

2020



SUSTAINABILITY REPORT

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CELEBRATING THE POWER OF RESILIENCE

Dear Friends,

As we reflect on 2020, what most impressed us was resilience:

resilience [ri-zil-yuhns]: the ability of a system or organization to respond to or recover readily from a crisis, disruptive process, etc.

You are likely familiar with the photos from across the globe in early 2020 as the world locked down. The planet was literally healing herself – blue skies and the Air Quality Index (AQI) in Delhi dropping below 20 from the typical 200 and as high as 900 (compared to the World Health Organization's safe level of 25), the sight of lush plant life, shoals of tiny fish and crabs, and the sandy waterbed in the canals of Venice, and dolphins returning to the Bosphorus Strait, Istanbul, Turkey. The resilience of Earth was on display as she showed promise of recovery from the long-term effects of human activity, and hope that if we give her a chance, she will survive and thrive.

Likewise, in response to COVID 19, the people of the world summoned their inventive spirit, capacity to give, compassion, and will to return to normal. Human resilience manifested itself in the discovery, manufacture, and distribution of tests for and vaccinations to prevent COVID 19 in record time, frontline workers putting their lives on the line to care for and provide needed products and services to those in need, individuals uniting to promote racial justice and

fair elections, and creative solutions for staying connected and feeding our passions. All of these actions supported society's recovery from the pandemic and positioned us for a new future.

Resilience is a trait that allows people and the planet to respond to and recover from a crisis and to thrive. It is the trait that allows businesses to also do so. That is what we witnessed in 2020 as many businesses that had a clear focus on environmental, social, and governance factors – keys to their resilience – were better able to weather the storm that was 2020. Those businesses will be best positioned for success in the long-term.

It is this resilience that will carry us all forward, but only if we collectively care for our planet, its people, and prosperity for all. This is the aim of sustainable investing, and the reason we at Riverwater Partners do the work we do.

Cindy Bohlen, CFA



Chief Mindfulness Officer

ABOUT RIVERWATER PARTNERS

Riverwater Partners is a Milwaukee-based investment advisory firm dedicated to investing on an Environmental, Social and Governance basis. This allows us to help align each investor's specific values and mission with their investments.

Our experienced investment and client services team of independent fiduciary advisors delivers a range of services from investment advising to asset and wealth management.

Founded in April 2016, Riverwater became the first certified B-Corporation in Milwaukee in 2018. We are proud to be a Certified Women's Owned business.

We believe responsible investment or ESG investing is in the best interest of our clients, our firm, our communities and our society. Therefore, we consider environmental, social and governance (ESG) policies, practices, and outcomes, alongside traditional investment criteria, when evaluating potential investment candidates.

OUR MISSION

To make the world a better place by growing wealth through sustainable investing.

OUR VALUES

Embrace humility and diversity of thought.

Strive for excellence with integrity and passion.

Generate measurable impact.

OUR VISION

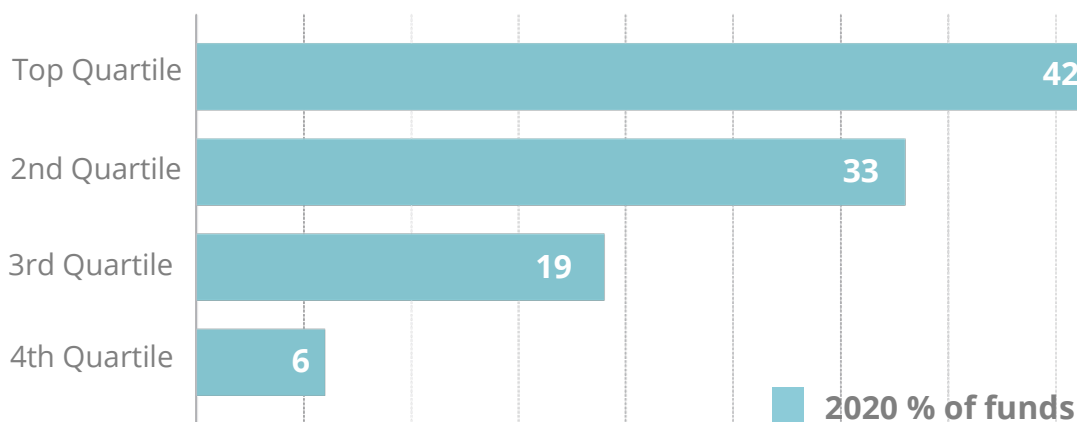
To be a leading investor in the ESG space by aligning socially responsible values with investments that generate superior returns. To continually strive for excellence in service to clients and society. To encourage companies to take measured steps to improve their ESG impact on the world. To create a collaborative open-minded and diverse culture where employees are empowered by the opportunity for meaningful work and self-improvement.

SUSTAINABLE FUNDS “COMFORTABLY OUTPERFORMED” IN 2020

Data shows that, despite the extreme volatility and recession of 2020, funds focused “on environmental, social and governance (ESG) factors, across both stocks and bonds, weathered the year better than non-ESG portfolios.” **US SIF, Financial Performance with Sustainable Investing.**

Further, according to **Morningstar’s 2020 Sustainable Funds US Landscape** report, sustainable equity funds “comfortably outperformed” in 2020 relative to their traditionally managed counterparts. Three out of four placed in their category’s top half, and 42% of sustainable funds ranked in the top quartile, while only 6% were in the bottom quartile of all funds.

Sustainable Equity Funds: 2020 Return Rank by Morningstar Category Quartile¹



Source: Morningstar Direct. Data as of 12/31/2020

While it’s too early for history to prove itself on this topic, it is our belief that the resilience of the business models of companies owned in sustainable equity funds accounted for their outperformance. For example, companies who had in place mutually beneficial employee and supply chain relations experienced fewer disruptions in procurement, manufacturing, distribution, and sale of their products and services.

We believe these sustainable business practices will drive superior performance over the long-term; their effects were clearly evident during the COVID crisis of 2020.

¹ Sustainable funds are those that emphasize the use of environmental, social and governance criteria to generate financial return and broader social impact. Data for the past five years shows similar results – the returns of 69 percent ranked in the top half and 41 percent in the top quartile returns. The report also compared the returns of ESG index funds to conventional index funds. Of 23 ESG index funds analyzed, 22 outperformed their relevant conventional index in 2020.

