

Modern Slavery Statement

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About this Statement

This Modern Slavery Statement ('**Statement**') describes the modern slavery considerations of Pinnacle Investment Management Group Limited ('**Pinnacle**') for the year ended 30 June 2022 ('**reporting period**'). References to 'risk' in this Statement refer to the risk to people, rather than risk to the company. References to 'we' or 'our' refer to Pinnacle.

This Statement outlines the actions taken in the reporting period 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) ('**Modern Slavery Act**') to formally disclose our efforts, we are seeking to apply this best-practice approach to the way we conduct business.

This Statement was prepared by our Sustainability Committee. The Sustainability Committee coordinates the integration of sustainable strategies and practices across the broader business. The Committee is comprised of executives, senior management, and personnel from all business sectors to ensure comprehensive representation.

Entities covered by this Statement

This Statement is submitted as a voluntary statement under section 6 of the Modern Slavery Act, on behalf of the reporting entity, Pinnacle Investment Management

Group Limited (ASX:PNI) (ABN 22 100 325 184) and its wholly owned and controlled subsidiaries:

- Pinnacle Investment Management Limited (ABN 66 109 659 109)
- Pinnacle Services Administration Pty Ltd (ABN 14 126 175 148)
- Pinnacle Fund Services Limited (ABN 29 082 494 362)
- Pinnacle RE Services Limited (ABN 42 130 508 379)
- Pinnacle Investment Management (Canada) Ltd
- Pinnacle Investment Management (UK) Limited
- Pingroup IM Limited

The reporting entity's registered office is Level 19, 307 Queen Street, Brisbane.

Approval

This Statement was approved prior to publication by the Pinnacle Board.



Alan Watson, Board Chair

Pinnacle Investment Management Group Limited
02 December 2022



Structure, operations and supply chains

Our purpose

Our purpose is to enable better lives through investment excellence. Our core values of excellence, client focus, honesty and integrity, innovation and empowerment serve as a foundation to deliver on our purpose and in conducting business with clients, Affiliates, and suppliers.

Our business

We are an Australian public company listed on the ASX (ASX:PNI). We are a leading Australia-based multi-affiliate investment management firm, with an aim to establish, grow and support a diverse stable of world-class investment management firms in Australia and overseas. Founded in 2006, we currently hold equity stakes in 15 boutique investment management firms ('**Affiliates**'). As at 30 June 2022, we held shareholdings (through our principal operating subsidiary, Pinnacle Investment Management Limited) of between 23.5% and 49.9% in each Affiliate, which together have \$83.7 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. The diagram on the following page shows the Affiliates and our effective interest in each, as at the date of this report.

Our human rights responsibility

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

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.

We are committed to respecting and protecting the fundamental human rights expressed, and supporting 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 workforce

As at 30 June 2022, our Australian operations include a workforce of 100 employees (FTE: 93.5) with offices leased in Brisbane, Sydney and Melbourne. Our operations outside of Australia include a workforce of 10 employees (FTE: 10), as at 30 June 2022, directly employed by our offshore controlled entities across Canada, United Kingdom and United States.

Our principal activities during the 2022 financial year were:

- developing and operating investment management businesses; and
- providing distribution services, business support and responsible entity services to Affiliates.

