

2023

Corporate Sustainability Report



Contents

03	Introduction
05	Message from our Managing Director
07	Identifying our Material Sustainability-related Risks
12	Governance and Risk Management
15	Addressing the Impacts of Climate Change
27	Human Capital
33	Human Rights
34	Pinnacle Charitable Foundation
40	Integrity of Report
40	Continuous Disclosure
41	Other Industry Collaborations
43	01 Appendix: Reporting Frameworks
49	02 Appendix: Data

Introduction

SCOPE & APPROACH

This Corporate Sustainability Report (**Report**) highlights the sustainability-related activities of Pinnacle Investment Management Group Limited (**ASX:PNI**) and its wholly-owned and controlled entities (**Pinnacle, Pinnacle Group, our, we**) for the financial year ended 30 June 2023 (**reporting period**).

Sustainability disclosure is subject to evolving regulation and increased transparency expectations from shareholders, clients and employees. Our sustainability reporting suite aligns to existing global sustainability frameworks and standards, including the Sustainability Accounting Standards Board (**SASB**) Standards, the Task Force on Climate-Related Financial Disclosures (**TCFD**) recommendations and the United Nations Global Compact (**UNGC**) principles. We have reviewed our sustainability activities against each of these standards and frameworks, with relevant disclosures available in the Appendix section of this Report. Further, we have highlighted the United Nations Sustainable Development Goals (**UN SDGs**) which align to our business practices.

FUTURE REPORTING

The International Financial Reporting Standards (**IFRS**) Foundation announced the formation of the International Sustainability Standards Board (**ISSB**) in 2021. In June 2023, the ISSB issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (**IFRS S1**) and IFRS S2 Climate-related Disclosures (**IFRS S2**). We support the ISSB's efforts to deliver a comprehensive global baseline of sustainability-related disclosure standards focused on the needs of investors and financial markets. Our sustainability reporting is aligned to existing frameworks which underpin ISSB Standards; the TCFD recommendations and the SASB Standards. Although ISSB Standards build on the TCFD recommendations and the SASB Standards, by reporting against these frameworks today, we are best prepared for sustainability disclosures under IFRS S1 and IFRS S2 in future reporting periods.

OUR BUSINESS

We are a leading Australia-based multi-affiliate investment management firm.

Our aim is to establish, grow and support a range of investment management firms to create a diverse world-class stable. Founded in 2006, we currently hold equity stakes in 15 boutique investment management firms (**Affiliates**). As at 30 June 2023, we held shareholdings of between 23.5% and 49.9% in each Affiliate, which together have \$91.9 billion in funds under management (**FUM**). By providing Affiliates with superior non-investment services, we enable them to focus on delivering investment excellence to their clients.

OUR PURPOSE

Our purpose is to enable better lives through investment excellence.

OUR SUSTAINABILITY OBJECTIVE

We are committed to building a sustainable, inclusive and resilient firm.

This means fostering a work environment that attracts, recruits and retains exceptional people, aligning firm growth with our climate ambitions, expanding the reach and impact of our philanthropic partnerships and supporting Affiliate transitions to a more sustainable future.

Our Sustainability Strategy is structured around three principal focus areas guided by our Sustainability Objective.

BEYOND THIS REPORT

- [Corporate Governance Statement](#)
- [Modern Slavery Statement](#)
- [Gender Equality Reporting](#)

BUILDING A SUSTAINABLE, INCLUSIVE, AND RESILIENT FIRM

Our Sustainability Strategy



PURPOSE

Ensure sustainability principles and practices are integrated into the way we conduct business.



PEOPLE

Recruit, retain and support talented people who understand and contribute strongly to our Purpose and Values.



PLANET

Acknowledge and act on the risk that climate change poses to the economy, financial markets and society as a whole.

Message from our Managing Director

I am pleased to present Pinnacle's Corporate Sustainability Report for the financial year ended 30 June 2023.

This year continued to present challenges on many fronts. We entered our fourth year of living with COVID, while experiencing a global slowdown of economic growth and tightening financial conditions. Amidst this uncertainty, our Values have remained at the forefront of what we do, and we have worked together to deliver positive outcomes for our clients and stakeholders.

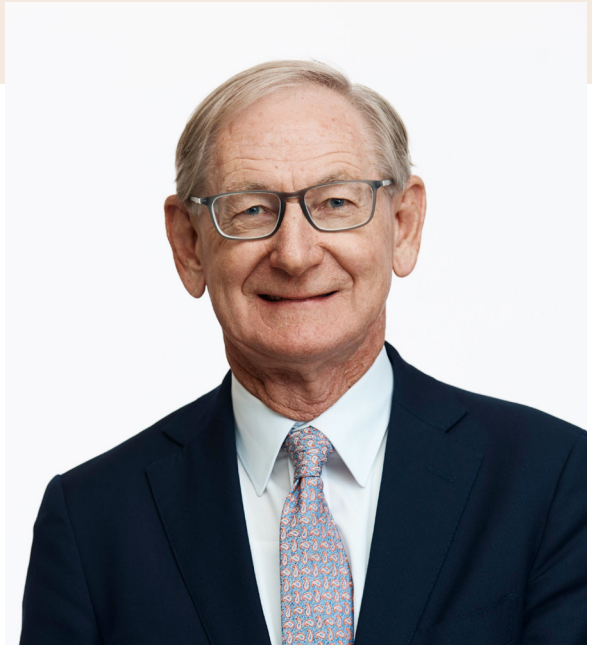
I am proud to be associated with such talented, dedicated and resilient people. I express my sincere gratitude for their unwavering hard work, dedication and outstanding contributions throughout this challenging year.

Over the year, we continued to embed sustainable thinking into the way we conduct business.

In December, we voluntarily submitted our first Modern Slavery Statement. The Statement details our commitment to partnering with suppliers, communities and Affiliates who respect and protect fundamental human rights. It is a complex area, and our approach is still evolving. I am proud of the work we have done to build a respectful culture and awareness of our responsibilities to address and manage modern slavery and broader human rights risks within our operations.

At the heart of our climate-related efforts is our target to reduce the emissions intensity of our operations by 60% per FTE over a ten-year horizon. While Pinnacle has achieved carbon neutrality since FY20, this target aims to hold us accountable for emission reductions while accounting for continued corporate growth.

Our future emission reductions rely heavily on transparent supply chain relationships.



This year, we introduced a Group-wide Supplier Engagement Group to help us build meaningful, collaborative relationships with suppliers to address global sustainability issues together.

I am proud of the Pinnacle Charitable Foundation's efforts to support our communities. Over the year, we have continued to engage in structured, effective and strategic philanthropy for the future, closely aligned with our broad focus on sustainability and commitment to strong ESG principles across the Group.

We know there is more we can and must do. As we look ahead, we welcome and support the ISSB's efforts to bring standardisation and further transparency on sustainability-related risks.

I hope this Report demonstrates our strong commitment to integrate sustainable thinking across the business to enhance our ability to deliver on our purpose - to enable better lives through investment excellence.

A handwritten signature in black ink that reads "Ian Macoun". The signature is fluid and cursive, with a long horizontal line extending to the right.

Ian Macoun

2 August 2023

Our FY23 Highlights

SET AN INTENSITY-BASED GHG EMISSION REDUCTION TARGET

Committed to reducing our tonnes of CO₂-e emitted per FTE employee by 60% by FY30, from a FY20 base year.

SUBMITTED A VOLUNTARY MODERN SLAVERY STATEMENT

Our inaugural Voluntary Modern Slavery Statement demonstrates our progress in addressing modern slavery risk in our operations and supply chain.

WOMEN IN FINANCE SCHOLARSHIPS

We awarded 20 scholarships to students across 4 universities. This is the fourth year of the program, which commenced in 2019 with 8 scholarships. Since the program commenced, 14 scholarship recipients have been actively employed within Pinnacle or the Affiliates.

ESTABLISHED THE PINNACLE GROUP WOMEN AND ALLIES NETWORK

The Network fosters a supportive, diverse and inspiring community of women and allies across Pinnacle and Affiliates.

OVER \$900,000 DONATED

Through partnerships with 16 not-for-profit (NFP) organisations and workplace giving, Pinnacle and Affiliates supported community initiatives across the country.

Identifying our Material Sustainability-related Risks

We have been guided by the SASB Standards for Asset Management and Custody Activities and Professional and Commercial Services in identifying material sustainability-related risks that are likely to impact our ability to create long-term shareholder value.

In addition to the SASB Standards, we integrated insights and feedback from client discussions and results from

a Pinnacle-wide Sustainability Research Study, to determine the risk areas considered to be financially material to our firm.

The following pages of this Report showcase our approach to managing our material sustainability-related risks and highlight other sustainable themes that are important to us.



PROFESSIONAL INTEGRITY

We have a responsibility to act lawfully, ethically and responsibly by complying with our legal, regulatory and ethical obligations. Our leadership acknowledges their role in shaping our firm's ethical culture and fostering a working environment that integrates the highest professional standards into our day-to-day operations. Failure to do so could damage our reputation, leading to reduced stakeholder trust, loyalty, attraction and retention.



WORKFORCE DIVERSITY & ENGAGEMENT

Our people are key to our success. We must continue to focus on recruiting, developing, rewarding and retaining talented people with diverse backgrounds to meet the needs of our clients, shareholders and community. Further, ensuring our employees feel valued, respected and supported is essential for the long-term growth and success of our business. Failure to engage a diverse workforce would limit diversity of thought, creativity, innovation and problem solving and our ability to interact and anticipate client needs.



DATA SECURITY

We are entrusted by our employees, clients and Affiliates to store, process and transmit increasing amounts of sensitive data. This increases the risk that sensitive client information may be unveiled through cybersecurity breaches, other malicious activities or employee negligence. Data breaches may compromise the perception of the effectiveness of our security measures, which could result in reputational damage and adversely impact our ability to attract and retain clients.



TRANSPARENT INFORMATION FOR CLIENTS

As a provider of financial services, we have legal obligations to ensure that product-related information and promotional materials enable investors to understand the product's environmental, social and governance (ESG) considerations and therefore make informed investment decisions.

