



Corporate Sustainability Report

FY22



A hand is shown holding a dandelion seed head. The background is a soft, warm sunset or sunrise sky with a gradient from orange to dark blue. A single dandelion seed is captured in mid-air, having just been blown away from the seed head. The overall mood is contemplative and hopeful.

We are focused on continuous improvement, striving to do better by building a long-term, sustainable company that focuses on our people, customers and shareholders, as well as the communities in which we engage.

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UN Global Compact Continuation Statement

I am pleased to confirm that Pinnacle Investment Management Group Limited (**Pinnacle**) supports and will continue to support the Ten Principles of the United Nations Global Compact (**UNGC**) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

As part of our participation in the UNGC, we are proud to submit Pinnacle's 2022 Corporate Sustainability Report as our first Communication on Progress to describe Pinnacle's efforts to integrate the Global Compact and its principles into our business strategy, culture and operations.

A handwritten signature in black ink that reads "Ian Macoun". The signature is written in a cursive, flowing style.

IAN MACOUN
Managing Director

UN Global Compact

The following table describes our efforts to align our strategy and operations to human rights, labour, environment, and anti-corruption as well as our efforts to support societal priorities.

	Summary of Policies and Practices	Reference
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Human Rights Policy Supplier Code of Conduct 	Refer to Human Rights for a detailed description on our progress against this Principle
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Modern slavery risk assessments are conducted annually for key suppliers and Affiliates 	
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.		
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> Human Rights Policy Supplier Code of Conduct 	Refer to Modern Slavery for a detailed description on our progress against this Principle
Principle 5: Businesses should uphold the effective abolition of child labour.		
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> ESG Risk Management Framework to manage and monitor risk 	Refer to Addressing Climate Change , and in particular, our Climate Strategy , for a detailed description on our progress against this Principle
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Climate Active carbon neutral certification TCFD aligned disclosures 	
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Anti-Bribery and Corruption Policy Pinnacle Code of Conduct Employee training of key Pinnacle Policies 	Refer to Corporate Governance for a detailed description on our progress against this Principle

FY22 Highlights

✓ ESG Working Group

We established a cross-affiliate ESG Working Group to share knowledge and promote industry best practice ESG standards.

✓ ESG Charter

We developed the Pinnacle Group ESG Charter to reflect Pinnacle and the Affiliates' (Group) shared commitment to ensuring that sustainable principles and practices are integrated into the way we conduct business.

✓ Women in finance

Women in finance scholarships

We increased annual scholarships to 18 across 4 universities. This is the third year of the program, which commenced in 2019 with 8 scholarships. As at 30 June 2022, 7 Scholars are in active employment in the Group.

✓ Community partnerships

Over \$1.3 million donated

Through partnerships with 14 not-for-profit (NFP) organisations and work-place giving, the Group supported community initiatives across the country.

✓ Climate Active Carbon Neutral certification

Certified carbon neutral

We are proud to have received carbon neutral certification (for organisations) by Climate Active for the second year running.

Reduced absolute carbon emissions 28%

Compared to FY20, Pinnacle's carbon emissions reduced from 739.3 tonnes to 531.0 tonnes in FY21.

✓ Human Rights

Introduced policies to support human rights

We developed a Human Rights Policy and Supplier Code of Conduct.

Partnered with The Freedom Hub

We worked with an inspiring NFP entity to provide bespoke training on modern slavery to our employees and to guide Pinnacle's modern slavery risk assessments.

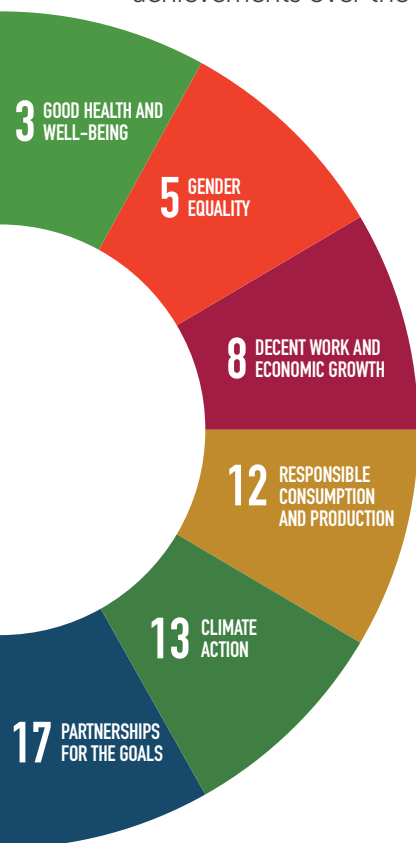
Our Approach

We recognise our responsibility to our shareholders, clients, employees, communities, and the environment. We are committed to supporting our stakeholders to contribute to a positive sustainable future and ensure long-term business resilience.

Our purpose is to enable better lives through investment excellence. We aim to establish, grow and support a diverse stable of world-class investment management firms, driven by our values: excellence, honesty and integrity, innovation, and empowerment.

Guided by our purpose, we recognise our responsibility to create a lasting positive impact on the economy, society, and environment.

In FY22, we accelerated our efforts by further embedding sustainable thinking into our decision-making and in the way we conduct business. This report highlights our sustainability strategy and focus areas, and our sustainability-related achievements over the last 12 months.



- Ensure healthy lives and promote well-being for all at all ages
Target: 3.4: Promote mental health and well-being
- Achieve gender equality and empower all women and girls
Target: 5.1: End all forms of discrimination against all women
Target: 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work
Target 8.5: Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value
Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking
- Ensure sustainable consumption and production patterns
Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- Take urgent action to combat climate change and its impacts
Target 13.2: Integrate climate change measures into national policies, strategies and planning
- Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
Target 17.16: Enhance the Global Partnership for Sustainable Development, to support the achievement of the Sustainable Development Goals in all countries

Our contribution to the UN’s 2030 Agenda

The United Nations Sustainable Development Goals (**SDGs**) aim to address the biggest problems human beings face on this planet. We recognise the need for strategies that foster economic development, reduce gender inequalities and transition towards a more sustainable future.

The principles of the UNGC, together with the SDGs, assist in informing our sustainability strategy and operations. The multi-year strategy of the UNGC is to drive business awareness and action in support of achieving the SDGs by 2030¹.

By aligning our operational initiatives with the objectives of the SDGs and by supporting the Pinnacle Charitable Foundation to achieve these goals, we can begin to turn global challenges into opportunities. The following highlights the SDGs and corresponding targets we sought to contribute to in FY22.

¹ UNGC. 2015. *United Nations Global Compact: Our Mission*. [online] Available at: <https://www.unglobalcompact.org/what-is-gc/mission>

Pinnacle Affiliates

All affiliated investment managers (**Affiliates**) approach responsible investment in ways that are most relevant to their investment strategies.

Affiliates continue to progressively factor ESG considerations into their investment processes and business operations. All Affiliates integrate ESG risks into investment decision-making.

As at 30 June 2022, all Pinnacle Affiliates are Principles for Responsible Investment (**PRI**) signatories (equating to 98.4% of the Group's Funds Under Management (**FUM**)) or a Certified B Corporation.

ESG Working Group

We believe that a collaborative approach to ESG across the Group creates valuable synergies and increases the impact of otherwise individual actions.

Accordingly, we have established an ESG Working Group, which consists of representatives from each Affiliate, including managing directors and executives, investment decision makers, and other key stakeholders.

The ESG Working Group facilitates collaboration between Pinnacle and Affiliates, with the objective of enhancing consideration of ESG principles across the Group, as well as improving disclosure transparency and contributing to driving positive change in our industry.

ESG Charter

To underpin the objectives set by the ESG Working Group, and formalise the Group's sustainability-related commitments, we developed the [Pinnacle Group ESG Charter \(Charter\)](#).

The Charter reflects our shared commitment to ensuring that sustainability principles and practices are integrated into the way we conduct business.



Affiliates at the Forefront of Responsible Investing

The following Funds are listed for information purposes only. The information below is not intended to market or promote the offer of these Funds, nor should the information be considered financial product advice. The information below is not intended to be used as the basis for making an investment decision.

AIKYA

Aikya Emerging Markets Opportunities Fund

The name Aikya means oneness in Sanskrit which reflects the team's core belief that Environmental, Social and Governance (ESG) considerations are as integral to assessing the quality of a company as traditional financial and business analyses. The Aikya team believes that high-quality business owners align their companies with the interests of all stakeholders, and such companies which incorporate sustainable thinking into everyday decision making are going to be long-term winners.

At a firm level, Aikya has a twin purpose. Firstly, to generate healthy long-term investment returns for our clients with strong downside protection, and secondly to make a significant impact when it comes to the sustainable development problems facing Emerging Market countries by investing in responsibly managed high-quality companies.

Aikya's long holding periods build a sense of partnership with investee companies, who, over time, become increasingly open to engagement. These relationships allow Aikya to discuss critical sustainability issues with top management; positive engagement on such issues becomes a powerful tool for enhancing the value of our client portfolios.

Aikya is a signatory to the UK Stewardship Code which sets high standards for the responsible management of capital to create long-term value

for clients and sustainable benefits for the economy, the environment and society.

Aikya Global Emerging Markets Fund is aligned to Article 9 under the EU's SFDR regime, which is the highest standard.

For more information, please visit the [Aikya website](#).



Firetrail S3 Global Opportunities Fund

The Firetrail S3 Global Opportunities Fund is a concentrated portfolio of Firetrail's very best global equity ideas. The fund is style-agnostic and invests in both value and growth companies.