Further evidence of outperformance by ESG companies in 2020 can be found in the 2021 Morgan Stanley Institute for Sustainable Investing study **Sustainable Funds Outperform Peers during 2020 Coronavirus**. The study analyzed more than 3,000 US mutual funds and ETFs and found that sustainable equity funds outperformed non-ESG peer funds by a median total return of 4.3 percent in 2020. Meanwhile, sustainable taxable bond funds over the same period outperformed their peers by a median total return of 0.9 percent. In 2019, both sustainable equity funds and sustainable taxable bond funds also outperformed their traditional peers.

ESG AND PERFORMANCE, HISTORICALLY

A growing body of academic evidence suggest that sustainable investments are actually likely to outperform their peers and the market. Two notable meta-studies analyzing thousands of independent studies confirmed these findings:

YOU CAN DO WELL WHILE DOING GOOD



of over 2,000 academic studies published since 1970 demonstrate that prudent sustainability practices have a **positive or neutral influence** on investment performance².



of study results found that companies with robust sustainability practices demonstrate **better operational performance and cashflows**.³



of studies show that company stock price performance is positively influenced by good sustainability practices.⁴



of cost of capital studies show that sound ESG standards lower the cost of capital of individual companies.⁵

² Gunnar Friede, Timo Busch & Alexander Bassen (2015) ESG and financial performance: aggregated evidence from more than 2000 empirical studies, *Journal of Sustainable Finance & Investment*, 5:4, 210-233, DOI. Available at: <https://www.tandfonline.com/doi/pdf/10.1080/20430795.2015.1118917>

³ Clark, Gordon L. and Feiner, Andreas and Viehs, Michael, From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance (March 5, 2015). Available at: <https://ssrn.com/abstract=2508281>

⁴Ibid.

⁵Ibid.

COVID EFFORTS OF OUR PORTFOLIO COMPANIES



As the COVID-19 pandemic was unfolding in early 2020, companies, like individuals and governments, were scrambling to continue to operate within the confines of the new normal. As investors, we were trying to discern which of the companies in which we had invested were best positioned to do so – in the immediate time frame and over the long-term.

Headlines flooded the newswire, and there was much to be concerned with. People were becoming infected, hospitals were filling up, patients were dying, PPE was in short supply, employees and students were trying to work from home, businesses were closing, the economy was sinking, and so on.

In response, the Fed acted swiftly to reduce the Fed Funds rate to near-zero and flooded the system with money via asset purchases. In addition, Congress enacted the CARES Act, which provided immediate funds to individuals

and small businesses. And how did businesses respond?

Riverwater's portfolio companies acted swiftly to protect their workers and supply chains by implementing work-from-home arrangements where possible, by providing PPE, social distancing, and staggered shifts where physical presence was required, by retaining the majority (in many cases 100%) of their workforce with full pay and benefits, and often bonuses.

They protected their communities with deferral of payments due for services, donations of PPE for front-line workers, contributions of food, drink, money, and time. And they worked to protect and return their world to normal, employing their business expertise and efforts toward developing, manufacturing, and distributing PPE equipment, ventilators, COVID tests and vaccine

COVID RELIEF HIGHLIGHTS

Good times can mask short-sighted and inferior business practices; COVID-19 laid bare for the world to see what happens in bad times. Resilience is borne from sustainable business practices that treat all stakeholders – people and planet – with respect. And it creates the greatest prosperity for all.

GAVE GENEROUSLY

Riverwater portfolio companies donated over \$250 million in cash to nonprofit organizations to provide immediate assistance to affected persons

OFFERED RELIEF

100% of Financial Services, Real Estate, and Utility companies offered relief in the form of deferral of payments due for services like electricity, rent, insurance, loans.

Spotlight: Nestle's "Always open for You" initiative extended payment terms, suspending rental fees for coffee machines and offering free products to its restaurant customers. The total value of this initiative was around \$556 million.

MOBILIZED PRODUCTION

Seventeen Riverwater holdings that are manufacturing entities mobilized production capacity toward making and distributing PPE equipment and medical supplies.

Spotlight: Medtronic shared publicly its ventilator design to increase global production to meet the immediate need for COVID patients.

DEVELOPED / INNOVATED / MANUFACTURED

Fourteen companies owned by Riverwater developed, manufactured, or distributed tests, vaccines, and supplies to directly combat COVID 19.⁶

Spotlight: Charles River Labs partnered with over 40 clients on development programs for vaccine candidates and other COVID-19 treatments

PRESERVED WORKFORCES

80% of companies owned by Riverwater maintained their entire workforce intact with full pay, benefits, and bonuses.



⁶ See **Appendix A** for a full list of COVID relief efforts by our holdings.

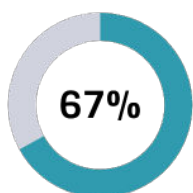
SUSTAINABILITY IMPACT OF OUR INVESTMENTS

Riverwater uses a Three-Pillar Approach to integrate ESG into our separate account strategies. Due Diligence reveals companies' current ESG efforts; engagement allows us to consult with companies on improving their efforts; and Collaboration with thought leaders informs and supports our practice.

PILLAR ONE: DUE DILIGENCE

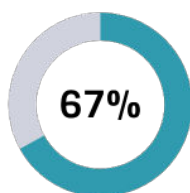
The first pillar of Riverwater's Three-Pillar Approach to Sustainable Investing is Due Diligence, as we seek best-in-class ESG efforts. We are pleased to share that during 2020, the majority of our portfolio companies had efforts underway in many of the factors we consider important.

ENVIRONMENTAL EFFORTS OF RIVERWATER COMPANIES



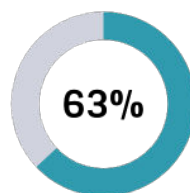
WASTE

The Corning Optical Communications' Hickory Cable Facility collects, segregates, and ships out more than 80 different types of materials - diverting more than 6.5 million pounds of waste from the local landfill.