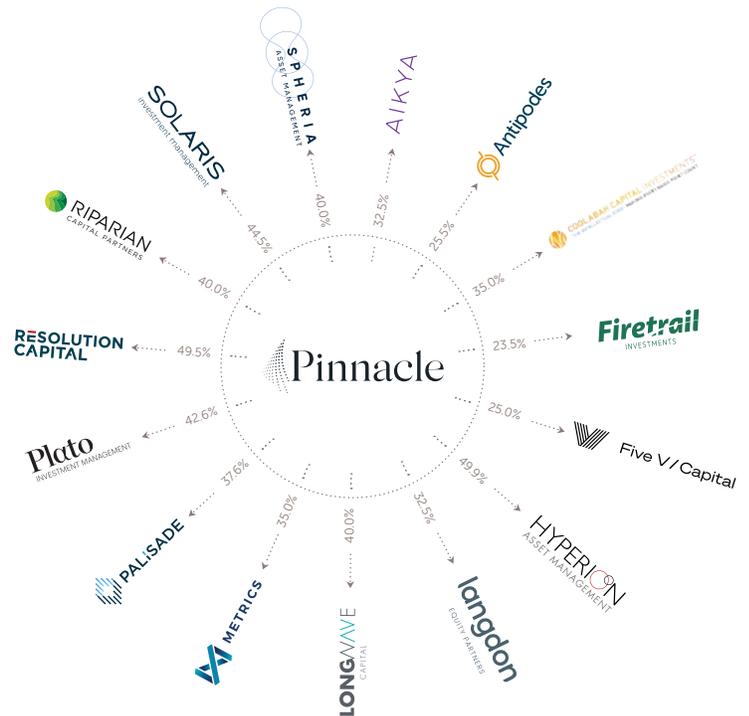
Affiliates

We offer investors access to world-class investment managers. The Affiliates' product suite provides a variety of investment options across asset classes.

We have minority shareholdings in each Affiliate and have assessed Affiliates to be joint ventures due to the requirement for unanimous decision making in relation to several strategic matters contained in the shareholders agreements.¹ We do not undertake any active investment management in our own capacity and do not have any rights to control or influence investment/asset management decision-making of Affiliates. As such, this Statement does not consider Affiliates to be reporting entities.

The diagram below shows our effective interest in each Affiliate as at the date of this Statement.

Each Affiliate is incorporated and has their principal place of business in Australia, except for Aikya Investment Management Limited ('**Aikya**') and Langdon Equity Partners Ltd ('**Langdon**'). Aikya is incorporated and has its principal place of business in the United Kingdom, whilst Langdon is incorporated and has its principal place of business in Canada.



¹ Entities subject to joint control are not considered controlled entities for the purposes of AASB 10 on the basis that we hold a minority shareholding (20%-49.99%) of the voting rights (with no preferential rights to returns) and there is a requirement for unanimous decision making in relation to a number of strategic matters contained in the shareholders agreements.

