyst to fully invest myself in one of the most challenging and rewarding fields of study.

Having this bursary gave me the opportunity to fully focus on my goals with confidence. More importantly, it gave me the motivation knowing that an organisation believed in my potential and was willing to invest in my future.

Throughout my studies, I quickly learned the importance of dedication, resilience, and meaningful support, and this bursary provided me with exactly that, beyond just easing the financial pressure that often accompanies university studies.

I'm filled with gratitude as I embark on my professional journey at PSG, carrying forward the values of excellence, curiosity, and responsibility that this opportunity presents. I feel proud to be a part of an organisation that is committed to empowering young professionals and nurturing future talent.

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 million. These schools are near the economic hubs, enabling PSG employees to provide hands-on support.

Constantia Primary School

PSG Asset Management Constantia has transformed Constantia Primary by introducing a Physical Education programme and enriching the arts. Every learner now reads music and plays the recorder, with a choir and orchestra in place. The division also sponsors the annual prize-giving, celebrating academic and sporting excellence.

Fisantekraal Primary School

PSG The Edge office has partnered closely with Fisantekraal Primary. Initiatives include tree planting for Arbor Day, irrigation system upgrades, and the "Readers are Leaders" literacy project. The Netball team also runs training sessions in collaboration with Durbanville Netball Club, promoting teamwork and confidence.

Sundra Primary School

The PSG Insure West End office has upgraded classrooms, lighting, flooring and painted the entire school. The division also renovated the school hall and contributes to community events like the annual Golf Day, enhancing both learning and school spirit.

Witkoppen Primary School

Witkoppen Primary has received infrastructure support from the PSG Wealth Waterfall office, including borehole maintenance and repairs. The division also provides school shoes and stationery, helping learners attend school with dignity and readiness.

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, Building sustainable township economies including how to create opportunities in the community, practical small scale investments, policy, partnership & innovation, funding that fits township reality and making township economies inclusive and lasting. The FY26 Learners also have access to the previous content themed Managing your finances in a Gen Z World which 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 2026, PSG spent R255 000 and 69 learners were enrolled in and completed the learning programme, demonstrating a 100% completion rate.



Registration of BeSmarta-Digemy learners.



A BeSmarta-Digemy session in progress.

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 2026, we contributed R221 111 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 2026, we contributed R2 954 280.

Support a Matric Learner (SML)

In 2026, we contributed to four ACI female Grade 12 learners from Langa, Mitchells Plain, and Mfuleni High Schools. Our support included the purchase of stationery, textbooks, and a laptop for each learner, as well as the payment of their school fees and any Grade 12 related school attire.

In addition, we provided a grant to each learner's school to assist with any required improvements. The total cost incurred in supporting the learners was R104 000.

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 2026, we contributed R1 698 731 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 2026, the board can confirm that no breaches of the policy were reported.



