

2019

CORPORATE AND SOCIAL RESPONSIBILITY REPORT



OUR COMMITMENT TO CORPORATE RESPONSIBILITY

In 2000, we saw the impact a local bank could make on its community. We recognized and took seriously the responsibility that comes with leading a financial institution.

Today, the same is still true.



We built Pinnacle to be a good neighbor and good citizen. We wanted to help guide and grow our city by supporting the economy, investing in its success and lifting up those in need so we could all share its prosperity. We wanted to create a great place to work because associates deserve a place to learn, grow and prosper.

Today, the same is still true.

The word “responsibility” hardly does justice to the feeling we had when we founded Pinnacle. That implies that it’s an obligation, a series of items you tick off of a list so you clear the bar of being a “good corporate citizen.”

The items people often look for in good corporate citizens are mostly based on how you treat people and how you support your community. As we’ve made very clear, those are a fundamental part of who we are and why we exist. They are the reasons we started this bank.

Pinnacle was built to fill the hole that’s left behind when banks become disconnected from the people and places they serve. We’re built to help lift up communities, to remove barriers and to level the playing field so we all have the opportunity to be successful.

As we’ve grown and moved into other markets, we’ve taken that spirit with us. In 2019, we helped people realize the dream of home ownership across our footprint. We supported hundreds of causes that work toward improving economic development, education, health and human services and the arts. We continued to invest in programs important to our associates, like Rick Callicutt’s passion for building affordable new homes to turn around blighted neighborhoods in his hometown of High Point, NC.

Now we are a top 50 bank in the country, and we recognize that our passion for service and leading by example doesn’t stop at the borders of our markets. We can make a positive impact on an entire region or industry.

We were built with a commitment to service and to making a difference for people and whole communities.



100%

OF NON-COMMISSIONED ASSOCIATES PARTICIPATE IN OUR ANNUAL CASH INCENTIVE PROGRAM, ALIGNING THEIR GOALS WITH LONG-TERM SHAREHOLDER RETURNS

600+

SMALL BUSINESS LEADERS COMPLETED AN 8-WEEK LEARNING PROGRAM WE DEVELOPED FOCUSED ON BETTER BUSINESS MANAGEMENT

21,435

ASSOCIATE VOLUNTEER HOURS TO 2,538 ORGANIZATIONS



\$ 3.84 MIL.