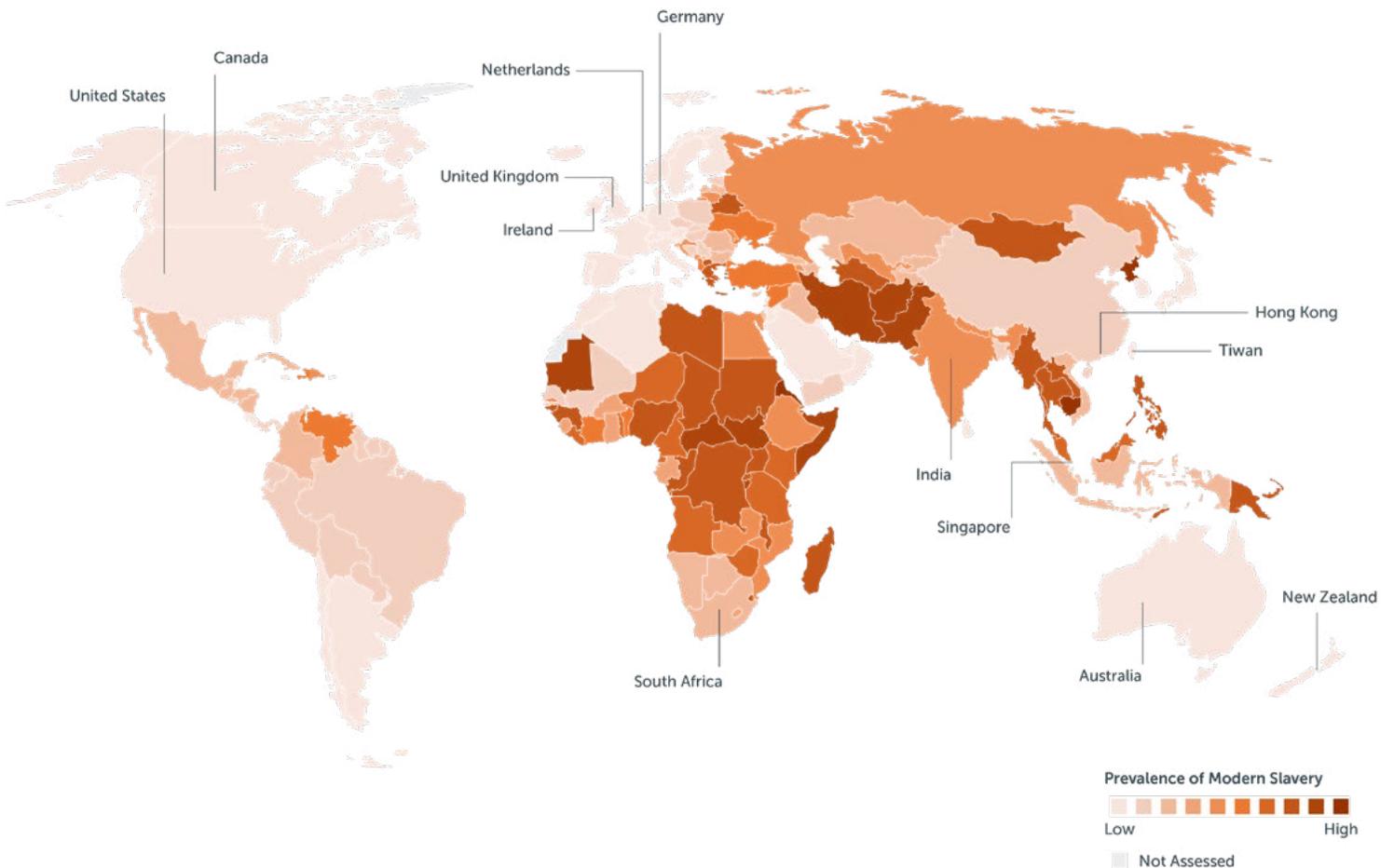
Our corporate supply chain

Our supplier arrangements range from ad hoc purchases with non-contracted suppliers through to long-term strategic partnerships.

The majority of goods and services that we procure come from suppliers based in Australia. Goods and services procured to support our operations, include, but are not limited to:

- Products – office supplies, office equipment, catering supplies and consumables for the office.
- Services – professional services support (such as legal, advisory, marketing, front office, administrators, and custodians), as well as services in relation to travel, telecommunications, recruitment, property rental (including cleaning), insurance, data and information subscriptions, and IT support.

The location of tier-one² suppliers to our global operations in FY22



This map represents the global prevalence of modern slavery as per the Global Slavery Index.³

² A tier-one supplier is defined as an entity directly conducting business with Pinnacle.

³ Walk Free Foundation, 2018. Global Slavery Index 2018 Dataset. Available at: <https://www.globallslaveryindex.org/2018/data/maps/#vulnerability>

Understanding modern slavery risk

Modern slavery refers to situations of exploitation in which a person cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power⁴. It is an umbrella term and includes human trafficking, debt bondage, forced marriage, slavery and slavery-like practices, forced labour, and the worst form forms of child labour.

We recognise that modern slavery practices can arise in connection with the goods and services it procures and in the regions in which it operates. We employ the UN Guiding Principles on Business and Human Rights ('**UNGPs**') framework to understand how its operational activity and supply chain may be involved in modern slavery practices. Reflecting the approach of the UNGPs⁵ and the OECD Guidelines⁶, we identified areas in which we could be causing, contributing to, or directly linked to modern slavery practices.

Understanding our involvement in modern slavery

Cause

The risk that our operations directly result in modern slavery practices.

Remediation responsibility

Seek to cease or prevent the impact.