Future focus

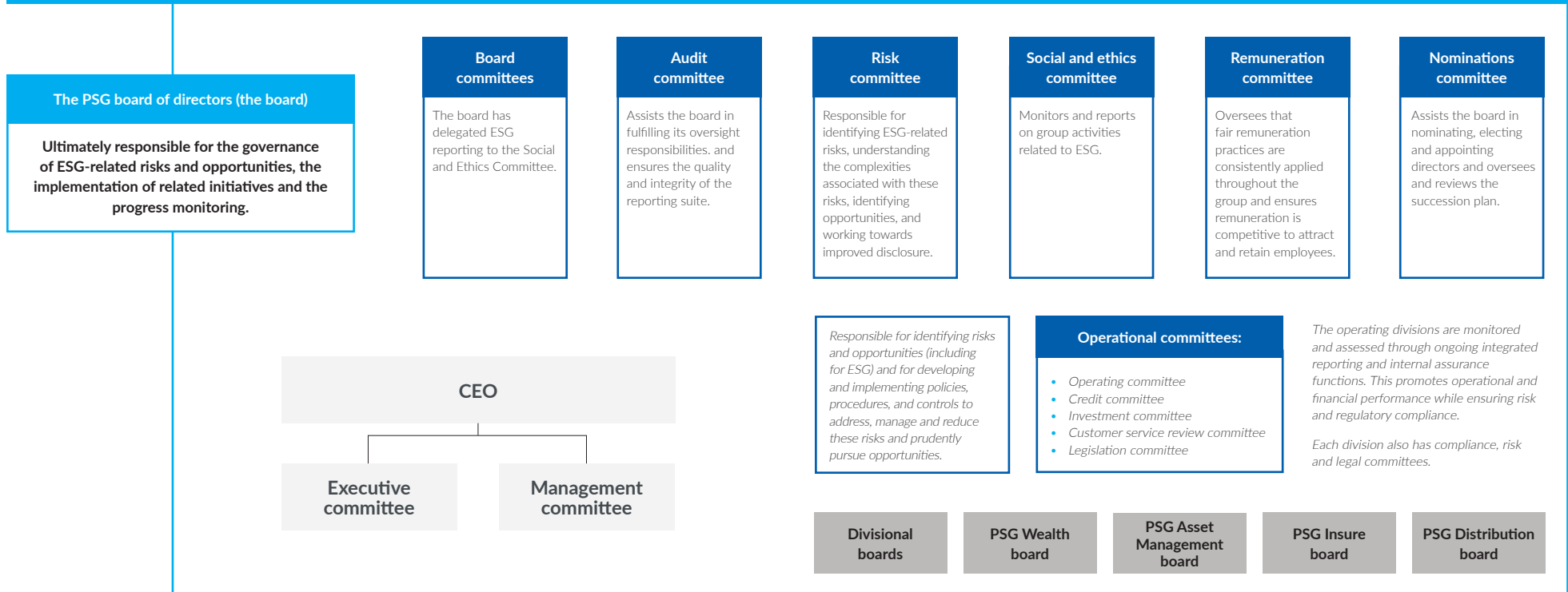
Leveraging advancements in technology, particularly in artificial intelligence (AI) and Machine Learning (ML) to enhance our cybersecurity capabilities. We plan to expand on innovation, automation and advancing our security posture.



Governance

Governance of ESG-related matters

The PSG Financial Services' governance structure



We have robust governance processes, and we practice good corporate citizenship

PSG embraces the principles of good corporate governance, including sustainability, transparency and accountability.

The group continues to align its approach to governance with King IV recommended practices, and the board continues to support integrated, outcomes-based thinking.

Governance

Compliance policy and framework

In line with our commitment to good corporate governance, the PSG board is satisfied that the appropriate practices are in place to uphold the company's reputation as an ethical, reputable, and responsible corporate citizen.

Acknowledging the significance of corporate governance and compliance, the board, through the audit and risk committee, has a formal Corporate Governance Framework and Policy, and Compliance Policy that outline the principles of good corporate governance for both the board and employees across all operational levels.

In terms of the JSE Listings Requirements, we are obligated to disclose our application of the King IV principles. The board believes that the King IV principles have been satisfactorily applied.

For the detailed review of PSG's application of King IV, refer to the [PSG-King-IV-Principles-2026.pdf](#)

Business Continuity Plans

PSG has integrated ESG factors into our Business Continuity Plans (BCP) by incorporating climate change scenarios into risk assessments and mitigation strategies, creating response plans for potential disruptions, and ensuring that governance structures facilitate swift decision-making during ESG-related crises. All of our PSG divisions maintain Business Continuity Plans, and our Business Continuity and Disaster Policy is reviewed on an annual basis.

Assurance and Internal Audit

The audit and risk committee is responsible for overseeing arrangements for assurance services and functions on behalf of the board, ensuring their effectiveness in achieving the objectives of a supportive control environment and maintaining the integrity of information for both internal decision-making and external reporting.

A combined assurance framework effectively addresses the group's key risks and material matters through both internal functions and external service providers.

While the combined assurance framework provides valuable insights, board members are expected to apply critical thinking, form their own judgement on the integrity of information and reports, and assess the extent to which an effective control environment has been established.

Internal audit plays a crucial role in the overall assurance approach and in evaluating the effectiveness of the assurance framework. The audit and risk committee oversees the internal audit function on behalf of the board.

At 28 February 2026, PSG's Board comprised of eight non-executive directors, seven of which were classified as Independent directors and three executive directors. In determining the classification of Independent non-executive directors, we applied the definition and guidance from the Companies Act 71 of 2008 and King IV.

