

2022

CORPORATE SOCIAL RESPONSIBILITY REPORT



PINNACLE'S COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Banking is a business of improvement. We work to help improve people's finances, businesses and homes. We seek to help improve their standing in the world and the legacies they leave to their families.

That daily work has a cumulative effect that reaches outside of the direct service we give to clients. It should help improve the quality of life for an entire community and, looking beyond the borders of a particular market, improve the quality of life for as many communities and people as we can.

We at Pinnacle make deliberate and strategic efforts to meet that responsibility. It's baked into our reason for being, the why behind our firm and the vision that we drive toward.

- We strive to be the best financial services firm and the best place to work in the Southeast.
- We seek to make a significant positive impact on the communities we serve.
- Because we believe every single person deserves a great place to work and a great place to do business.
- Because we believe that people are important and that every individual makes a difference.

Every associate at our firm holds these beliefs as the North Star for every decision we make to serve clients, each other and our communities. Our mission, vision and values are so much a part of our DNA that it can be challenging to quantify the impact we make. Volunteer projects, charitable donations, affordable housing investments and the like are easy to measure. It's much more difficult when you have a firm made up of 3,200 difference makers all giving discretionary effort to making someone's day brighter or helping a client or stranger in trouble.

Caring is baked into who we are, who we recruit and how we comport ourselves on a daily basis. It would be impossible to measure the impact that approach and attitude have on our communities.

Still, this report is our best effort at calculating the level of improvement we've brought to the lives of our stakeholders, our communities and the world at large and to more fully account for and contextualize those efforts that can't be measured with numbers.

This is how we worked to take everybody with us in 2022.



Improving quality of life for our associates.

We build a culture of caring so every individual is seen and feels a sense of belonging in our Pinnacle family. Diversity, equity and inclusion remain a top priority, and in 2022 we expanded the infrastructure to support that work by moving two full-time associates into localized DEI leadership roles. When we asked for volunteers to lead employee resource groups to support their work, 178 associates answered the call and formed 13 locally based DEI Councils to serve as thought leaders for our firm.



Improving quality of life in our communities.

In addition to growing our support for affordable housing, we restructured our internal teams focused on community efforts for a greater local focus. Relationships are best built and decisions best made closest to the need, and increased geographic focus should help grow and improve the outcomes we work toward.

We also made a significant effort to reshape and refocus our work in supporting minority-owned small businesses and financial needs in underserved areas. Intentional efforts like the launch of our first Pinnacle Economic Empowerment Resource (PEER) Center are designed to lift up businesses, improve the financial wellbeing of individuals and families and help build wealth where it's needed most.

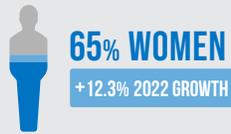


Improving quality of life for everyone.

Smart decisions made for our planet can also be smart for business, and Pinnacle is working to find that balance in the face of climate change, the transition to a zero-carbon economy and expected regulatory requirements. Our credit policies already recognize the risk in certain industries and the environmental due diligence required to do business. In 2022, we formally assembled a Climate and Sustainability Committee to guide practices and policies for the good of the environment. The team is already engaged with a consultant on climate impact and has led implementation of the Energy Star program to monitor and reduce our overall environmental footprint. Pinnacle has also financed \$117 million in funding for solar farms and \$265 million in construction loan syndications for solar projects in development.

DIVERSITY, EQUITY & INCLUSION

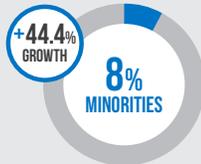
WORKFORCE



PEOPLE MANAGER



LEADERSHIP TEAM



178 associates serving on 13 locally based DEI Councils

On a Great Place to Work® survey, Pinnacle associates feel positively about the firm's approach to:



EXCITED ASSOCIATES

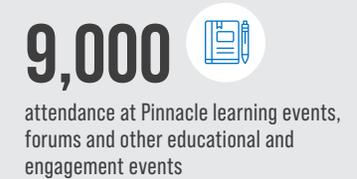
\$78.5 MIL.
in cash incentives paid for goals met in 2022

\$33 MIL.
in annual equity grants

\$62.4 MIL.
in employee benefits contributions

96.6%
of associates agree that Pinnacle's culture is truly special

ENGAGED CLIENTS



EMPOWERED COMMUNITIES

\$1.7 BILLION

committed to investments, lending and grants for low- to moderate-income housing, small business and minority-owned institutions, including:

\$920.6 MIL.
committed investment in community development to support affordable housing, small business and minority-owned institutions

\$246 MIL.
in home loans for low- to moderate-income individuals and families
1,468 TOTAL HOME LOANS

\$313 MIL.
in funding through the Community Investment Tax Credit program in Tennessee

\$206 MIL.
through Freddie Mac's Small Balance Loan program for affordable and underserved market segments