Firetrail's investment philosophy is based on three key tenets:

- Sustainable businesses deserve premiums
- Share prices follow earnings
- The market is slow to recognise positive change⁴

The investment process employs fundamental analysis to identify the most attractive investment opportunities with sustainable positive change⁴ characteristics. Firetrail utilises proprietary research to distil 20,000 global securities down to a portfolio of 30-40 global companies that are contributing to sustainable positive change⁴. Firetrail's approach to deep fundamental research

⁴ Positive change refers to changes made by companies to implement one or more sustainable investment themes. Sustainable investment themes are Health and Wellbeing, Innovation & Equality, Climate Impact and Sustainable World.

incorporates detailed financial modelling and an extensive company visitation program.

The Fund is managed by an experienced team of Portfolio Managers and dedicated global equity analysts who have over 15 years' experience working together.

For more information, please visit the [Firetrail website](#).



Palisade Impact

Palisade Impact was established in 2021 and is focused on unlisted investments that intentionally target solutions to environmental and social challenges while delivering strong risk-adjusted returns. Palisade Impact provides practical solutions to these issues, by investing in next generation infrastructure and infrastructure-like assets and businesses that provide essential services, supporting the future economy.

Palisade Impact takes a cross-sectoral approach to driving the race to zero: Energy Transition, Resource Efficiency and Inclusion. These themes, together with advancing technology and policy, provide a large opportunity to invest in greener, smarter, more equitable, connected infrastructure.

For more information, please visit the [Palisade website](#).

⁵ Net carbon exposure of zero is maintained using the calculation methodology recommended by the Task Force on Climate-related Financial Disclosures.



Palisade Renewable Energy Fund

PREF provides institutional investors with an opportunity to invest in a portfolio of renewable energy assets including utility-scale wind and solar farms in Australia and aims to provide investors with long-term capital growth and stable cash distributions. PREF invests in projects from greenfield (late-stage development phase) through to brownfield operating assets.

An investment in PREF provides investors with exposure to a significant renewable energy portfolio, spread across six assets, diversified by technology, geography, off-taker credit risk and maturity. The majority of PREF's generation is contracted out to energy retailers for many years in advance, and as such it is less impacted by volatility in market prices

For more information, please visit the [Palisade website](#).



Plato Global Net Zero Hedge Fund

The Plato Global Net Zero Hedge Fund is a long-short global shares fund. The Fund's key feature is holding a portfolio of equities with a net zero⁵ carbon intensity⁶ and net zero⁵ carbon footprint⁷, whilst not compromising its aim of outperforming the MSCI World Net Returns Unhedged Index.

The Fund facilitates additional exposure to attractive companies compared to traditional long-only investments while also allowing the

⁶ Carbon intensity is defined as tonnes of CO₂ or equivalent per million dollars of company revenue, based on scope 1 and scope 2 emissions.

⁷ Carbon footprint is defined as tonnes of CO₂ or equivalent per million invested, based on scope 1 and scope 2 emissions.

investment manager to generate returns through shorting unattractive companies.

Plato believes that shorting companies which have high carbon exposure may facilitate engagement from management, and encourage the reduction in carbon intensity in such companies, to a greater degree than simply excluding high carbon exposure companies from an investment portfolio.

Plato Global Low Carbon Fund

The global economy is in a transition phase, whereby climate change science and the impact of human behaviour on the environment has come into focus and policy responses globally are aiming to mitigate the effects of our carbon economy on climate change.

The Plato Low Carbon Fund invests in global equities and has a dual objective. This is to outperform the benchmark and significantly reduce both the portfolio's carbon footprint⁷ and intensity⁶, targeting 70-80% lower than the benchmark. The Fund systematically implements fundamental ideas, whilst minimising exposure to high carbon emission intensive investments.

Plato believes that it is possible to participate in the global growth whilst both outperforming a benchmark, and simultaneously tilting the portfolio away from high emission investments, preferring exposure to companies with good prospects and low carbon emissions.

The Fund is committed to not hold tobacco related stocks (as defined by Global Industry Classification Standard).

RESOLUTION CAPITAL

Resolution Capital Real Assets Fund

The ResCap Real Assets Fund invests primarily in Australian Real Estate Investment Trusts ('A-REITs') and Australian Listed Infrastructure securities ('ALI'), and has the ability to invest up to 20% in global listed real estate and infrastructure securities (global portion).

Resolution Capital recognises the need to limit average global temperature rises to well below 2°C, and ideally 1.5°C, compared to pre-industrial levels by 2100 in line with the goals of the Paris Agreement of 2015. To achieve this, the global economy needs to be net zero carbon emissions by 2050. Resolution Capital assesses whether companies can decarbonise in line with the Paris Agreement's requirements and excludes companies that generate significant revenues from thermal coal.

Resolution Capital also believes that good governance and management are vital for the long-term success and outperformance of a company, as a result we look for companies that have aligned and committed management. This is one of the key screening criteria in the investment process, seeking companies that have strong alignment with shareholder interests.

Additionally, as an active investor, Resolution Capital regularly identifies and engages with investee companies that are lagging in terms of their ESG disclosure and alignment with the Paris Agreement to understand their ESG plans and encourage them to improve their ESG disclosures and implement carbon reduction plans in line with our requirements.



Material ESG Risks

We have adopted guidance from the Sustainability Accounting Standard Board's (SASB) Sustainability Accounting Standards for Professional and Commercial Services to identify sustainability issues that are likely to impact our ability to create value over the long term.

In November 2021, the International Financial Reporting Standards (IFRS) Foundation announced the creation of a new standard-setting board - the International Sustainability Standards Board (ISSB). We support the ISSB's efforts to deliver a comprehensive global baseline of sustainability-related disclosure standards. We will monitor the evolution of these standards and will ensure that we align our future reporting to these new standards as they emerge.

We aim to prioritise the issues that really matter, embedding sustainable thinking into our operations. Results from a Pinnacle-wide Sustainability Research Study, coupled with continuous discussions with our client base, allowed us to understand the sustainability factors most important to our stakeholders. Feedback was integrated to produce an assessment of the material economic, social, and environmental risks to Pinnacle's success. Human capital continues to be the most important sustainability-related factor to our stakeholders.

These stakeholder insights, coupled with the SASB standard guidance, were used to determine the following material ESG risks.

Employee Engagement and Wellbeing

Risk Impact

Poor employee mental health, less effective employees, and an inability to attract and retain talent. Inability to attract or retain employees due to lack of professional development resulting in inadequate capacity to support the business.

For risk mitigation strategies, see [Human Capital](#)

Performance

- Continued to embrace flexible working and encourage employees to 'work where it works for you'
- Enhanced our Parental Leave Policy

Data Security

Risk Impact

Sensitive customer information unveiled through cybersecurity breaches, other malicious activities, or employee negligence. Data breaches compromising the effectiveness of security measures.

For risk mitigation strategies, see [Data Security](#)

Performance

- Data privacy training is provided to all employees
- Board-level committee oversight in place
- Regular ongoing testing of employee readiness

Workforce Diversity

Risk Impact

Limited diversity of thought, creativity, innovation, and problem solving; limited ability to interact and anticipate client needs; inefficient decision making and risk management.

For risk mitigation strategies, see [Diversity and Inclusion](#)

Performance

- Increased the number of scholarships offered to encourage and support women in Finance. Seven Scholars are in active employment in the Group
- Introduced an indigenous mentorship program
- Adopted a Pinnacle-wide KPI to address inclusivity at all business levels

Professional Integrity

Risk Impact

Inappropriate, unlawful, improper, or unethical employee behaviour, or behaviour that compromises our standards and values. Damage to brand and reputation and thus stakeholder confidence, retention, and attraction.

For risk mitigation strategies, see [Corporate Governance](#)

Performance

- Provided training on Pinnacle Policies, outlined in 'Corporate Governance'
- Adopted a Pinnacle-wide KPI structure that assesses employee performance against our core values

Leadership and Governance

ESG Responsibility

The Pinnacle Board of Directors (**Board**) is ultimately responsible for considering the social, ethical and environmental impact of the Group's activities and monitoring sustainability practices. This includes overseeing the implementation and execution of our broader sustainability strategy and adoption of sustainability-related policies, and overseeing the Pinnacle Group's overall significant risks and risk management practices, while executives ensure their effective implementation.

The Board's Audit, Compliance & Risk Management Committee (**ACRMC**) is responsible for reviewing reports from management on risks (including ESG risks) and risk controls and measures to deal with those risks. The ACRMC reports to the Board on climate- and sustainability-related risks quarterly.

Sustainability Committee

We have a dedicated Sustainability Committee to coordinate and provide guidance on the integration of sustainable strategies and practices across the broader business. The Committee informs our strategic commitment to sustainable development.

The Committee has responsibility to monitor progress on the implementation of our Sustainability Strategy, identify and assess all ESG risks and opportunities, and establish and implement strategies to mitigate material ESG risks. The Committee is comprised of executives, senior management, and personnel from all business sector units to ensure comprehensive representation.

ESG Risk Management

The ACRMC monitors our exposure to sustainability-related risk via our ESG Risk Management Framework (**ESG RMF**).

The ESG RMF identifies and defines our ESG risks, monitors adherence to risk tolerance, and outlines the metrics used to assess and mitigate risks, measure progress, and set targets. Our framework enables us to manage sustainability-related risk throughout the company, through our processes

and operations on a day-to-day and long-term basis.

