

Value Creation through Sustainable Investing



Riverwater Partners endeavors to create value for our clients who entrust us to grow their wealth and make the world a better place through sustainable investing. This is our mission.

At its core, the purpose of business is to generate value: businesses use society's capital to create something of value; individuals exchange their own valuable asset – money – for this value. To fulfill its mission, Riverwater invests in businesses that create value through the **responsible** deployment of physical, human, and financial capital. This value creation is measured by the good brought to society by a business's products and services, the lack of harm brought to society from a business's operations, and the return generated by the business on its use of society's resources.

The Riverwater Asset Management team evaluates each investment candidate's attention to factors that drive value: competitive advantage; management experience and alignment (governance factors); fair and inclusive treatment of employees, supply chain, and communities (social factors); responsible use of materials and physical assets (environmental factors). A company's return on these efforts – its return on invested capital (ROIC) – reveals its value creation. As investors, and not stock traders, Riverwater owns responsible businesses, that are continuously innovating and adapting to the ever-changing world, to generate superior long-term value for our clients and society.

Riverwater maintains a proprietary database of material ESG policy and practice of portfolio companies. This allows us to understand how their

governance structure and deployment of human and physical capital enable them to mitigate risk and capitalize on opportunity to generate superior returns. As active investors, Riverwater engages with companies to foster improvement. We also collaborate with sustainability experts and responsible investors to inform our practice.

The Riverwater Wealth Management team evaluates each outside manager for value creation. We maintain a "Select List" of external funds/managers that satisfy our performance criteria as well as our preferred criteria of applying material ESG factors within their investment process. As our Asset Management team is an active investor, we prefer to work with active external managers who engage with the companies they invest in to help deliver sustainable value to all stakeholders.

Riverwater Partners also understands the importance of responsibly investing in our own business. We aim to create value for our clients and community through our efforts to promote a strong corporate culture, protect and grow our clients' assets, and preserve our environment.



Cindy Bohlen, CFA
Chief Mindfulness Officer, Riverwater Partners

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Thank you for placing your trust in **Riverwater Partners.**

Value Creation Through Responsible Deployment of Human and Physical Capital

The responsible deployment of human and physical capital by business is necessary to ensure that the planet and its people remain resilient for current and future financial value creation. If we deplete our planet's natural resources or degrade our people in pursuit of short-term profits, long-term prosperity will suffer alongside the planet and its people.

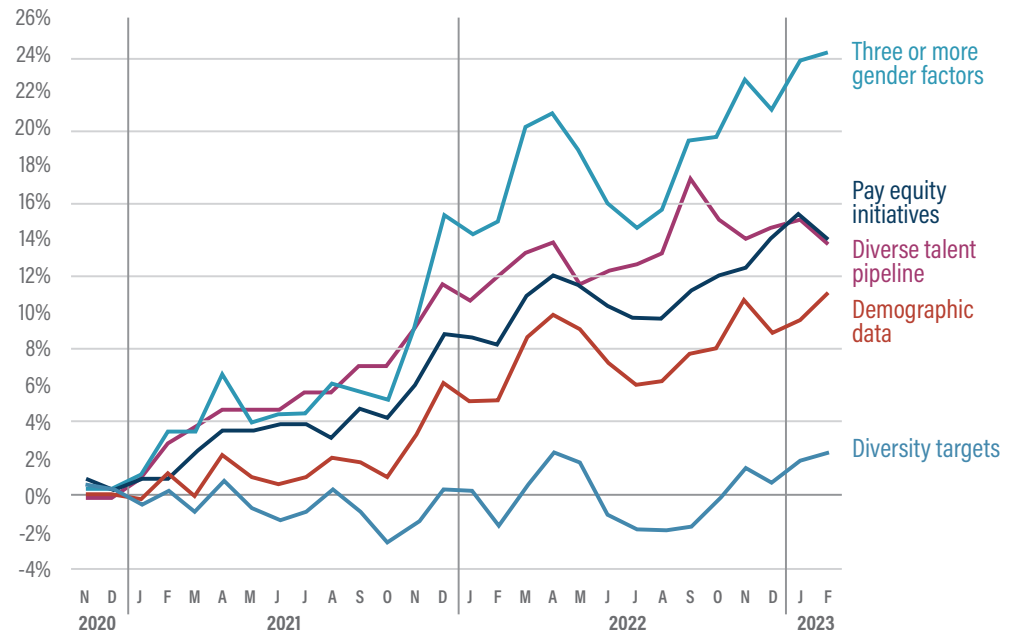
Care for our People Creates Value

Stewardship of Human Capital drives improved profitability and stock performance – evidence that care for people creates value.