Professional Integrity

We recognise that professional integrity is important both for strengthening our license to operate as well as for attracting and retaining employees and clients. We are committed to conducting business to the highest levels of integrity and ethical standards.

Employees are encouraged to always act in accordance with our values and maintain a line of sight to long-term goals. To embed a culture promoting quality of work and professional integrity, we have policies and procedures in place, including, but not limited to:

- **Code of Conduct**

Our Code of Conduct articulates standards of behaviour to guide employee conduct. The code is supported by internal policies and procedures and reinforced through employee training.

-  **Code of Conduct**

- **Corporate Governance Statement**

Our Board is committed to ensuring that policies and practices reflect a high standard of corporate governance. As outlined in our Corporate Governance Statement, the Board has adopted a comprehensive framework of corporate governance guidelines, designed to support and enhance business performance and governance.

-  **Corporate Governance Statement**

- **Risk Management Framework**

Our Risk Management Framework (**RMF**) outlines a consistent approach to identifying, analysing, evaluating and treating risks, provides a basis for evaluating risks and prioritising risk treatments and enables reporting of our overall risk profile, including whether we are operating within our risk appetite.

- **Risk Appetite Statement**

Our Risk Appetite Statement (**RAS**) identifies and defines our material risks, specifies the degree of risk that we are willing to accept in pursuit of our strategic objectives (risk appetite) and outlines the tolerances setting the thresholds against which material risks are to be measured and managed.

- **Anti-Bribery and Corruption Policy**

We are committed to not only complying with all applicable anti-bribery and corruption laws and regulations, but also to fostering a culture of zero tolerance to bribery and corruption across the firm. Our Anti-Bribery and Corruption Policy outlines the controls we have in place to minimise the risk of bribery and corrupt practices by our employees and service providers.

-  **Anti-Bribery and Corruption Policy**

- **Conflicts of Interest Policy**

We have a Conflicts of Interest Policy to ensure we understand the needs and expectations of interested parties who can be adversely affected by conflicts of interest and how to deal with them. Risk & Compliance monitors all recorded actual, apparent or potential conflicts, to ensure we have appropriate and effective controls in place to identify and manage conflicts of interest.

- **Whistleblower Policy**

Our Whistleblower Policy provides guidance on how to raise a concern about suspected or actual unethical or unlawful behaviour. All employees are encouraged to speak up about reporting alleged wrongdoing without fear of retaliation.

-  **Whistleblower Policy**

- **Grievance Resolution Procedure**

We have a comprehensive employee behaviour and grievance resolution procedure including equal opportunity, harassment, bullying, vilification, victimisation, whistleblowing and grievance resolution. Our grievance resolution procedure provides appropriate avenues for our employees to speak up, without fear of retaliation, about matters concerning their work or other matters connected with our firm.

Employees engaged in any type of unlawful discrimination, harassment or bullying may be subject to disciplinary action. If an allegation has been investigated and substantiated, actions could include counselling, disciplinary action or termination of employment.

Workforce Diversity & Engagement

40%

of our Board of Directors are women

20

Women in Finance Scholarships awarded in FY23



Established a Women and Allies Network across Pinnacle and Affiliates

81%

Employee Engagement¹

DIVERSITY AND INCLUSION

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

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

- adopting an equal opportunity recruitment process that draws a diverse pool of both applicants and shortlisted candidates for all positions, including the Pinnacle Group Board of Directors (**Board**) and senior management appointments;
- building a strong pipeline of future female talent, by encouraging women into the industry through scholarships, internships, industry partnerships and university partnerships;
- flexible work arrangements to assist employees to balance their work, personal and family responsibilities;
- ensuring equity across like roles when setting salaries, short-term and long-term incentives, considering internal promotions and in succession planning;
- fostering a culture that does not tolerate harassment, bullying, vilification or victimisation by maintaining a comprehensive employee behaviour and grievance resolution procedure;

- facilitating connections between women at Pinnacle and Affiliates by establishing the Pinnacle Group Women and Allies Network as a group-wide community of women and their supporters;
- acknowledging the cultural diversity that exists across our firm by introducing a Public Holiday Swap Policy;
- analysing and reporting gender pay gap data to the Workplace Gender Equality Agency (**WGEA**) to assess pay equity among our employees; and
- creating a work environment of inclusion for Aboriginal and Torres Strait Islander peoples by increasing our efforts to promote reconciliation.

EMPLOYEE ENGAGEMENT

Ensuring our people feel valued, respected and supported is essential for long-term growth.

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.

OUR APPROACH TO DIVERSITY IS SUPPORTED BY:

 Diversity Policy

¹ The response rate to our most recent Global 'Pulse Check' Survey was 53%.

Data Security



Data security training is provided to all employees



Board-level committee oversight in place



Regular ongoing testing of employee readiness

We are cognisant of the rapidly changing and evolving cyber threat landscape and the need to have appropriate controls in place to identify, prevent and protect ourselves from these threats. We also recognise our clients' right to privacy and are committed to the protection and confidentiality of personal information.

PRIVACY POLICY

Our Privacy Policy sets out how we collect, hold, use, disclose and protect personal information. The Policy describes individuals' rights to access and correct personal information and how to contact us or make a complaint. We have processes in place to investigate security incidents and breaches.

DIGITAL INFORMATION AND CYBER SECURITY POLICY

Our Digital Information and Cyber Security Policy sets out security controls and standards of behaviour that we have determined are necessary to achieve an appropriate level of information security.

CYBER INCIDENT RESPONSE PLAN

We have a Cyber Incident Response Plan (**CIRP**) 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.

Further, we have cyber insurance in place to further assist in mitigating and managing risks.

EMPLOYEE TRAINING ON CYBER SECURITY

We believe it is imperative that every employee can identify and mitigate cyber threats as they become apparent.

All employees are required to undertake mandatory cyber security 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.



Transparent Information for Clients

Regulation addressing greenwashing risks for financial products continues to increase globally. We have a responsibility to ensure that disclosure documents and other marketing materials enable investors to fully understand ESG considerations of Affiliate products.

PROMOTIONAL MATERIALS POLICY

Promotional materials for financial products and services are a key source of information on which investors base their investing decisions.

As a product issuer and promoter of products and financial services, we must ensure that we are:

- taking reasonable steps to ensure distribution is directed to the target market;

- not making false or misleading statements;
- not engaging in misleading or deceptive conduct, including when disseminating or publishing promotional materials; and
- meeting regulator guidelines around promotional materials.

Our Promotional Materials Policy describes the steps we take to ensure that all promotional materials give clear, accurate and balanced messages and fairly represent the product or service to assist investors to make informed financial decisions.



Governance and Risk Management

CORPORATE GOVERNANCE

Effective corporate governance is underpinned by our commitment to strong leadership and effective oversight by Board and senior management.

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](#).

Compliance

Risk & Compliance is responsible for preparing and implementing policies to ensure compliance with our legal and regulatory obligations.

Employee training on relevant regulations

Risk & Compliance conduct ongoing training to ensure our employees are familiar with legal, regulatory and other obligations under our policy suite. Annual compliance training is mandatory for all employees and includes code of conduct, privacy, whistleblowing, anti-bribery and corruption and promotional materials in addition to other relevant one-off training topics. In addition, all employees must complete mandatory online training covering both compliance as well as cyber and data security topics.

Remuneration

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 and 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 firm
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 individual roles. Contribute to an inclusive culture that enables performance and fosters collaboration, leading to investment excellence.

Responsibility for sustainability- and climate-related risks and opportunities

The Board is ultimately responsible for considering the social, ethical and environmental impact of our activities and monitoring sustainability practices. This includes overseeing the implementation and execution of our broader sustainability strategy and adoption of sustainability-related policies. Board responsibility for sustainability-related risk is reflected in our **Board Charter** and **Corporate Governance Statement**.

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

Executives ensure our sustainability- and climate-related initiatives and risk management practices are effectively implemented.

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 Sustainability Committee informs our strategic commitment to sustainable development with the decision-making authority to execute change.

The Sustainability Committee has the responsibility to monitor progress on the implementation of our Sustainability Strategy, identify and assess all sustainability-related risks and opportunities, and establish and implement strategies to mitigate material risks. The Committee is comprised of executives, senior management and personnel from all business sector units to ensure comprehensive representation. This includes personnel from our dedicated sustainability team, who are charged with incubating new sustainability ideas and rolling out sustainability initiatives across the firm.

SUSTAINABILITY-RELATED RISK MANAGEMENT

The ACRMC monitors our exposure to sustainability-related risk via our RMF. The RMF identifies and defines our material sustainability-related 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 risks throughout the firm, through our processes and operations on a day-to-day and long-term basis.

The Board monitors sustainability-related risks against the RMF, which is reported against at least quarterly.

Employee sustainability-related training

To ensure employees understand relevant ESG considerations that affect the business, sustainability-related training is provided to all personnel at least annually.



Pinnacle Affiliates

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 2023, all Pinnacle Affiliates are either Principles for Responsible Investment (PRI) signatories (equating to 98.4% of the Group's (FUM)) or a Certified B Corporation.

ESG WORKING GROUP

We believe that a collaborative approach to ESG across Pinnacle and Affiliates 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, as well as improving disclosure transparency and contributing to driving positive change in our industry.

FY23 objectives focused on modern slavery, diversity and climate change. The ESG Working Group established two sub-working groups: the Supplier Engagement Group and the Women and Allies Network.

Pinnacle Group Supplier Engagement Group

The Supplier Engagement Group is a collaborative engagement initiative involving Pinnacle and Affiliates, aiming to maximise leverage in supplier engagements, generate efficiencies and promote key sustainable themes within our corporate supply chain. We are currently targeting two elements of sustainability in our supplier engagements - modern slavery and climate change.

We aim to build meaningful, collaborative relationships with our supply chain to begin to address global sustainability issues.

Women and Allies Network

The Pinnacle Group Women and Allies Network is a group-wide community of women and their supporters. The Network aims to develop and foster a supportive, diverse and inspiring community of women and allies across Pinnacle and Affiliates through networking, awareness-raising forums and peer mentoring.

ESG Charter

To underpin the objectives set by the ESG Working Group, and formalise our 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.