30,877
associate volunteer service hours



TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	Create the best place to work in the Southeast.		
	<p>Work environment survey Our annual survey asks 25 multiple-choice questions and three open-ended questions. We share the unedited feedback with all associates and establish firm-wide and team-based initiatives for improvement.</p>	<p>96.6% of associates agree or strongly agree Pinnacle’s culture is truly special. See full survey results, including responses broken down by demographic.</p> <p>74.3% of associate responses to the 25 questions on our survey were “top box,” meaning associates strongly agree.</p> <p>In a 2022 Great Place to Work™ survey of associates:</p> <ul style="list-style-type: none"> 98% said they are proud to work at Pinnacle (GPTW benchmark is 93%) 	<p>75% “top box” rating is our overall goal. We will continue our current strategy.</p> <p>Based on survey feedback in 2022, we have the following initiatives in 2023:</p> <ul style="list-style-type: none"> Increase the opportunity for pay increases to account for inflation and increase equity Make PTO changes to create greater fairness and allow for emergencies late in the PTO cycle Double parental leave Cover healthcare increases instead of passing it along to associates Take steps to ease small business lending processes In addition to initiatives pertaining to internal communication, treasury capabilities, technology planning and more
	<p>Listening to associates In addition to the work environment survey, we listen to associates continuously so we know what’s going well, what needs improvement and how they’re feeling at any particular time. All leaders are encouraged to seek feedback regularly, and our CEO and senior leaders conduct formal listening sessions with associates.</p>	<p>91.1% of associates say they are comfortable expressing opinions on issues that are important to them.</p> <p>89.1% say they have opportunities to contribute to important decisions.</p> <p>Senior leaders and regional presidents held more than 40 listening sessions with a cross-section of associates on a range of topics.</p> <p>Pinnacle’s 13 market-based Diversity, Equity and Inclusion Councils count 178 associates in their ranks providing continuous feedback and development opportunities for leaders and all associates across the firm.</p>	<p>Continue our current strategies.</p> <p>Our CEO plans for six listening sessions in 2023. Senior leaders and market leaders will continue holding listening sessions with their own teams for continuous feedback and improvement.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	<p>Associate orientation Our CEO hosts a 3-day orientation focused exclusively on our mission, vision and values.</p>	<p>Pinnacle hosted nearly 700 associates for eight in-person orientation sessions, each led by CEO Terry Turner and other leaders across three days. This number includes all associates who joined during the pandemic and attended virtual orientation and were given the chance to get the full experience. A cross-functional team of 50 associates helped support the newly designed orientation with increased production value, internal branding and re-imagined presentations that are more interactive and include more participants from across the firm. The new orientation format has a casual conference-like feel with a pep rally atmosphere and includes multiple opportunities for social interaction between new associates, veterans, leaders and across geographies. One such opportunity is a songwriters night with a private concert from some of Nashville’s premier songwriters.</p>	<p>Continue our current strategies.</p> <p>We have plans for eight sessions in 2023 to include all new hires for the year. We continuously update orientation materials and presentations and continue emphasizing team building activities and going over the wall.</p>
	<p>Retention rate Ensuring our associates stay with us and with our clients creates a great client experience.</p>	<p>93.4% retention rate in 2022, including voluntary and involuntary separations and retirements</p>	<p>Our goal is a 95% retention rate, including voluntary and involuntary separations and retirements.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	<p>Balance and flexibility Balance has been a Pinnacle value since the very beginning. We apply it to everything, like balancing workload, learning and, most of all, work-life balance. It's carried out by giving associates the flexibility and autonomy they need to properly prioritize the demands of work, personal life and family.</p>	<p>Full-time associates receive 160 hours of paid time off annually for use as vacation, sick, personal, family, emergency or other time off. Every five years they earn 40 additional hours, up to a maximum of 240 hours.</p> <p>To encourage vaccination against COVID-19, Pinnacle continued to give all associates two half-days of PTO when they reported being fully vaccinated, as well as an additional half-day for reporting a booster shot. This practice was discontinued midway through 2022.</p> <p>95.2% of associates say the firm's practices give them the flexibility to maintain balance in their lives. See full survey results, including responses broken down by demographic.</p> <p>In 2022, a cross-functional team of leaders worked to plan for full return to office status starting Jan. 1, 2023. This team's objective was to fully engage the workforce and be intentional around fair application of return to office policies. They assessed and resolved many issues on the front end, looking at needs, risks and extenuating circumstances while carefully considering the impact to associates. This included a reassessment of how we use office space throughout the footprint, a conversation is ongoing.</p> <p>All associates continue to enjoy room to balance personal and family needs whenever possible.</p>	<p>Continue current strategies.</p> <p>One of the initiatives responsive to associate needs expressed in our internal work environment survey is establishing a minimum amount of PTO at four weeks, whereas many associates only had three previously. We also doubled the amount of parental leave available to four weeks and added an emergency PTO option for associates who have urgent needs late in the year.</p>
	<p>Culture of caring Pinnacle's workplace culture is nurtured by the genuine care and affection associates show for each other.</p>	<p>96.3% of associates say the leadership team shows a genuine interest in their well-being.</p> <p>\$872,499 in 2022 spent by associates to WOW each other and clients with small gifts or tokens of appreciation—an 85% increase over 2021. The WOW budget is a “no questions asked” line item everyone can access to show their fellow associates they care.</p> <p>4,252 Pinnacle Cares packages sent to associates and clients experiencing illness or grief. These include a plush blanket and note of kindness from the sender. More than 6,800 packages have been sent since the program began in 2020.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	Create a diverse and inclusive team.		
	<p>Great place to work for all We believe that a strong and diverse team is critical to our success and performance. We are committed to being more vocal and focused in our efforts to ensure we are creating a great place to work for all guided by our Diversity and Inclusion Policy.</p>	<p>Percent of workforce, women: 65%</p> <ul style="list-style-type: none"> • 12.3% growth over 2021 • Full-time: 96.9% • Part-time: 3.1% <p>Percent of people managers, women: 49.5%</p> <ul style="list-style-type: none"> • 17.5% growth over 2021 <p>Percent of Leadership Team, women: 34.6%</p> <ul style="list-style-type: none"> • 33.3% growth over 2021 <p>Percent of workforce, minorities: 16%</p> <ul style="list-style-type: none"> • 21.5% growth over 2021 • Full-time: 98.1% • Part-time: 1.9% <p>Percent of people managers, minorities: 7.8%</p> <ul style="list-style-type: none"> • 15.6% growth over 2021 <p>Percent of Leadership Team, minorities: 8%</p> <ul style="list-style-type: none"> • 44.4% growth over 2021 	<p>In 2023, we will continue to focus our actions in 4 key strategic areas.</p> <ul style="list-style-type: none"> • Recruitment: We will continue to offer periodic workshops on DEI recruiting related topics to continue our intentional focus on the recruitment of diverse associates and leaders to the firm. We will expand the class size of our leadership learning communities so that we can continue to accelerate the pace at which current leaders of people complete these sessions to ensure our diverse recruiting approach is implemented throughout the organization. We will continue to assess all internal leadership focused programs and meetings to ensure every leader understands and is partnered with us to execute our diverse recruiting approach. • Development: We will continue our 2022 strategy to develop more diversity in leadership through intentionally focused succession plan reviews and the identification of diverse high potential associates that we can begin developing for future leadership roles. Expansion of the class size of our leadership learning communities noted above will allow us to continue to accelerate the pace at which potential future leaders, inclusive of diverse associates, complete our Leadership Learning Community process. In 2023, we will continue to implement our actions in 4 key strategic areas (contd.).

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">EXCITED ASSOCIATES</p>	<p>Diversity, Equity and Inclusion Infrastructure Expansion As our work to advance DEI causes and results has grown, so has the need to manage the work internally. Pinnacle now boasts a dedicated DEI team of three, in addition to 178 associates who volunteer to serve on local DEI Councils to help develop ideas, give perspective and create opportunities for enrichment and learning.</p>	<p>The DEI team added two regional DEI advisors in Eva Ogden and Victoria Ragland. They work alongside Eddie Alford, our director of diversity, equity and inclusion and are responsible for leading DEI efforts and the DEI Councils across the footprint.</p> <p>178 associates sit on 13 locally based Diversity, Equity and Inclusion Councils, discussing and giving feedback on firm policies and practices, developing learning opportunities, leading celebrations and serving as thought leaders for the firm.</p> <p>Read more about Pinnacle’s 2022 DEI work.</p> <p>Listen to our DEI team and other associates talk their work and sense of belonging at the firm.</p> <p>View our Diversity and Inclusion Policy.</p> <p>View our commitment to DEI online.</p>	<p>In 2023, we will continue to focus our actions in 4 key strategic areas (contd.).</p> <ul style="list-style-type: none"> • Employee Resource Group: We will continue to provide dedicated financial resources to our Diversity, Equity and Inclusion Councils to empower them to fully execute their local strategies that support our organization-wide diversity, equity, and inclusion strategies. In 2022, our local DEI councils executed a series of initiatives to improve the engagement, connectedness, and inclusiveness of associates within our firm in select markets; in 2023, we will look to expand these initiatives for implementation in markets throughout our footprint. • Continuing Education: We will continue the process of developing a suite of on-demand diversity, equity and inclusion resources including articles, videos, book recommendations and team building engagement activities that will be available to leaders and associates via our internal intranet. We will host our first DEI related client and associate facing forum in early 2023 that is focused on creating care and connectedness within our firm because we believe that developing these meaningful interpersonal connections is the best approach to mitigating bias, which allows us to work better together.