INVESTED IN COMMUNITY CAUSES & NONPROFITS

6,801

AFFORDABLE HOUSING UNITS

FINANCED THROUGH FREDDIE MAC SMALL BALANCE LOANS AND LIHTC LENDING AND INVESTMENTS

\$ 15

PER HOUR MINIMUM WAGE

PRIOR TO 2019, FEWER THAN 1% OF ASSOCIATES EARNED LESS THAN THIS AMOUNT



| TOPIC | METRIC | 2019 OUTCOMES | OBJECTIVES FOR 2020 | | | | | | |
|--|--|--|--|-------------------------------|--|---------------------------------------|-------------------------------|--|--|
| EXCITED ASSOCIATES | Create the best place to work in the Southeast. | | | | | | | | |
| | 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. | 97% of associates agree Pinnacle’s culture is truly special. See full results. 72% of associate responses to the 25 questions on our survey were “top box,” meaning associates Strongly Agree. Based on survey feedback in 2019, we: <ul style="list-style-type: none"> • Increased our parental leave. • Provided additional career and leadership development programs. • Improved processes and procedures. | 75% “top box” rating is our overall goal. We will continue our current strategy. Our 2020 initiatives include: <ul style="list-style-type: none"> • Focus on one culture, one team across all markets. • Enhancing our treasury and technology offerings. • Continuous improvement of processes and procedures to ensure operational excellence. | | | | | | |
| | Associate listening sessions Our CEO conducts listening sessions with associates to gather feedback on what’s going well and what needs attention. | 15 total CEO listening sessions in all markets with a cross-section of associates. Other key leaders conducted dozens of listening sessions across the firm on a range of topics. | Continue our current strategies. 7 CEO listening sessions scheduled for 2020 so far | | | | | | |
| | Associate orientation Our CEO hosts a 3-day orientation focused exclusively on our mission, vision and values. | 6 orientations with over 300 new hires | Continue our current strategies. 8 orientations scheduled for 2020 | | | | | | |
| | Retention rate Ensuring our associates stay with us creates a great client experience. | 93% retention rate in 2019, including voluntary, involuntary and retirements | Our goal is a 95% retention rate, including voluntary, involuntary and retirements. | | | | | | |
| | Create a diverse and inclusive team. | | | | | | | | |
| | 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 . | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Percent of workforce, women: 67%</td> </tr> <tr> <td style="padding: 2px;">Full-time: 96%, Part-time: 4%</td> </tr> <tr> <td style="padding: 2px;">Percent of people managers, women: 50%</td> </tr> <tr> <td style="padding: 2px;">Percent of workforce, minorities: 14%</td> </tr> <tr> <td style="padding: 2px;">Full-time: 97%, Part-time: 3%</td> </tr> <tr> <td style="padding: 2px;">Percent of people managers, minorities: 7%</td> </tr> </table> | Percent of workforce, women: 67% | Full-time: 96%, Part-time: 4% | Percent of people managers, women: 50% | Percent of workforce, minorities: 14% | Full-time: 97%, Part-time: 3% | Percent of people managers, minorities: 7% | In 2019, we created a Corporate and Social Responsibility Committee that will focus on diversity as one of its goals. Our multi-year strategy will work to enhance our D&I awareness and aptitude at all levels, to engrain diversity in our culture and leadership. We have a number of initiatives underway to build broader networks with diversity agencies, community organizations, and potential future associates and leaders. |
| | Percent of workforce, women: 67% | | | | | | | | |
| | Full-time: 96%, Part-time: 4% | | | | | | | | |
| | Percent of people managers, women: 50% | | | | | | | | |
| Percent of workforce, minorities: 14% | | | | | | | | | |
| Full-time: 97%, Part-time: 3% | | | | | | | | | |
| Percent of people managers, minorities: 7% | | | | | | | | | |

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| <p>Leadership accountability Leaders are the principle recruiters at Pinnacle.</p> | <p>100% of leaders completed annual equal opportunity employment and affirmative action training.</p> | <p>We will broaden our leadership training to include our new D&I policy. We will meet with leaders to discuss affirmative action reports and strategies for greater outreach to diverse recruiting pools.</p> |
| <p>Culture of equality We win and lose together. Every non-commissioned associate participates in the annual cash incentive plan. Everyone is an owner because we all receive annually awarded equity grants. Everyone matters, titles don't.</p> | <p>According to a survey through Great Place to Work:</p> <ul style="list-style-type: none"> • 99% of PNFP employees of color feel that management shows a sincere interest in them as a person (benchmark is 80%) • 96% of female PNFP employees feel they receive a fair share of profits (benchmark is 75%) <p>On our own internal surveys:</p> <ul style="list-style-type: none"> • 90% of associates overall agree that when they offer an idea, it will be fully considered. • 88% of associates overall agree that they contribute to important decisions. | <p>Continue our current strategies.</p> |
| <p>Empower associates to learn and develop.</p> | | |
| <p>Learning as a value Learning is one of our core values. As part of annual goal setting, associates work with their leaders 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>134,178 hours associates spent in training, average of 50 hour per associate</p> <p>1,269 or around 50% of associates participated in company-wide book clubs focused on leadership and culture that senior leaders participate in.</p> <p>90% of associates agree that they are given a real opportunity to develop skills.</p> | <p>Continue our current strategies.</p> |
| <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, create a great place to work, deliver results, develop others and inspire.</p> | <p>2,217 hours of leadership development training</p> <p>158 leaders participated in a development program</p> | <p>We will add a learning path for high potential associates with specific outreach to minorities and women who are interested in additional opportunities.</p> |