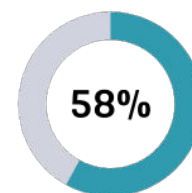
ENERGY

ICF International helped ENERGY STAR save American families and businesses nearly 4 trillion kilowatt-hours of electricity and achieve more than 3 billion tons of greenhouse gas emissions reduction.



EMISSIONS

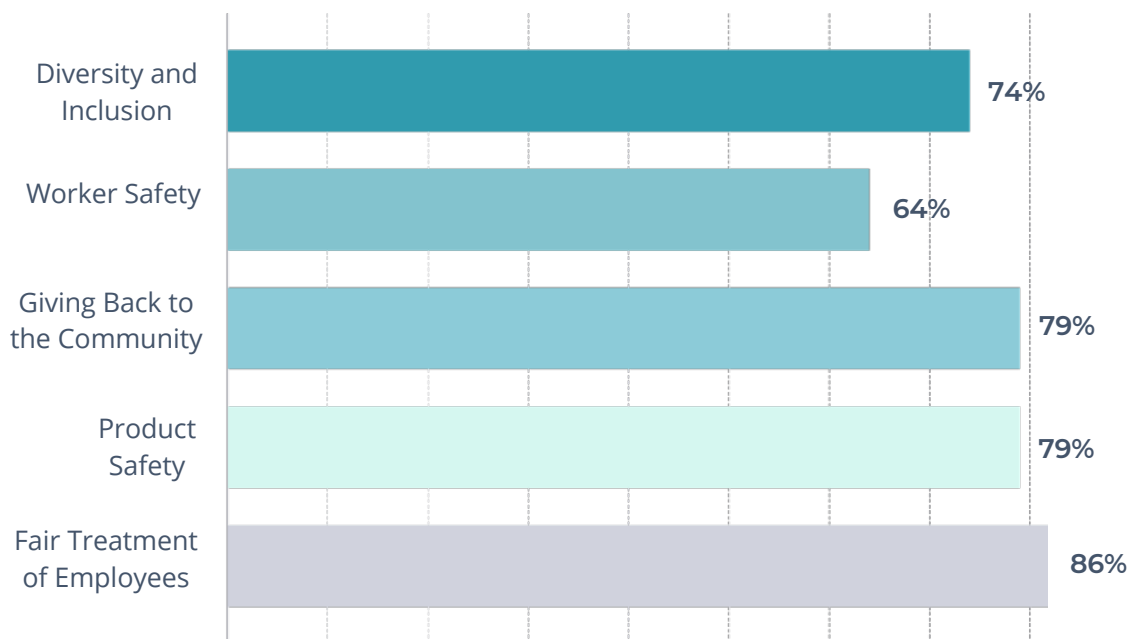
In 2019, the Excelon Generation owned-generation intensity rate was 100 lbs. of CO₂ per MWh, about 90% lower than the national average and far below the glidepath intensity rate needed to progress toward limiting global temperature increase to 1°C by 2050.



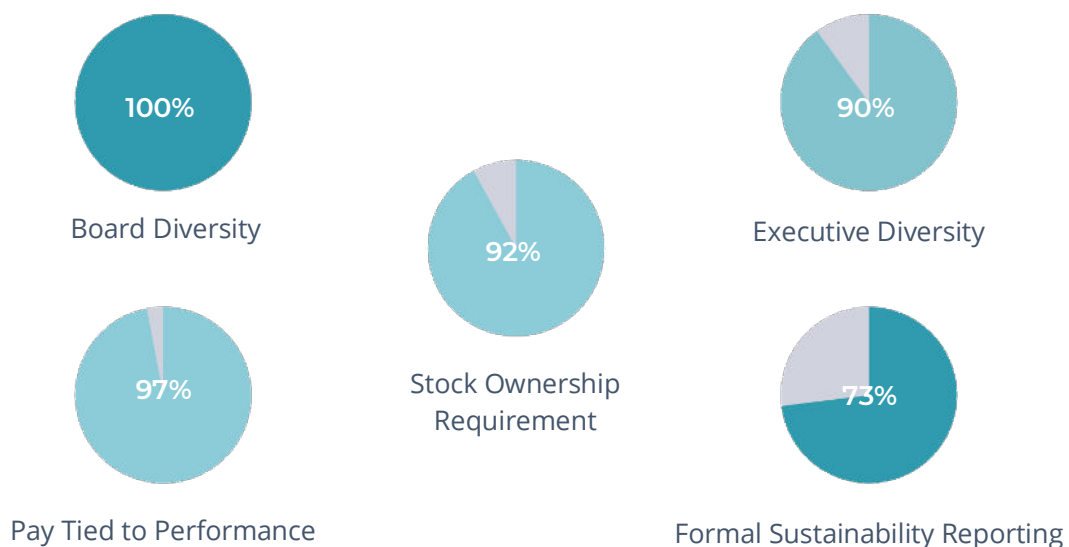
WATER

In 2020, Ecolab's technology saved 206.8 billion gallons of water, equivalent to the yearly drinking water needs of more than 715.2 million people.

SOCIAL EFFORTS OF RIVERWATER COMPANIES



GOVERNANCE EFFORTS OF RIVERWATER COMPANIES



PILLAR TWO: ENGAGEMENT EFFORTS

The second pillar of Riverwater's Three Pillar Approach is Engagement with companies and policy makers to improve sustainability policy and practices, in order to drive impact for all stakeholders, including employees, supply chains, customers, the environment, society, and ultimately, shareholders.

100% OF RIVERWATER PORTFOLIO COMPANIES MAINTAINED OR IMPROVED ESG SCORES IN 2020

When evaluating companies for inclusion in our portfolios, Riverwater looks at traditional investment criteria (specifically looking for companies with superior businesses, exceptional management teams and attractive valuation) alongside the ESG efforts of companies.

When evaluating the ESG efforts of companies, we focus on those factors that are most salient to a business and its stakeholders and use a proprietary scoring system that weights factors based on a company's industry. Scores are further weighted by market capitalization, given the significant time and money required for robust sustainability reporting.

We are pleased to report that 100% of Riverwater portfolio companies owned during 2019 through 2020 maintained or improved their ESG scores, according to our internal scoring system⁸.