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">EXCITED ASSOCIATES</p>	<p>Leadership accountability and recruiting Leaders are the principal recruiters at Pinnacle, and we work hard to ensure their networks include a diverse talent pool and their work environment sets up all associates for success.</p>	<p>100% of leaders and associates completed the equal employment opportunity and affirmative action training in 2022.</p> <p>97% of associates completed our Intentional Inclusion bias training course. This training course has been integrated into the training process for all new associates going forward, including all new leaders joining the firm.</p> <p>Created a work environment inclusiveness assessment to help leaders intentionally focus their attention on high impact areas of their work environment where they can simultaneously create highly engaged and high performing teams while also promoting an inclusive work environment for all associates on their team.</p> <ul style="list-style-type: none"> • Updated this assessment to provide leaders with a 2-year trend analysis of the leader’s impact on their team’s work environment, the level of engagement of associates on their team, and how inclusive the team feels to the associates. • Integrated this assessment training into the annual Work Environment Review process. • 141 leaders of people attended this live virtual training session on this revised work environment assessment. <p>Increased the number of sessions offered for our redesigned Leadership Learning Community process which includes our integrated DEI focus on the core elements of successful leadership at our firm.</p> <p>85 leaders of people completed the Leadership Learning Communities in 2022 which represents 49% growth in attendees over the previous year.</p>	<p>Continue current strategies and add Louisville, KY, and Bowling Green, KY, for a total of 17 DEI market meetings.</p> <p>Conduct DEI market meetings with key leaders in all of our markets where we discuss hiring strategies, pipelines, and EEO and Affirmative Action topics.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	<p>Culture of equality We win and lose together. Every non-commissioned associate participates in the annual cash incentive plan with the same company-level performance metrics. Everyone is an owner because we all receive annually awarded equity grants. Everyone matters; titles don't.</p>	<p>A 2022 survey through Great Place to Work™ (GPTW) measured Pinnacle associates' positive responses on all questions related to these specific focus areas:</p> <ul style="list-style-type: none"> • Impartiality: 91% (GPTW benchmark: 79%) • Equity: 94% (GPTW benchmark: 81%) • Respect: 95% (GPTW benchmark: 86%) • Fairness: 95% (GPTW benchmark: 85%) • Caring: 96% (GPTW benchmark: 88%) • Integrity: 97% (GPTW benchmark: 87%) • Justice: 97% (GPTW benchmark: 91%) • Leadership Behavior: 97% (GPTW benchmark: 88%) <p>According to our internal surveys:</p> <ul style="list-style-type: none"> • 90.2% of associates agree or strongly agree that when they offer an idea, it will be fully considered. <ul style="list-style-type: none"> ○ 87% of minorities ○ 89% of women ○ 88% of Black associates ○ 91% of Hispanic/Latino associates ○ 82% of Asian associates • 89.1% of associates agree or strongly agree that they contribute to important decisions. <ul style="list-style-type: none"> ○ 86% of minorities ○ 89% of women ○ 87% of Black associates ○ 86% of Hispanic/Latino associates ○ 86% of Asian associates • See full survey results, including responses broken down by demographic. 	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	Empower associates to learn and develop.		
	<p>Learning as a value Learning is one of our core values. As part of annual goal setting, associates work with their leader to create a professional development plan based on their personal goals. They have access to internal training programs, online learning and external opportunities.</p>	<p>69,796 hours in associate training, average of 20 hours per associate</p> <p>Pinnacle returned to an in-person learning environment, with some virtual options available as needed.</p> <p>724 associates participated in an in-person book club and 75 participated in a virtual format.</p> <p>91.1% of associates agree or strongly agree that they are given a real opportunity to develop skills. See full survey results, including responses broken down by demographic.</p>	<p>Continue current strategies with the addition of new, “bite-sized” opportunities for associate development that will include 60-90 minute webinars with subject matter experts to lead a discussion on growth in a particular area.</p>
<p>Strategic Learning and Training Our Learning and Development team are constantly engaged and connected to teams across the firm to anticipate needs and identify potential issues before they arise. They then work to address them through training and development.</p>	<p>The Learning and Development team are embedded with multiple cross-functional teams to determine needs and mitigate potential issues before they arise. They include:</p> <ul style="list-style-type: none"> • Monthly “Let’s Meet” meetings to connect with operational support teams • Monthly Information Security Advisory Team meetings, which have helped improve and expand training on information security matters • Internal communication meetings to review new and changes to existing policies, procedures and processes and ensure associated trainings are updated <p>The team created a new training course in 2022 called Effective Advisor, designed to strengthen the abilities of associates, particularly new associates, to recognize and meet all clients’ needs and build stronger relationships with an advice forward approach rather than the sales culture they experienced with previous employers.</p>	<p>Continue our current strategies.</p>	

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	<p>Leadership development Our development program has learning paths for new, acquired and seasoned leaders. We identified 5 leadership attributes of successful leaders at Pinnacle. Our best leaders: recruit for values, inspire, develop others, create a great place to work and deliver results.</p>	<p>17,954 hours of leadership development training</p> <p>Leadership Learning Communities continued and were redesigned and expanded in 2022.</p> <ul style="list-style-type: none"> Launched a new Leadership Learning Community called Influential Leaders that is aimed at associates who are not leaders yet but hold the potential for growing into a leadership role and/or are in roles that allow them to influence company culture and policy. Five of these were held with 103 participants, 60% of whom were diverse associates with respect to race ethnicity and gender, compared to a goal of 50% diverse associate participation. Leadership Learning Communities continue to be a requirement for all members of the leadership team. Increased opportunities for current leaders of people to participate in a Leadership Learning Community, with 85 taking part. Leadership Learning Communities continue to position DEI as a core element of successful leadership at the firm. 	<p>Improve on and continue our current strategies.</p> <p>Provide the opportunity for at least 105 leaders of people to participate in a Leadership Learning Community, including three sessions for existing leaders of people and three Influential Leaders sessions.</p> <p>We will create a knowledge base for leaders, particularly new ones, to better equip them for daily tasks and functions for their role.</p>
	<p>Succession planning DEI and HR leaders work strategically with leaders at all levels across the firm to ensure minority and women candidates are given full consideration and development opportunities are given to those who could be potential successors.</p>	<p>First-choice successors:</p> <ul style="list-style-type: none"> 14% minority representation when an internal candidate identified 19% improvement in minority representation over 2021 56% women representation when an internal candidate identified 5% improvement in women representation over 2021 <p>Second-choice successors:</p> <ul style="list-style-type: none"> 18% minority representation when an internal candidate identified 42% improvement in minority representation over 2021 62% women representation when an internal candidate identified 11% improvement in women representation over 2021 	<p>Continue our current strategies.</p>
	<p>Corporate policies and practices We maintain an associate guide that includes our code of conduct, diversity and inclusion policy, health and safety information, anti-harassment policy, and pay practices.</p>	<p>100% of associates completed annual training on associate guide and code of conduct and attested to their compliance with the code of conduct.</p> <p>All corporate procedures catalogued and made available as appropriate via the company Intranet.</p> <p>There were no reports to our ethics hotline in 2022.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
	<p>Risk management and compliance We have a responsibility to protect our clients and shareholders from unreasonable levels of risk. Associates are required to complete a number of annual training courses. These include fraud and security, cybersecurity, bank secrecy act/anti-money laundering, fair and responsible lending and others.</p>	<p>100% of associates completed assigned training and passed proficiency exams within our online learning management system.</p> <p>We once again added significant additional capacity in 2022: 10 more FTEs added to Risk Management and Compliance in 2022.</p>	<p>Continue our current strategies.</p>
EXCITED ASSOCIATES	Create a fair and inclusive workplace culture.		
	<p>Fairness as a value We treat our clients, shareholders, business partners and each other the way we want to be treated. In short, we do the right thing.</p>	<p>According to a 2022 survey through Great Place to Work™ (GPTW):</p> <ul style="list-style-type: none"> • 98% of respondents say associates are treated fairly regardless of sexual orientation (GPTW benchmark is 96%). • 91% believe promotions go to those who best deserve them (GPTW benchmark is 77%). • 93% believe management genuinely seeks and responds to suggestions and ideas (GPTW benchmark: 84%). <p>On our own internal surveys, 93.1% of associates overall agree or strongly agree that our firm’s policies and practices ensure fair treatment for all associates. See full survey results, including responses broken down by demographic.</p>	<p>Continue our current strategies.</p>
	<p>Incentives for all <u>All</u> non-commissioned associates of Pinnacle Bank participate in annual cash incentives. Incentives are paid if the firm as a whole reaches its earnings, soundness and other targets. We win and lose as a team.</p>	<p>100% of non-commissioned associates of Pinnacle Bank participate in our annual cash incentive plan. This is virtually unheard of in the financial services industry.</p> <p>Pinnacle paid \$78.5 million in cash incentives to all non-commissioned associates in 2023 for goals met in 2022.</p> <p>94% of associates of Pinnacle Bank and 68% of associates firmwide are non-commissioned and receive bonuses under our plans based on company-wide goals.</p>	<p>For 2023, we are returning to the incentive structure in place before 2020 that includes a gross revenue goal as a metric in our plan, along with earnings per share goals rather than pre-tax, pre-provision net revenue.</p>