Contribute

The risk that our actions or omissions may facilitate or incentivise another entity to cause an adverse modern slavery impact.

Seek to cease or prevent our contribution and use our leverage to mitigate any remaining impact.

Directly linked

The risk that our operations, products or services may be connected to modern slavery through the activities of another entity with which we have a business relationship.

If we have leverage to prevent or mitigate an adverse impact, we should exercise it.

If we lack leverage, we should demonstrate our own ongoing efforts to mitigate the impact or consider ending the relationship.

Further, we engaged modern slavery expertise to share knowledge about the reality of modern slavery situations 'on the ground' and the prevalence of modern slavery in Australia.

Refer to '*Collaborations*' for more information.

⁴ Walk Free, 'What Is Modern Slavery?', 2022. Available at: <https://www.walkfree.org/what-is-modern-slavery/>

⁵ United Nations, 'Guiding Principles on Business and Human Rights', 2011. Available at: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁶ OECD, 'OECD Guidelines for Multinational Enterprises', 2011. Available at: <https://www.oecd.org/daf/inv/mne/48004323.pdf>



Our workforce

As an employer, we have the potential to cause modern slavery within our workforce, should our operations directly result in modern slavery practices. We are a financial service provider with a highly skilled, professional workforce, operating in highly regulated jurisdictions. Our employees are recruited directly by us.

Affiliates

As a minority interest holder and service provider to Affiliates, we may be directly linked to adverse modern slavery impacts of Affiliates and Affiliate investment portfolios.

As at 30 June 2022, we held minority equity interests in 15 boutique investment management firms, with 13 firms operating primarily in Australia, 1 in the United Kingdom and 1 in Canada. Affiliate employees comprise of skilled professionals, operating in highly regulated jurisdictions.

Affiliates offer a variety of investment options across asset classes, covering Australian and international equity markets, property, infrastructure, credit, and private equity investments. We have limited ability to influence the level of modern slavery risk associated with the

Affiliate's underlying investment companies or assets.

Our corporate supply chain

As a consumer of goods and services, we have the potential to be directly linked to or contribute to adverse modern slavery impacts. Over 98% of our tier-one suppliers are located in geographies with low vulnerability to modern slavery⁷.

We recognise that heightened modern slavery risk is more prevalent in lower tiers of our supply chain, where businesses are more likely to operate with a strong reliance on migrant and base-skilled workers, complex supply chains or in geographical locations where labour standards and costs are lower. Further, we acknowledge the social and economic impacts of the COVID-19 pandemic, including increasing demands on supply chains, have exacerbated the vulnerabilities that can lead to modern slavery.

Identifying modern slavery practices in lower supply chain tiers is complex and such practises are most likely to occur beyond our visibility. We are endeavoring to increase coverage of our supply chain beyond tier-one and will focus on the jurisdictions and industries identified as the highest risk to people.

⁷ Walk Free Foundation, 2018. Global Slavery Index 2018 Dataset. Available at: <https://www.globalslaveryindex.org/2018/data/maps/#vulnerability>



Assessing and addressing modern slavery risks

During the reporting period, we:

1. Mapped our global tier-one suppliers;
2. Identified areas of the greatest risk; and
3. Initiated engagements with Affiliates and suppliers via a risk assessment platform.

Our modern slavery risk assessment

To identify areas of higher risk, we utilised tools⁸ and information from the Global Slavery Index and publicly available information of suppliers. An inherent risk score was determined for each supplier based on their exposure to:

- Geographical risks based on the operating location(s) of the supplier;
- Industry risks based on the product/service supplied; and
- Modern slavery controversies based on a media and literature review.

Our risk areas of greatest modern slavery risk

Although the prevalence of modern slavery risk is lower in Australia relative to globally sourced goods and services, select industries within Australia remain vulnerable to modern slavery risks. We identified the following risk areas in our operations and supply chain where the highest potential for modern slavery exists.