The Board monitors sustainability-related risks against the ESG RMF, which is reported against quarterly at each Committee meeting.

Employee sustainability-related training

In FY23, Corporate Social Responsibility and broader ESG training will be provided to all personnel and will continue to be provided at least annually.

Corporate Governance

We are committed to good corporate governance.

Responsibility for corporate governance rests with the Board. The Board's guiding principles in meeting this responsibility are to act ethically, in accordance with the law and in the interests of shareholders, employees and other stakeholders. Our corporate governance framework is underpinned by its adoption of the ASX's Corporate Governance Principles and Recommendations.

Links to documents that form part of our corporate governance framework can be found on [our website](#).

Professional Integrity

We recognise that professional integrity is an important governance issue in our industry.

We promote and reward behaviours that are in the best interests of clients and shareholders. Employees are encouraged to always act in accordance with our values and maintain a line of sight to long-term goals. Our values are embedded into all employees' KPIs, against which performance and, ultimately, remuneration outcomes are assessed.

To ensure quality of work and professional integrity, We have the following policies and procedures in place:

- Code of Conduct
- Corporate Governance Statement
- Whistleblower Policy

- Anti-Bribery and Corruption Policy
- Privacy Policy

Further, we have a comprehensive employee behaviour and grievance resolution policy including equal opportunity, harassment, bullying, vilification, victimisation, whistleblowing and grievance resolution.

Further corporate governance policies, procedures and guideline can be found on our website.

Compliance

The Board is ultimately responsible for compliance. An independent Risk & Compliance team has been established to prepare and implement policies to ensure compliance with Pinnacle's legal and regulatory obligations, including but not limited to:

- Anti-money laundering and Counter-terrorism financing
- Breaches and Incidents
- Complaints Handling
- Compliance Program
- Document Retention
- Gifts & Entertainment
- Outsourcing Policy

- Personal Securities Dealing
- Sanctions Policy

Risk & Compliance conduct ongoing training to ensure our employees are familiar with their obligations under the Pinnacle Policies. Training is undertaken both on-line and face-to-face. Annual compliance training is mandatory for all employees and includes code of conduct, data privacy, whistleblowing, anti-money laundering, anti-bribery and corruption and promotional materials.

Remuneration

Our Corporate Governance Statement includes further detail on Board composition, ethical decision making and responsible remuneration, which can be found on [our website](#).

Our approach to remuneration is aligned with our purpose, to enable better lives through investment excellence, and our values. We have a core set of KPIs, against which the performance of all employees is measured, in addition to KPIs set at a team, or individual level. This ensures that core values are embedded in the behaviours of all employees, and are considered consistently as part of the remuneration review process.

These 'Common KPIs' are set out below:

Pinnacle Purpose and Values	Understand, and contribute strongly to Pinnacle's Purpose and Values
Client Focus	Demonstrate commitment to an accountability for strong client service and satisfaction, both with external clients and Affiliates through delivering on the promises we make to our clients
Flexibility	Demonstrate flexibility and a preparedness to adapt to the changing needs of the Company
Work Ethic	Demonstrate a strong personal work ethic and commitment to being highly productive at all times
Innovation	Contribute to a culture of innovation and continuous improvement by suggesting ways in which we can enhance the manner in which we operate and interact with clients
Risk	Foster a risk aware culture in which business activity occurs within Pinnacle's Risk Management Framework and Risk Appetite Statement
Sustainability	Contribute to a culture of acting lawfully, ethically and responsibly by complying with our legal, regulatory and ethical obligations in particular adhering to Pinnacle's Code of Conduct and policies relevant to your role. Contribute to an inclusive culture that enables performance and fosters collaboration, leading to investment excellence



Addressing Climate Change

We acknowledge the material risk that climate change poses to the economy, financial markets and society as a whole and actively consider climate-related concerns throughout our operational decisions.

We recognise that Affiliates are aggregators of climate risk through their investment portfolios. As such, we may have an indirect exposure to climate-related risks, if client portfolios have a material investment exposure to certain industries. Although the responsibility for monitoring such exposures belongs to each Affiliate's respective investment committee and board, we support the Affiliates to innovate and adopt best practice carbon management and ESG integration.

We view climate change as an important risk that our employees, clients and shareholders all face. Accordingly, we are implementing new initiatives to reduce our operational impact and support the environment, as well as continuing to enhance disclosure in this important area.

Partnerships for carbon credits & offsets

We are committed to offsetting unavoidable emissions to achieve carbon neutrality. When purchasing greenhouse gas emission offsets, we look to partner with projects that not only provide certified emission reductions, but that also provide additional environmental benefits to local communities.

We recognise that deforestation is a key contributor to global warming. Since FY19, we have partnered with Greenfleet, a leading Australian not-for-profit environmental

organisation committed to protecting our climate by restoring our forests.

We are proud to continue our partnership with Greenfleet to take climate action and offset our carbon emissions through native reforestation.

In April, our employees had the opportunity to attend Greenfleet's 25th Anniversary Queensland planting event at Grandchester in Southeast Queensland. This is an area of ecological importance, and the trees planted will help to restore biodiversity in the native forest and enhance the quality of koala habitat in the region.

Certified Carbon Neutral

We are committed to reducing our operational impact and supporting the environment. To demonstrate this commitment, we are proud to have received Climate Active Carbon Neutral certification against the Organisation standard⁸, for a second year running.

Climate Active is a partnership between Australian businesses and the Australian Government to promote voluntary climate action. Certification is awarded to Australian businesses who meet rigorous requirements to achieve net zero emissions, including measuring, reducing, and offsetting emissions through innovation, sustainable operations, and industry leadership.

For more information about our certification and a detailed breakdown of our carbon inventory, please visit the [Climate Active website](#).



⁸ Pinnacle Investment Management Ltd received Climate Active Carbon Neutral certification against the Organisation standard.

Greenfleet

Greenfleet is a leading not-for-profit environmental organisation committed to protecting our climate by restoring our forests.

Greenfleet plants native biodiverse forests to capture carbon emissions and help fight the impacts of climate change. Since 1997, Greenfleet has planted over 10 million trees across over 500 forests in Australia and New Zealand, which are

legally protected for up to 100 years, ensuring they can grow for future generations. As they grow, Greenfleet forests absorb carbon emissions, improve soil and water quality, and restore habitat for native wildlife, including many endangered species.

Through practical climate action, Greenfleet is growing hope for our climate.



Planting native trees with Greenfleet

to offset carbon emissions

Task Force on Climate-related Financial Disclosures (TCFD)

First published in 2017, the TCFD Recommendations on climate-related financial disclosures are designed to support coherent and comparable reporting on material climate-related risks and opportunities.

We are committed to providing transparent and consistent climate-related information. We have endorsed the TCFD recommendations since 2021 and will continue to disclose climate-related information centered around the four pillars of the TCFD: Governance; Strategy; Risk Management; and Metrics, Targets and Transition Plans.

Theme	Description	Page	TCFD recommendation	Comments
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	18	G1. Describe the board's oversight of climate-related risks and opportunities.	
			G2. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	18	S1. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	In FY23 we intend to conduct climate-related scenario analysis exercises to understand the potential consequences of physical and transition risk scenarios to our business strategy over the short, medium, and long term.
			S2. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
			S3. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	21	R1. Describe the organisation's processes for identifying and assessing climate-related risks.	
			R2. Describe the organisation's processes for managing climate-related risks.	
			R3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	23	M1. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	As our total carbon inventory is relatively low and the combined total of our Scope 1 and Scope 2 emissions account for less than 5% of our FY21 carbon emissions, science-based targets are yet to be established. In FY23, we will seek to develop performance targets that will highlight our environmental commitment and align with our climate strategy.
			M2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
			M3. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

Recommendations that have been reviewed and require further work in 2022

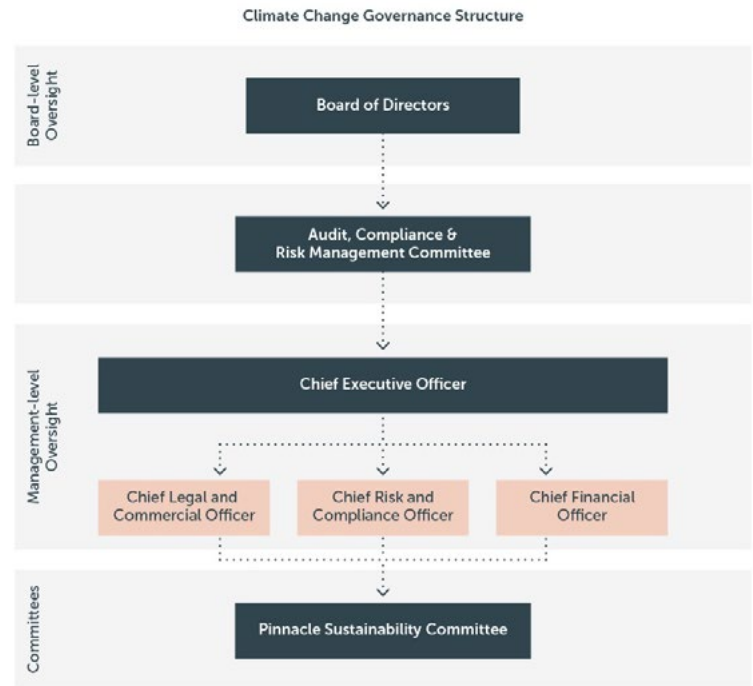
Recommendations that we have made significant progress against and will continue to improve our disclosure

Recommendations we have been able to fully disclose against



Governance

Effective corporate governance in respect to climate-related matters is underpinned by our commitment to strong leadership and effective oversight by our senior management and Board of Directors.