Pinnacle Affiliates are invited to sign this Charter to demonstrate our combined commitment to these important issues, with 14 Affiliates having done so.

Addressing the Impacts of 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 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.

We are committed to providing transparent and reliable climate-related information. We have endorsed the TCFD recommendations since FY20 and will continue to disclose climate-related information in accordance with the recommended four pillars: Governance; Strategy; Risk Management; and Metrics, Targets and Transition Plans.

Please refer to **TCFD Index** in the Appendix for details.



Our Climate Strategy

We believe that sustainable practices must be embedded into our organisational culture to increase knowledge and continue dialogue about climate-related issues.

Employee awareness 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 our employees' day-to-day decision making. Throughout FY23, we continued to concentrate

on climate education and awareness for employees and Affiliates, by developing impactful initiatives that align with our climate strategy.

Our climate strategy is centred around three key pillars to ensure an extensive and significant impact across our business.

 SUPPORT	 REDUCE	 EDUCATE
<p>Support collaboration opportunities with Affiliates, industry peers and carbon projects to collectively drive sustainable action.</p>	<p>Reduce our environmental impact.</p>	<p>Enhance employee awareness and knowledge of sustainable practises that contribute to a more sustainable future.</p>
<p>Our Progress</p> <p>Continued Affiliate engagement via the Pinnacle Group ESG Working Group, with a strong focus on diversity, modern slavery and climate change.</p> <p>Consistent collaboration and participation in industry-wide collaborations.</p> <p>Partnered with carbon removal and avoidance projects to accelerate climate action in the near term.</p>	<p>Our Progress</p> <p>Set a target to reduce the emissions intensity of our operations by 60% per full-time equivalent (FTE) by FY30, from a FY20 base year.</p> <p>Reduced greenhouse gas (GHG) emissions by 45% per FTE in FY22 from a FY20 base year.</p> <p>Reduced electricity consumption from non-renewable sources and purchased Large-scale Generation Certificates (LGCs) to offset any non-renewable electricity consumed.</p>	<p>Our Progress</p> <p>Continued to embed sustainable thinking into firm-wide decision making, including when selecting suppliers, employee gifting and office relocations.</p> <p>Offered volunteering opportunities that help to combat climate change.</p> <p>Continued to encourage employees to pursue virtual interactions by highlighting the emissions impact of business travel where feasible.</p>

Climate Scenario analysis

We conducted a qualitative climate scenario analysis to assess the resilience of our business model to climate disruptions and our ability to adapt to climate uncertainties.

Our climate scenario analysis provided a coordinated way to assess climate-related risks and opportunities in a qualitative manner and facilitated a management-level discussion into how physical and transition risks could affect our operations in the short, medium and long term.

Analysis overview

Our climate scenario analysis comprised three key actions: risk identification, scenario selection and impact assessment.

RISK IDENTIFICATION

1

Our Sustainability Committee identified potential climate-related risks



SCENARIO SELECTION

2

Selected two scenarios which conducted the “best” and “worst” case potential future climate outcomes and led to a spectrum of transition and physical risks



IMPACT ASSESSMENT

3

Conducted internal workshops to determine potential implications under each scenario for our operations and developed assumptions around inputs not pre-specified in scenarios



RISK IDENTIFICATION

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.

We have identified and assessed potential climate-related risks and opportunities across our operating model, considering both the perceived significance and likely timescales in which they may occur.

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

Climate-related risks are considered based on risk appetite, according to the qualitative definitions in the following table.

RISK APPETITE LEVEL	RISK TAKING VS REWARD	RISK RESPONSE DECISION CRITERIA	RISK CONSEQUENCE LEVEL ACCEPTANCE
High	We are willing to take greater than normal risks.	Risk response actions are taken when a strong case can be made for cost effectiveness of potential outcomes.	Willing to accept a major consequence to pursue strategic sub-objective.
Moderate	We take a balanced approach to risk taking.	Risk response actions are made based on cost effectiveness, management priorities and potential outcomes.	Willing to accept a moderate consequence to pursue a strategic sub-objective.
Low	We take a cautious approach to taking risk.	Willing to spend resources to take risk response actions.	Willing to accept a minor consequence to pursue strategic sub-objective.

	OUR CLIMATE-RELATED RISK	POTENTIAL FINANCIAL IMPACT
<p>Regulatory</p>  <p>Low risk appetite</p>	<p>Emerging or divergent climate-related regulation, policies and disclosure obligations continue to evolve in complexity. This could expose us to new risks such as failing to prepare for the implementation of global sustainability reporting standards, the introduction of carbon taxes that may apply to GHG emissions or other aspects of our operations and other regulatory changes.</p>	<p>Increased expenses</p>
<p>Technology</p>  <p>High risk appetite</p>	<p>Lower emission technology may replace existing technologies as we transition to a climate-focused economy. This may result in increased capital investment, research, adoption and deployment costs of new processes and increased training expenditure.</p>	<p>Increased expenses</p>
<p>Market</p>  <p>Low risk appetite</p>	<p>Demand for products and services that support the low-carbon transition continue to rise. An inability to recognise shifts in client demand for such products could lead to reductions in investments in Affiliate products. Similarly, as a service provider to Pinnacle Affiliates, an inability to meet Affiliate expectations for the services we provide them could lead to reductions in partnership opportunities.</p>	<p>Reduced revenues</p>
<p>Reputational</p>  <p>Low risk appetite</p>	<p>We could suffer reputational damage and financial loss if our climate considerations fail to meet stakeholder expectations.</p> <p>A perceived lack of action on climate-related matters could affect capital availability, lead to shareholder divestment or a decline in future partnership opportunities.</p> <p>Being able to attract talent is critical to our ability to serve Affiliates, and our clients. Reputational damage could impact our ability to attract and retain talent and impact our operational productivity through higher employee turnover rates and a diversion of resources to recruitment.</p>	<p>Increased expenses and reduced revenues</p>
<p>Physical Risk (Acute and chronic)</p>  <p>High risk appetite</p>	<p>Extreme weather events could impact our offices, shared data centres, operations and people to varying degrees.</p> <p>In extreme circumstances, weather events may lead to damaged facilities needing to be rebuilt or refurbished, resulting in operational disruption as employees may be unable to work from a secure location and increased insurance premiums.</p> <p>The direct financial impact is, however, limited as we lease all our facilities.</p>	<p>Increased expenses and reduced revenues</p>

	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 sustainable • Finding innovative solutions to increase energy efficiency in our leased office spaces and leveraging renewable electricity to reduce our environmental footprint • Relocation to more energy efficiency buildings or office spaces 	Reduced expenses
Energy source	<ul style="list-style-type: none"> • Use of lower emission 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
Products and services	<ul style="list-style-type: none"> • Offering of carbon management or other climate-related services to Affiliates • Changes in client preferences and/or changes to regulation to which Affiliates are subject, could increase demand for certain investment products 	Increased revenues
Market	<ul style="list-style-type: none"> • Access to capital allocation through new products, markets and asset types, further diversifying Affiliate product offerings • Better competitive position to reflect shifting consumer preferences 	Increased revenues
Resilience	<ul style="list-style-type: none"> • 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 group-wide approach 	Increased revenues

SCENARIO SELECTION

To assess the impacts of climate change, we assessed two climate scenarios developed by the Network for Greening the Financial System (NGFS).

- 1. a Net Zero by 2050 scenario (1.5°C).** Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO₂ emissions around 2050.
- 2. a Nationally Determined Contributions (NDCs) scenario (~2.5°C).** NDCs scenario includes all pledged policies even if not yet implemented.

A significant unknown within global climate transition is the degree or orderliness and timing under which the transitions will occur. The following table demonstrates the various future policy and technology outcomes analysed under each scenario and provides an indication of how the global economy may react, so we can plan and respond accordingly.

NGFS SCENARIO	PHYSICAL RISK		TRANSITION RISK		
	POLICY AMBITION	POLICY REACTION	TECHNOLOGY CHANGE	CARBON DIOXIDE REMOVAL	REGIONAL POLICY VARIATION
Orderly (Net Zero 2050)	1.5°C	Immediate and smooth	Fast change	Medium-high use	Medium variation
Hot House World (NDCs)	~2.5°C	NDCs	Slow change	Low-medium use	Low variation

Colour coding indicates whether the characteristic makes the scenario more or less severe from a macro-financial risk perspective

Lower Risk
 Moderate Risk
 Higher Risk

IMPACT ASSESSMENT

Climate scenario analysis can be performed at different levels of granularity to identify impacts at a business-level or individual portfolio-level. For FY23, we opted to focus on our core business operations and, thus, our analysis does not extend to individual Affiliate investment portfolios. We will look to extend the depth of our analysis in future reporting periods.

Conclusions

The scenarios presented different plausible risks and opportunities that we may encounter as the global economy changes with respect to climate. Whilst these challenges are evident, the flexibility in our business model supports resilience as we adapt to the physical and transition impacts of climate risks.

Net Zero by 2050 Scenario

This scenario will have the greatest effect on our business operations in the short- to medium-term.

Under this scenario, decisive climate policy actions will take place in the very near term, in turn impacting global legislation. This accentuates our regulatory and reputational risks as we adapt to evolving regulatory environments across jurisdictions, or incur penalties, taxes, or poor publicity, in the event that the business does not respond appropriately. To mitigate this risk, we will continue to monitor regulatory developments both domestically and transnationally to ensure we are prepared for the increasing transparency of climate-related disclosures. This scenario presents the opportunity to capitalise on the shift to a climate-focused economy. Increased demand for climate-focused products enables us to diversify product offerings and access increasing capital allocations to these products.

NDCs Scenario

This scenario does not present a high level of risk over the long-term, however change will still be required such that we can adequately ensure business resilience.

The significant physical effects may impact employee working conditions, data security and operational resilience. Should unconstrained temperature rises

occur, capital may be reallocated to address losses to physical property or manage challenges created by the other physical risks. We retain insurance to help mitigate the potential financial impacts of physical climate-related risks and 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. We have considered the short- to medium-term risks of this scenario to our business, however do not perceive there to be any substantive challenges or opportunities.

Limitations

Scenario analysis helped us to envision and evaluate potential future outcomes. It should be noted that, as with any scenario analysis, there will be factors that limit the accuracy and validity of the assessment.