⁸ Walk Free Foundation, 2018. Global Slavery Index 2018 Dataset. Available at: www.globalslaveryindex.org

Hospitality and catering services - Hospitality and catering services can rely on base-skilled workers and a high proportion of migrant workers, who are particularly vulnerable to exploitation.

Facilities management including cleaning and security services - Facilities management typically utilise third-party service providers such as cleaners and security guards. These services can rely on base-skilled workers and a high proportion of migrant workers, who are particularly vulnerable to exploitation.

IT and electronics - The Global Slavery Index ranked Electronics (Laptops, computers, and mobile phones) as the top imported product at risk of modern slavery in Australia⁹. These goods may be sourced from countries identified as having high risk of modern slavery and produced by workers from vulnerable backgrounds.

Offshore suppliers - The Asia Pacific region had the second highest prevalence of modern slavery in the world¹⁰. Our suppliers operating in India, Hong Kong and Taiwan have a higher risk of potential modern slavery practices based on their geography.

Engagements via our risk assessment platform

We commenced engagements with Affiliates and suppliers to complete a detailed modern slavery and broader human rights risk assessment. The assessment goes beyond geography and industry to understand modern slavery risk specific to each business and the controls in place to mitigate those risks. Affiliates and suppliers are requested to complete this assessment annually to set goals for improvement and demonstrate progress.

Action taken to address potential risks

By addressing our modern slavery risk, we can not only reduce the risk to people, but also improve the integrity of our operations and supply chain, limit the financial impacts of operational disruption, and create long-term value.

During the reporting period, we focussed on formalising accountability and responsibility for managing

modern slavery risks and educating our people on the prevalence of modern slavery, both in Australia and globally. Specifically, we:

- **Introduced policy support addressing modern slavery risk:** Our Supplier Code of Conduct creates an obligation on suppliers to support our commitment to protect human rights. Our Human Rights Policy formalises our responsibility to respect human rights through all business functions and outline the controls in place to manage and monitor risks.
- **Provided modern slavery training to all employees:** The training raised employee awareness on the reality of the prevalence of modern slavery both in Australia and globally, how to identify modern slavery practices in our day-to-day operations and outlined global modern slavery legislation and the actions we, as a business, can take, and are taking, to prevent it. The invitation to complete modern slavery training was extended to Affiliates.
- **Partnered with modern slavery experts:** We engaged modern slavery expertise to uplift our knowledge and understanding about the reality of modern slavery situations 'on the ground' and guide our modern slavery assessments of our own business, Affiliates and suppliers.
- **Established a cross-Affiliate ESG Working Group:** The ESG Working Group facilitates collaboration between Pinnacle and Affiliates ('**Pinnacle Group**'). The ESG Working Group aims to enhance consideration of ESG principles across the Pinnacle Group, as well as improve disclosure transparency and drive positive change in our industry. Modern slavery continues to be a dominant focus for the Pinnacle Group. Throughout the reporting period, Affiliates were; introduced to investor led initiatives tackling modern slavery in Australia, offered to participate in expert modern slavery training, and offered support when preparing modern slavery statements or policies. We will continue to support and promote best practice among Affiliates, recognising that a collaborative approach increases the impact of otherwise individual actions.

⁹ The Minderoo Foundation, 2018. Global Slavery Index 2018. Available at: https://downloads.globalslaveryindex.org/ephemeral/GSI-2018_FNL_190828_CO_DIGITAL_P-1668657820.pdf

¹⁰ Walk Free Foundation, 2018. Global Slavery Index: Asia and the Pacific. Available at: <https://www.globalslaveryindex.org/2018/findings/regional-analysis/asia-and-the-pacific/>

- **Established an ESG Charter:** To underpin the objectives sought by the ESG Working Group, and to formalise the Groups' sustainability-related commitments, we developed the **Pinnacle Group ESG Charter**. The Charter reflects our shared commitment to ensure that modern slavery and broader sustainability principles and practices are integrated into the way we conduct business.