ENGAGING WITH ACADEMIA ON ESG EFFORTS

Riverwater engaged with students at several universities during 2020 in an effort to inform them about the benefits of and methodology used to consider ESG as an investment tool and to evaluate sustainability of businesses. As part of this engagement, Riverwater mentored students from Wisconsin Universities on incorporating ESG criteria into fundamental research.



SPOTLIGHT: Riverwater developed a co-application project as part of Marquette University's graduate engineering program on human rights due diligence practices of Riverwater portfolio companies and evaluate whether they meet UN Guiding Principles, and offer suggestions for improvement. The results of their work are informing our continued work on human rights issues.

⁸ 36% of companies maintained their scores vs. 2019 and 64% improved their scores.

ENGAGING WITH SMALLER COMPANIES ON ESG EFFORTS

Given Riverwater's primary focus on mid-, small-, and micro-cap investing, we act in a consultative manner to educate smaller companies on the benefits of attention to sustainability in their businesses to all stakeholders – including shareholders.

We encourage reporting on current practices, and improving, measuring, and reporting on progress toward attainment of future sustainability goals.

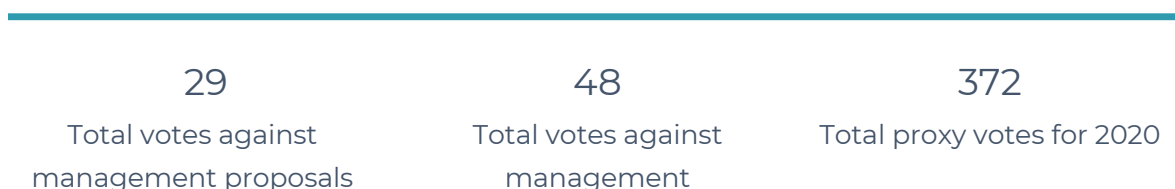
Riverwater engaged with 37 companies in 2020. Engagements include sharing tools to sharpen focus and report on their ESG efforts. Ultimately, we invested in 13 of those companies. All of those companies have embraced a focus on sustainability, most with our guidance. Some highlights of our engagement efforts are below.

IRIDIUM (IRDM) <p>Dialogues from 2019 led Iridium to add a Sustainability page to its website and ultimate publication of its first Sustainability Report in 2021. Continued dialogue encouraged consideration of worker satisfaction and social efforts as well as reduction of environmental footprint.</p>	VIRTU FINANCIAL (VIRTU) <p>Following engagement with VIRTU regarding board diversity, women were added to Executive Leadership team and Board of Directors. In addition, several women at were publicly recognized by Virtu for receiving awards for their contributions to the financial services industry during 2020</p>	HAMILTON THORNE (HTLZF) <p>Dialogues prompted the company to focus on ESG policies and procedures. Since then it has made 2 director changes, reevaluated executive and director compensation, consideration of stock ownership and ideas for waste reduction in packaging.</p>
FARMER MAC (AGM) <p>Dialogues with management regarding ESG led to meeting with executives and a board member regarding ESG best practices. Company is expecting to begin reporting soon and has a clearer idea of how to prioritize its efforts.</p>	STONEX (HNEX) <p>Initial dialogue with management led to their request for suggestions regarding best practices. During 4th quarter earnings call, management stated that they are beginning to focus on ESG issues.</p>	WRAP TECHNOLOGIES (WRAP) <p>New Investor Relations executive reached out to Riverwater for guidance on incorporating an ESG lens into its business practices. After sending tools for implementation and reporting, dialogue continues.</p>

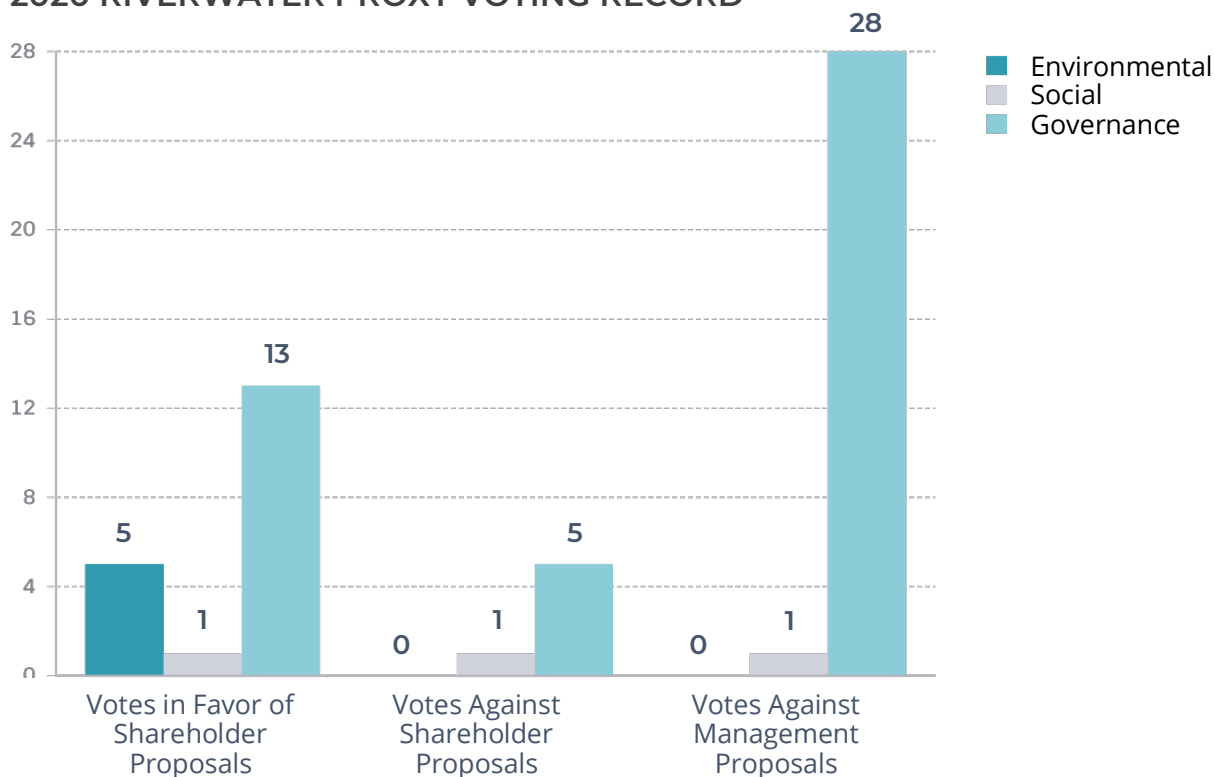
ENGAGING BY VOTING PROXIES

Riverwater votes proxies in accordance with our Proxy Voting Guidelines⁹ that favor management and shareholder resolutions that align with our ESG views. In 2020, Riverwater voted 99% of its proxies (one was received too late to vote). Our voting record is public.