The PSG board*

Director	Classification	Committee membership				
		Audit committee	Risk committee	Social and ethics committee	Remuneration committee	Nominations committee
Willem Theron ¹	Non-executive and chairperson					Chair
Patrick Burton	Independent non-executive	Chair	Chair		✓	✓
Lizé Lambrechts ²	Independent non-executive	✓	✓			✓
Bridgitte Mathews	Independent non-executive	✓	✓	✓		
Zodwa Matsau	Lead Independent non-executive director	✓	✓	Chair	✓	
Piet Mouton	Independent non-executive				Chair	✓
Andile Sangqu	Independent non-executive	✓	✓			
Samara Totaram	Independent non-executive	✓	✓	✓		
Francois Gouws	Executive					
Mike Smith	Executive		✓			
Janine Johannes	Executive			✓		

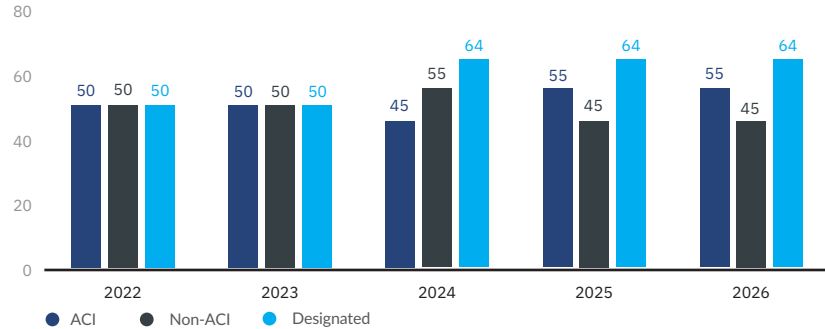
¹ Willem Theron is due to retire at the annual general meeting (AGM) of the company due to be held on or about, 23 July 2026.

² The board nominated Lizé Lambrechts to assume the role of independent non-executive Chairperson upon Willem's retirement subject to regulatory approval.

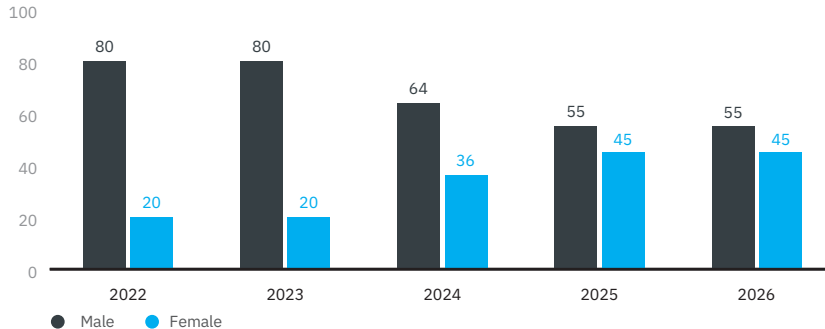
* The board appointed Dr Christopher Loewald as an Independent non-executive director and as a member of the audit committee and risk committee with effect from 1 September 2026, subject to regulatory approval.

Board diversity

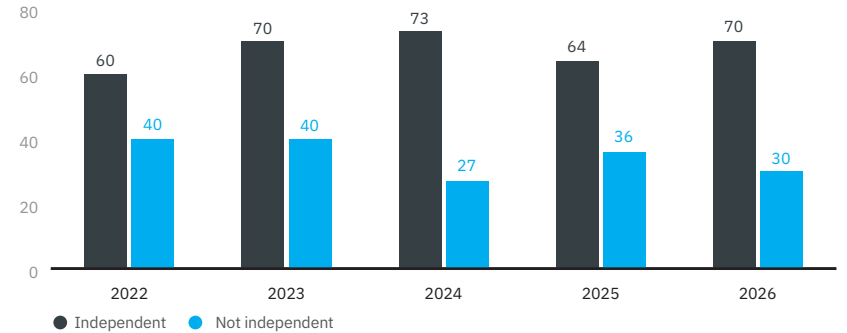
Director race diversity for the past 5 years (%)