Remediation responsibility

We recognise our responsibility to remediate any adverse human rights impacts we may cause or contribute to. As an employer with the potential to cause modern slavery, we have the responsibility to prevent modern slavery practices within our operations.

The following governance structure is in place to oversee the management of modern slavery risks.



Support of the Board

- Approves our Modern Slavery Statement
- The Board's Audit, Compliance and Risk Management Committee (ACRMC) considers and approves our ESG Risk Management Framework (RMF), which includes human rights risk. The ESG RMF is reported against quarterly



Support of Senior Executives

- Ensures the effective implementation of our approach to identify and mitigate modern slavery risk



Sustainability Committee

- Manages the implementation of our approach to mitigate modern slavery risk and coordinates the integration of broader sustainable strategies

Our policy framework

We adopt several policies to guide the decisions and behaviour of our people and suppliers. Our policies and supporting documents that include or have been amended to address modern slavery requirements include:

Pinnacle Code of Conduct

Articulates the standards of behaviour expected of our employees, to act ethically, comply with laws and regulations and prohibits discrimination and harassment in any form.

Pinnacle Supplier Code of Conduct

Articulates the standards of behaviour expected of suppliers in relation to human rights, labour, the environment, and anti-corruption. Requires suppliers to undergo annual modern slavery assessment or produce an adequate modern slavery statement.

ESG Risk Management Framework

Identifies and defines our ESG risks, including modern slavery risk, monitors adherence to risk tolerance, and outlines the metrics used to assess and mitigate risks, measure progress, and set targets.

Pinnacle Outsourcing Policy

Outlines requirements, including those relating to modern slavery, for the selection and ongoing monitoring of material third-party supplier arrangements, including modern slavery.

Pinnacle Whistleblower Policy

Provides a mechanism for staff and external parties to report concerns about improper conduct by our employees or our suppliers, including concerns about the risk of modern slavery practices.

Pinnacle Human Rights Policy

Outlines the controls we employ to identify, monitor and remediate potential human rights violations.

Pinnacle Group ESG Charter

Demonstrates the Pinnacle Group's commitment to broader sustainability principles and ensures adequate policies and procedures are in place to address modern slavery risks within our own organisation.

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 company.

As a minority interest holder of Affiliates and a consumer of goods and services, we have the potential to be directly linked or contribute to adverse modern slavery impacts. We recognise our responsibility to exercise leverage, should we have it, and demonstrate our own ongoing efforts to mitigate the impact. Our actions are detailed below.

Our suppliers are expected to maintain policies and practices in accordance with our Supplier Code of Conduct. The Supplier Code of Conduct states that suppliers are expected to allow violations, misconduct, or grievances to be reported by employees and addressed without fear of discrimination, reprisal, intimidation, or harassment.

Engagement escalation

In cases where we identify that we have contributed to an adverse human rights impact via a supplier or Affiliate relationship, we will look to engage with the supplier on a progressive escalation basis to understand their remediation processes. We will use leverage to mitigate any remaining impact, where possible.

In cases where a supplier is not likely to change its behaviour, we will terminate the relationship.

Supplier remediation

We are committed to providing support and protecting the wellbeing of suppliers. In partnership with The Freedom Hub, suppliers have access to local, immediate remediation via a survivor school hotline. The Freedom Hub Survivor School is a place where survivors are trained, encouraged and prepared for the workforce.