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EXCITED ASSOCIATES	<p>Associate ownership Our associates have a vested interest in not just <u>acting</u> like owners, they are owners.</p>	<p>100% of associates receive stock awards. In Jan. 2023, they received \$33 million in annual recurring equity grants, based on stock price at the time of award.</p> <p>Total equity granted to associates over the firm's history would equal approximately \$600 million at Jan. 24, 2023, based on our stock price on that date.</p>	<p>Continue our current strategies.</p>
	<p>Compensation practices Each year we review our internal equity and compensation practices to ensure alignment and fairness.</p>	<p>All associates make at least \$17 per hour.</p> <p>Annually, the human resources and compensation committee of the board of directors works with an independent advisor, McLagan, to participate in an industry salary survey. The results show our compensation on the high end of the industry standard and also show us areas where we can improve. We also perform risk assessments for all performance-based associate compensation plans for the Human Resources and Compensation Committee.</p> <p>In addition, we commission an independent analysis of our salaries to identify and address any disparities with regard to gender and racial diversity.</p>	<p>For 2023, associates received an average pay increase of 6%, up from a typical average of 4% to adjust for inflation and right-size compensation for internal equity.</p> <p>Continue our practice of conducting a compensation study annually to ensure both competitive and fair pay. In 2023, we will dive deeper to look at equity, job descriptions, titles and more for fair compensation.</p>
	<p>Full-time, part-time and non-regular employment Nearly all of our associates are employed full time by the firm, which we believe helps drive fairness and a better client experience. One of the keys to our distinctive client service is a consistent experience with the same associates, which we accomplish by driving turnover out of the system.</p>	<p>We rarely hire part-time associates, and most instances are formerly full-time associates who asked for a reduction of hours. As of Dec. 31, 2022, just 2.7% of associates were part-time, or 89 associates of 3,286 total.</p> <p>Part-time associates who work at least 24 hours a week are eligible for full benefits.</p> <p>We do very little contract hiring and only in very limited roles. All contract hires are fully vetted by our Vendor Management team prior to onboarding in accordance with requirements on confidentiality, information security and other regulations.</p>	<p>Continue our current strategies.</p>
	<p>Associate guide Our associate guide outlines what we do for associates and what we expect of them to comply with applicable laws, ethical conduct and regulatory requirements. It includes cultural considerations and policies from human resources and legal.</p>	<p>100% of associates attest to having read the associate guide and agree to the policies within. View the guide online.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	Promote a healthy and safe workplace.		
	<p>Benefits Our benefits are available to associates working 24+ hours per week, which is more than 97% of associates. They are eligible for full benefits on the first day of employment or a qualifying event. Associates 21 and older are eligible to participate in our 401(k) plan with immediate vesting and company match.</p>	<p>Pinnacle paid \$62.4 million in employee benefits, including:</p> <ul style="list-style-type: none"> • \$21.6 million for Pinnacle’s portion of insurance costs • \$21.0 million in payroll taxes • \$13.7 million for 401(k) match • \$1.6 million for life insurance • \$1.2 million in employer HSA contributions • \$525,000 for the corporate wellness program • \$2.8 million for other benefits expenses <p>New and enhanced benefits added in 2022 included:</p> <ul style="list-style-type: none"> • Additional PPO medical plan bringing options to four available plans • Prescription Assistance Program through ImpaxRX for associates under a certain salary threshold • Access to Livongo diabetes and hypertension management • HealthJoy Musculoskeletal program <p>This gave Pinnacle a benefit-to-compensation percentage of 14%</p> <p>93.1% of associates participate in our 401(k) plan. In 2022, we matched \$13.7 million in associate contributions that were immediately vested.</p> <p>We contributed \$1.2 million to associate health savings accounts and provided overdraft protection to make 100% of each associate’s annual HSA contributions available for use on Jan. 1.</p> <p>In addition, Pinnacle paid \$147 million to associates in equity compensation, incentives and commissions for commissioned associates.</p>	<p>New and enhanced benefits added in 2023 include:</p> <ul style="list-style-type: none"> • Pinnacle is absorbing the 7.6% renewal increase for medical and prescription drug insurance, as well as the 5.2% increase in dental claims so associate premiums can remain flat • Doubling parental leave to four weeks • Establishing a minimum amount of PTO at four weeks, an increase of one week for some associates • Emergency PTO available to associates who have truly urgent needs and no remaining PTO days

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">EXCITED ASSOCIATES</p>	<p>Wellness program Our program is designed to create a culture of wellness and help associates balance their lives – one of our core values – by developing the physical, mental, social, financial and occupational well-being of associates.</p>	<p>80% of associates participated in our wellness program in 2022, earning the Inspire Health Award, Silver Status from Humana’s Go365. 155 trained wellness champions helped coordinate and lead activities across the firm, including:</p> <ul style="list-style-type: none"> • 7 firm-wide wellness challenges • 38 regional challenges • 7 workshops on managing stress, healthy relationships, mental health warning signs, eating healthy and physical fitness led by a licensed counselor and a certified personal trainer and nutritionist <p>Monthly webinars available from our wellness program provider include courses on stress, resiliency, emotional well-being, meal planning and coping during the holidays</p> <p>1,650 associates redeemed \$301,000 in company-paid wellness reward dollars to buy fitness equipment and gift cards. Another significant amount goes toward charitable donations from wellness reward dollars.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EXCITED ASSOCIATES	<p>Workplace health and safety We are committed to maintaining a safe work environment free from recognized hazards in compliance with the Occupational Safety and Health Act.</p>	<p>We provide an approved workers' compensation program providing insurance coverage developed to protect workers who are injured during the course and in the scope of their employment. Associates receive needed benefits for medical treatments, lost work time, disability or death benefits, while the legal liability of employers is limited by workers' compensation.</p> <p>We partner with New York Life for Leave of Absence management which includes case management of short and long term disability. We also utilize the New York Life Employee Assistance Program as one part of our behavioral health resources.</p> <p>To protect associates from COVID-19 in the workplace, Pinnacle leaders continued the campaign to promote vaccination and incentivize reporting vaccination status. When associates reported completion of their COVID vaccine regimen, they received a \$250 gift card and two half-days of PTO. They received an additional half-day of PTO when reporting a booster shot. This program was discontinued midyear.</p>	Continue our current strategies.
	<p>Associate mental health We believe it is important to be mindful of and help care for all aspects of good health in our associates, including mental health.</p>	<p>Pinnacle provides resources like:</p> <ul style="list-style-type: none"> • HealthJoy Employee Assistance Program – A company paid program available to all associates and their households regardless of eligibility or enrollment • New York Life Assistance Program – A company paid program available to all benefit eligible associates and their households <p>Both provide three in-person, phone or video counseling sessions with a licensed professional and also include 24/7/365 access to a licensed mental health provider. The services range from counseling to financial and legal assistance, as well as other resources.</p> <p>As part of Pinnacle's group medical plan, associates have benefits available to them for counseling and treatment for behavioral health needs.</p>	Continue our current strategies.