Director gender diversity for the past 5 years (%)



Director independence statistics for the past 5 years (%)



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

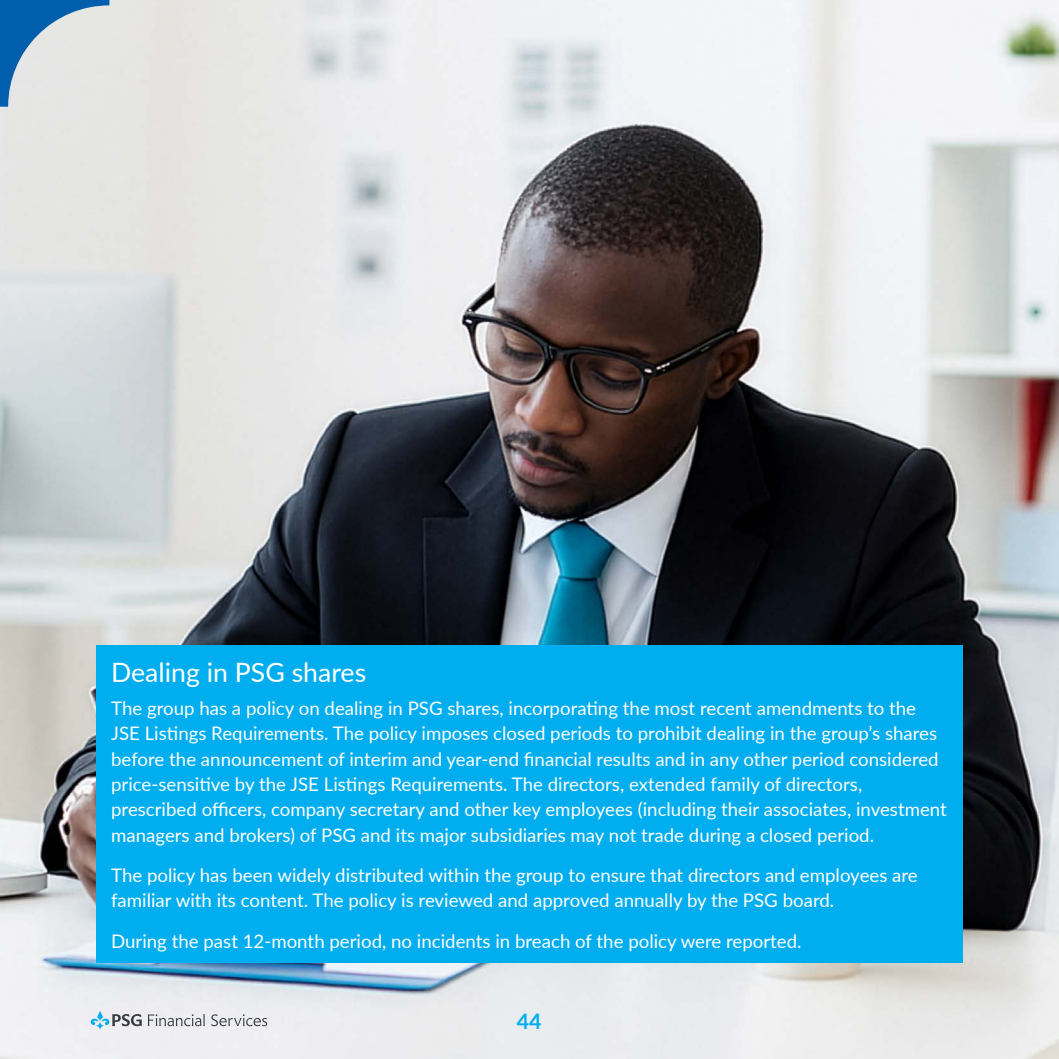
Our Whistle-blowing policy that we have in place is working as required.

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.