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| <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 complete annual training on the associate guide and attest to their compliance with the code of conduct</p> <p>There were no reports to our ethics hotline in 2019.</p> | <p>Corporate procedures to be catalogued and posted on the company Intranet with as-it-happens updating.</p> |
| <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>34.5 FTEs added to Risk Management and Compliance, including 22 new hires.</p> | <p>Continue our current strategies.</p> |
| <p>Create a fair, inclusive and safe workplace culture.</p> | | |
| <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 survey through Great Place to Work:</p> <ul style="list-style-type: none"> • 91% of female PNFN employees feel that managers avoid playing favorites (benchmark is 74%) • 93% of female PNFN employees feel that promotions go to those who best deserve them (benchmark is 77%) • 90% of PNFN employees of color feel that they're paid fairly for the work they do (benchmark is 72%) <p>On our own internal surveys, 94% of associates overall agree that our firm's policies and practices ensure fair treatment for all associates. See full survey results.</p> | <p>Continue our current strategies.</p> |
| <p>Incentives for all <u>All</u> non-commissioned associates of the 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 the bank participate in our annual cash incentive programs. This is virtually unheard of in the financial services industry. 96% of associates of the bank are non-commissioned and receive bonuses based on company-wide goals.</p> <p>For 2019 performance, Pinnacle paid \$47.8 million to associates through the cash incentive program.</p> | <p>Continue our current strategies.</p> |

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| <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. Total equity granted to associates would equal \$387.55 million at Dec. 31, 2019, 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>We increased minimum wage to \$15 per hour in 2019. Previously, fewer than one percent of our associates were making below \$15 per hour.</p> | <p>Continue our current strategies. We will conduct a compensation study annually to ensure both competitive and fair pay.</p> |
| <p>Promote a healthy and safe workplace.</p> | | |
| <p>Benefits Our benefits are available to associates working 24+ hours per week 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>93% of associates participate in our 401(k) plan. In 2019, we matched \$8.7 million in associate contributions that were immediately vested. We contributed more than \$874,500 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>Continue our current strategies.</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>89% of associates participate in our wellness program in 2019. Associates earned \$187,896 in company-paid wellness reward dollars to buy fitness equipment, gift cards and to make charitable contributions.</p> | <p>Continue our current strategies.</p> |
| <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>Continue our current strategies.</p> |

| TOPIC | METRIC | 2019 OUTCOMES | OBJECTIVES FOR 2020 |
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| ENGAGED CLIENTS | Listen to the voice of the client. | | |
| | Client surveys We reach out to clients at key moments in their relationship: opening an account, closing a mortgage and annually 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. | 92.3% of clients strongly agree that we are recognizably better than the competition. See full results. | We will continue our current strategy and set initiatives each year based on feedback. In addition, in 2020, we have implemented a transaction survey to gather feedback on everyday interactions and an exit survey to learn from any mistakes we have made. |
| | 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. | 231 complaints logged and resolved. Majority were in response to an online banking system conversion. New training on how to handle complaints developed and administered to all associates across the firm. New fair and responsible banking committee reviewed all complaints for trends and reported to senior leadership team monthly. | We will continue to monitor the current system and work to promptly address complaints as they arise. |
| | Deliver an exceptional client experience. | | |
| | 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 a client better. | 91% of 540,000 client calls were answered by our client service center within 3 rings. 95% of clients who call our client service center strongly agree that we met their needs or resolved their issue. \$257,836 spent by associates to go above and beyond, or WOW, our clients. One of only 16 banks nationwide to receive Greenwich Best Brand Awards for Ease of Doing Business and Trust. We also earned 21 Greenwich Excellence Awards. Read more. | Continue our current strategies. |
| 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. | 600+ small business owners and leaders completed an 8-week mastermind program we developed focused on better business management. 1,000+ people attended workshops hosted by Pinnacle on personal and business finance topics. 91.5% of clients agree that they receive insights they would not have gotten if they did not bank with Pinnacle. | Continue our current strategies. | |

Serve and advise conscientiously.

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| <p>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.</p> | <p>100% of promotions and advertisements reviewed by compliance to help clients make informed decisions about the products and services that fit them best</p> <p>92.1% of clients agree that we make proposals that are responsive to needs.</p> | <p>Continue current strategies.</p> |
| <p>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, client privacy and other topics.</p> | <p>100% completion of all required annual training</p> | <p>Continue current strategies.</p> |
| <p>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.</p> | <p>We maintain an ongoing program of compliance reviews and an independent audit of the effectiveness of the overall compliance program. The compliance audit plan is approved by the Risk Committee of Pinnacle’s board of directors, and reports are given quarterly. Internal audit reports are reviewed and approved by the Audit Committee of the board of directors.</p> | <p>Continue current strategies.</p> |
| <p>Ethical practices In addition to the numerous legal and regulatory safeguards in place, Pinnacle’s common incentive structure and shared goals help create protection from ethical lapses and poor decisions that are often driven by high pressure sales goals.</p> | <p>100% of non-commissioned associates of the bank earn incentives for meeting firm-wide financial goals. Those goals include an asset quality metric. The shared nature of these goals, the absence of individual incentives for individual performance and the requirement for strong asset quality to pay out incentives protect clients and the firm from questionable decisions.</p> | <p>Continue current strategies.</p> |

Protect clients from harm.