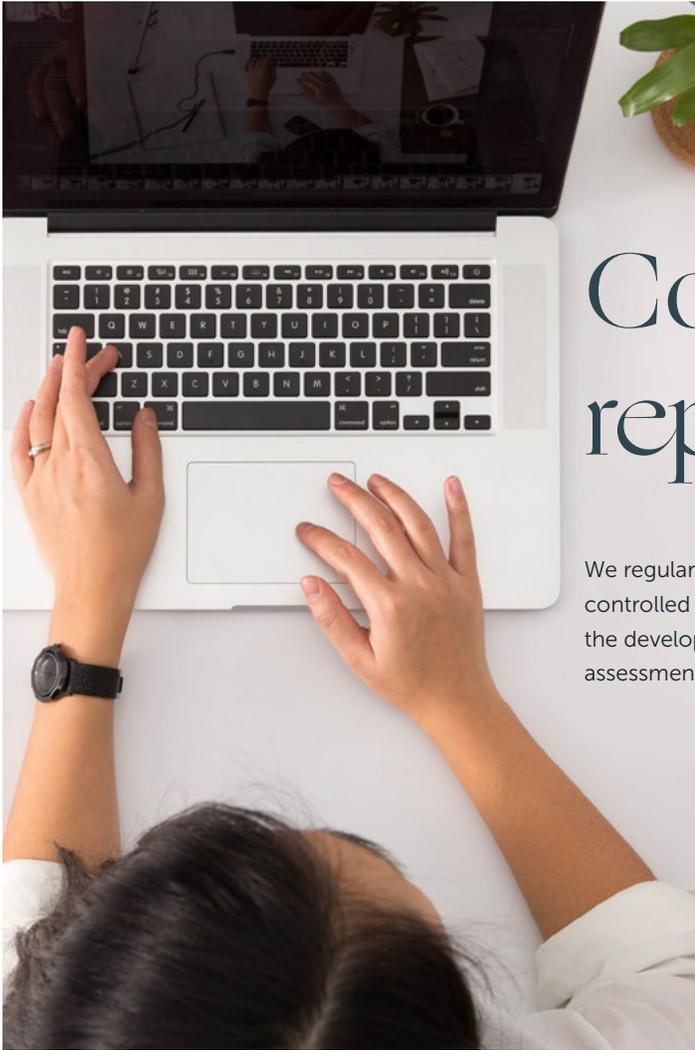
Assessing the effectiveness of our actions

We will assess the effectiveness of our actions through yearly consistent risk assessments issued to Affiliates and suppliers, to benchmark results and set goals for improvement. In the reporting period, 73% of Affiliate risk assessment responses were received.

Within our own organisation, we will continue to educate our people about the risk of modern slavery in our operation and supply chains. In the reporting period, 100% of employees¹¹ completed modern slavery training.

Although we have not identified any incidence of modern slavery, we understand that this does not eliminate the possibility of modern slavery practices existing in our supply chains. We continue to proactively embed modern slavery identification and mitigation strategies into the way we conduct business and increase the supplier coverage and depth of our risk assessments.

¹¹ Persons employed by Pinnacle at the time modern slavery training was issued.



Consultation with reporting entities

We regularly communicate with our wholly owned and controlled entities. These entities have been involved in the development of modern slavery policy support, risk assessment processes and training programs.

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

Sally Irwin, Founder

Collaborations

Collaboration forms an important part of our approach to the mitigation of modern slavery. In 2022, we partnered with not-for-profit organisation, The Freedom Hub, to provide bespoke training on modern slavery to our employees and inform our approach to addressing and assessing modern slavery.