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	Listen to the voice of the client.		
	<p>Client surveys We reach out to clients at key moments in their relationship: opening an account, closing a mortgage and annually for many clients on the anniversary of their first account. Questions cover overall quality of service and advice, as well as an open-ended comment. Results are shared with the involved associate and firm-wide.</p>	<p>93.5% of clients agree or strongly agree that we are recognizably better than the competition. See full results of our client surveys.</p> <p>We expanded our collection of client feedback through a relationship with J.D. Power that offered a deep dive into how clients feel about our firm, our associates and the service we provide. Consumer and small business checking account holders completed an in-depth survey about multiple aspects of the client experience. J.D. Power analyzed the responses and identified key drivers of satisfaction among Pinnacle clients. This data was shared extensively with leaders and client-facing associates for actionable opportunities for improvement.</p>	<p>Continue current strategies while integrating survey functions into a Salesforce CRM for better tracking and closer connection to the associates who work directly with the client.</p>
<p>Complaints and feedback Our complaint policy is comprehensive and designed to capture and address complaints coming from a variety of sources. All associates are trained on the policy and procedures for handling complaints. Complaints are logged and routed to the appropriate associates for follow-up and resolution.</p>	<p>Our expanded and enhanced complaint management program continued, measuring performance against baselines so trends can be fully measured.</p> <p>328 complaints received.</p> <p>Just 8 complaints were filed against Pinnacle at the CFPB in 2022. All responses were timely.</p> <p>100% of associates completed training on complaint management policy and procedure.</p>	<p>We will continue to monitor the current system and work to promptly address complaints as they arise.</p>	

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	Deliver an exceptional client experience.		
	<p>Distinctive service A live person answering the phone within three rings is our standard. But our associates go beyond what is expected to create a high-touch client experience. Our deeply engaged associates are empowered to make decisions that allow them to serve clients better and fairly.</p>	<p>According to research from Coalition Greenwich, a large majority of Pinnacle clients are considered “net promoters,” which means they are so satisfied with the service they receive that they actively promote our brand to their networks.</p> <p>Net promoter scores for 2022 (among markets where data was available):</p> <ul style="list-style-type: none"> • Nashville – 92% • Chattanooga – 85% • Knoxville – 86% • Memphis – 61% • Tennessee – 87% • Greensboro – 67% • Charlotte – 67% • North Carolina – 68% <p>748,467 client contacts received in our Client Service Center. That includes 655,227 calls and 93,240 emails and secure online messages.</p> <p>90.2% of those calls were answered within 3 rings.</p> <p>96.2% of clients who completed a survey after a call to our Client Service Center strongly agree that we met their needs or resolved their issue.</p> <p>We earned 11 Greenwich Excellence Awards for service in 2022. Read more.</p>	Continue our current strategies.

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	<p>Continuous Service Improvement We don't rest on our laurels. We always push to be the best place to do business in the Southeast, finding and shoring up any weaknesses before they get a foothold and finding new ways to WOW our clients.</p>	<p>Despite high levels of client satisfaction, in 2022 we established a Net Promoter Taskforce to deeply analyze research data from Coalition Greenwich and J.D. Power and develop new strategies for pushing service further and identifying and filling gaps. Some of the taskforce recommendations include:</p> <ul style="list-style-type: none"> • A resource that gives new clients essential account details in one place, including contact information and how to get started with digital banking. • Creation of a Digital Advisors community so teams have a designated associate who is an expert in our technology solutions and can help clients and associates make better use of them. • Relaunch of The Pinnacle Way, a five-point approach to our work that ensures we all take responsibility for creating an exceptional associate and client experience: <ul style="list-style-type: none"> ○ Be there. ○ Follow through. ○ Make their day. ○ Laugh out loud. ○ Be an owner. 	<p>Continue our current strategies.</p>
	<p>Effective advice Pinnacle positions itself as top of mind for financial information, ideas and insights. Through events, book clubs, articles, videos and other channels we reinforce our advisory capabilities.</p>	<p>More than 1,800 clients attended virtual and in-person learning events designed to help with personal or business finances, as well as home ownership.</p> <p>The Pinnacle Forums program was greatly expanded across the footprint, with 42 events held in multiple markets and more than 7,600 total in-person attendance. Pinnacle Forums are large and mid-size events that connect clients with high-profile newsmakers and experts. Speakers have included Jon Meacham speaking on politics and history, Admiral Michael Rogers on cybersecurity, several with Dr. Arthur Laffer on the economy and specialized events on cybersecurity, federal procurement and economic development, among many others.</p> <p>Workshops and "lunch and learn" events continued, as well, with a blend of virtual and in-person offerings.</p> <p>93.9% of clients agree or strongly agree that they receive insights they would not have gotten if they did not bank with Pinnacle.</p>	<p>All current strategies will continue.</p> <p>We will also increase our intentional outreach for more learning opportunities targeted to minority and underserved communities, including small business development, home ownership and personal finance topics. This includes two opportunities in Nashville to reach minority business owners directly through a partnership with the <i>Nashville Business Journal</i>.</p> <p>The Pinnacle Forum series will include our first DEI-focused forum with Chris Singleton.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	Serve and advise conscientiously.		
	Overhauling overdraft services and eliminating fees Pinnacle has long offered Overdraft Protection for no charge, giving clients the option to link accounts for automatic funds transfers to cover overages. In 2022 a cross-functional team of leaders spent months examining Pinnacle’s overdraft services program fees and parameters were in line with our peers and regulators’ expectations.	In August, Pinnacle made several client-friendly changes to its program: <ul style="list-style-type: none"> Eliminated Non-sufficient Funds (NSF) Returned Item fees for consumer clients and lowered them from \$38 to \$30 for business clients Lowered Overdraft Paid Item fees from \$38 to \$30 for all clients Introduced an overdraft cushion of \$15 for consumer clients Reduced the maximum number of Overdraft Paid Item fees for clients from five per day to three By reducing the fee and the number of charges a personal client can receive in a day, we took the maximum charge possible down from \$190 to \$90. 	Continue our current strategies.
	Needs-based selling Because our incentive plan does not reward specific product sales, our associates stay focused on what is best for the client. We rarely advertise products or rates.	100% of promotions and advertisements reviewed by compliance to help clients make informed decisions about the products and services that fit them best. 94.8% of clients agree or strongly agree that we make proposals that are responsive to needs. See full results of our client surveys.	Continue our current strategies.
	Associate training Our online learning management system ensures associates receive training and testing on a number of topics – fair client practices, fair lending, bank secrecy act, etc.	100% completion of all required annual training.	Continue our current strategies.
	Compliance monitoring Pinnacle, as part of its overall Compliance Management Program, works to foster and promote a culture of compliance with regulatory requirements, internal policies and industry guidance impacting consumer and business products and services.	We maintain an ongoing program of compliance reviews and an independent audit of the effectiveness of the overall compliance program. The Risk Committee of Pinnacle’s Board of Directors receives quarterly reports of the compliance monitoring and testing results and other key risks. Internal audit reports are reviewed and approved by the Audit Committee of the Board of Directors.	Continue our current strategies.
	Ethical practices In addition to the numerous legal and regulatory safeguards in place, Pinnacle’s common incentive structure, shared goals and culture that emphasizes service and advice over sales help create protection from ethical lapses and poor decisions that are often driven by high pressure sales goals.	100% of non-commissioned associates of the bank earn incentives for meeting firm-wide financial goals. Those goals include an asset quality metric that must be met before any amounts may be payable from the incentive plan. The shared nature of these goals being aligned with all stakeholders and the requirement for strong asset quality before paying incentives helps to control questionable decisions and further builds trust with our clients and the communities we serve.	Continue our current strategies.