Riverwater encourages portfolio companies to adopt policies that promote a strong and inclusive corporate culture, employee safety, product safety, ethical supply chains, and resilient communities.

Culture counts: Pay equity and diverse talent

MSCI data show the excess returns of companies that do vs those that don't employ policies and practices aimed at diversity, equity, and inclusion (DEI).



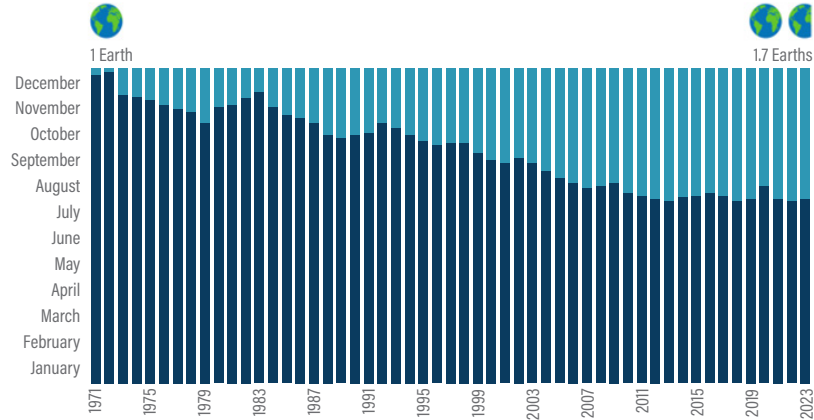
Data shown are the equal-weighted, cumulative monthly excess return of the top quartile of MSCI World index companies that do or don't employ the following policies or practices - pay equity initiatives, diversity targets, diverse talent pipeline, and demographic data - vs. the bottom quartile, based on their Impax Gender Score for the period of June 30, 2014 to Feb. 28, 2023. Source: FactSet

There is No Planet B

Each year, Earth Overshoot Day marks the date when we have used all the biological resources that the Earth can renew during the entire year. The Global Footprint Network, a renowned international research and non-profit group, meticulously compiles data and establishes well-founded assumptions to accurately calculate the date of Earth Overshoot Day, reflecting humanity's consumption of resources.

Earth Overshoot Day

1971-2023



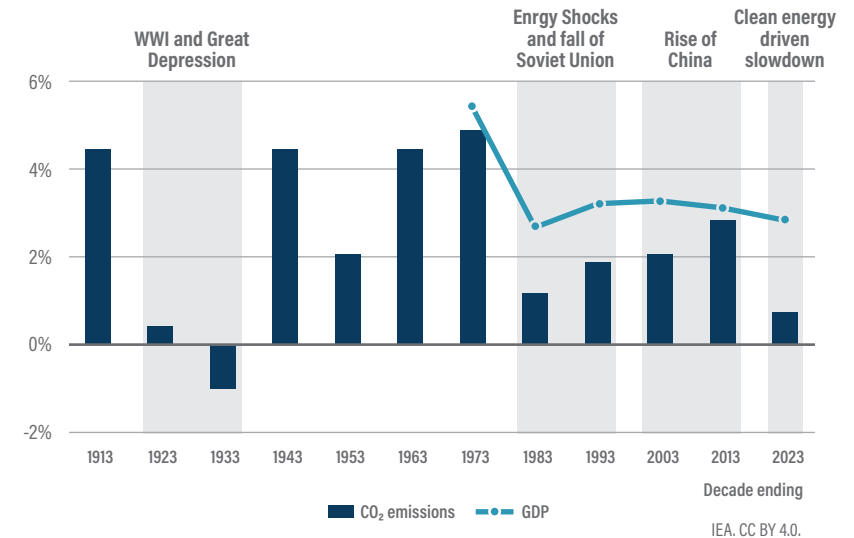
Source: National Footprint and Biocapacity Accounts 2023 Edition, data.footprintnetwork.org. 609521

But There is Hope

Thanks to growing clean energy deployment, greenhouse gas (GHG) emissions are seeing a structural slowdown. According to the International Energy Association (IEA), in the decade to 2023, global emissions grew slightly more than 0.5% per year - the slowest rate since the Great Depression. Meanwhile, GDP of advanced economies grew 1.7% - evidence that green energy deployment has the potential to create value - for the planet and for prosperity.