Refer to [Leadership and Governance](#) for more information on Management and Board level oversight of ESG risks.

Strategy

To increase awareness and ongoing dialogue about climate-related issues, we believe environmental practices must be embedded into the values and beliefs of our organisational culture.

Employee knowledge and engagement is at the heart of effective strategy implementation. We recognise that it is a continuous journey to ingrain sustainable thinking and action into employees. Throughout FY23, we will continue to concentrate on climate education and awareness for employees and Affiliates, by implementing impactful initiatives that align with our climate strategy.

Our climate strategy is centred around three key pillars to ensure that it has an extensive impact across our entire business.

Our Climate Strategy



Support
opportunities
to collaborate
with Affiliates,
industry peers
and carbon
projects

We are committed to ensuring sustainability principles and practices are integrated into the way we conduct business.

Pinnacle Affiliates

We support Affiliates to innovate and adopt best practice carbon management and embed core environmental values into business strategies.

Industry collaboration

We recognise the urgent need to understand and address the potential impacts of climate change. We believe this can be achieved by working collaboratively with Affiliates and industry peers, to increase the impact of otherwise individual actions.

Carbon projects

We are proud to support projects that help fight the impacts of climate change. As we continue to identify practices to mitigate our carbon inventory, we remain committed to offsetting our residual emissions by supporting projects that protect our environment and restore critical ecosystems.

Our Progress

- Establishment of the [ESG Working Group](#)
- Continuous support and participation in [industry-wide collaborations](#)
- Continuous support for [carbon projects](#) to offset residual emissions



Reduce
our
environmental
impact

Although our carbon inventory is low, we recognise climate change as a systemic risk, which could have significant, disruptive impacts on society, the environment and financial stability, if unaddressed.

Measure and Reduce

We are [certified carbon neutral by Climate Active](#), demonstrating our commitment to measure, reduce, and offset emissions each year. We view carbon offsetting as an interim solution to climate change which must not preclude efforts to mitigate emissions. We are committed to reducing the environmental impact of our business operations through minimising emissions across our operations and undertaking initiatives to promote greater environmental responsibility for employees.

Manage and Monitor

Our ESG RMF is reported against and reviewed by the Board quarterly to monitor our exposure to sustainability- and climate-related risk.

Our Supplier Code of Conduct articulates the standards of behaviour expected of our suppliers, which extends to environmental responsibility. We work with suppliers who promote a culture that values the environment and act to protect the environment in which they operate.

Our Progress

- Reduced absolute carbon emissions by 28% in FY21, from FY20
- Flexible working to reduce employee commute
- Implemented bins for various waste streams of recyclable and non-recyclable materials, which are clearly signed across all our offices
- Introduced hot desking, so that the total square footage is used more efficiently as more employees choose to work from home
- Establishment of our Supplier Code of Conduct



Educate
*our employees
to enhance
environmental
awareness*

We seek to build a resilient business that can handle the fast-approaching effects of climate change and is committed to embedding sustainable processes into our operations and we encourage others to do the same.

To achieve this, it is crucial for our employees to be educated on the potential impacts of climate change and broader climate-related risks to foster a truly environmentally conscious workplace and company culture. We are committed to the sustainable management and efficient use of natural resources, by increasing employee awareness of responsible use of waste stations provided, encouraging employees to adopt a paperless workplace and by ensuring climate conscious procurement. We educate suppliers on our environmental expectations and only engage with those who align with our climate strategy.

Our Progress

- Offering volunteer opportunities with organisations combating climate change
- Employee sustainability packs aimed at reducing single use products



Assessing climate-related risk¹⁰ and opportunity

The Board and the ACRMC consider climate-related issues when reviewing and developing risk management policies and our ESG RMF.

We have identified and assessed the potential climate-related risks and opportunities across our operating model, considering both the perceived significance and likely timescales in which they will occur. The repercussions of these risks and opportunities are then discussed to give a variety of perspectives on how to approach sector issues

and develop mitigation strategies which can be applied.

Given the nature of our operations, climate risk forms a small part of our overall risk profile, however we are committed to minimising our climate-related impacts where feasible and offsetting any residual emissions. We have identified the following climate-related risks and opportunities which, although not considered directly financially material, are being mitigated by various approaches.

Timeline: Short Term: 0 – 1 years; Medium Term: 1 – 5 years; Long Term: 5+

	Climate-related risk	Potential financial impact
Regulatory Short-Medium term, Limited significance	<ul style="list-style-type: none"> Emerging regulation and climate-related disclosure obligations The introduction of carbon taxes that apply to GHG emissions or other aspects of our operations Increased waste-disposal costs 	Increased expenses
Technology Medium term, Limited significance	<ul style="list-style-type: none"> Lower emission technology to replace existing technologies, leading to increased capital investment and adoption/deployment costs of new processes 	Increased expenses
Market Short term, Significant	<ul style="list-style-type: none"> Shifts in supply and demand for low carbon products and services, leading to shareholder divestment or reduction in partnership opportunities Inability to meet investor and/or Affiliate expectations 	Reduced revenues

¹⁰ We do not consider the climate-related risks outlined in the table to be of financial materiality. Our material risks are discussed on page 12.

Reputational Short term, Significant	<ul style="list-style-type: none"> Shifts in investor/shareholder and/or employee preferences. This could lead to higher employee turnover rates causing loss of productivity and diversion of resources to recruitment. Failing to manage reputational risk may also cause a loss of investors due to failure to keep up with expectations, decreased investor loyalty and ultimately, shareholder divestment. Increased stakeholder concern or negative stakeholder feedback, reducing capital availability due to shareholder divestment or a decline in partnerships. 	Reduced revenue
Physical Risk (Acute and chronic) Long term, Limited significance	<ul style="list-style-type: none"> Severe weather events such as cyclones and floods could impact our office locations and/or operations. This could lead to reduced operational capacity as employees may be unable to work from a secure location and may lead to increased insurance premiums. Long-term shifts in climate patterns such as increased mean temperature occasioning sea levels rising or extreme weather variability, may lead to damaged facilities needing to be rebuilt/refurbished and/or increased insurance premiums. 	Increased expenses

	Climate-related opportunity	Potential financial impact
Resource efficiency	<ul style="list-style-type: none"> Substituting or diversifying resources (utilities and office supplies) to be more energy efficient Use of recycling Move to more efficient buildings or office spaces 	Reduced expenses
Energy source	<ul style="list-style-type: none"> Use of lower emissions sources of energy or use of 100% green energy, supportive policy incentives and low-carbon technologies Reduced exposure to future fossil fuel price increases and less sensitivity to changes in the cost of carbon Returns on investment in low-emission technology 	Reduced expenses
Market	<ul style="list-style-type: none"> Access to new products, markets, and asset types, further diversifying the Group's product offerings Better competitive position to reflect shifting consumer preferences 	Increased revenues
Resilience	<ul style="list-style-type: none"> Offering of carbon management or other climate-related services to Affiliates Reputational benefits resulting in increased demand for partnership opportunities and positive sentiment of our business and prospects and long-term value creation Increased opportunity to effect positive change with a platform-wide approach 	Increased revenues

Management of climate-related risk and opportunity

Transition

We adopt a proactive approach to identifying and managing climate-related risks and opportunities. Given the nature of our operations, the global transition to a low-carbon economy forms a small part of our overall risk profile. We monitor regulatory developments both domestically and internationally to ensure we are prepared for the increasing transparency of climate-related disclosures.

We recognise that the transition to a net zero future will include continued financing of renewable energy projects and support for the development of clean technologies. We have committed to only partnering with IT equipment and service providers that have clear climate objectives and those that we believe are best prepared for the transition to a low carbon economy.

We mitigate the likelihood of mismanaging Affiliate expectations of how we address climate change by facilitating regular engagement sessions to understand changing market preferences. We are increasing our climate focus across our business activities and are supporting Affiliates to implement similar approaches in their operational initiatives and disclosure transparency.

Further, we emphasise early adoption and adaptation of climate-focused strategies to diversify our operations and reduce our overall environmental impact.

Physical

We retain insurance to help mitigate the potential financial impacts of physical climate-related risks. We actively assess risks presented by the increasing impact of severe weather events through Business Continuity and Disaster Recovery (BC & DR) programs. We consider how climate change will test the resilience of our business by focusing on operational flexibility to help us identify our vital business services and mitigate the impact of disruption to business activities. Our [Climate Strategy](#) aims to disassociate company expansion from its impact on the environment, by increasing the efficiency and resilience of our operations.

Risk Management

Climate-related risks are identified, monitored and managed in line with broader sustainability-related risks, in our ESG RMF. Refer to [ESG Risk Management](#) for further detail.

Metrics, Targets, and Transition Plans

Our ESG RMF utilises metrics to guide assessments on whether the business is operating within its climate-related risk appetite. The key areas of focus are set out on the following page. We collect data and perform calculations in accordance with various industry standards¹¹.

For more information on our methodology, refer to our [Climate Active PDS](#).