When Riverwater votes against the Company - by voting against a Board proposal or in favor of a Shareholder proposal the board opposes - we write to the board stating our rationale and inviting dialogue. Riverwater wrote to Boards of Directors on 48 “no” votes during 2020; Board members wrote back regarding five items.



2020 RIVERWATER PROXY VOTING RECORD



⁹ Click [here](#) to read the full version of the **Riverwater Proxy Voting Guidelines**.

ENGAGING ON HUMAN RIGHTS

The events of 2020 highlighted the importance of protecting people. In this light, Riverwater focused on several human rights-related engagement efforts.

SPOTLIGHT: CHEVRON

In an effort to formally encourage Chevron to put its human rights policy into operation and better serve local communities, Riverwater co-filed the **Evaluation of Human Rights Practices** shareholder resolution, led by The Sisters of St. Francis of Philadelphia. We were involved in dialogue with Chevron regarding their human rights policies in early 2020 and felt the company's Human Rights policy was not yet in alignment with the **UN Guiding Principles on Business and Human Rights**; therefore, the resolution was filed for the 2020 proxy season. It received 17% of the shareholder vote.

Riverwater also co-filed the **Environmental Justice and Racial Equity Analysis 2021** Proposal, led by the Sisters of St. Francis of Philadelphia and The American Baptist Home Mission Society with the intent to compel Chevron to understand and mitigate human rights consequences of its business, particularly as it relates to racial justice and equity. Dialogue continues.

ENGAGING ON HARASSMENT AND DISCRIMINATION

Riverwater sent additional letters to companies that did not reply to our 2019 letters outlining risks of forced arbitration and non-disclosure in regard to harassment and discrimination allegations. These companies are Phillips 66, Pfizer, Quest Diagnostics and Corning. Corporate responses are below.

Responses:

- **Phillips 66** – March 2020 dialogue confirmed these practices are not used in these situations.
- **Corning** – July 2020 dialogue confirmed these practices are not used in these situations.
- **Quest Diagnostics** – October 2020 dialogue with human resources, legal, employee relations personnel regarding Quest policies and why they should end the use of forced arbitration agreements. Clean Yield Asset Management joined this dialogue. We will follow up in 2021.
- **Pfizer** – January 2021 received correspondence stating belief that mandatory arbitration is the best practice in these situations. Will continue dialogue.

PILLAR THREE: COLLABORATION EFFORTS

The third pillar of Riverwater's Three Pillar Approach is Collaboration. Collaboration with responsible investment organizations and investors to inform our practice and partner in engagement. These efforts allow us to focus our lens clearly, to magnify our voice, and provides us with opportunities to partner with like-minded investors.



Riverwater relies on these organizations as it pertains to specific issue areas. The focus of CDP and CERES has traditionally been on environmental issues, SGI, ICCR, and IAHR focus on social issues, and US SIF and the UN PRI tend to focus on governance. Interestingly, the lines of focus have blurred as the reality is they all affect one another.

COLLABORATIONS FOCUSING ON PLANET

During 2020, while much of our attention turned toward people, we also encouraged companies to consider the effects of their businesses on the planet. Ensuring a robust environmental ecosystem is imperative to sustaining people and prosperity. In this light, we collaborated with our NGO and non-profit partners to act as signatories to letters addressed to stakeholders ranging from our investee companies to Congress to the President of the United States. Examples of these letters are below:

CDP REQUEST FOR DISCLOSURE

The CDP requests disclosure on climate change, forests and water. We sign-on to support those requests at our investee companies. We signed on to letters requesting that the following companies respond to CDP's request for disclosure: Americo, Berkshire Hathaway, Next Era Energy, Phillips 66, Nestle and Newmont Mining.

As of the deadline of September 30, 2020, only Nestle submitted **CDP Forests Disclosure**. We will engage with those who did not again in 2021.

CLEAN ENERGY

In November 2020, Riverwater, along with other investors, signed on to a letter promoting the transition to clean energy adoption by asking Congress to update legislation to extend tax credits and incentives for clean energy solutions that are set to expire.

WE ARE STILL IN PLEDGE

In December 2020, Riverwater signed on to a "**We Are Still In**" letter to President-Elect Biden asking his administration to:

- Drive economic growth across every sector of the economy through job-creating sustainable investments,
- Expand U.S. leadership at home and abroad, and
- Reimagine community partnership to advance just and equitable climate solutions and build resilience to climate change.

COLLABORATIONS FOCUSING ON PUBLIC POLICY

Governance at the company level is important to formulate, execute, and oversee policy that will positively impact all stakeholders; likewise, we believe it is important to maintain strong governance at the public policy level to ensure people, planet, and profitability are secure. In 2020, Riverwater engaged in Public Policy discourse regarding the threshold for ownership required to file shareholder resolutions, fiduciary burdens of fiduciaries wishing to incorporate ESG investing in ERISA plans and fiduciary duties regarding proxy voting and shareholder rights in ERISA plans. Detail on these engagements can be found in **Appendix B**.

RIVERWATER PARTNERS' IMPACT

Riverwater Partners conducts its business in a sustainable manner, believing sustainability results in a more resilient business. As we celebrate our five-year anniversary in 2021, we are proud to have positioned Riverwater to weather volatile economies. We maintain a debt-free balance sheet with sufficient cash reserves. This gave us the confidence to not seek government assistance through PPP loans during the record decline in GDP in 2020.