First, there are uncertainties that arise from the climate scenarios formulated by NGFS as the scenarios rely partly on assumptions on policy, technology and society made by the NGFS. The models do not attempt to predict the scale of monetary and fiscal policy responses, among other financial market factors, indicating that the policy reactions for each scenario may be over or understated.

Further, any assumptions regarding client and market reactions under each scenario are developed based on the qualitative judgement of our Sustainability Committee. Whilst through the variety of perspectives we try to gauge the appropriate market reaction, there is no guarantee that clients, shareholders and the market will respond in the assumed manner, introducing a degree of uncertainty within our analysis conclusions.

As such, we reiterate that this analysis is intended to highlight the tools and analytical specifications we utilised to develop and refine our understanding of possible climate-related risks and opportunities. It is not meant to be an accurate projection of future outcomes but rather give an indication of the effects of a changing global economy, in respect to climate, which will help us to ensure operational resilience.

Metrics, Targets and Transition Plans

TARGET

To reduce our tonnes of CO₂-e emitted per FTE employee by 60% by FY30, from a FY20 base year. This target aims to hold us accountable for emission reductions while accounting for company growth.

REPORTING BOUNDARIES

What does it mean to be carbon neutral?	Being carbon neutral means removing as much carbon from the atmosphere as we put into it. To do this, we reduce our carbon emissions as much as possible and compensate for the remaining emissions by supporting carbon removal and avoidance projects.
---	--

Defining the scope of our reporting boundary	Our operational boundary is defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007 and includes emissions associated with our global wholly-owned and controlled subsidiaries ² .
--	--

All scope 1, 2 and 3 GHG emissions within our operational boundary are included in our emission reporting.

Emissions associated with our Australian operations are included in our Climate Active Carbon Neutral certification for Organisations.

Which emissions are included?	Emissions associated with our international operations are calculated outside of our Climate Active Carbon Neutral certification. We have a relatively small number of employees working across the United States, United Kingdom and Canada. We will look to adopt GHG accounting standards relevant to each jurisdiction, as these emissions materialise, in future reporting periods. For FY22, our international emissions were estimated on a pro rata basis, based on international employee headcount as a proportion of our Australian location-based emissions.
-------------------------------	--

What is not included?	At this stage, financed emissions (emissions associated with Pinnacle Affiliates and their respective investment portfolios) are not included within our reporting boundary. However, we recognise the importance of understanding the entirety of the environmental impact of our operations and will look to expand the scope of our emissions boundary in future reporting periods.
-----------------------	--

Reporting timeframe	To align with our Climate Active Carbon Neutral Standard for Organisations, we report in arrears. This ensures all activities within our defined boundary are certified against the Climate Active Carbon Neutral Standards (for organisations). We are in the process of certifying our GHG inventory for FY22 under Climate Active Standards (for Organisations) and quantifying our FY23 GHG inventory.
---------------------	--

² Pinnacle Investment Management Limited, Pinnacle Services Administration Pty Ltd, Pinnacle Fund Services Limited, Pinnacle RE Services Limited, Pinnacle Investment Management (Canada) Ltd, Pingroup IM Limited (US) and Pinnacle Investment Management (UK) Limited

OUR GLOBAL GHG EMISSIONS BREAKDOWN

Scope 1: Direct GHG emissions

These are emissions that occur from sources we own or control. Due to the nature of our business as an investment management firm, we do not undertake any activities which produce Scope 1 emissions.

Scope 2: Indirect GHG emissions

Scope 2 emissions are indirect emissions from the generation of purchased energy. This year we purchased LGCs to negate emissions attributed to any non-renewable electricity consumption.

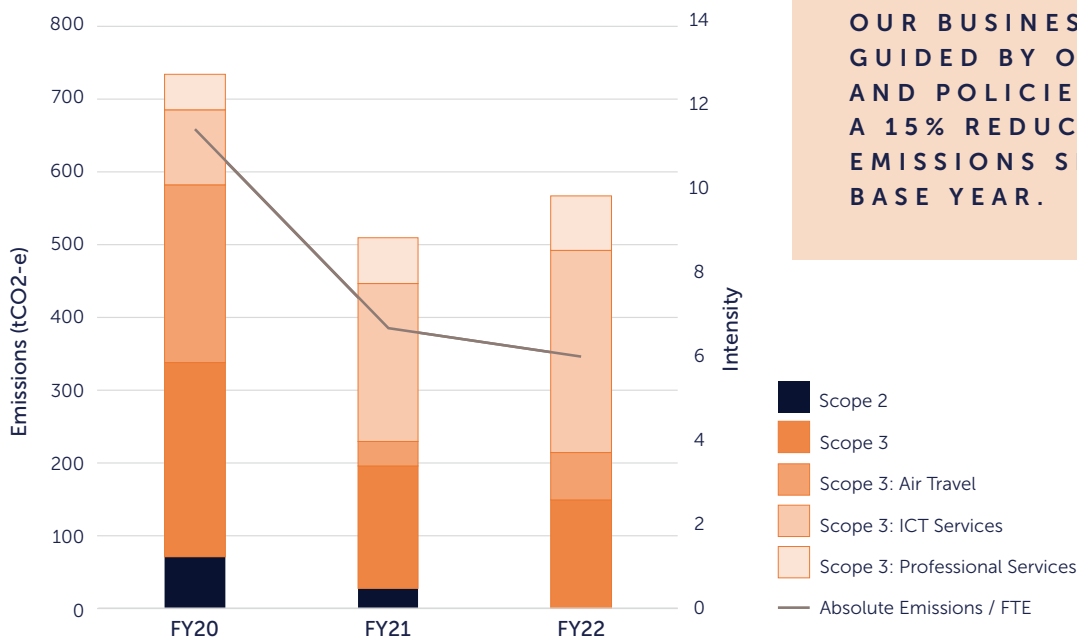
Scope 3: All other indirect GHG emissions

Scope 3 emissions occur from sources not owned or controlled by our firm. Scope 3 sources include, but are not limited to, business travel, ICT equipment and services, professional services and employee commutes.

Please refer to [Environmental Data](#) in the Appendix for a full emission breakdown.

	FY22 (tCO ₂ -e)	FY21 (tCO ₂ -e)	FY20 (tCO ₂ -e)
SCOPE 1	0.0	0.0	0.0
SCOPE 2 (MARKET-BASED)	0.0 ³	26.8	70.8
SCOPE 3 (MARKET-BASED)	567.0	483.0	663.5
TOTAL AUSTRALIAN EMISSIONS	567.0	509.7	734.3
INTERNATIONAL EMISSIONS	57.0	21.3	-
TOTAL GLOBAL EMISSIONS	624.0	531.0	734.3
PURCHASE OF CARBON CREDITS AND OFFSETS	(624)	(531)	(735)

Breakdown of our Largest Australian GHG Emission Sources



OUR BUSINESS ACTIVITIES, GUIDED BY OUR STRATEGY AND POLICIES HAVE SUPPORTED A 15% REDUCTION IN GLOBAL EMISSIONS SINCE OUR FY20 BASE YEAR.

³ Purchase of LGCs has negated emissions attributed to scope 2 emissions (purchased electricity).



We remain committed to reducing the environmental impact of our operations. Although absolute GHG emissions increased in FY22, the intensity of our emissions per FTE reduced by 9%, compared to FY21.

Renewable energy and Renewable Energy Certificates

We continue to operate our leased office spaces on Green Power, where we have the operational control to do so. In FY22, we purchased 84 voluntary LGCs (equivalent to 84 MWh of solar energy), which have offset emissions attributed to Scope 2 and Scope 3 non-renewable energy consumption.

Responsible supply chain

In FY22, emissions from purchased goods and services accounted for 67% of our GHG inventory. These emissions are estimated using the spend-based method. This means that as our company grows, and subsequently our expenses, so too will our GHG inventory. From FY21 to FY22, global FTE increased by 29%, while our emissions increased by 17%.

We collaborate with our key suppliers to understand their climate impacts and encourage carbon emission reductions, whilst seeking to only partner with firms who have clearly defined carbon reduction strategies. These engagements will allow us to quantify our supply chain emissions more accurately and will further multiply the impact of our carbon reduction strategy.

Business Travel

Whilst we will always respond to the needs of our clients and recognise that business travel forms an important part of our business, we are continuing to pursue virtual interactions where feasible to minimise excessive travel.

The COVID-19 pandemic and global travel restrictions forced our business to adjust to a new way of conducting business, pivoting to videoconferencing and digital

events. This reduction in business travel was the primary reason for the dip in our total FY21 emissions. Restrictions eased in FY22 and thus business travel increased, however, not to pre-pandemic levels. To ensure conscious travel management decisions in the future and limit our associated emissions, we are continuing to enhance employee awareness of carbon-conscious travel. We have also resumed physical events, where these work best for our clients and Affiliates, but these now sit alongside a continuing digital engagement programme.

Carbon Neutrality

Our commitment to carbon neutrality enables us to accelerate climate action in the near term, as an interim solution. We remain committed to reducing our operational impact and will continue to transition our operating model, where feasible, to be less carbon intensive.

We are in the process of certifying our GHG inventory for FY22 under Climate Active Standards (for Organisations). 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, please visit the [Climate Active website](#).

Partnerships for carbon credits & offsets

As part of our approach to achieve carbon neutrality we are committed to offsetting all unavoidable emissions. When purchasing carbon credits, we look to partner with high integrity Australian-based projects that also provide additional benefits to local communities.

Aboriginal Carbon Foundation

In FY22, we partnered with the Aboriginal Carbon Foundation (**AbCF**), the only Indigenous organisation in Australia to provide carbon credits with third-party verified environmental, social and cultural co-benefits.

The AbCF generates community prosperity by supporting local communities to generate jobs, direct improvements in the environment and build relationships between Aboriginal and non-Aboriginal people. Through the ethical trade of Australian Carbon Credit Units (**ACCU**), AbCF implements carbon farming through Aboriginal fire management. This method is undertaken to reduce the frequency and extent of late, dry season fires, resulting in fewer greenhouse gas emissions and simultaneously allowing the continuation of cultural fire management practice.