Annual average rate of global CO2 emissions and GDP growth by decade

1903-2023



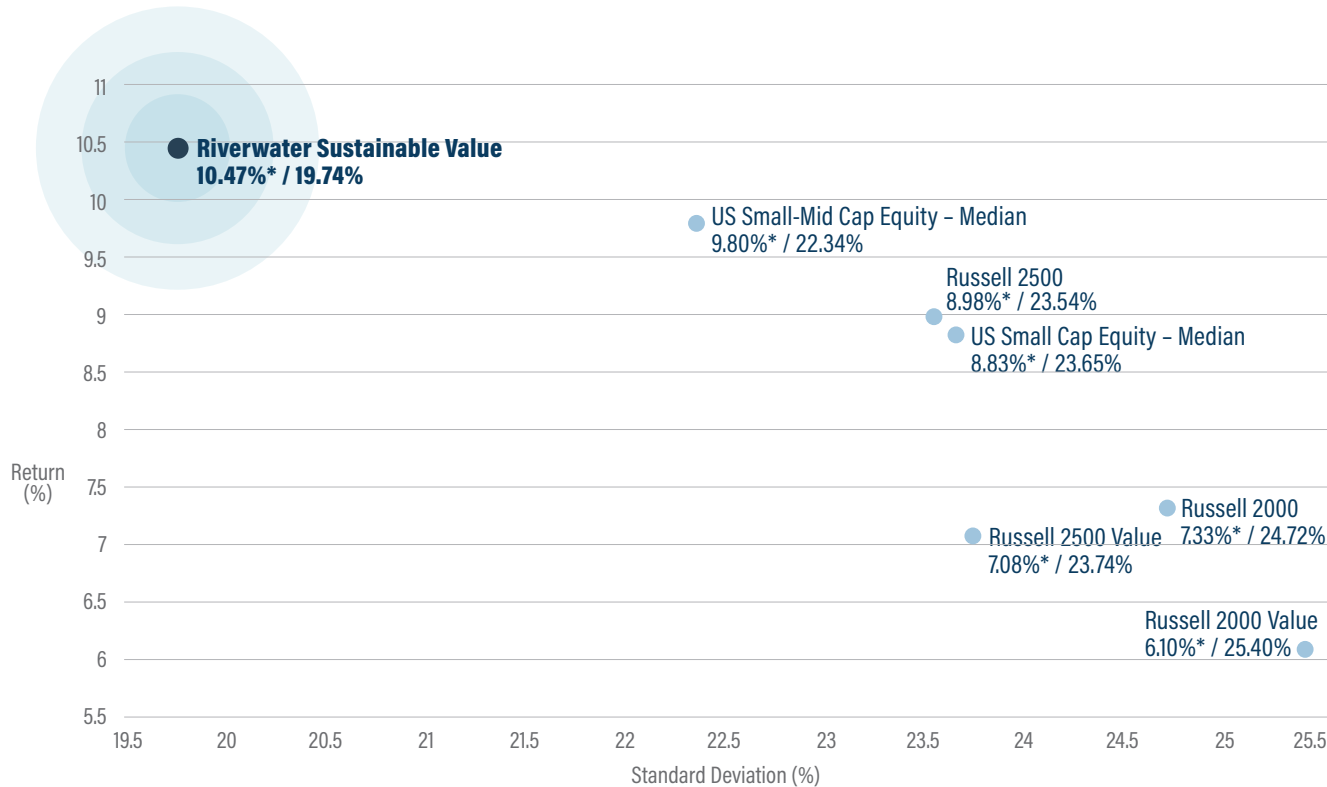
Riverwater Partners encourages all portfolio companies to measure, report, and reduce their GHG footprint.

This will help to reduce the negative consequences felt by all businesses from the effects of GHG emissions/global warming, as well as to reap the benefits from clean energy for their business. We also encourage attention to water stewardship, waste management, energy consumption, biodiversity, and circularity - all aimed at creating value while caring for our planet.

Responsible Investing Creates Value

Riverwater Partners has created value for our clients with higher financial returns, achieved with a lower risk profile, compared to our peers and comparable indices, since inception.

Additionally, our responsible investment practice, which invests in companies that responsibly deploy physical, human, and financial capital, has resulted in value creation for society. That impact is detailed in this report.



Source: eVestment 12/31/2016 – 12/31/2023

* Returns presented are gross returns. Net returns for the same time period were 9.48. Returns are time-weighted based on net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars. Accounts included in the composite generally include reinvestment of dividends and additional proceeds. Gross composite returns do not reflect the deduction of investment advisory fees. Net returns are calculated using a model investment advisory fee by deducting 1/12th of the model management fee from the monthly gross portfolio return. The net fee applied is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance report. Any changes to the fee schedule are reflected in the calculation of the net composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

ANNUALIZED RETURNS

	3 mo.	1 yr.	3 yr.	5 yr.	since inception 9/30/16
Composite (gross)	14.15%	20.24%	11.65%	14.07%	11.30%
Composite (net)	13.86%	19.05%	10.55%	12.94%	10.20%
Benchmark (Russell 2500 Value Index)	13.76%	15.98%	8.80%	10.79%	8.16%

Value Creation Impact OF OUR ASSET MANAGEMENT PROCESS

A Three- Pillar Approach

Riverwater's Asset Management team uses a Three-Pillar Approach to integrate a focus on salient environmental, social, and governance (ESG) factors into our portfolio management strategy. Our goal is to understand how each company creates value in the good brought to society by its products and services, in the lack of harm brought to society from its operations, and in the return generated by the business on its use of society's resources.