¹¹ *Climate Active Standards, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the National Greenhouse and Energy Reporting (Measurement) Determination 2008.*

Risk Category	Risk Description	Metric
Climate Change	Unanticipated ESG crises or failure to implement climate change measures	<ul style="list-style-type: none"> Carbon level: in excess of neutral for a financial year Climate Active Carbon Neutral certification; maintain certification each year
Pollution & Waste	Incidents of harm to the environment from pollution related to Company operations or failure to implement pollution and waste measures	<ul style="list-style-type: none"> Waste produced tonnes per annum Climate Active Carbon Neutral certification: annual renewal to track the Company sustainable use of resources and reduce: <ul style="list-style-type: none"> Printing Water Usage
Technology	Increased operating costs due to increased investment in technology	<ul style="list-style-type: none"> Partnerships: only with software and hardware providers that have a clear climate reduction strategy that aligns with ours

Pinnacle's FY21 carbon inventory for our Australian operations was prepared with the assistance of Pangolin Associates. Pinnacle will continue to have its carbon inventory assessed for accuracy each year against the Climate Active Carbon Neutral Standard for organisations. In FY21, Pinnacle opened offices in the United Kingdom. Approximately 5% of Pinnacle's carbon inventory is from our offshore office locations, which have been subsequently offset.

In accordance with Pinnacle's Carbon Reduction Strategy, we actively seek to reduce our carbon inventory by minimising the environmental impact of our internal operations. Our business activities, guided by our strategy and policies have supported a 28% reduction in total emissions over the last 12 months.

Pinnacle's Global GHG Emission Breakdown

	FY21 t CO2-e	FY20 t CO2-e
Scope 1		
Natural Gas (Base Building)	0.0	0.0
Scope 2		
Grid Electricity	25.6	72.7
Scope 3		
Natural Gas (Base Building)	2.5	2.1
Grid Electricity	2.9	8.5
Grid Electricity (Base Building)	42.9	65.3
Telecommunications	7.1	7.2
Water	1.5	0.6
IT Equipment	32.6	26.6
Paper	0.6	0.1
Stationery	8.8	12.9
Employee Commute	11.0	26.3
Working From Home	16.3	7.0
Business Flights	33.3	245.2
Cleaning Services	5.6	4.9
Subscriptions	36.0	30.2
Postage	2.1	1.0
Printing	27.2	60.5
Hotel Accommodation	4.8	20.7
Education and training	6.8	-
Legal Services	24.7	-
Advertising & Marketing	0.7	18.7
Taxis & Ridesharing	2.9	4.7
Website	6.7	10.3
Public Transport	12.2	7.1
Parking	0.2	-
Software	205.8	85.2
Food & Beverage	3.9	15.5
Waste - landfill	6.5	6.1
Total	531.0	739.3

There have been significant¹² changes in our emission sources which account for more than 5% of total emissions, due to operational decisions and continued impacts and restrictions of the COVID-19 pandemic. These sources can be grouped into four broad categories, in which the discrepancies between FY20 and FY21 are explained below.

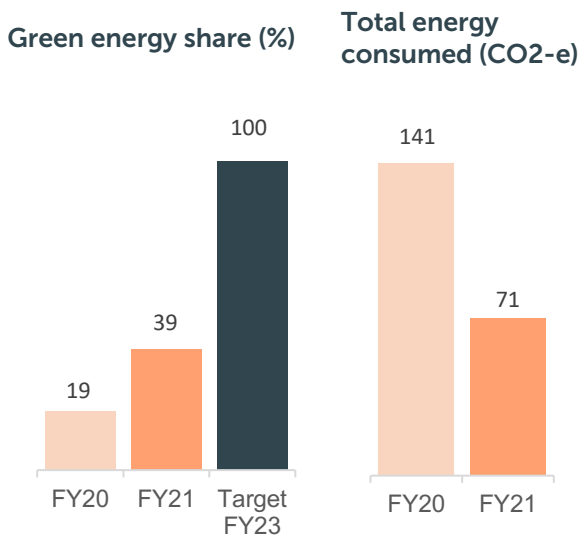
Energy

51% reduction from FY20

We transitioned our largest office space to GreenPower in late 2020. Our UK office is supplied with 100% certified renewable energy.

Our target: 100% renewable energy by financial year 2023

Our progress:



Printing & stationery

51% reduction from FY20

Subscriptions

19% increase from FY20

IT equipment & services¹³

95% increase from FY20

IT equipment & services account for 47% of our FY21 emissions. Since the onset of the pandemic, we committed to embrace flexible working. As employees opted to work from home, we purchased additional equipment to allow employees to work where it works for them. This increase was partially countered with a 58% reduction in employee commuting emissions. Further contributing to the increase in our emissions was the additional spend on IT consulting work undertaken in the year.

As employees continue to work from home and pursue virtual teleconferencing over face-to-face meetings, employees are printing less. We continue to encourage our employees to go paperless and use virtual platforms, where possible. Further, we seek to only partner with technology firms who in turn have clearly defined carbon reduction strategies.

Business travel¹⁴

85% reduction from FY20

All travel in FY21 reduced significantly as a result of COVID-19 and continued global travel restrictions, compared to FY20.

Whilst we will always respond to the needs of our clients and recognise that business trips form a necessary and important part of our business as an investment management firm, we will strive to pursue virtual interactions where feasible, in order to minimise excessive travel. Each of our offices is located close to major public transport hubs, with the majority of employees travelling to the office by public transport or active transport, rather than car. We have also adopted a fully flexible working policy, reducing the number of employees travelling for work every day.

¹² Greater than a 5% change in total emissions

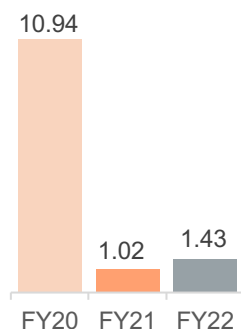
¹³ Inclusive of Telecommunications, IT Equipment, Website and Software emission sources

¹⁴ Inclusive of Business Flights, Hotel Accommodation and Taxi & Rideshare emission sources.

Our target: Reduce air-travel emissions per revenue in financial year 2022, with financial year 2020 as the base year.

Our progress: Target achieved in financial year 2022.

Air-travel emissions per revenue (\$M)



FY21 Carbon Emission Summary

	FY21 t CO2-e	FY20 t CO2-e
Scope 1	0.00	0.01
Scope 2	25.6	72.7
Scope 3	505.4	666.6
Total	531.0	739.3
Intensity metrics		
Air travel emissions per \$M revenue	1.02	10.94
Scope 1 & 2 per \$M revenue	0.79	3.24
Total emissions per \$M revenue	16.34	32.99
Scope 3 per employee ¹⁵	6.24	9.66
Total emissions per employee ¹⁵	6.56	10.71

FY21 Energy Usage

	FY21	FY20
Total electricity energy usage	109,587 kWh	160,746 kWh
Renewable energy ¹⁶	39%	19%
Intensity metrics		
Electricity usage per employee	1,352.9 kWh	2,330 kWh
Electricity emissions per employee	0.96 t CO2-e	2.12 t CO2-e

¹⁵ Employee headcount as at 30 June 2021 was 81, excluding interns.

¹⁶ Renewable electricity is comprised of both GreenPower and the Australian government Large-Scale Renewable Energy Target. Refer to our [Climate Active PDS](#) for more information.

Waste and water

Water, waste and paper usage form a very small part of our overall carbon footprint. However, we are committed to the sustainable management and efficient use of natural resources. We have implemented initiatives to increase employee awareness surrounding responsible use of single use and disposable products, encourage employees to opt for products with minimal packaging and ensure our suppliers are aware of our commitment to reduce single use plastics in the Company. We are now measuring and actively reducing, our paper and printing usage.

All office locations have segregated bins for the various streams of recyclable and non-recyclable materials, which are clearly signed.

Waste Generation¹⁷

	FY21 tonnes	FY20 tonnes
Landfill	4.27	5.0
Recycling	2.72	16.0
Total Waste	6.99	21

Waste Usage¹⁷

	FY21 ML	FY20 ML
Water	0.63	0.80

We recognise the importance of an organisation's transition plan to continue to address climate-related risks and opportunities and verify the credibility of their climate-change commitments.

In FY23 we intend to conduct climate-related scenario analysis exercises to understand the potential effects of physical and transition risks and opportunities to our business strategy over the short, medium, and long term. This analysis will inform assessments of the resilience of our business operations and our ability to adapt to

¹⁷ This figure is estimated. Water, waste and base building electricity data is provided by facilities management at each office location and aggregated across tenancies. Estimates are based on the surface occupied by our tenancy.

changes or uncertainties that may affect business performance.

We will continue to adjust our climate strategy in accordance with company growth and industry recommendations, aiming to disassociate our expansion from its impact on the environment, by increasing the efficiency and resilience of our operations.

Human capital

Our people are key to our success, and we take an active involvement in employee welfare, engagement and career development. We are driven by our purpose, to enable better lives through investment excellence, and our values, which have enabled us to create a highly flexible, respectful, innovative working culture that supports and empowers our employees to deliver excellence.

Health & wellbeing

The health and wellbeing of our people and our responsibility to the broader community are of the utmost importance to us.

We are fully supportive of initiatives to optimise the mental health of our employees. We have an Employee Assistance Program for employees and their immediate family members. Confidential counselling is available to provide support on a range of personal and work-related issues. Our Remuneration and Nominations Committee monitors workloads, wellbeing, and resourcing to ensure mental health is not compromised during periods of high stress.