Our partnership with AbCF allows us to support the Wulbujbur Cultural Fire project in Southern Cape York, Queensland. Owned by the Western Yalanji Aboriginal Corporation RNTBC (**WYAC**), the savanna burning project helps to empower Indigenous communities to take the lead in caring for the health and wellbeing of the land.

Transition Plan

We recognise the importance of a transition plan to address climate-related risks and opportunities and verify the credibility of climate-related commitments. In FY23 we have made a purposeful effort to embed sustainable thinking into firm-wide decision making. This includes environmentally conscious business travel choices, supplier selection and engagement, office relocation decisions and purchasing meaningful gifts for employees.

We will continue to evolve our climate strategy in accordance with company expansion and industry expectations, aiming to dissociate our growth from our impact on the environment.

OVER THE YEAR, OUR EMPLOYEES HAD THE OPPORTUNITY TO VOLUNTEER WITH GREENFLEET'S REVEGETATION EFFORTS IN BRISBANE AND SYDNEY.



Greenfleet

We recognise that deforestation is a key contributor to global warming. Since FY19, we have supported Greenfleet, a leading Australian 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.

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 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 or adoption 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 are invited to 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.

Workplace Mental Health and Wellbeing

We are fully supportive of initiatives to optimise the mental health of our employees.

In FY23, the Pinnacle Charitable Foundation (**Foundation**) funded a presentation from the Black Dog Institute to build knowledge of mental health issues and support strategies. This introductory program laid the groundwork for building mental health literacy, reducing stigma and promoting help-seeking in the workplace. It sought to encourage all employees to:

- learn about the prevalence of mental illness;
- understand the causes, signs and symptoms of common mental health conditions including depression, stress and anxiety and what help is available inside and outside of the workplace; and
- understand five core concepts of wellbeing and how these translate into daily life.

Pinnacle Step Challenge

At the end of 2022, over 100 staff from Pinnacle and Affiliates took more than 20 million steps in 3 weeks of friendly competition. Pinnacle donated \$10,000 each time participants collectively walked 10,000kms - the equivalent of once across Australia - giving a total of \$50,000 to the Foundation.

Employees then voted for where to direct these funds and two very deserving charities, **You Matter** and **We Are Mobilise**, received \$25,000 each.

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 compliance with work, health and safety (**WHS**) obligations, whilst 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.



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.

DIVERSITY & INCLUSION

We are committed to strengthening business innovation and decision-making through workplace diversity which is achieved through policy support, group-wide initiatives, charity and university partnerships and celebrations.

Diversity and Inclusion Policy

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.

[Diversity Policy link](#)

Flexible working

We provide a flexible working policy and have adopted a hybrid model of working to maximise productivity while enabling our people to balance family and personal responsibilities, in the way that works best for them and our firm.

Public Holiday Swap Policy

We understand that our people have different religious and cultural practices, as well as different political beliefs.

Our Public Holiday Swap Policy allows employees to substitute national and state or territory public holidays, for those that are more aligned to their religious beliefs or a day that holds cultural significance for them.

Supporting Parents and Carers at Work

We are committed to creating a workplace 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 are continuing our employer membership of Parents At Work. This partnership provides us with strategic consulting support and expertise on best practice culture for families in the workplace.

All parents are provided with additional support through a digital parental leave transition program. The support provides a consistent experience for all employees on parental leave as they transition to and back from parental leave to help them effectively manage work and family conflicts and maintain their careers. It also enables us to retain key talent while positively impacting on employee wellbeing.

WGEA: Promoting and Improving Gender Equality

We are committed to supporting all of our people. We do this by actively addressing the barriers to equality and continuously striving to create a fully inclusive culture. We conduct an annual analysis of gender pay to assess pay equity for like roles and performance. This analysis is presented at both the executive and Board level.

Our WGEA public reporting includes:

- [Public Workplace Profile](#)
- [Public Workforce Management Statistics](#)
- [Public Questionnaire](#)

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 leaders in a traditionally male-dominated field.

Women in Finance Scholarships

In FY23, Pinnacle continued its Women in Finance Scholarships commitment. Starting with the University of Queensland in 2019, the success and impact of the partnership has led to 20 scholarships being offered this year at universities across Queensland, New South Wales and Victoria.

Successful recipients receive a scholarship and, importantly, the program also provides them with industry skills via internships and opportunities for employment, along with the opportunity to broaden their professional networks.

Future IM/Pact

To complement our direct scholarship and internship initiatives with universities, we are members of Future IM/Pact, an Australian industry initiative with the vision of attracting more diverse talent into front-office investment teams. In FY23 we built on this membership, attending two Early Career events - an in-person networking breakfast and a virtual Investor Insights Roundtable. Being a member and attending these events enables us to amplify our current efforts and help scholarship recipients build and maintain industry relationships through Future IM/Pact's early career program.



Receiving the Pinnacle Women in Finance Scholarship gave me unique practical experience that enhanced the theory learnt in my university studies. The internship gave me invaluable real-world experience, meaningful work and valuable connections within multiple aspects of the funds management industry. I felt more confident completing my degree after receiving recognition and encouragement from Pinnacle.



Elise Chant



Elise Chant
Associate, Investment
Management Services

Engaging with CareerTrackers

We established a new membership with CareerTrackers, a national purpose-driven organisation that supports pre-professional Indigenous university students and links them with employers to participate in paid, multi-year internships. The membership will, over a number of years, allow Pinnacle to create an environment of inclusion and belonging with and for Indigenous people.



University Society Partnerships

We are proud to have continued our relationships with student societies across Australia. These partnerships allow us to connect with a diverse range of talent and offer the ability to increase exposure to investment management and financial services to students 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 university wide networking group with a focus on women, the UQ Women's Network. We have extended this focus on women's university societies at Macquarie University, the University of NSW and the University of Melbourne.

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 Pinnacle and Affiliate employees to participate, often returning to their alma mater to inspire the next generation of business graduates.



Pinnacle representatives chat to students at a QUT Networking Evening

Supporting Women in Leadership

Together with Riparian Capital Partners, the Foundation is a corporate partner of the Peter Cullen Water and Environment Trust's (PCT) highly sought after program focussed on women, the PCT Leadership Program (Women).

The PCT 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 PCT Leadership Program (Women) 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.

The Foundation and Riparian Capital Partners supported the 12-week program for the 2022 cohort of women participants and continued support for the 2021 Program graduates.



Yasmin London,
guest speaker on International Women's Day

Celebrating Diversity and Inclusion

As a global investment firm, we recognise the benefits of having a diverse group of employees reflecting different backgrounds, perspectives, styles, knowledge, experience and abilities. We are committed to fostering an awareness and understanding of the importance of workplace diversity throughout all our offices.

International Women's Day

We continued to recognise the importance of International Women's Day (IWD). Our guest speaker, Yasmin London, delivered a powerful keynote speech followed by an interactive question and answer session – in line with the 2023 IWD theme of "Cracking the Code: innovation for a gender equal future". From being a world class swimmer to a police officer, Yasmin's fascinating journey led her to her current role as Director of ySafe, Australia's largest provider of online safety education. Yasmin empowers people by equipping them with the skills and knowledge to ensure technology enhances their modern-day lives, rather than detracting from it.



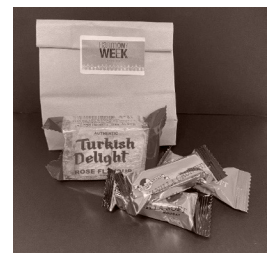
Terence Kwong,
Pilar Chamorro, Carta Ryan
and Chanel Stuart-Findlay
with students from
Macquarie University
Women Entering Business.

Harmony Day

Harmony Week takes place in March and Pinnacle celebrated its commitment to diversity on the United Nations International Day for the Elimination of Racial Discrimination.

To celebrate Harmony Day, all staff were given a little bag of treats from two Australian companies: Mondo Nougat and Authentic Turkish Delight. Both have a rich story about a family migrating to Australia and successfully forging a business over many years.

During the evening, employees attended an event run by Pinnacle with students from Macquarie University's Women Entering Business society. The event "Diversity in Investment Management" saw four panelists from different ethnic backgrounds present to the students about their career journeys and their experiences working within a diverse employee group.



Harmony Day treats

Human Rights

We are committed to conducting business with honesty, fairness and integrity. We respect and protect the fundamental human rights of our stakeholders 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.

POLICY SUPPORT

Our commitment to fostering a culture of respecting fundamental human rights is supported by our 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 STATEMENT SUBMISSION

We submitted our inaugural Voluntary Modern Slavery Statement to the Australian Border Force for the financial year 2022. Our Statement outlines the steps we take to identify and address modern slavery risk in our supply chain and operations. While it is not mandatory by the requirements of the Modern Slavery Act 2018 (Cth) to formally disclose our efforts, we are seeking to apply this best practice approach to the way we conduct business.

FY22 Modern Slavery Statement

UNHCR WORLD REFUGEE DAY

We continued our support for the annual flagship luncheon held for World Refugee Day in June, hosted by Australia for UNHCR. In 2023 the event focused on the important role that sport can play in improving outcomes for refugee children. Sport and play-based activities can provide children and youth with regular access to safe spaces. It can also give them a sense of normality. This is particularly important in displacement situations where many young people have experienced traumatic events, have been separated from their families and had their education disrupted.

The money raised at this event will be used to give more refugee children access to sporting opportunities.

Pinnacle Charitable Foundation

SUPPORTING THE COMMUNITY WITH OVER \$900,000 IN COMBINED CONTRIBUTIONS

We are passionate about enabling better lives through investment excellence. This purpose 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 NFP organisations, to drive sustainable change which delivers community impact. Organisations are actively sought and invited to apply for long term partnerships 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 FY23 aligned with the Foundation's six dedicated focus areas, which in turn reflected our sustainability approach and addressed specific SDGs where we believe we 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 investments which can provide reasonable capital protection, whilst aiming to drive growth over an extended period.

Investments are held in a range of Pinnacle Affiliate investment products which offer Australian and global equity exposure, franking credits and 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 their management fees as rebates back to the Foundation, through cash or additional units in investment products.