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	Protect clients from harm.		
	<p>Data security Cybersecurity is at the heart of protecting our clients. We have made significant investments in our information security and in educating our associates and clients. We regularly assess threats and vulnerabilities and report monthly on trends.</p>	<p>Invested in and implemented new technology tools and partners to increase capacity, capability and maturity including:</p> <ul style="list-style-type: none"> • Incident response • New tools to protect Confidentiality, Integrity and Availability (CIA) of Data <p>Additional security measures were taken, though it is important for the protection of our security practices to maintain the confidentiality of the details of such measures.</p> <p>100% of our associates completed information security training.</p> <p>26 sessions of proactive phishing training were offered to associates.</p> <p>Conducted quarterly phishing tests of our associates to ensure they are prepared for real-life phishing attempts. The number of phishing test failures in 2022 were a fraction of what they were in 2021.</p> <p>We recorded a Cybersecurity roundtable with five experts in the field discussing common risks, threats and protections for individuals and businesses. This was heavily promoted to clients and associates through multiple channels. Another of our Pinnacle Forum events was dedicated to cybersecurity with national expert Admiral Michael Rogers, formerly second commander of the U.S. Cyber Command and director of the National Security Agency.</p> <p>Our Chief Information Security Officer traveled across the footprint to conduct 6 educational events for clients and associates on cybersecurity threats and best practices.</p> <p>More than a dozen articles and items were available on PNFP.com and other channels, promoted in various client-facing communications to advise and keep information security top of mind.</p> <p>Additional training on wire fraud is available to mitigate this risk and to remind associates to be aware of and heed red flags.</p>	<p>Continue current strategies and continuous improvements to our cybersecurity measures and education</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENGAGED CLIENTS	<p>Protection from fraud We take proactive measures to inform and educate our clients about potential threats and common fraud scenarios.</p>	<p>More than 106,000 transactions were intercepted and stopped because of client intervention with card controls. As of Dec. 31, 2022, approximately 59% of clients are actively using card controls and notification alerts.</p> <p>Our wire fraud teams recovered \$4.5 million for clients who otherwise would have lost it to scammers.</p> <p>In the lead up to launching our partnership with Zelle for person-to-person payments, we launched an extensive advisory campaign for associates and clients on the risks of using money apps, common scams found on them and how to protect yourself from fraud.</p> <p>Published advisory articles, webinars and other materials throughout the year on common business frauds, protective measures, cybersecurity threats and more.</p>	<p>Continue current strategies, with an added emphasis on associate and client education around wire fraud, Zelle and card controls.</p>
	<p>Privacy practices We maintain an enterprise privacy program that provides guidance on how we use and share client information.</p>	<p>100% of associates completed training on privacy practices.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENRICHED SHAREHOLDERS	Engage in two-way communication.		
	Timely regulatory filings Pinnacle is regulated by the SEC, FDIC, TDFI, Federal Reserve Bank Atlanta and CFPB.	We are in continuous conversation with our regulators both through verbal and written communication. This communication is channeled through our regulatory filings including, but not limited to, the Quarterly Call Report and Y-9 filings, the Quarterly Reports on Form 10-Q and Annual Report on Form 10-K filed with the SEC.	Continue to timely file all regulatory reports with each of our regulating bodies.
	Earnings Calls/Announcements Pinnacle believes it is important to provide both timely and transparent financial data to our shareholders.	We held investor calls quarterly to review our financial performance. Shareholders are encouraged to participate. These calls include a question/answer session following the prepared remarks.	Continue our current strategies.
	Open lines of communication Pinnacle provides its shareholders with the ability to communicate with its leadership and non-employee Board members through multiple channels including through its Annual Proxy Statement for its Annual Meeting of Shareholders, a whistle blower hotline and quarterly investor calls.	<p>In 2022, certain shareholders communicated with our leadership and board of directors using the communication lines described in our Proxy Statement for our Annual Meeting of Shareholders. Additionally, a whistle blower hotline was operated throughout the year. There were no reports to our ethics hotline in 2022.</p> <p>Our CEO and CFO met with 322 active investors in 2022 and attended (in-person or virtually) 19 unique events in 2022.</p>	Continue our current strategies.
	Responsiveness to questions Pinnacle believes it is important to respond to the questions it receives from its shareholders.	As indicated above, there are multiple channels through which shareholders may communicate with our Board of Directors and leadership .	Continue our current strategies.
	Govern responsibly.		
	Corporate Governance Pinnacle believes Corporate Governance is essential to running the business effectively and maintaining the Company's integrity in the marketplace.	Pinnacle's Board of Directors has published its governance documents on the Company's website and abides by its Corporate Governance Guidelines. These guidelines are also described annually in our Proxy Statement.	Continue our current strategies.

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
ENRICHED SHAREHOLDERS	<p>Board Composition and Director Qualifications Pinnacle places great importance on the structure of its Board.</p>	<p>Each of Pinnacle’s directors is elected annually. The requirements for our Board composition and director qualifications have been laid out in our Corporate Governance Guidelines as described in the Proxy Statement for our Annual Meeting of Shareholders. These requirements include, but are not limited to, the desire to maintain a Board that is composed of a majority of independent directors and that consists of directors offering a diversity of experience, skillsets and education, as well as ethnic and gender diversity.</p> <p>In 2022, the Board continued its commitment to diversity and inclusion and execution of their plan to intentionally increase both racial and gender diversity to meet targets within the next three years.</p>	<p>The board members will continue to monitor the Board structure and qualifications mix of its members. Upcoming director retirements in 2023 are expected to make a positive impact on the percentages of demographic representation of minorities and women on the Board.</p>
	<p>Executive Compensation Pinnacle believes that shareholder value is built by consistent and sound growth in operating results that exceed those of peer firms. As such, compensation for our executive officers is determined with that top of mind.</p>	<p>Annually, the Human Resources and Compensation Committee of the Board of Directors works with an independent advisor, McLagan, to provide compensation assessments for all associates, including executive officers, and to facilitate the executive officer compensation process. This includes the determination of an appropriate peer group for purposes of comparing compensation and any adjustments that should be made to the peer group to keep it aligned with Pinnacle’s urban focus, size, corporate strategy and balance sheet composition. Additional details of the process for determining executive compensation and our relationship with McLagan are described in the Proxy Statement for our Annual Meeting of Shareholders, in the section titled “Compensation Discussion and Analysis.”</p>	<p>Continue our current strategies.</p>
	<p>Board Structure Our Board is structured so that there are eight committees as of March 1, 2023 , including the newly established Climate and Sustainability Committee. Other than our executive committee, these committees are led by independent directors who serve on an executive committee which is chaired by our CEO and meets monthly to monitor the current status of the firm.</p>	<p>Pinnacle’s Board structure is outlined in its Corporate Governance Guidelines as well as in its Proxy Statement for its Annual Meeting of Shareholders.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EMPOWERED COMMUNITIES	Commitment to shared prosperity.		
	<p>Community Support Our approach to community contributions (contributions, donations, sponsorships and support) is based on giving within five categories that improve quality of life:</p> <ul style="list-style-type: none"> • Education • Health & Human Services • Economic Development • The Arts • Diversity, Equity and Inclusion <p>Our annual community support budgets are given to each market, with decisions made locally based on associate recommendations and requests.</p>	<p>\$6.8 million in contributions to community causes and nonprofits, an increase of 37% over 2021.</p>	<p>Continue working with market leadership to direct contributions to best meet market-based goals and needs to achieve our firm-wide target.</p>
	<p>CRA Restructuring Pinnacle’s work under the Community Reinvestment Act has historically been centrally managed and achieved positive outcomes for many years. Growth, personnel changes and the need for additional services led to a restructuring of the team and our approach, bringing it closer to the local level, consistent with our overall approach to banking.</p>	<p>After a retirement, we named a new CRA officer responsible for administration of the day-to-day compliance of CRA laws and regulations.</p> <p>To prepare for that retirement and others in 2022 and 2023, we restructured the team responsible for CRA work, creating new positions and adding key associates. The new structure allows for local supervision and control over CRA activity, ensuring strategies and tactics are aligned to and relationships are built closest to community needs and the organizations serving them. Pinnacle has hired and will hire additional financial advisors dedicated only to CRA work and community lending, regional CRA leaders who partner with market leaders and other internal stakeholders to shape local strategy, associates who build and manage relationships with nonprofits, CDFIS, CDEs, CDCs and others.</p>	<p>Continue and expand on current strategies with additional financial advisors to be focused on community lending and additional leadership positions to be hired in local markets</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EMPOWERED COMMUNITIES	<p>Community Development Investment Pinnacle leaders take very seriously our position as a deployer of capital, and we seek to do so in the most equitable ways possible. We use our resources to help improve the quality of life in the communities we serve, working with organizations like:</p> <ul style="list-style-type: none"> • Community Development Financial Institutions, including minority-owned financial institutions • Small Business Investment Companies • Community Development Entities • Community Development Corporations • LIHTC investments and others 	<p>Approximately \$920.6 million committed investment in community development for 2022, or 2.19% of total assets as of Dec. 31, 2022. That’s an increase of 47% over 2021.</p> <p>Learn more about our community work, including financial work, volunteer service and more.</p> <p>See an example of this work in North Carolina.</p> <p>This total includes the Affordable Housing: Multifamily Investment item detailed later in the report.</p>	<p>Continue working with market leadership to increase community investment and meet market-based goals.</p>
	<p>Affordable Home Ownership: Lending Affordable housing is a top priority because it is a path to wealth creation and a break in the cycle of poverty. We invest heavily in programs that remove barriers to low- to moderate-income home ownership including direct lending, lending partnerships with community organizations, down payment assistance, grant funding, construction financing, counseling services, loan servicing and volunteer efforts for Habitat for Humanity and many more.</p>	<p>1,468 home loans totaling \$246 million made to low- and moderate-income individuals; includes up to 100% financing, alternative sources of credit, no private mortgage insurance and fixed rate for 30 years.</p>	<p>Continue our current strategies.</p>
	<p>Affordable Home Ownership: Down Payment Assistance We want to help home buyers overcome one of the most common obstacles to purchasing a home. Through savings programs for our clients and through Habitat for Humanity, Pinnacle matches up to \$1,000 per borrower to use for a home down payment. We also fund down payment programs with our community housing partners and through product offerings.</p>	<p>45 Individual Development Accounts funded, totaling \$47,475 in funds to help low-income families with down payments for home purchases.</p> <p>224 down payment loans closed in 2022, part of a \$2.9 million in grants provided to housing partners for down payment assistance. This number is also reflected in the aggregate Community Development Investment total listed earlier in the report.</p>	<p>Continue our current strategies.</p>
	<p>Affordable Housing: Multifamily Lending We support the creation of affordable housing units through direct and indirect lending.</p>	<p>We are the largest provider of funding for the Community Investment Tax Credit program in the state of Tennessee with \$313 million in funding for low- and moderate-income housing on our books as of Dec. 31, 2022, an increase of 28% over 2021.</p> <p>\$239 million in lending through Freddie Mac Small Balance Loan program, with 86% (\$206 million) for affordable and underserved market segments.</p>	<p>Continue our current strategies.</p>