We are committed to facilitating a high return to work and retention rate of employees on parental leave. Following the birth of a child, the relevant people manager remains in communication with the employee on parental leave via 'Keeping in Touch' days, so they feel informed and connected thereby assisting with the transition back to work. We provide access to a Parental Leave Transition Program, on demand parental leave courses, toolkits and return to work planning. We provide paid parental leave of up to 16 weeks for all permanent employees who have worked for us for at least 12 months continuously at the time of birth or adoption of their child. Up to 4 weeks' paid parental leave for the non-primary carer is also available to support families.

We are also committed to creating workplaces where everyone can thrive at work and at home. We know that combining work and family is not always easy and as part of our commitment to reducing work life tension, we have partnered with Parents At Work to provide access to a webinar series on family wellbeing. These webinars, facilitated by executive coaches, provide a convenient way to connect and share experience with other working parents and carers on how to improve the work-life juggle and get some tips on how best to approach work and care needs.

All employees who depart the organisation participate in an exit interview. We have also introduced 'stay' interviews, which are conducted as needed to help understand how to retain talented employees and maximise the engagement of employees.

Our employees started FY22 in and out of lockdowns and with extensive national and global travel restrictions, resulting in many employees being reluctant to take leave. We recognised the strain this imposed on our employees and offered employees an additional two days of leave for every three taken (up to a maximum of six additional days), to encourage employees to rest and take time off, even if mandated to stay at home.

Employee Engagement

We conduct an annual engagement survey and engagement 'pulse checks' throughout the year to enable us to measure and optimise our employees experience in a data driven way. We aim to give our employees a high quality and fulfilling workplace experience and regular analytics help us quickly gather insights, intervene and drive change.

Career development

We are committed to the career growth and development of our people. Our philosophy centres on ongoing development which is primarily self-driven and focuses on helping our employees reach their highest potential. Employees are encouraged to work with their managers to create development plans, with a focus on enabling them to reach career goals and inspiring them with a sense of purpose.

Formal learning opportunities and informal on the job learning, project rotations, special assignments and mentoring are all utilised to elevate the expertise of our people.

We are able to tap into talent across the organisation and accelerate development opportunities on a global level, including relocation of key talent to international offices.

Flexible working

We adopt a fully flexible working policy. We adopted the approach to 'work where it works for you', to enable our people to balance family and personal responsibilities in the way that works best for them and our business.

Diversity & inclusion

We are committed to strengthening business innovation and decision-making through workplace diversity. We recognise the benefits of fostering equitable employee representation reflecting different backgrounds, perspectives, styles, knowledge, experience and abilities.

Our Diversity Policy further outlines our focus on recruiting, developing, rewarding and retaining people with diverse backgrounds to meet the needs of our clients, shareholders and community.

To promote diversity in our workplace and the broader industry we are committed to the following:

- equal opportunity recruitment processes that draw a diverse pool of both applicants and shortlisted candidates for all positions,

including Board and senior management appointments;

- flexible work arrangements to assist employees to balance their work, personal and family responsibilities;
- applying the principle of equality when setting salaries and considering the short-term and long-term incentives of all employees;
- applying the principle of equality when considering internal promotions and succession planning; and
- a comprehensive employee behaviour and grievance resolution policy including equal opportunity, harassment, bullying, vilification, victimisation, whistleblowing and grievance resolution.

Refer to our [Diversity Policy](#), found on our website, for measurable objectives relating to gender diversity.

As at 30 June 2022, 30% of our workforce were women. 23% of senior executive positions were held by women, as defined by those earning a minimum of \$200,000 per annum.

	FY22
Gender representation	
Women on the Board	28.6%
Women in senior executive positions	22.9%
Women across the workforce	30.0%
Age representation	
Our workforce under 30 years of age	35.5%
Our workforce between 30 – 55 years of age	58.2%
Our workforce over 55 years of age	6.2%

Encouraging women into finance and leadership roles

We are committed to empowering and inspiring women to choose a career in investment management and the broader financial services industry. By providing an insight into the industry through scholarships, internships, industry partnerships and university partnerships, we are actively building a strong pipeline of future female investors in a traditionally male-dominated field.

This is a key material issue across the Group, directly connected to SDG 5.5, to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.

Women in Finance Scholarships

In FY22, we increased our Women in Finance Scholarships commitment from ten to eighteen, through extending its reach from two leading Australian universities to four.

Since 2019, we are proud to have funded the University of Queensland Women in Finance Scholarships to assist female university students in gaining a greater understanding of and experience in investment management. Through the success and impact of this initial partnership, the Women in Finance Scholarship program was extended to students in 2020 at the University of Sydney, in 2021 at the University of NSW and the University of Melbourne, and in July 2022 has launched at Macquarie University.

Successful recipients receive a scholarship and, importantly, the program also provides them with industry skills via internships and opportunities for employment. Every scholarship recipient is also guaranteed a role within Pinnacle or its Affiliates, should they choose to explore this opportunity.



Ellen Kinmont

Investment Operations Analyst

"Receiving the Pinnacle Women in Finance Scholarship has fast-tracked my career from an internship to a permanent analyst position. The opportunity to gain real world experience in a fast-growing company has been invaluable in developing my confidence and connections within the finance industry."



New Partnership with Future IM/Pact

To complement our direct scholarship and internship initiatives with universities, in FY22 we became a member of Future IM/Pact. Becoming a member will enable us to amplify our current efforts and help scholarship recipients build and maintain industry relationships through Future IM/Pact's early career program.

Future IM/Pact is an Australian industry initiative with the vision of attracting more diverse talent into front-office investment teams and describe themselves as "the female talent incubator for the funds management industry".

They offer several programs, events and bespoke initiatives that allow students and those in the first years of their career to gain access to industry mentoring, internships and graduate programs, and entry level roles.

future-impact.com.au/

Supporting a Bespoke Women's Leadership Program

The Pinnacle Charitable Foundation is committed to SDG 5.5, seeking to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Together with Pinnacle Affiliate Riparian Capital Partners, the Foundation is a corporate partner of the Peter Cullen Water and Environment Trust's Women in Water Leadership Program.

The Peter Cullen Trust bridges the gap between people, science, and the environment. It was founded on the philosophy that, to improve Australia's water and environmental management, we need to enhance the link between good science and effective policy making.

The Women in Water Leadership Program is a bespoke program designed by women, for women, as recognition that women are under-represented at the leadership table, particularly across the STEM, policy and governance fields. Participants in the program are already established leaders from diverse backgrounds and careers. This transformative leadership program empowers them to build positive influence and impact in their leadership journey.



2021 Women in Water graduates at their graduation ceremony

The Foundation and Riparian Capital Partners supported the November 2021 cohort of women graduates, who successfully navigated the program through COVID-19 lockdowns and combined face to face and online delivery, and celebrates their achievements.

Continuing to Recognise International Women's Day

In March 2022, we continued to recognise the importance of International Women's Day (IWD) with an event delivered in a hybrid format for all Group employees.

Kate Munari, Australia's only female Navy helicopter pilot to fly in Afghanistan, shared the role that gender played during her career, in the context of 2022's IWD theme of "Break the Bias". Kate shared how mindset, direct and honest communication, knowing your team and amplifying their capabilities, helped her to lead and build a culture of trust in a team of men, in some of the most challenging workplace conditions.

Attendees were then asked to consider what more they can do to help build a workplace and industry where women thrive?



University society partnerships

We are proud to have continued our relationships with a number of student societies. These partnerships allow us to connect with a diverse range of talent and offer the ability to increase students' exposure to funds management and financial services from various demographic and educational backgrounds.

We remain committed to being one of the Founding Sponsors of the University of Queensland's first officially sanctioned networking group with a focus on women, the University of Queensland Women's Network (UQWN). In 2021, we extended this focus on women's university societies to also sponsor the Macquarie University Women's Network, and in 2022 also engaged with Capital W at the University of NSW, Network of Women at the University of Sydney and the Banking on Women Society at the University of Melbourne. Other student societies with whom we are partnering, include:-

- Financial Management Association of Australia (various universities across Australia),
- University of NSW's Alternative Investment Society and Investing 4 Charity Society
- Sydney University Business Society (SUBS)
- University of Queensland Economics Society
- Queensland University of Technology Economics and Finance Society

Through these relationships we support societies with industry educational events such as case competitions, attend career and networking evenings, provide work experience opportunities and share interviewing skills with students. These events also offer valued opportunities for Group employees to participate, often returning to their

alma mater, to inspire the next generation of business graduates.

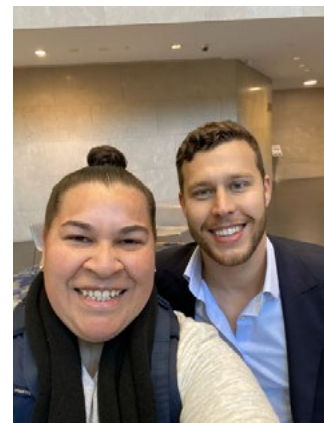
Indigenous Mentorship Program

We participated in the UNSW Alternative Investment Society's Indigenous Mentoring Program in FY22 to support the professional development of Aboriginal and Torres Strait Islander talent. We are proud to invest in building meaningful connections and support networking opportunities for Aboriginal and Torres Strait Islander students, including mentee Yanti Ropeyarn.

Yanti recalls that her most valued aspect of the Program was connecting with her mentor. "[Their] generosity and network enabled me to connect with phenomenal leaders from various sectors and industries, all who are knowledgeable and very generous with their time and advice. I found this an enriching experience given that I was living and working in a regional town."

"Mentoring has played a vital role both personally and professionally and is one of the most important aspects in career and personal development."