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 FY23, the Foundation made donations of over \$620,000. This was primarily directed towards 14 NFP partners, together with two employee choice recipients working within the broad areas of homelessness and small discretionary amounts given in support of employee fundraising and volunteering activities.

Affiliates provided a further \$290,000 via direct support to several jointly funded charity partners, plus further discretionary funds for key activities and flagship events. Matched workplace giving programs across Pinnacle and Affiliates totaled a further \$82,000, contributing to more than 60 NFPs. The combined financial impact of donations was therefore in excess of \$987,000.

The 14 NFP partners together with the two employee choice recipients also received access to facilities, advice, networks, employee volunteers and participation at key events. These frontline charitable partners operate across Australia to deliver the following:

Mental wellbeing -
supporting positive mental health together with illness prevention and early intervention



Sexual, domestic and family violence - facilitating legislative reform, advocacy and legal support for sufferers



Disadvantaged children and young people - providing education and welfare



Specialised medical research - seeking new treatments for children and the elderly



Current issues - addressing longer term social issues heightened by pandemic lockdowns



Environmental sustainability - focussing on water resource management, disaster recovery and drought mitigation



* You Matter and We Are Mobilise are the recipients of the 2023 PNI employee choice one-off donations of \$25k each

FY23 PARTNERSHIP HIGHLIGHTS

Creating cultural competency with NASCA

Funds from Firetrail Investments and the Foundation supported the second annual NASCA CareerFit Conference, bringing together 70 First Nations students from across 18 NSW schools to Sydney for five days of curated workshops and cultural activities. The team at Firetrail took the students through an exciting game of Monopoly Speed, before discussing how to earn, save and budget in the real world.

As part of the Conference, Pinnacle and Firetrail employees attended a cultural intelligence session to increase understanding of Indigenous issues. The facilitated discussion was run by William Trewlyn, a proud Nucoorilma and Dunghutti man, and delved into cultural competency and cultural safety in the workplace.

The Foundation also funded an Art Workshop during the Conference. Aunty Bev Garces, a proud Githabul, Bundjalung, Wonnarua and Dunghutti woman, facilitated a Sorry Day art workshop with the NASCA students to create a meaningful piece connected to each student.



A NASCA student participates in the Firetrail CareerFit Workshop

Rebuilding and strengthening regional communities with FRRR

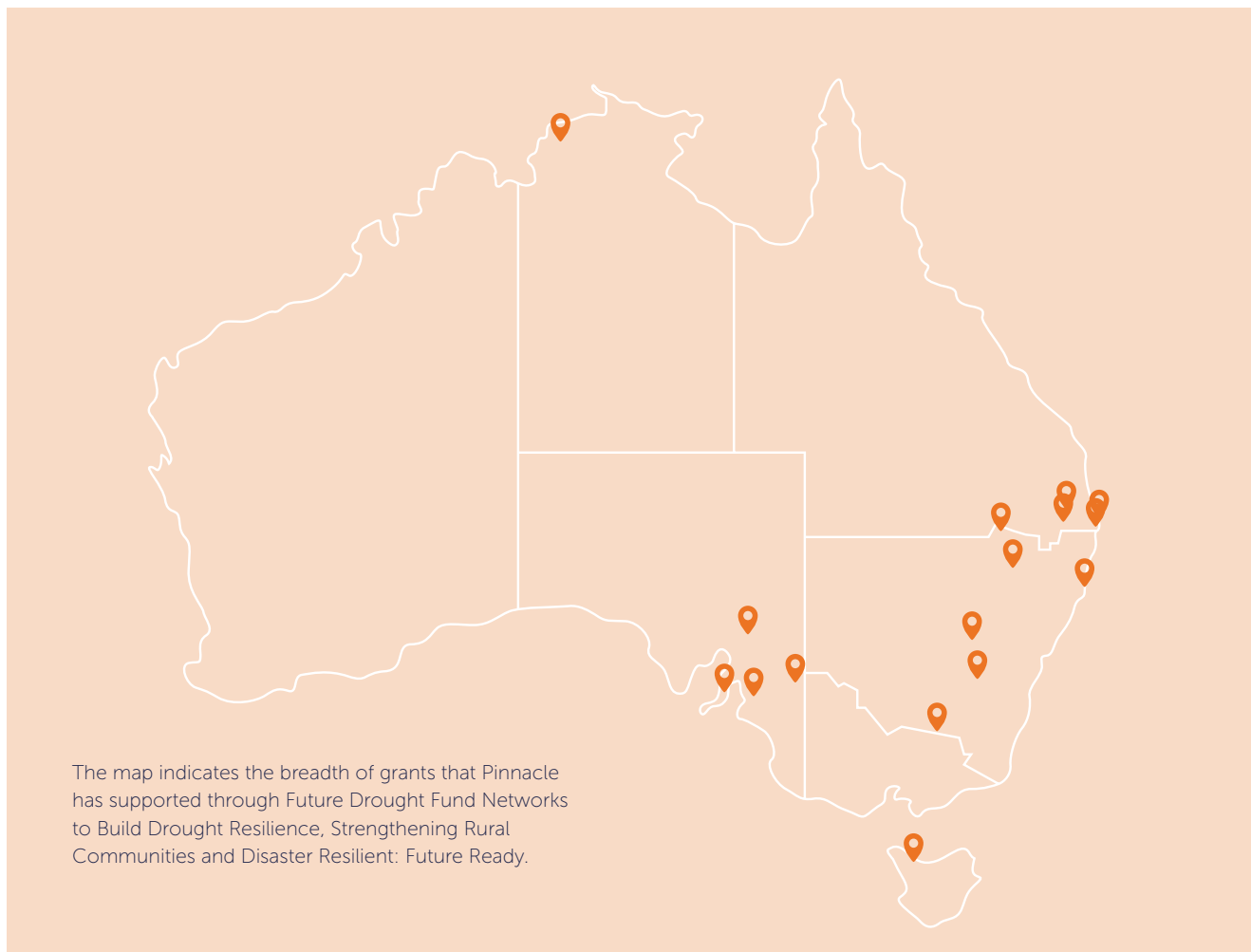
The Foundation for Rural & Regional Renewal (FRRR) is the only national foundation specifically focused on ensuring the social and economic strength of remote, rural and regional Australia. In FY23, the partnership between FRRR and the Foundation continued to provide locally driven assistance to more than fifteen communities in need.

Five grants in the Future Drought Fund have been acquitted, helping communities to build their capacity through local initiatives driven by the community, to be more prepared for and resilient towards the impact of drought.

The projects included drought resilience updates to a Community Centre in Goonumbla, NSW; power tools and equipment for the Namoi Women's Shed in Narrabri, NSW; training and skills development for the Indigo Local Shire, VIC; Mental Health First Aid training at the University of South Australia; and professional, social and community connection events in North West Tasmania.

Work continues with projects across two other funding streams: Strengthening Rural Communities and Disaster Resilient Future Ready Program.

frrr.org.au





Three members of the Advisory Group to the National Survivor Advocate Program

Survivors lead the way with Full Stop Australia

Throughout FY23, the Foundation has continued to fund the important work being done by Full Stop Australia (FSA) to put a stop to domestic, family and sexual violence. The Advocacy Manager (Legal and Policy) position that the Foundation has been helping to fund for more than five years has continued to play a vital role. Formal submissions supporting regulatory change have primarily focused on state and federal government reforms on coercive control, sexual assault (particularly affirmative consent), family law and more trauma-informed justice and service systems for sexual and family violence survivors.

The National Survivor Advocate Program that was initially designed and funded in FY22 has made significant advancements in the last 12 months, with over 300 members and a 12-member Advisory Group selected from over 130 applicants. Work has begun on resources to support survivor-advocates who wish to speak about their experiences or engage with law reform processes such as teaching survivors how to do their own advocacy, media training and offering legal insights into rights and guidelines when speaking publicly. Some members of the NSAP have also worked with NSW Police to promote and improve access to online reporting of sexual assault.

fullstop.org.au

Connecting to the Community with R U OK?

Since 2018, the Foundation has been the major Funding Partner of 'Are They Triple OK?', a campaign which aims to increase levels of peer and social support for police and emergency services workers and volunteers, nationwide. Deliverables have included bespoke conversation guides and online learning modules to build confidence for peers, family and friends on how to have an R U OK? conversation, downloadable assets to help build an R U OK? culture in the workplace and a committed team of national advocates across the services. FY23 funding continued the development of case studies and the launch of the 'Are They Triple OK?' podcast, which shared the voices of those with lived experiences to help break down stigma and encourage regular, meaningful conversations.

The Foundation has also funded a series of 'Locals Know Best' workshops, which took place in FY23 in NSW. The R U OK? message is around helping individuals and communities forge connections. These free workshops were designed to hear firsthand from locals living in regional, rural and remote areas. The workshops identified needs around what can help locals have more meaningful conversations with the people in their world who might be going through an emotionally difficult time and will guide the resources and support that R U OK? will offer.

Yalari

A partner since 2018, Yalari provides quality secondary education at leading boarding schools across Australia, through offering scholarships to Indigenous students from remote or regional communities who would not otherwise have this opportunity. The fundamental goal is to provide a supportive and nurturing learning



ruok.org.au/triple-ok

environment, so that each student can thrive and be confident in their future. Yalari's unprecedented level of support for all scholarship students is a key strength of their unique model and contributes to consistently high graduation and engagement rates.

The annual Orientation Camp, supported by the Foundation, helps new Year 7 students learn through practical workshops about boarding school life and what to expect, paving the way for a smooth transition from primary education and living at home to a secondary education at a boarding school. They are given the opportunity to gain insights into boarding school life in an environment where they feel safe, can be inquisitive and share the journey with fellow students. In addition, Resolution Capital is sponsoring Lilli, a young Kamilaroi woman from Moree, through her boarding school journey at Kambala in Rose Bay. Lilli started her Rosemary Bishop Education Scholarship with Yalari in February 2021 when she was in Year 7; Lilli is now in Year 9.

yalari.org

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.

The following highlights how the Foundation's partnerships translate SDG aspirations into actions.



42%

Goal 3.