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EMPOWERED COMMUNITIES	Affordable Housing: Multifamily Investment We have a specialized group to support the creation of affordable multifamily and elderly rental housing through investment in projects that are awarded low-income housing tax credits.	\$342 million in investment commitments creating 4,486 units of affordable rental housing, a 30% increase over 2021. These investments are also reflected in the aggregate Community Development Investment total listed earlier in the report.	Continue our current strategies.
	Affordable Housing: Direct Service Direct service comes through contributions to and volunteer projects with Habitat for Humanity, as well as an affordable housing construction program in High Point, NC. Working with the city, Pinnacle purchases blighted homes and finances construction or renovation for a new affordable housing unit, which is then sold to a low- to moderate-income buyer.	Over the life of the program, 24 homes financed and built in partnership with the city of High Point, NC, to revitalize blighted neighborhoods since the program began. Another 10 units are under construction as of the publication of this report. 1,244 loans serviced through Habitat for Humanity at no cost to the homeowners or Habitat. 919 associate volunteer hours at affordable housing organizations, including Habitat for Humanity, through board service, committee appointments and various other activities, an increase of 88% over 2021.	Continue our current strategies.
	Small Business Support: Financial Services Pinnacle has always had a strong small business practice. The Small Business Community Lending Program is intentionally designed to ensure we are supporting small businesses more equitably, with a focus on lifting up businesses owned by minorities, women, veterans and other marginalized groups. The program launched in 2021 with products and services designed specifically for businesses and entrepreneurs in underserved and disadvantaged areas. The offerings include: <ul style="list-style-type: none"> Loans with extended terms Adjusted down payment requirements for certain real estate transactions Vehicle and equipment loans 	29 Small Business Community Lending loans totaling \$6.7 million held as of Dec. 31, 2022	Continue to increase internal referrals for these products Strengthen and build new community partnerships with key business support organizations and CDFIs Add three line of credit options to the program, including: <ul style="list-style-type: none"> Unsecured Secured Owner-occupied real estate Increase external marketing and awareness

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023	
EMPOWERED COMMUNITIES	<p>Small Business Support: Advice, Education and Partnerships Our brand promise of effective advice extends to everyone, and we've made intentional efforts to bring our associates' expertise to small business leaders who need it most.</p>	<p>We held a number of small business peer learning sessions, which we call Mastermind, with clients of CDFIs, CDCs and other small business support organizations.</p> <p>We renewed, strengthened and built new partnerships with organizations that offer one-on-one financial counseling for entrepreneurs and other individuals.</p>	<p>Continue strengthening partnerships with direct service organizations</p> <p>Improve collection and coordination of partnership information and associate time spent offering educational and advisory opportunities to their clients</p>	
	<p>Pinnacle Economic Empowerment Resource (PEER) Centers In 2022, Pinnacle designated its first PEER Center in the Whitehaven neighborhood of Memphis, TN. The PEER Center is designed to bring together a number of financial services and resources dedicated to underserved and disadvantaged areas. It also serves as a meeting place and office resource for nonprofit partners focused on meeting the financial and other needs of the community.</p>	<p>1 loan production office was converted into a full-service bank office and designated as a PEER Center to offer the full line of financial products and services available. It's staffed by 7 associates including 1 office leader, 3 financial advisors and 3 financial specialists.</p> <p>16 community partners affiliated with the PEER Center focused on workforce development, crime prevention, family services, youth services, social change, business training and more</p> <p>18 community partner meetings hosted at the Whitehaven PEER Center with 143 attendees</p> <p>Watch to learn more about the work done at our Memphis PEER Center.</p>	<p>Continue and expand on current strategies with greater outreach, more community partners and exploration of additional PEER Centers in more markets</p>	
	Serve broad community needs.			
	<p>Associate Volunteer Service We empower our associates to serve the causes they are most passionate about by giving their time. We allow for time away from work for volunteer duties as needed and encourage them to organize group service projects. Each year, we set aside one day in April as "Make a Difference Day," when associates organize volunteer projects for nonprofits or individuals in need.</p>	<p>30,877 associate volunteer service hours, an increase of 24% over 2021</p> <p>2,683 service opportunities, which represents individual volunteer events; that could include one associate attending a board meeting or a group of 10 associates on a team volunteer project</p>	<p>Continue our current strategies.</p>	

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EMPOWERED COMMUNITIES	Support local economies.		
	<p>Small Business Administration Lending Our support of small business extends through government-guaranteed lending for companies that might not otherwise have a traditional path to financing.</p>	<p>114 loans totaling \$132 million made through the SBA program.</p> <p>Pinnacle was the No. 1 SBA lender in Tennessee, No. 3 in South Carolina, No. 4 in North Carolina, No. 8 in Virginia and No. 48 nationwide, in each case by dollar volume.</p> <p>After making nearly 24,000 Paycheck Protection Program loans in 2020 and 2021, the loan forgiveness process proceeded into 2021 and 2022. Through a concerted communication campaign and an incredible amount of support from loan operations, Pinnacle facilitated forgiveness of nearly all of its PPP loans in 2022.</p>	<p>Increase participation in SBA lending among financial advisors</p> <p>New SBA financial advisor hired in Atlanta</p> <p>Hire SBA financial advisors in Washington, D.C. and Alabama</p>
<p>Diverse and Local Suppliers We strive to support local economies with our purchasing power. We believe in using local business partners and working directly with our clients as much as possible to meet the firm’s needs.</p>	<p>\$6.2M million in spending with minority, women and veteran-owned businesses, an increase of 69% over 2021.</p> <p>A significant percentage of Pinnacle vendors are based within the states where we do business, and many of them are classified as minority owned. Vendor selection is guided, in part, by local market leadership who are more closely connected to local business owners and can identify potential vendors.</p> <p>We continued to identify qualified diverse suppliers with the local market leaders for participation in upcoming contracts.</p> <p>Pinnacle contracted with ArtLifting, a for-profit company that works with artists impacted by housing insecurity and disabilities. Through this partnership, Pinnacle purchased multiple pieces of art created by unhoused individuals for display in a new office in Atlanta. Money from the sale is split, with 55% going to the artist and another 1% going to community service organizations.</p>	<p>Continue tracking existing diverse vendors.</p> <p>Continue strengthening relationships and connections with minority business organizations to identify and engage with more minority-owned suppliers.</p> <p>Seek to expand our partnership with ArtLifting to support art to more Pinnacle offices in more markets</p>	