Our sustainability, grounded in the principle of fair treatment of all stakeholders – employees, customers, suppliers, society, and the planet – is essential to fulfilling our mission of making the world a better place by growing wealth through sustainable investing.

A FORCE FOR GOOD

As a Certified B Corp, Riverwater Partners' practice of using business as a force for good has been affirmed by B Labs. While our firm was incorporating best-in-class practice on many factors, we undertook several initiatives toward improvement during 2020:



A + FOR INVESTMENT PRACTICE

As a signatory to the **UN PRI**, Riverwater is assessed each year on our policies and practices for responsible investment. We are very pleased to report that during 2020 all scores improved by more than a full letter grade over 2019. Riverwater received the following marks on key modules:

- A+ for Responsible Investment Strategy and Governance
- A+ for Listed Equity Incorporation
- A for Listed Equity Active Ownership

A screenshot of our Summary Scorecard is attached as **Appendix C**.

SCHOLARSHIP TO PROMOTE DIVERSITY IN INVESTMENT FIELD

In an effort to promote participation in the field of investment among women and minorities, Riverwater created a scholarship program, offering an educational stipend and internship to students in the Investment Management

Certificate Program at the University of Wisconsin-Milwaukee Sheldon Lubar School of Business.

GIVING DURING THE PANDEMIC

Riverwater donated over \$38,000 to various organizations during 2020 in an effort to get relief to those most in need as a result of the COVID 19 pandemic. In addition, the Riverwater team members collectively volunteered over 200 hours. The firm adopted a portion of the Milwaukee River, pledging to clean its banks at least twice a year.



DIVERSITY AND INCLUSION TRAINING

In an effort to strengthen its strong culture, the Riverwater team participated in Diversity and Inclusion Training in June 2020. We honed skills to embrace the diversity of thought brought to our business through the individual experience and background of each of our employees. We updated our Diversity and Inclusion Policy to reflect these important practices. A copy of our Human Rights Policy is attached as **Appendix D**

SUSTAINABILITY RESULTS IN A MORE RESILIENT BUSINESS.

CARBON NEUTRALITY

Riverwater does not produce significant carbon emissions, as compared to a producer of goods. However, we felt it was important to measure our carbon footprint to establish a base from which we could improve. Going through the process shed light on how carbon-intensive activities such as driving and flying can be. Riverwater has committed to becoming carbon free by 2030. We intend to do this via a combination of reducing our actual footprint – primarily by reducing travel – and by purchasing carbon offsets, which we did in 2020. Riverwater used **terrapass.com** as our measurement tool to purchase offsets. We were carbon neutral in 2020.

RIVERWATERBLUE: SUSTAINABLE INVESTING FOR ALL

In an effort to provide access to responsible investing opportunities to a broader class of investors, we rebranded RiverwaterBLUE, our online / digital ESG advising service. BLUE is a Riverwater product that offers investors access to diversified portfolios of actively managed mutual funds that are evaluated by our professional investment team for superior investment strategies and performance, as well as their attention to social impact. Clients create a profile online, and their assets are automatically invested and rebalanced in a strategy that aligns with their investment goals, risk tolerance, and social values.



OUTSIDE MANAGER IMPACT

Riverwater Partners conducts extensive due diligence on third-party investment managers to complete our clients' asset allocations in diversified portfolios. These "outside" managed investments include publicly traded stocks and bonds as well as private equity and debt funds.

We regularly monitor the ESG impact of these outside managers, in addition to their investment performance. During 2020, many of these managers demonstrated resilience in adapting their strategies in light of unprecedented events. Here are a couple of inspiring examples:

ECOTRUST FOREST MANAGEMENT (EFM FUND III)



Ecotrust Forest Management, Inc.

As late summer 2020 forest fires raged through Oregon, California, and Washington, fueled by uncharacteristic wind conditions combined with very low moisture content from a prolonged drought, one of the EFM Fund III properties, Henry Creek in western Oregon, was engulfed by the wildfire. Only the riparian areas and a few scattered strands of trees were left untouched.

EFM worked to repair damaged roads and culverts to gain access to the forest and, after finding fire damaged 80% of the acreage, began salvage logging activities. At the same time, EFM began aggressively planting new trees and developed a carbon project on portions of the property.

EFM's sustainable forest management approach focuses on the impacts of their properties on climate, water, and biodiversity, as well as providing wood products and recreation. They will work hard to restore and improve the Henry Creek property, along with the naturally resilient nature of the forest.



COMMUNITY CAPITAL MANAGEMENT



The Community Capital Management CRA Qualified Investment Fund was launched in 1999 specifically to help banks meet the requirement of the CRA Investment Test, which included reinvestment in underserved and formerly redlined communities. The fund strategy has broadened over the years and now invests in a variety of fixed income securities that have a positive social or environmental impact.

In May of 2020, in response to the coronavirus pandemic, CCM launched a \$100 million initiative to invest in COVID-19 relief, giving investors an opportunity to provide capital to underserved people and communities, economic recovery programs, and small businesses. As of the end of 2020, CCM had invested \$72 million on behalf of their clients toward this initiative.

One investment made by the fund in 2020 was in sustainability bonds issued by USAA Capital Corporation. These bonds support affordable housing, clean transportation, COVID-19 relief, and renewable energy. The net proceeds of these bonds are used to fund USAA projects that have environmental or social benefits. For example, USAA took measures¹⁰ to soften the financial burden of their members caused by COVID-19 by:

- Waiving banking fees for insufficient funds, overdrafts, late payments, and early withdrawals of CDs or annuities.
- Deferring members' payments on mortgages and consumer loans.
- Waiving deductibles and co-payments for Medicare supplement clients for testing or treatment of illnesses related to the COVID-19 virus.