Ensure healthy lives and promote well-being for all at all ages

Targets:

- 3.2 End preventable deaths of newborns and children under 5 years of age
- 3.4 reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being



14%

Goal 4.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Targets:

- 4.5 Eliminate gender disparities in education and ensure equal access for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



16%

Goal 5.

Achieve gender equality and empower all women and girls

Targets:

- 5.2 Eliminate all forms of violence against all women and girls
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels



16%

Goal 11.

Make cities and human settlements inclusive, safe, resilient and sustainable

Target:

- 11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums



13%

Goal 13.

Take urgent action to combat climate change and its impacts

Target:

- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

EMPLOYEE CHOICE WITH WORKPLACE GIVING

Employee and Pinnacle donations generated through our matched Workplace Giving programs totalled over \$82,000 in FY23. Regular, monthly support via Workplace Giving programs is exceptionally valuable as a steady income stream for recipients, while supporting all employees' specific interests and passions.

Integrity of Report

During the financial year, the Pinnacle 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 Pinnacle Group's sustainability reporting processes and internal controls.

Management is comfortable that qualitative and quantitative disclosures contained in this Report are accurate, given:

- the Pinnacle 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 annual Corporate Sustainability Report and CDP disclosure found on our website.



Other Industry Collaborations

We joined 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 Task Force on Climate-related Financial Disclosures (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 member companies in the financial service sector. The ESG Working Group and Diversity Working Group see the collaboration of a range of members with expertise or experience in the respective areas to help inform on the development and delivery of good 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

ORGANISATION	STATUS	JOINED
<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
<p>Climate Active</p> <p>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 carbon neutrality, including measuring, reducing and offsetting emissions through innovation, sustainable operations and industry leadership.</p>	Certified	FY20; FY21. Pending FY22 and FY23 certification.
<p>CDP</p> <p>CDP is a not-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.</p> 	Discloser	2021

01 Appendix: Reporting Frameworks

SASB INDEX

This year we are choosing to report against the SASB Standards. We have included metrics from the SASB industry standard that are most closely aligned with our business: Asset Management and Custody Activities and Professional and Commercial Services. Although we do not currently disclose all metrics included in this SASB industry standard, we will monitor the relevance of these metrics and, as appropriate, consider enhancing our disclosures in future reporting periods.

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CODE	COMMENTS AND REPORT REFERENCE
ASSET MANAGEMENT AND CUSTODY ACTIVITIES			
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Pinnacle is not aware of any employees subject to the proceedings described.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	We will monitor the relevance of this topic to Pinnacle and as appropriate and consider enhancing our disclosures in future reporting periods.
	Description of approach to informing customers about products and services	FN-AC-270a.3	All Affiliate products have comprehensive disclosure documents including Product Disclosure Statements and fund offering documents (Prospectus or Key Investor Information Document) as well as marketing materials such as fund factsheets.
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	FN-AC-330a.1	<p>Gender representation: executive and non-executive management disclosures are found in our Corporate Sustainability Report FY23 (01 Appendix: Data and disclosure, page 49). Our employees are reported as either managers or professionals. These metrics are available in our WGEA Gender Equality Reporting: Public Workplace Profile.</p> <p>Racial/ethnic group representation: We will monitor the relevance of this topic to Pinnacle and as appropriate and consider enhancing our disclosures in future reporting periods.</p>

TOPIC	ACCOUNTING METRIC	CODE	COMMENTS AND REPORT REFERENCE
Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	This metric does not apply to our operating model. ⁴
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	We will monitor the relevance of this topic to Pinnacle and as appropriate, consider enhancing our disclosures in future reporting periods.
	Description of whistleblower policies and procedures	FN-AC-510a.2	Corporate Sustainability Report FY23 (Identifying our Material Sustainability-related Risks, page 07)
Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification	FN-AC-550a.1	This metric does not apply to our operating model.
	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	FN-AC-550a.2	In respect of our responsible entity activities, we maintain a Liquidity Risk Management Policy to ensure we have an effective approach to manage liquidity risks and that the financial obligations of funds (including investor redemptions, payment of distributions and other payments) are met.
	Total exposure to securities financing transactions	FN-AC-550a.3	This metric does not apply to our operating model.
	Net exposure to written credit derivatives	FN-AC-550a.4	We will monitor the relevance of this topic to Pinnacle and as appropriate, consider enhancing our disclosures in future reporting periods.
PROFESSIONAL AND COMMERCIAL SERVICES			
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	Corporate Sustainability Report FY23 (Identifying our Material Sustainability-related Risks, page 07)
	Description of policies and practices relating to collection, usage and retention of customer information	SV-PS-230a.2	Pinnacle website (Privacy Policy)
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS-230a.3	We will monitor the relevance of this topic to Pinnacle and as appropriate, consider enhancing our disclosures in future reporting periods
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS-330a.1	Corporate Sustainability Report FY23 (01 Appendix: Data and disclosure, page 49)
	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	Corporate Sustainability Report FY23 (01 Appendix: Data and disclosure, page 49)
	Employee engagement as a percentage	SV-PS-330a.3	Corporate Sustainability Report FY23 (01 Appendix: Data and disclosure, page 49)
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	Corporate Sustainability Report FY23 (Identifying our Material Sustainability-related Risks, page 07)
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	We will monitor the relevance of this topic to Pinnacle and as appropriate, consider enhancing our disclosures in future reporting periods.

⁴ Pinnacle holds equity interests in Affiliates and provides them with distribution, business infrastructure and other non-investment support. It is the responsibility of each Affiliate to manage client monies, including with respect to ESG considerations, in accordance with their investment processes. Whilst Pinnacle provides guidance at a corporate level, and has brought the Affiliates together to participate in a joint ESG Working Group, it does not seek to have any role in the investment process of its Affiliates.

TABLE 2. ACTIVITY METRICS

ACCOUNTING METRIC	CODE	DETAILS
ASSET MANAGEMENT AND CUSTODY ACTIVITIES		
(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	(1) \$25.5bn (2) \$66.4bn
Total assets under custody and supervision	FN-AC-000.B	This metric does not apply to our operating model.
PROFESSIONAL AND COMMERCIAL SERVICES		
Number of employees by: (1) full-time and part-time, (2) temporary and (3) contract	SV-PS-000.A	Full-time and part-time employees are available in our WGEA Gender Equality Reporting: Public Workplace Profile
Employee hours worked, percentage billable	SV-PS-000.B	This metric does not apply to our operating model.

TCFD INDEX

We are committed to providing transparent and reliable climate-related information. We have endorsed the TCFD recommendations since FY20 and will continue to disclose climate-related information in accordance with the recommended four pillars: Governance; Strategy; Risk Management; and Metrics, Targets and Transition Plans.

DESCRIPTION	TCFD RECOMMENDATION	COMMENTS AND REPORT REFERENCE
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities.	G1. Describe the board's oversight of climate-related risks and opportunities.	Corporate Sustainability Report FY23 (Governance and Risk Management, page 12).
	G2. Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Sustainability Report FY23 (Governance and Risk Management, page 12).
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.	S1. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 18).
	S2. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 18).
	S3. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 17). In future reporting periods we will seek to enhance the consideration of climate-scenarios by extending the scope and measurability of our scenario analysis, facilitating an improved understanding of the risks that financed emissions have on our firm.
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks.	R1. Describe the organisation's processes for identifying and assessing climate-related risks.	Corporate Sustainability Report FY23 (Governance and Risk Management, page 12).
	R2. Describe the organisation's processes for managing climate-related risks.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 22).
	R3. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Corporate Sustainability Report FY23 (Governance and Risk Management, page 12).
METRICS & TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	M1. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, pages 50 and 51).
	M2. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Corporate Sustainability Report FY23 (01 Appendix: Data and disclosure, page 50).
	M3. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 23). Our scope 1 and 2 emissions for FY22 were zero. We will consider setting science-based targets for our scope 3 emissions in future reporting periods.

PRINCIPLES	COMMENTS AND REPORT REFERENCE
<p>Human Rights</p> <p><u>Principle 1:</u> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><u>Principle 2:</u> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Our approach to human rights focuses on what is most relevant to our operations and supply chain: labour rights, discrimination, anti-bribery and privacy.</p> <p>Refer to our Corporate Sustainability Report FY23 (Human Rights, page 33) for a detailed description on our progress against these Principles.</p>
<p>Labour</p> <p><u>Principle 3:</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><u>Principle 4:</u> Businesses should uphold the elimination of all forms of forced and compulsory labour.</p> <p><u>Principle 5:</u> Businesses should uphold the effective abolition of child labour.</p> <p><u>Principle 6:</u> Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>We acknowledge our responsibility to respect all human rights. This means ensuring employees work in conditions that demonstrate respect for people. Further, it means respecting the rights of people indirectly affected by our operations - through Affiliates and our supply chain.</p> <p>Refer to our Voluntary Modern Slavery Statement for a detailed description on our progress against these Principles.</p>
<p>Environment</p> <p><u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges.</p> <p><u>Principle 8:</u> Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p><u>Principle 9:</u> Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We acknowledge the material risk that climate change poses to the economy, financial markets and society. We continue to embed sustainable thinking into firm-wide decision making.</p> <p>Refer to our Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 15) for a detailed description on our progress against these Principles.</p>
<p>Anti-corruption</p> <p><u>Principle 10:</u> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>We have embedded risk-based anti-bribery and corruption controls throughout our processes and policies, including within our Code of Conduct and the Anti-Bribery Corruption Policy.</p> <p>Refer to our Corporate Sustainability Report FY23 (Identifying our Material Sustainability-related Risks, page 07) for a detailed description on our progress against these Principles.</p>

SDG INDEX

The United Nations 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 below table highlights how we continue to contribute to the SDGs most relevant to our operations.