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| <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. We regularly assess threats and vulnerabilities and report monthly on trends.</p> | <p>100% of associates completed information security training</p> <p>Conducted quarterly phishing tests of our associates to ensure associates are prepared for real-life phishing attempts. Additional training is mandated for associates who do not pass phishing tests.</p> | <p>Continue our current strategies.</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 | 2019 OUTCOMES | OBJECTIVES FOR 2020 |
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| ENRICHED SHAREHOLDERS | Engage in two-way communication. | | |
| | Timely regulatory filings Pinnacle is regulated by the SEC, FDIC, TDFI and Federal Reserve Bank Atlanta. | 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 as well as the Quarterly Reports on Form 10-Q and Annual Report on Form 10-K we file 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 Board through multiple channels including through its Annual Proxy Statement for its Annual Meeting of Shareholders , a whistle blower hotline and quarterly investor calls. | In 2019, certain shareholders communicated with our leadership and Board of Directors using the communication lines described in our Proxy Statement for its Annual Meeting of Shareholders. Additionally, a whistle blower hotline was operated throughout 2019. No calls into the hotline in 2019 resulted in any findings. | 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 a shareholder may use to 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 efficiently and maintaining the Company's integrity in the marketplace. | Pinnacle's Board of Directors has published 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. |
| | Board composition and director qualifications Pinnacle places great importance on the structure of its board. | 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. | The Board members will continue to monitor the board structure and qualifications mix of its members. |

ENRICHED SHAREHOLDERS

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.

Annually, the Human Resources and Compensation Committee of the Board of Directors works with an independent advisor, McLagan, to facilitate the executive officer compensation process, including 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, as described in the Proxy Statement for our Annual Meeting of Shareholders “Compensation Discussion and Analysis.”

Continue our current strategies.

Board structure

Our board is structured so that there are six committees. 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.

Pinnacle’s board structure is outlined in its Corporate Governance Guidelines as well as in its Proxy Statement for its Annual Meeting of Shareholders.

Continue our current strategies.

| TOPIC | METRIC | 2019 OUTCOMES | OBJECTIVES FOR 2020 |
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| EMPOWERED COMMUNITIES | Invest in shared prosperity. | | |
| | <p>Community investment Our approach to community investment is based on giving within four categories that improve quality of life:</p> <ul style="list-style-type: none"> • Education • Health & Human Services • Economic Development • The Arts <p>Our goal is that 1 percent of pre-tax profits go to support these causes. Our annual community investment budgets are given to each market, with decisions made locally based on associate recommendations and requests.</p> | <p>\$3.84 million invested in community causes and nonprofits</p> | <p>Work with market leadership to increase community investment and meet market-based goals to achieve our firm wide goal.</p> |
| | <p>Community development investment In addition, we set a goal of investing 1 percent of total assets into community development organizations. These include:</p> <ul style="list-style-type: none"> • Community Development Financial Institutions, including minority-owned institutions • Small Business Investment Companies • Community Development Entities • Community Development Corporations • LIHTC investments and others | <p>Approx. \$322 million invested in community development for 2019, or 1.17% of assets as of Dec. 31, 2019</p> | <p>Continue our current strategies.</p> |
| <p>Affordable housing: 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, direct service through Habitat for Humanity and more.</p> | <p>815 home loans totaling \$137.6 million made to low- and moderate-income individuals; includes up to 100% financing, alternative sources of credit, no permanent mortgage insurance and fixed rate for 30 years</p> <p>13 affordable housing units financed through grant funding with the FHLB of Cincinnati</p> <p>3 homes financed through small dollar loan pools with nonprofit partners</p> <p>Targeted promotional campaigns in low- to moderate-income and majority minority census tracts for affordable home loans and assistance including associate outreach and networking with realtors</p> | <p>Continue our current strategies.</p> | |