¹⁰ CCM Impact Report

APPENDIX A

COVID EFFORTS OF RIVERWATER COMPANIES

1. Quest Diagnostics provided testing in 12 laboratories and performed more than 400,000 tests per day, handling 20% of testing efforts across the country.
2. Electromed started a Pathfinder Open project developing a technology to detect COVID and help with vaccine research.
3. Corning donated thousands of microplates that are used in labs to screen drug compounds to expedite the discovery of drugs that might be effective in treated COVID and substantially expanded its production to manufacture glass vials to house vaccines.
4. GlaxoSmithKline used adjuvant technology in vaccines to boost the body's immune response and to require less of the vaccine to be effective and is working with CureVac to develop next generation mRNA vaccines, as well as support the manufacture of up to 100 million doses of CureVac's first generation vaccine candidate CVnCoV in 2021.
5. Harvard Biosciences expanded support for contract research organizations, researchers in government, academic, and pharmaceutical labs to develop treatments and vaccines.
6. Hologic launched its new Aptima molecular assay to detect the SARS-CoV-2 virus that runs on its market-leading Panther system and offered COVID-19 testing to all 50 states to deliver more than 10 million tests to lab partners each month.
7. Kindred Biosciences expanded an agreement with Vaxart, Inc. for the manufacture of Vaxart's oral vaccine for COVID-19 and other vaccine candidates.
8. Pfizer developed the widest available COVID-19 vaccine with BioNTech and will supply a total of 300 million doses to the world over the next year and a half.
9. Quidel opened a new facility and hired 400 new employees to produce up to 600mm QuickVue SARS rapid antigen test per year to detect and diagnose COVID-19 infections.
10. Redhill Biopharma is working with regulatory authorities and the scientific community to evaluate the potential of its two investigational new drugs: Opaganib and RHB-107 to treat COVID-19 patients.
11. Thermo Fisher Scientific launched a CE-IVD-Marked high-throughput solution that enables clinical and public health laboratories to efficiently test up to 8,000 COVID-19 samples a day with fewer staffing requirements and designed and developed a control as a synthetic RNA, non-infectious control to help labs validate and monitor COVID-19 molecular diagnostic tests.
12. Meridian Biosciences created a range of COVID-19 testing solutions for both molecular and immunoassay technologies, including optimized RT-qPCR mixes ideal for fast and accurate testing and high performing recombinant antigens for IgG and/or Igm testing and its products are used in over 100 approved COVID-19 related assays around the world.
13. Zebra Technologies provided significant technology expertise to aid in the distribution and administration of COVID vaccines. It also provided mobile computers used by nurses to arrange virtual visits between patients and their loved ones.

APPENDIX B

COLLABORATIONS FOCUSING ON PUBLIC POLICY

MARCH 2020: SECURITIES AND EXCHANGE COMMISSION

Riverwater wrote a letter to the SEC asking that it reconsider its proposed rule changes (S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8) that would raise the threshold for ownership (shares and time period) required to file a shareholder resolution and to refile a resolution in subsequent years, believing that small shareholders bring important matters for consideration that can mitigate potential risk. Despite significant shareholder opposition to Rule 14a-8, it was passed. As of March 2021, Congress is considering reversing this legislation.

JULY 2020: DEPARTMENT OF LABOR

Riverwater wrote a letter encouraging the Department of Labor to reconsider its proposed Financial Factors in Selecting Plan Investments Proposed Regulation (RIN 1210-AB95) that would impose significant analytical and documentation burdens on fiduciaries of benefit plans governed by the Employee Retirement Income Security Act ("ERISA") wishing to select (or allow individual account holders to select) investments that use ESG factors in investment analysis or that provide ESG benefits.*

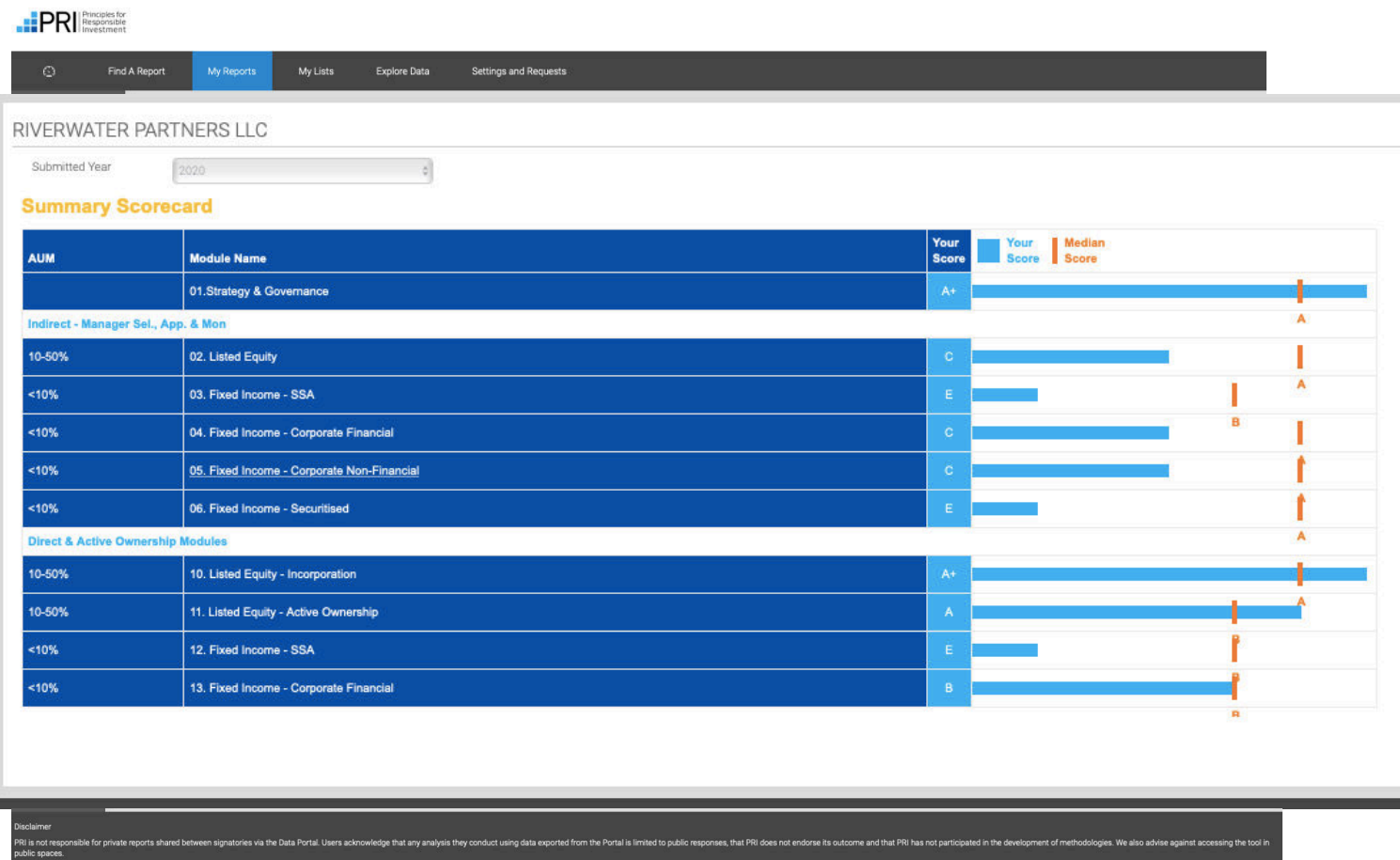
SEPTEMBER 2020: SECURITIES AND EXCHANGE COMMISSION