UN SDG	UN SDG TARGET	COMMENTS AND REPORT REFERENCE
	<p>Good Health and Wellbeing</p> <p>3.4: Promote mental health and well-being</p>	<p>We are contributing to this target by rolling out initiatives to optimise the mental health of our employees, including flexible working arrangements, access to an Employee Assistance Program, confidential counselling. Parents At Work program.</p> <p>Our progress is tracked via our annual employee 'Pulse Check' survey.</p> <p>Corporate Sustainability Report FY23 (Human Capital, page 27).</p>
	<p>Gender Equality</p> <p>5.1: End all forms of discrimination against all women</p> <p>5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making</p>	<p>We are contributing to this target by adopting policy support, group-wide initiatives, charity and university partnerships and celebrations to promote women.</p> <p>As at 30 June 2023, 35% of our workforce were women. 23% of senior executive positions were held by women.</p> <p>Corporate Sustainability Report FY23 (Human Capital, page 27).</p>
	<p>Decent work & economic growth</p> <p>8.5: Achieve full and productive employment and decent work for all women and men and equal pay for work of equal value</p> <p>8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking</p>	<p>We are contributing to this target by analysing pay equity among our employees and reporting gender pay gap data to the WGEA.</p> <p>Corporate Sustainability Report FY23 (Human Capital, page 27).</p> <p>Submitted our inaugural Modern Slavery Statement and engagements with our supply chain and Affiliates on modern slavery considerations.</p> <p>Refer to our Voluntary Modern Slavery Statement for a detailed description on our progress against these Principles.</p>
	<p>Responsible Consumption and Production</p> <p>12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>We are contributing to this target by joining industry collaborations to share knowledge and support peers in addressing broader sustainability-related issues. Further we established a cross-affiliate ESG Working Group and Supplier Engagement Group to generate efficiencies and promote key sustainable themes.</p> <p>Corporate Sustainability Report FY23 (Other Industry Collaborations, page 41 and Pinnacle Affiliates, page 14).</p>
	<p>Climate Action</p> <p>13.2: Integrate climate change measures into national policies, strategies and planning</p>	<p>We're contributing to this target by committing to reduce our GHG emissions by 60% per FTE by FY30, from a FY20 base year.</p> <p>Our business activities, guided by our strategy and policies have supported a 45% reduction per FTE in FY22 since our FY20 base year.</p> <p>Corporate Sustainability Report FY23 (Addressing the Impacts of Climate Change, page 15).</p>

02 Appendix: Data

The information provided in the follow tables consists of Pinnacle and the entities it controlled at the end of, or during, the year ended 30 June 2023.

WORKFORCE DATA

	UNIT	FY23	FY22	FY21
Global FTE	FTE	109.8	103.7	80.6
Employee voluntary turnover	%	19.2	22.5	2.6
Employee involuntary turnover	%	0.0	0.0	2.6
Employee engagement ⁵	%	81	83	n/a
Gender representation				
Women on the Board	%	40.0	28.6	28.6
Women in senior executive positions	%	22.9	22.9	24.0
Women across the workforce	%	35.0	30.0	33.0
Age representation				
Our workforce under 30 years of age	%	41.9	35.5	31.4
Our workforce between 30 – 39 years of age	%	27.4	29.1	36.0
Our workforce between 40 - 49 years of age	%	20.5	23.6	23.3
Our workforce over 50 years of age	%	10.3	11.8	9.3

⁵ The response rate to our most recent global 'Pulse Check' Survey was 53%.

ENVIRONMENTAL DATA

			FY22 tonnes CO ₂ e	FY21 tonnes CO ₂ e	BASE YEAR FY20 tonnes CO ₂ e
GHG EMISSIONS					
Scope 1			-	-	-
Scope 2 (location-based)			50.5	45.0	72.7
Scope 2 (market-based)			-	26.8	70.8
Scope 3 (location-based)			621.9	488.0	666.6
Scope 3 (market-based)			567.0	483.0	663.5
Total Australian GHG emissions (market-based)⁶			567.0	509.7	734.3
Estimated international GHG emissions			57.0	21.3	-
Total GHG emissions (market-based)			624.0	531.0	734.3
SCOPE 3 BREAKDOWN: GHG PROTOCOL					
Upstream	1. Purchased goods & services	Emissions associated with purchased supplier goods and services	419.8	327.3	246.4
	2. Capital goods	Emissions associated with purchased or acquired goods	23.1	31.9	26.6
	3. Fuel and energy-related activities (location-based)	Emission associated with the production of fuels and energy purchased and consumed	59.2	52.1	75.9
	3. Fuel and energy-related activities (market-based)		4.3	47.1	72.8
	4. Transportation & distribution	Emissions associated with the transportation and distribution of purchased products and third-party services	Not deemed to be applicable		
	5. Waste generated in operations	Emissions associated with disposal in landfill, water wastewater treatment	5.2	7.7	6.7
	6. Business travel	Emission associated with the transportation of employees for business-related activities (in vehicles we do not own or operate) and hotel stays	75.8	44.3	277.7
	7. Employee commuting	Emissions generated by employees travelling to and from our offices and employees working remotely	38.8	24.7	33.3
8. Leased assets	Emissions associated with the operation of assets that are leased	Not deemed to be applicable			
Downstream	9. Transportation & distribution	Emissions associated with transportation and distribution of sold products	Not deemed to be applicable		
	10. Processing of sold products	Emissions generated from the processing of sold intermediate products by third parties after sale	Not deemed to be applicable		
	11. Use of sold products	Emissions associated with the use of goods and services sold	Not deemed to be applicable		
	12. End-of-life treatment of sold products	Emissions generated from waste disposal and treatment of products sold at the end of their life	Not deemed to be applicable		
	13. Leased assets	Emissions generated from the operation of assets that we own and lease to other entities	Not deemed to be applicable		
	14. Franchises	Emissions associated with the operation of franchises	Not deemed to be applicable		
	15. Investments	Emissions associated with investments	Not currently reported		

⁶ For FY22, our international emissions were estimated on a pro rata basis, based on international employee headcount as a proportion of our Australian emissions. We will look to adopt GHG accounting standards relevant to each jurisdiction, as these emissions materialise, in future reporting periods.

		FY22 tonnes CO ₂ e	FY21 tonnes CO ₂ e	BASE YEAR FY20 tonnes CO ₂ e
EMISSIONS INTENSITY METRICS (MARKET-BASED)				
Air travel emissions per \$M revenue	tonnes CO ₂ e/\$M	1.4	1.0	10.9
Total GHG emissions per \$M revenue (market-based)	tonnes CO ₂ e/\$M	13.6	16.3	32.8
Total GHG emissions per FTE (market-based)	tonnes CO ₂ e/FTE	6.0	6.6	10.8
UTILITIES (AUSTRALIAN OPERATIONS)				
Electricity consumption	MWh	119.3	103.0	160.7
Renewable electricity consumed via GreenPower and LGCs ⁷	%	100.0	16.5	0.0
Water ⁸	ML	0.4	0.6	0.8
Waste – landfill ⁸	tonnes	3.3	4.3	5.0
Waste – recycling ⁸	tonnes	2.1	2.7	16.0
UTILITIES INTENSITY METRICS				
Electricity consumptions per FTE (Australian employees only)	MWh/FTE	1.3	1.4	2.5
Electricity emissions (market-based) per FTE (Australian employees only)	tonnes CO ₂ e/FTE	0.0	0.9	2.2

7 Where we did not have operational control to procure our own renewable electricity via GreenPower, we purchased and retired Large-scale Generation Certificates (LGCs) to achieve 100% renewable electricity in FY23. This renewable electricity percentage excludes mandatory renewable electricity consumption via the Australian government Large-Scale Renewable Energy Target.

8 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 made on a pro rata basis of Net Lettable Area (NLA) occupied by our tenancy.

GLOSSARY

TERM	MEANING
2023 Corporate Sustainability Report	the Group's Corporate Sustainability Report for the 2023 financial year.
2023 Financial Year or FY23	the period 1 July 2022 to 30 June 2023.
Affiliates or Pinnacle Affiliates	Pinnacle's fifteen affiliated investment managers, being Aikya, Antipodes, Coolabah, Firetrail, Five V, Hyperion, Langdon, Longwave, Metrics, Palisade, Plato, Resolution Capital, Riparian, Solaris and Spheria.
Board	the Board of Directors.
CDP	A not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
Certified B Corporation or B Corp	A designation that a business is meeting high standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.
ESG	Environmental, social and governance.
Foundation	the Pinnacle Charitable Foundation.
FTE	Full-time Equivalent.
FUM	Funds Under Management.
GHG	Greenhouse gas.
GHG Protocol	The GHG Protocol develops and promotes the use of best practices for accounting and reporting GHG emissions.
GreenPower	GreenPower is a government accreditation program for renewable energy.
Group or Pinnacle Group	Pinnacle and the entities that it controlled during the 2023 financial year.
IFRS	International Financial Reporting Standards.
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.
IFRS S2	IFRS S2 Climate-related Disclosures.
International Bill of Human Rights	International Bill of Human Rights Common standard of social and equitable achievement for all people and societies.
International Labour Organisation on Fundamental Principles and Rights at Work	Commitment by governments and businesses to uphold basic human rights values.
ISSB	International Sustainability Standards Board.
Location-Based	The location-based method reflects the average emissions intensity of the electricity grid in the location of the electricity consumption.

TERM	MEANING
Market-Based	The market-based method shows a business's electricity emissions in the context of its electricity purchases. It reports emissions according to a business's investments in different electricity products and markets, including from voluntary purchases of renewable electricity and mandatory schemes like the Renewable Energy Target.
OECD Guidelines for Multinational Enterprises	OECD Guidelines for Multinational Enterprises are recommendations to government and corporate entities on how to responsibly conduct business across a range of social and environmental issues.
Pinnacle or PNI	Pinnacle Investment Management Group Limited.
PRI	Principles for Responsible Investment.
Responsible Investment	Responsible investment is a broad-based approach to investing which factors in people, society and the environment, along with financial performance, when making and managing investments.
SASB	Sustainability Accounting Standards Board.
SDGs	Sustainable Development Goals are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030.
Senior executives	Employees earning a minimum of AU\$200,000 per annum.
SBTs	Science-based targets are targets to reduce emissions in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.
TCFD	Task Force on Climate-related Financial Disclosures.
CO ₂ e	Carbon dioxide equivalent. A unit of measurement that is used to standardise the climate effects of various greenhouse gases.
Tier-one supplier	An entity directly supplying goods or services to Pinnacle.
UNGC	United Nations Global Compact is a corporate sustainability initiative to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.
WGEA	Workplace Gender Equity Agency.



2 0 2 3

Corporate
Sustainability
Report