EMPOWERED COMMUNITIES

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| <p>Affordable housing: Down payment assistance Through product offerings and a partnership with the FHLB of Cincinnati, we help make it possible for home buyers to overcome one of the most common obstacles to purchasing a home.</p> | <p>69 Individual Development Accounts opened, matching \$65,689.80 in funds</p> <p>25 single-family homes purchased with down payment assistance through the FHLB of Cincinnati</p> | <p>Continue our current strategies.</p> |
| <p>Affordable housing: Multifamily lending We support the creation of affordable housing units through investment and financing. Projects that are awarded low-income housing tax credits by the state are included in our LIHTC investment and lending program. In addition, our commercial real estate team works through the Freddie Mac Small Balance Loan program to finance affordable housing projects and those in underserved communities.</p> | <p>\$32.9 million in investments and \$35.7 million in lending for LIHTC projects for 687 affordable housing units</p> <p>\$326.6 million in lending through Freddie Mac SBL, with 74% (\$240 million) for affordable and underserved market segments</p> | <p>Continue our current strategies.</p> |
| <p>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.</p> | <p>7 homes financed and built in High Point, NC, to revitalize blighted neighborhoods; 11 more homes began construction in 2019</p> <p>\$50,000 contribution to Habitat for Humanity Nashville to support the Jimmy and Rosalind Carter Work Project</p> <p>601 associate volunteer hours at Habitat builds</p> | <p>Continue our current strategies.</p> |
| <p>Serve broad community needs.</p> | | |
| <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>21,435 associate volunteer service hours</p> <p>2,538 organizations served</p> | <p>Continue our current strategies.</p> |
| <p>Nonprofit banking Several of our financial advisors specialize in the needs of nonprofit groups and often base pricing on the individual needs and capabilities of each organization.</p> | <p>2,663 nonprofit clients representing \$731.6 million in deposits</p> | <p>Continue our current strategies.</p> |

Support local economies.**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.

101 loans worth \$82 million made through the SBA program

Pinnacle was the top SBA lender in Tennessee by dollar volume. We also earned the SBA's Community Bank of the Year award in Tennessee.

Continue our current strategies.

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.

A significant percentage of Pinnacle vendors are based within the states where we do business, and many of them are classified as minority-owned, though the exact numbers are unknown.

Explore our vendor management system for opportunities to better quantify our business partners by desired category.

Work with associates who select vendors to look for ways to engage more local and minority-owned businesses. Options include asking current business partners to become certified and joining coalitions and organizations of minority-owned businesses.

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 2019. Some Pinnacle-supported organizations, like chambers of commerce, education foundations, regional partnerships, transit groups and others, are regularly involved in political advocacy.

Continue our current strategies.

Political advocacy

While we have no policy on lobbying or political contributions, we often stay out of the fray and do not contribute to campaigns or activity around elections and legislation. We do, however, facilitate associate contributions to political action committees that serve the banking and finance communities statewide within our footprint.

\$5,890 in associate and director contributions to the Tennessee Bankers Association BankPAC

Continue our current strategies.

| TOPIC | METRIC | 2019 OUTCOMES | OBJECTIVES FOR 2020 |
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| CORPORATE RESPONSIBILITY | Track and report CSR issues. | | |
| | Corporate and Social Responsibility Committee This newly-formed committee includes senior leaders and diverse associates will promote a culture that sets high standards for corporate and social responsibility and reports on our performance against those standards. Will report to the Community Affairs Committee of our board of directors. | Created and published on our website our first corporate responsibility report. View this report online. | Build on the strong cultural foundation by establishing key objectives and enhancing our reporting. |
| | Engage with stakeholders. | | |
| | 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. | Maintained and trained leaders on our Reputation Management plan which outlines how we will engage with key stakeholders including our associates, clients, board of directors, shareholders, business partners and the community at large. | Continue with current strategies. |
| | Operate sustainability. | | |
| | Client practices The Company 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. | More than 100,000 accounts receive an eStatement. More than 180,000 online banking users. More than 35,000 deposits made through our mobile app. | Continue with current strategy and increase utilization of digital channels. |
| | 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. | We operate our corporate headquarters from a leased facility that has been designated as a LEED gold certified building. In addition, two of our recently constructed bank owned facilities have been designated as LEED certified. | Continue our current strategies. |
| 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. | Materials are recycled following strict EPA, R2 and ISO practices and federal regulations. | Continue with current strategy. | |