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
EMPOWERED COMMUNITIES	Advocate responsibly.		
	Community Advocacy We don't often get involved in advocacy action but do when we feel it is in the best interest of the community as a whole, including making our cities more equitable places to live and earn a living.	No direct giving to voter or legislature-related campaigns in 2022. Some Pinnacle-supported organizations, like chambers of commerce, education foundations, regional partnerships and others, are regularly involved in political advocacy.	Continue our current strategies.
	Political Advocacy While we have no policy against individual political contributions, we stay out of the fray and do not contribute to campaigns or activity around elections and legislation. We sometimes, however, facilitate associate contributions to political action committees that serve the banking and finance communities statewide within our footprint.	No organized associate and director contributions to PACs in 2022.	Continue our current strategies.

TOPIC	METRIC	2022 OUTCOMES	OBJECTIVES FOR 2023
CORPORATE RESPONSIBILITY	Track and report CSR issues.		
	<p>Corporate and Social Responsibility Committee This committee includes senior leaders and diverse associates. It promotes a culture that sets high standards for corporate and social responsibility and reports on our performance against those standards. It reports to the newly formed Climate Sustainability Committee of our Board of Directors. View the CSR Committee charter online.</p>	<p>Created and published this Corporate Social Responsibility Report. View the full report online.</p> <p>Our Corporate Social Responsibility Committee met or received updates quarterly throughout 2022 to research and discuss potential improvements to the issues covered in this report. These focus areas include:</p> <ul style="list-style-type: none"> • Credit policy • Investment policy • Reporting and disclosures • Policies • Environmental impact <p>Committee members were instrumental in helping drive the firm-wide commitment to DEI and racial justice issues and were key advisors in community lending and investment and preparations for climate-related disclosures.</p>	Continue our current strategies.
	Engage with stakeholders.		
<p>Reputation management plan We build an annual plan that outlines how we understand the needs and engage with a broad range of stakeholders. In addition to strategies to share our story and practices, we outline how we solicit feedback and maintain two-way communication.</p>	<p>Reputation management planning continued with market leadership. Each market’s plan outlines how we engage with key stakeholders including our associates, clients, Board of Directors, shareholders, business partners and the community at large.</p> <p>Meetings also include discussions of DEI and affirmative action initiatives.</p>	Continue our current strategies.	

Operate sustainably.

Climate and Sustainability Committees

Pinnacle's responsibility to improve quality of life does not stop at the borders of our markets. As a major financial institution, we have a duty to help safeguard our environment and our firm by:

- accurately reporting our own footprint and any other metrics required by financial regulators
- assessing the risk to our firm posed by climate change and the transition to a zero carbon economy
- identify and capitalize on opportunities to help businesses transition to lower-impact environmental practices and produce viable forms of alternative energy

In 2022, Pinnacle formed a management Climate and Sustainability Committee made up of leaders from across departments that is responsible for climate-related sustainability practices and policies. The group will:

- prepare Pinnacle to respond quickly to any climate-related regulatory requirements
- assess the firm's physical risks with regard to climate change
- assess the firm's risks with regard to the transition to a zero-carbon economy
- help identify opportunities presented by the carbon transition and how to serve them
- produce a Task Force on Climate-related Financial Disclosures (TCFD) Report annually with a goal of releasing the first report in 2023, if possible

Early in 2023:

- the Climate and Sustainability Committee engaged a major multinational consulting firm to partner on a full assessment of the firm's sustainability position and how to move forward
- the Board formed a Climate Sustainability Committee, chaired by an independent director to oversee these issues at the Board level

Produce the initial TCFD Report

Solar Power Finance

Formed in 2021, Pinnacle's Solar Capital Advisory focuses exclusively on providing structured financing solutions to facilitate the build-out of significant solar capacity throughout the country. Our footprint enjoys a high level of demand for green power, large-scale solar development activity and homegrown companies pushing the solar transition forward.

Solar Capital Advisory executed 4 leases and 1 solar partnership financing on solar farms located in Tennessee and Kentucky with a combined funding of \$117 million. In addition to leases and partnerships, our Solar team coordinated with Loan Syndications during 2022 to arrange \$265 million of construction loans on solar projects under development.

The market demand for creative funding solutions for solar projects remains strong moving into 2023, and Solar Capital Advisory has more than \$250 million of lease and partnership financings, which will close and fund during the year.

Environmental Credit Positions

Every bank must decide how they will approach credits that negatively contribute to the environment and/or climate change. Pinnacle leaders have carefully considered that position and reflected it in our credit policy many years ago.

Pinnacle views making loans to environmentally responsible clients as desirable and making loans to companies that reflect irresponsible behavior, like harmful carbon emissions, as high risk. We have identified certain industries that are at a higher risk for a negative environmental impact for which additional environmental due diligence is warranted prior to extending credit. Our lending policy outlines procedures to address the risks associated with certain industries, such as industrial and manufacturing processing, dry-cleaners, trucking companies and others as identified, which use chemicals and solvents or produce environmentally sensitive byproducts. These industries with higher levels of environmental risk warrant increased environmental due diligence.

Continue our current strategies.

<p>Client practices The firm provides numerous options for clients to minimize the carbon impact of their operations – eStatements, online banking and remote deposit capture among them. This enables fewer trips to the bank, reducing the impact on the environment.</p>	<p>330,893 deposit accounts receive eStatements instead of mailed paper statements.</p> <p>600,287 accounts receive statements or other documents digitally.</p> <p>254,574 online banking users</p> <p>1,283,531 checks deposited via mobile deposit (personal) and remote deposit capture (business) rather than driving to an office</p> <p>More than 1.3 million bill payments made via online and mobile banking rather than mailing a paper check.</p>	<p>Continue with the implementation of our digital banking roadmap for continuous improvement, greater ease of doing business and less reliance on paper and physical travel.</p>
<p>Our facilities We consider the environmental impact of our footprint in the construction and maintenance of facilities. Our projects focus on energy conservation including items such as recyclable materials, occupancy sensing LED lighting, programmed HVAC systems, water conservation and high performing insulation practices such as reflective roofing materials, continuous exterior insulation and energy efficient windows and structural design.</p>	<p>We operate our corporate headquarters from a leased facility that has been designated as a LEED gold certified building.</p> <p>Work continued in 2022 to implement the Energy Star system for tracking our firm’s greenhouse gas emissions, wastewater and other metrics of our environmental footprint. Implementation includes manual entry of more than 400,000 data fields to track our usage across a four-year time period. The typical time period is three years, but that would make 2020 our baseline, which would give inaccurate results due to decrease facility usage during the pandemic.</p>	<p>Pursue LEED certification on new construction projects where and when feasible.</p> <p>Complete implementation of the Energy Star database to establish baseline metrics for measuring our climate and environmental impact. Once complete, we will engage an outside consultant to help with interpretation, benchmarking and forward-looking strategies to reduce our footprint.</p> <p>Assess the viability of moving to a solar power-based electrical supply by working with utility companies in Middle Tennessee and then potentially expanding to other markets with solar availability.</p>
<p>Our electronic waste While our first mission when retiring old electronic equipment is securing and destroying our clients’ private and sensitive data, our business partner is committed to protecting the environment and guarantees that none of the IT waste will ever wind up in general or global waste streams.</p>	<p>Materials are recycled following strict EPA, R2 and ISO practices and federal regulations.</p>	<p>Continue with current strategy.</p>