Yanti Ropeyarn
*Angkamuthi Yadhaykenu
Woppaburra Meriam*



Yanti Ropeyarn with her mentor
Gerald Willeston



Social Capital

Human Rights

We are committed to conducting business with honesty, fairness and integrity. We respect and protect fundamental human rights and support the principles contained within the International Bill of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Our approach to human rights focuses on what is most relevant to our operations and supply chain; labour rights, discrimination, anti-bribery and privacy.

To formalise our commitment to fostering a culture of respecting fundamental human rights, we established a Human Rights Policy and Supplier Code of conduct. The Human Rights Policy articulates our expectations of employees and service providers to respect and protect human rights and the controls we have in place to identify, prevent or mitigate human rights risks in our operations and supply chain. Our Supplier Code of Conduct articulates the standards of behaviour expected of our suppliers. We seek to establish relationships with entities that share the same principles and values as ours, including respect for fundamental human rights.

Modern slavery

In FY22, we provided mandatory modern slavery training to all our employees in collaboration with The Freedom Hub. The training aimed to raise awareness and educate our employees on the reality of modern slavery on Australian shores, how to identify modern slavery practices in our day-to-day operations and outlined global modern slavery legislation and the actions we can take, and are taking, to prevent it.

Creating a World of Freedom by Ending Modern Slavery

Collaboration forms an important part of our approach to the mitigation of modern slavery. This year, we partnered with not-for-profit organisation, The Freedom Hub, to inform our approach to addressing and assessing modern slavery in our operations and supply chain and to provide bespoke training on modern slavery to our employees.

The Freedom Hub exists to end slavery in Australia; help people who have experienced this crime recover and partner in the fight to end global slavery. The Freedom Hub's Survivor School is a place where survivors are trained, encouraged and prepared for the workforce.

"The Freedom Hub helps survivors stay motivated & seek opportunities to live a life of freedom, by offering individual supported learning and work pathways. This sets them up with hope as well as the opportunity to have another go and not lose heart."

Sally Irwin, Founder

UNHCR World Refugee Day

In addition to FY22 focus on Modern Slavery, we continued our support for the annual flagship luncheon held for World Refugee Day in June, hosted by Australia for UNHCR.

In 2022 the event focused on the plight of the 100 million people currently displaced across the world - a staggering figure that has never been reached before. This disaster is being driven by the war in Ukraine and other deadly conflicts, with the lunch event raising \$250,000 for vital protection activities. These include "Blue Dot" hubs established in countries bordering Ukraine, which are providing critically important emergency services for the most vulnerable who have been forced to flee their country.

Data security

We believe it is imperative that every employee is able to identify and mitigate cyber threats as they become apparent. All employees are required to undertake mandatory cybersecurity training, on an ongoing basis, provided by an independent, specialist provider. Phishing testing is conducted on an ongoing basis across all employees. In

addition, we procure penetration testing, vulnerability assessments and security architecture reviews by external parties, which assess us against the requirements of ISO27001, NIST and CPS234.

We have a Digital Information and Cyber Security Policy and Cyber Incident Response Plan (**CIRP**) in place to manage contemporary cyber threats and incidents. The CIRP describes the process that is required to ensure an organised approach to managing cyber incidents and coordinating response and resolution efforts to prevent or limit damage that may be caused. We have appropriate Cyber Insurance in place to mitigate risks.

The ACRMC is responsible for overseeing and managing the Group's risks, including the risk of cyber security threats, via the Group's RMF. The RMF sets out the process to identify material data security risks and how to analyse, evaluate and treat the risk, and how continuously monitor the risk. The RMF is reported against quarterly, at each Board meeting.

Health and safety

Our primary duty of care is to ensure that employees are not exposed to health and safety risks arising from business activities or undertakings. Directors and senior managers have the responsibility to ensure that the Company complies with its work, health and safety (WHS) obligations, where managers and supervisors are directly responsible for workplace safety within areas under their control. We have a WHS Program and an Injury Management and Return-to-Work Policy in place which is accessible to employees. We encourage the involvement of all employees in making offices safe workplaces. As part of our direct consultation strategy, a Safety Officer has been appointed to ensure that the requirements within the WHS Program are met.

Supporting the Community with over \$1.3 million in combined contributions

Pinnacle Charitable Foundation

We are passionate about enabling better lives through investment excellence. This belief is strongly reflected in our commitment – together with Affiliates – to the Pinnacle Charitable Foundation (Foundation).

The Foundation's focus is on growing the sustainability of creative and effective Australian not-for-profit (NFP) organisations, to drive sustainable change which delivers community impact. Partners are actively sought and invited to apply for support based around exploring new projects, programs, and services. In each case the aim is to facilitate the delivery of solutions which can be analysed and assessed, scaled and strengthened over several years, with early stage backing often provided. Partnerships in FY22 align with the Foundation's six dedicated focus areas, which in turn reflect the Group's sustainability approach and address specific SDGs where the Group believes it can make a tangible impact.

Financially underpinned by Pinnacle and with access to extensive in-house pro bono services across investment management, portfolio reporting, finance, marketing and IT, the Foundation operates with low overheads and high impact. Its investment strategy is designed to tolerate significant volatility, given the long-term horizon of the Foundation's corpus and the diversified nature of the investment portfolio. The focus is on longer-term investment strategies which can provide reasonable capital protection, whilst aiming to drive growth over an extended period.

Investments are held in a range of Pinnacle Affiliate strategies which offer Australian and global equity exposure, franking credits, monthly income streams, plus a range of non-equity exposed assets. As part of their broad commitment to the Foundation, all Pinnacle Affiliates donate the equivalent of management fee rebates back to the Foundation, through cash or additional units in investments.

Affiliates' commitment to ESG principles are identified prior to investments being made, and a number of Affiliates join with the Foundation to support charitable partners which align with the interests of their employees, clients, investors and business strategies









In FY22, the Foundation gave the highest amount of donations since its inception, with total donations of over \$900,000 (an increase of 70% from FY21). This was primarily directed towards 14 NFP partners, and also included small discretionary amounts given in support of employee fundraising and volunteering activities.

Affiliates provided a further \$285,000 via direct support to several jointly funded charity partners (an increase of 24% from FY21). Matched workplace giving programs across the Group contributed a further \$140,000, including support for NSW and Queensland flood relief appeals in March 2022. The combined financial impact of donations was therefore in excess of \$1,300,000.

This was during a year when NFP partners remained vulnerable to the uncertainty of COVID-19 lockdowns, whilst experiencing ongoing heightened demand for programs and services at a time when normal fundraising streams and access to volunteer networks continued to be impacted.

In FY22, 14 not-for-profit partners received funding, supplemented by access to facilities, advice, networks, employee volunteers, and participation at key events.

These frontline charitable partners operate across Australia to deliver the following:

<p>MENTAL WELLBEING Together with illness prevention and early intervention</p>	
<p>SEXUAL, DOMESTIC AND FAMILY VIOLENCE Legal support and advocacy for sufferers</p>	
<p>DISADVANTAGED CHILDREN AND YOUNG PEOPLE Providing education and welfare</p>	
<p>SPECIALISED MEDICAL RESEARCH New treatments for children and the elderly</p>	
<p>CURRENT ISSUES Addressing long term social impacts in a COVID-19 world</p>	
<p>ENVIRONMENTAL SUSTAINABILITY Water resource management, disaster recovery, and drought mitigation</p>	

* Denotes new partnerships initiated in FY22

The record levels of donations in FY22 partly reflects the \$641,000 received by Pinnacle during FY21 under the Government's Jobkeeper scheme, into which Pinnacle elected during the previous financial year, which was donated to the Foundation in early FY22. The amount, in its entirety, has been donated to the Foundation's existing partners as additional donations for the FY22 year, in addition to the amount which would otherwise have been gifted. This additional one off funding from the Group enabled the Foundation to: -

- Add a new core area of focus - Environment and Sustainability – taking the areas of focus from five to six:
 - The Foundation has aligned its giving to SDG 13 - to take urgent action to combat climate change and its impacts - to inform its partner selection. Specifically programs with a focus on water resource management and leadership, plus strengthening community resilience in both disaster recovery and drought mitigation, have been established.
- Initiate five new partnerships with NFP organisations:
 - Two are aligned directly with Pinnacle
 - YWCA and their Pathways to Independence Program, initiated as a result of our staff nominating to support the social issue of "emergency shelter for older women facing a crisis in homelessness"; and
 - Foundation for Regional and Rural Renewal (FRRR), focussed on both disaster mitigation and community led recovery through grassroots projects
 - Three are joint partnerships with Affiliates
 - The Lighthouse Foundation together with Spheria Asset Management – providing a safe home and community for homeless children to belong, heal and thrive;
 - NASCA (National Aboriginal Sporting Chance Academy) together with Firetrail Investments – building the confidence of Aboriginal and Torres Strait Islander young people to make positive, self-determined choices about their futures; and
 - The Peter Cullen Water and Environment Trust together with Riparian Capital Partners - bridging science, people and policies to improve Australia's water and environmental management.

FY22 Partnership Highlights



R U OK? and "Are They Triple OK?" campaign

Since 2018, Pinnacle Charitable Foundation has been the major Funding Partner of the "Are They Triple OK?" campaign, which aims to increase levels of peer and social support for police and emergency services workers and volunteers nationwide. Deliverables have included eight bespoke conversation guides developed for each state and territory with over 100,000 copies distributed, online learning modules to build confidence for peers and family and friends on how to have an R U OK? Conversation, 200 downloadable assets to help build an R U OK? culture in the workplace, and a committed team of national advocates across the services.