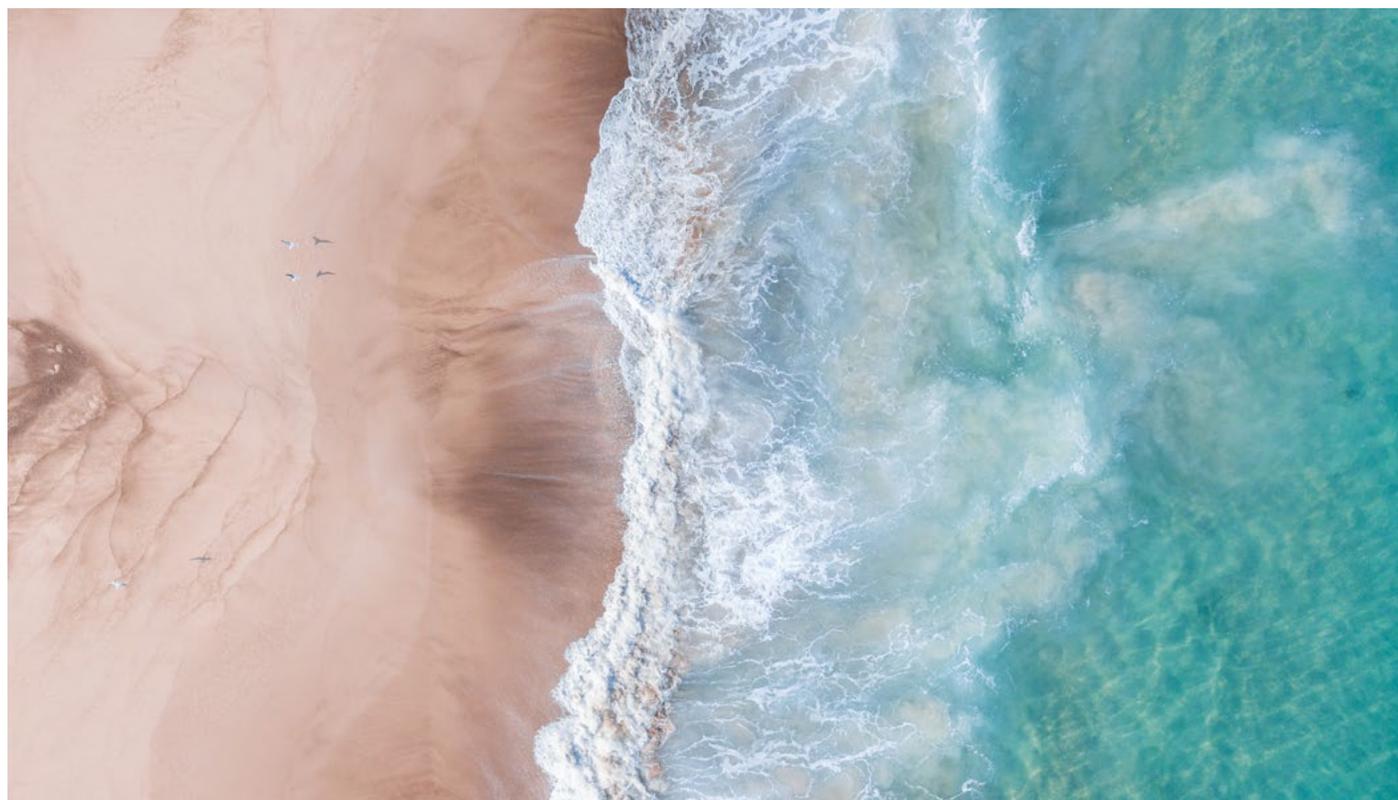
The Freedom Hub exists to end slavery in Australia, help people who have experienced this crime recover and partner in the fight to end global slavery. The Freedom Hub's Survivor School is a place where survivors are trained, encouraged, and prepared for the workforce.

Industry-level collaborations

We joined industry collaborations to share knowledge and support peers to addressing broader sustainability-related issues, which extend to our human rights responsibility.

The following table details relevant collaborations.

Initiative	Status	Joined
UN Global Compact	Participant	2022
Financial Services Council (FSC) ESG Working Group	Member	2022
Responsible Investment Association Australasia (RIAA) Human Rights Working Group	Member	2022



Appendix 1:

Mandatory reporting criteria index

The following table describes the location of each mandatory reporting criteria within this Statement.

Mandatory Reporting Criteria	Location
Identify the reporting entity	Entities covered by this Statement Page 3
Describe the reporting entity's structure, operations and supply chains	Structure, operations and supply chains Pages 5 - 6
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Understanding modern slavery risk Pages 7- 8
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Assessing and addressing modern slavery risks Pages 9 -13
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Assessing the effectiveness of our actions Page 13
Describe the process of consultation and any entities the reporting entity owns or controls	Consultation with reporting entities Page 14
Any other relevant information	Collaborations Page 14