Remuneration

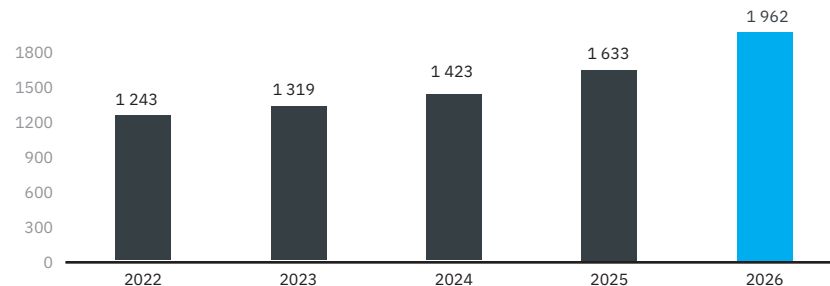
Effective governance is underpinned by sound and competitive remuneration practices. Our remuneration policy aligns remuneration with the group's strategic objectives and the long-term interests of both the group and stakeholders, with a focus on profitability, shareholder value, and sustainability.

PSG determines its compensation pool based on the financial performance, taking into account the group's risk appetite, including its risk management practices. The group's risk appetite is informed by its governance and risk management structures, which considers both qualitative and quantitative risk factors at group, divisional and insurance entity levels. These factors are assessed as part of the risk management system in a proportionate and risk-based manner.

We ensure fair and equitable remuneration by considering factors such as function, experience, and market pay levels.

When determining annual remuneration increases, the group considers three performance components: group results, divisional performance, individual performance, with due consideration given to inflation. Salary increases are approved by the Remuneration Committee taking into account industry benchmarks and market conditions.

Total remuneration for the past 5 years (Rm)



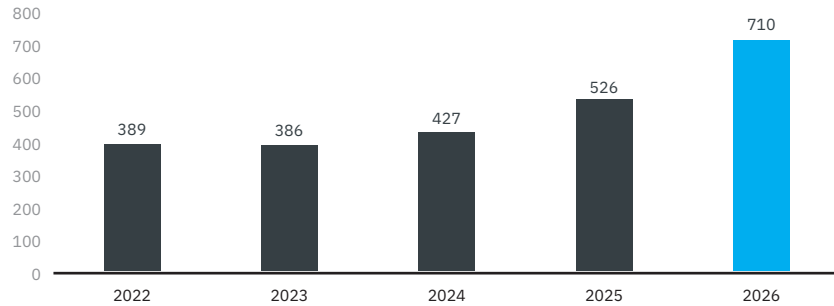
Refer to our remuneration report in the integrated report for further details.

Tax transparency

The group pays tax, according to the relevant legislation of the jurisdiction, in the countries in which we operate.

We recognise the importance of being responsible and transparent in terms of our tax strategies, as well as the level of economic contribution our business makes to society.

Normal taxation paid to the government for the past 5 years (Rm)



Future focus

Our focus will be establishing reporting lines and processes for reporting ESG information to management and the board, aligned to the group's existing risk structures.

19850

Corporate information

Non-executive directors

W Theron (Chairman)
PE Burton*
L Lambrechts*
B Mathews*
ZRP Matsau^
PJ Mouton*
AH Sangqu*
S Totaram*

^ *Lead independent*

* *Independent*

Executive directors

FJ Gouws (Chief executive officer)
MIF Smith (Chief financial officer)
JL Johannes (Chief transformation officer)

Registered name

PSG Financial Services Limited
(Incorporated in the Republic of South Africa)
(‘PSG Financial Services’ or ‘the company’ or ‘the group’)
Registration number: 1993/003941/06
JSE share code: KST
NSX share code: KFS
SEM share code: PSGK.N0000

ISIN code: ZAE000191417

LEI: 378900ECF3D86FD28194

Company secretary

PSG Management Services
Proprietary Limited

PSG Financial Services head office and registered office

4th Floor, The Edge
3 Howick Close
Tyger Waterfront
Tyger Valley
Bellville
7530

Listings

Johannesburg Stock Exchange (JSE)
Namibian Stock Exchange (NSX)
Stock Exchange of Mauritius (SEM)

7536

Transfer secretary

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Private Bag X9000

Saxonwold
2132

Sponsors

JSE sponsor: PSG Capital
Proprietary Limited
NSX sponsor: PSG Wealth
Management (Namibia)
Proprietary Limited
SEM authorised representative
and SEM sponsor: Perigeum
Capital Ltd

Auditor

Deloitte & Touche

Website address

www.psg.co.za