FY22 funding also included the development of the "Are They Triple OK?" Champions Guide as well as case studies that explore "beyond the uniform" to help break down stigma within emergency services, increase social support and encourage conversations.

ruok.org.au/triple-ok

Full Stop Australia's National Survivor Advocate Program

Through a five-year partnership with Full Stop Australia, the Foundation has created and helped fund a critically important Advocacy Manager (Legal and Policy) position. The role is responsible for the advocacy, law reform and policy work for Full Stop Australia nationwide, as the organisation seeks to put a stop to domestic, family and sexual violence. In particular, the position seeks to create a consistent, national platform for local and state based sexual, domestic and family violence law reform and policy with the ultimate aim of ensuring that every survivor of sexual, domestic, and family violence receives the same support and experience regardless of location. Finally the position aims to ensure that this platform is grounded in the lived-experience of survivors.

To that end, in FY22, additional funding helped to establish a National Survivor Advocate Program for people with lived experience of sexual, domestic and family violence from all walks of life and cultural backgrounds. These advocates will guide the advocacy work of Full Stop Australia and drive meaningful changes to policy, practice, and law reform in a safe and supported way.

fullstop.org.au/advocacy/lived-expertise-advocacy



NASCA Inaugural CareerFit Conference for Indigenous students

Together with Firetrail Investments, the Foundation formed a new partnership in FY22 with NASCA. Since 1995 NASCA has been embedding Cultural knowledge into evidence-based programs that support young Aboriginal and Torres Strait Islander people to reach their full potential, supporting them to make positive, self-determined choices for their futures.



A Firetrail employee facilitating a CareerFit workshop with NASCA students

Support was specifically directed to a new NASCA initiative called CareerFit which brought together 48 Aboriginal and Torres Strait Islanders students enrolled in year 10-12 to Sydney for four days in May, with the aim of helping to empower these young students to map their own careers and futures.

Support also included a two hour workshop facilitated by Firetrail in their offices titled "Money, Monopoly and Magnificent Views!". Using fast paced games of Monopoly to introduce money concepts, the team took the students through the foundations of sound money habits to prepare for when they start earning after leaving school.

nasca.org.au

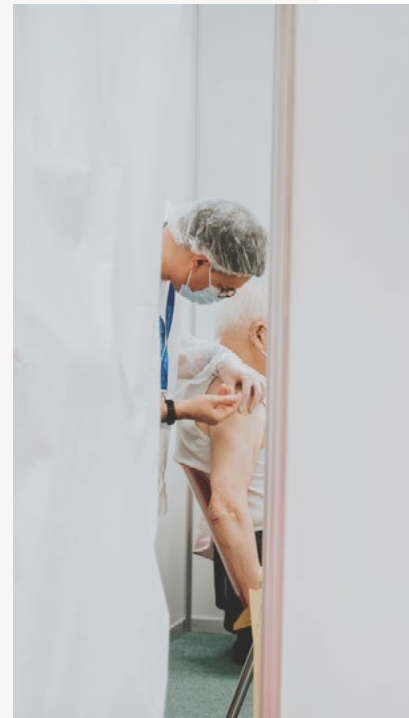
Supporting critical Alzheimer's disease research projects

The Foundation has supported the Australian Alzheimer's Research Foundation (AARF) with Spheria Asset Management since 2019, and in FY22 Resolution Capital also formed a partnership with AARF. Together all three organisations are committed to supporting Alzheimer's research to explore advances in diagnosis and treatment, and ultimately find a cure for this debilitating disease. With 1,800 Australians diagnosed with dementia every week, the disease remains the second leading cause of death in Australia.

The joint partnerships have provided significant support to several Alzheimer's research programs aimed at understanding the cell biology and very early-stage changes at the onset of Alzheimer's disease, especially around gene mutation.

Support is also helping research focused on developing a simple and non-invasive blood test to assess the levels of specific blood-based Alzheimer's disease related biomarkers, which has the potential to detect the presence of the disease well before symptoms appear. This in turn could allow therapies to be introduced early when they are most effective, with the ultimate goal to improve quality of life and delay placement in aged-care facilities.

alzheimers.com.au



Inspiring 60,000 acts of kindness on World Kindness Day

Following an initial meeting in 2020, the Foundation has been supporting the Kindness Factory in its mission to make the world a kinder place, focusing on community, schools, and businesses.

In FY22 this included funding to support marketing and awareness activities for World Kindness Day on 13th November 2021, centred around the use of QR technology and a call to action to scan a "KR" code and commit to an act of kindness for people in need.

The campaign also utilised physical and virtual packs of 52 individual "Kindness Cards", designed as playing cards which each prompted a simple act of kindness.

The campaign reached 10 million people across multiple media platforms, with 60,000 acts of kindness logged. Our employees received packs of "Play Kind Cards" as inspiration and were asked to log their acts of kindness, with over 120 examples recorded.



Rebuilding and strengthening regional communities with FRRR

The Foundation for Rural & Regional Renewal (FRRR) is the only national foundation specifically focused on ensuring the social and economic strength of remote, rural and regional Australia.

In FY22, a significant partnership between FRRR and the Foundation was implemented across three core programs to help rebuild and strengthen regional communities; the Future Drought Fund: Networks to Build Drought Resilience, Disaster Resilient: Future Ready, and Strengthening Rural Communities programs.

In the Future Drought Fund: Networks to Build Drought Resilience program, grants were awarded to local grassroots community organisations in Narrabri and Goonumbla in NSW, Cornishtown in Victoria, Loxton in South Australia, and Wynyard in Tasmania. The grants are assisting communities to build their capacity through local initiatives driven by the community, to be more prepared for, and resilient towards, the impact of drought.

frrr.org.au



Attendees at the "Vocal Locals" mental health campaign project launch in Loxton, SA, June 2022



The Foundation's SDG Alignment

The Foundation has also reviewed how the impacts and outcomes of all NFP funded initiatives align with five identified priority SDGs and their associated indicators and targets. The percentage of each financial partnership, from both the Foundation and Affiliate (where applicable) has been attributed to these five key SDGs and their corresponding targets.

In FY23 the Foundation will seek to measure achievements of each partnership against the indicators across these specific goals.



Employee Choice with Workplace Giving

Employee and Company donations generated through our matched Workplace Giving programs totalled over \$140,000 in FY22 (an increase of over 30% from FY21) and supported 60 NFP entities across Australia.

Campaigns included a special appeal in March 2022 following the devastating floods along the east coast of Australia, to support the disaster relief efforts of:

- Foundation for Rural and Regional Renewal
- GIVIT
- Australian Red Cross
- The Salvation Army Australia

For this appeal, any donation made by employees across the Group was matched by both the Foundation and by Pinnacle.

Palisade Impact's Gift of 1% Interest

In FY22, the Pinnacle Charitable Foundation received a commitment from Palisade Impact, a new Affiliate of Palisade, to gift a 1% interest in the company to the Foundation. Palisade Impact has an approach focussing on unlisted investments that intentionally target solutions to environmental and social challenges while

delivering strong risk adjusted returns. It is envisaged that this gift, to be paid through a 1% profit share, will in time facilitate dedicated funding towards supporting social enterprises and the growing field of impact investing.

Report Integrity

During the financial year, the Group did not have an internal audit function. The Board has received the appropriate assurances from the Chief Executive Officer and Chief Financial Officer in respect to the Group's sustainability reporting processes and internal controls.

Management is comfortable that qualitative and quantitative disclosures contained in the FY22 Corporate Sustainability Report are accurate, given:

- the Group's Sustainability Committee was responsible for monitoring internal process, and
- subject matter experts were engaged, as required.




Continuous disclosure

We are committed to adopting sustainable practices and to integrating sustainability information into our reporting cycle through our Corporate Sustainability Report and CDP disclosure found on our website.



Other industry collaborations

We joined, or led, industry collaborations to share knowledge and support peers in addressing broader sustainability-related issues. The following table details our memberships.

Organisation	Status	Joined
<p>Taskforce on Climate-related Financial Disclosures</p> <p>The TCFD Recommendations are designed to support coherent and comparable reporting on material climate-related risks and opportunities. We support the TCFD and are actively implementing its four key climate related financial disclosure recommendations; governance; strategy; risk management; metrics and targets.</p> 	Signatory	2021
<p>Financial Services Council ESG Working Group and Diversity Working Group</p> <p>The Financial Services Council is a peak body which sets mandatory Standards and develops policy for more than 100 members companies in the financial service sector. The ESG Working Group and Diversity Working Group sees the collaboration of a range of members with expertise or experience in the respective areas to help inform on the development and delivery good public policy.</p> 	Member	2022
<p>UN Global Compact</p> <p>The UN Global Compact is a call to companies to align strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, and take actions that advance societal goals.</p>	Participant	2022
<p>Responsible Investment Association of Australia</p> <p>The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and New Zealand. RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment, and economy, and is the largest and most active network of organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.</p> 	Member	2022

Climate Active

Climate Active is a partnership between Australian businesses and the Australian Government to promote voluntary climate action. Certification is awarded to Australian businesses who meet rigorous requirements to achieve net zero emissions, including measuring, reducing, and offsetting emissions through innovation, sustainable operations, and industry leadership.

Certified **2020**



CDP

CDP is a non-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts, risk and opportunities. We are proud to be recognised as a CDP discloser on climate change committing to environmental transparency by disclosing our climate change impact.

Discloser **2021**