Riverwater wrote a letter to the SEC expressing our strong opposition to the DOL's proposed rule, "Fiduciary Duties Regarding Proxy Voting and Shareholder Rights" (RIN 1210-AB91) (the "Proposal"). The Proposed Rule would impose significant analytical and documentation burdens on fiduciaries of benefit plans governed by the Employee Retirement Income Security Act ("ERISA") as they exercise their proxy voting right, one of the most visible and verifiable ways in which investors can practice responsible ownership. A key element of this right is to allow shareholders the opportunity to raise issues before a crisis that erodes shareholder value arises.*

**UPDATE: March 2021 Announcement: "Until it publishes further guidance, the Department of Labor will not enforce either of these two final rules or otherwise pursue enforcement actions against any plan fiduciary based on a failure to comply with those final rules with respect to an investment, including a Qualified Default Investment Alternative, or investment course of action or with respect to an exercise of shareholder rights. This enforcement statement does not preclude the Department from enforcing any statutory requirement under ERISA, including the statutory duties of prudence and loyalty in section 404 of ERISA."*

APPENDIX C

UN PRI SUMMARY SCORECARD



Membership in UN PRI has the following minimum requirements: Internal or external staff implementing Responsible Investment (RI), Senior level oversight of RI, Policy setting out overall approach to RI, or formalized guidelines on E, S, or G factors, and the policy must cover > 50% of AUM. Members report on these topics annually and are evaluated by PRI. In addition, members pay annual dues based on their AUM."

APPENDIX D

RIVERWATER HUMAN RIGHTS POLICY

STATEMENT OF CONDUCT

Riverwater Partners commits to conduct business in an ethical and sustainable way, respecting employees, customers, and society. Riverwater will adhere to all laws and regulations, and go above and beyond, if necessary, to meet our commitment.

Our specific policies have been formulated after consultation with stakeholders, and in consideration of the UNGP on Human Rights. They have been communicated with and agreed to by Riverwater personnel and their adherence will be overseen by our Founder and Advisory Board.

CUSTOMERS

QUALITY ASSURANCE

Riverwater commits to treating our customers with honesty, integrity and fairness.

PRIVACY/SECURITY

Riverwater does not disclose or sell information about our current or former clients to any third parties, except in the following circumstances: (1) To companies that are necessary in order to service our clients' accounts; (2) as required by regulatory authorities or law enforcement officials who have jurisdiction over Riverwater Partners, or (3) as otherwise required by law. To protect personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

TRANSPARENT COMMUNICATION

Riverwater believes in complete transparency with respect to client fees and performance reporting.

EMPLOYEES

HUMAN RIGHTS

Riverwater commits to respecting human rights at all levels, and aligns with the United Nations Guiding Principles and the Ten Principles of the UN Global Compact. Riverwater conforms to the standards established in the ILO, and specifically commits to zero tolerance of child labor, forced labor, and modern slavery, and respect for the right to freedom of association in our own operations and within our suppliers. We treat all people with respect and dignity and expect everyone to adopt a sense of personal responsibility.

Riverwater does not tolerate discrimination due to origin, nationality, religion, race, gender, age, physical condition, sexual orientation, or engage in or permit any kind of harassment based on any of the above or for any other reason. If an employee believes he/she has been the subject of discrimination or harassment, he/she is entitled to due process, including legal remedy. Riverwater

does not use forced arbitration or non-disclosure agreements to remedy discrimination nor harassment.

Riverwater seeks to identify and remedy adverse effects of our business on human rights by integrating controls, acting on findings, correcting problems, and communicating results.

DIVERSITY AND INCLUSION

Diversity and Inclusion is an integral part of Riverwater's culture and is built on the principle of treating others as you want to be treated. We promote the inclusion of all communities, cultures, ages, and abilities into our workforce and seek to leverage diversity of thinking to drive creativity and innovation. We put diversity into action by creating an environment of involvement, respect, and connection— where the richness of ideas, backgrounds, and perspectives are harnessed to create business value. We encourage the companies in which we invest to also embrace, develop, and demonstrate diversity and inclusion principles.

SAFETY AND HEALTH

Riverwater recognizes and requires that everyone play an active role in maintaining a safe and healthy working environment. Our managers promote awareness and knowledge of safety and health to employees, contractors and anyone else related to or impacted by our business activities.

SOCIETY

BUSINESS PARTNERS

In our business activities, we expect our trade partners to adhere to business principles consistent with our own. Should they demonstrate a lack of adherence with any of our business principles, we will request an open and transparent discussion, establish corrective actions or terminate the relationship, if necessary. Conversely, we respect our partners' reasonable standards.

LOCAL AND GLOBAL COMMUNITY

Riverwater commits to giving its time and talent, as well as its financial support, to our local and global community to promote sustainability for people and planet.

ENVIRONMENT

We commit ourselves to environmentally sustainable business practices throughout our value chain. We favor the use of sustainably managed renewable resources and target zero waste in our operations. We are committed to reduce our greenhouse gas emissions and achieve net- zero emissions by no later than 2050.

IMPORTANT DISCLOSURES

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

LINKS TO DOCUMENT CITATIONS

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REPORT

RIVERWATER PARTNERS