Due Diligence



reveals companies' current ESG efforts.

Engagement



allows us to consult with companies on improving their efforts.

Collaboration



with thought leaders informs and supports our practice.

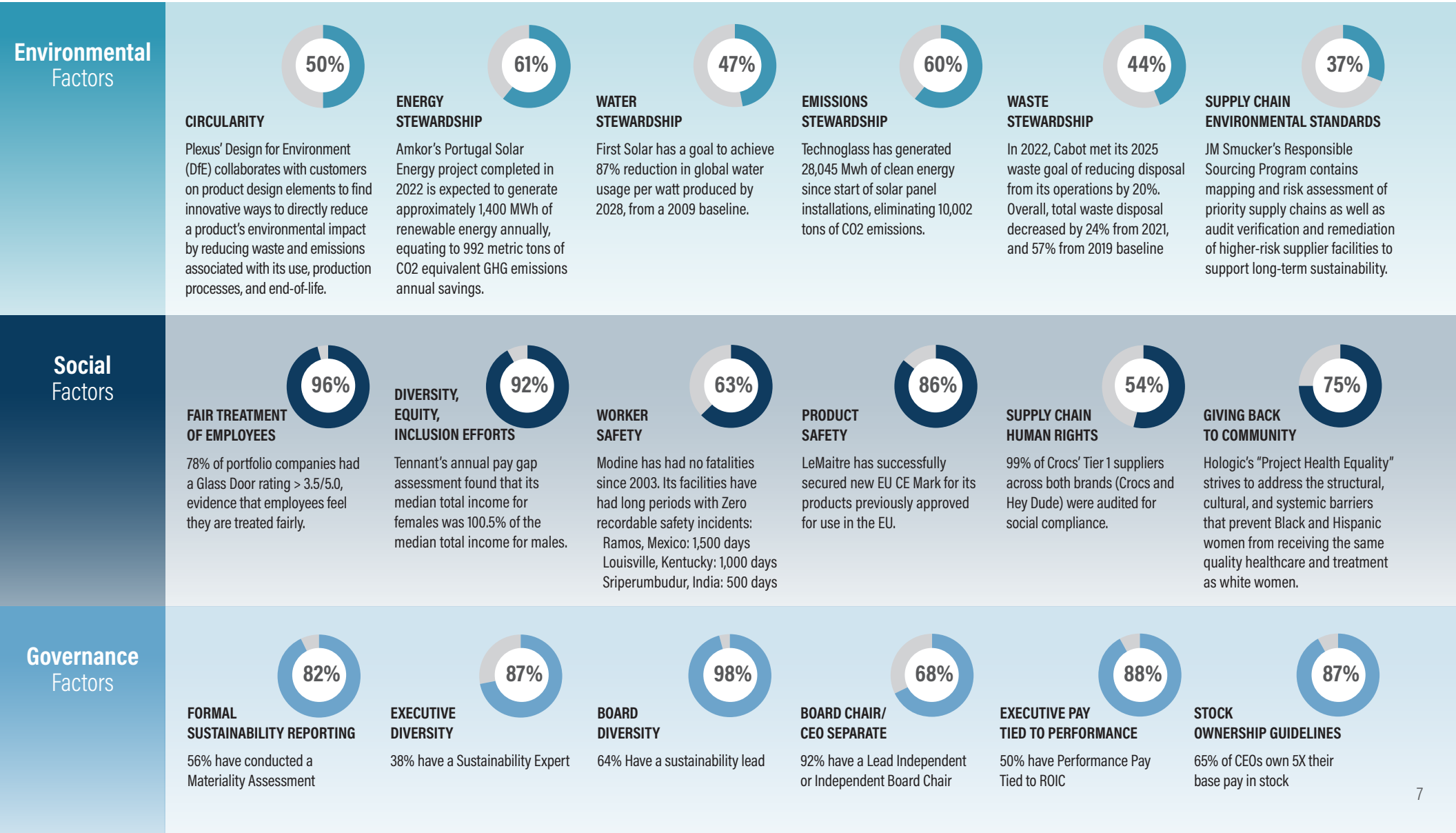




PILLAR ONE: Due Diligence

When considering companies for asset management portfolios, due diligence helps us understand a company's current policy and practice regarding salient ESG factors. Riverwater's proprietary scoring system evaluates ESG metrics, which are assigned weights based on which are

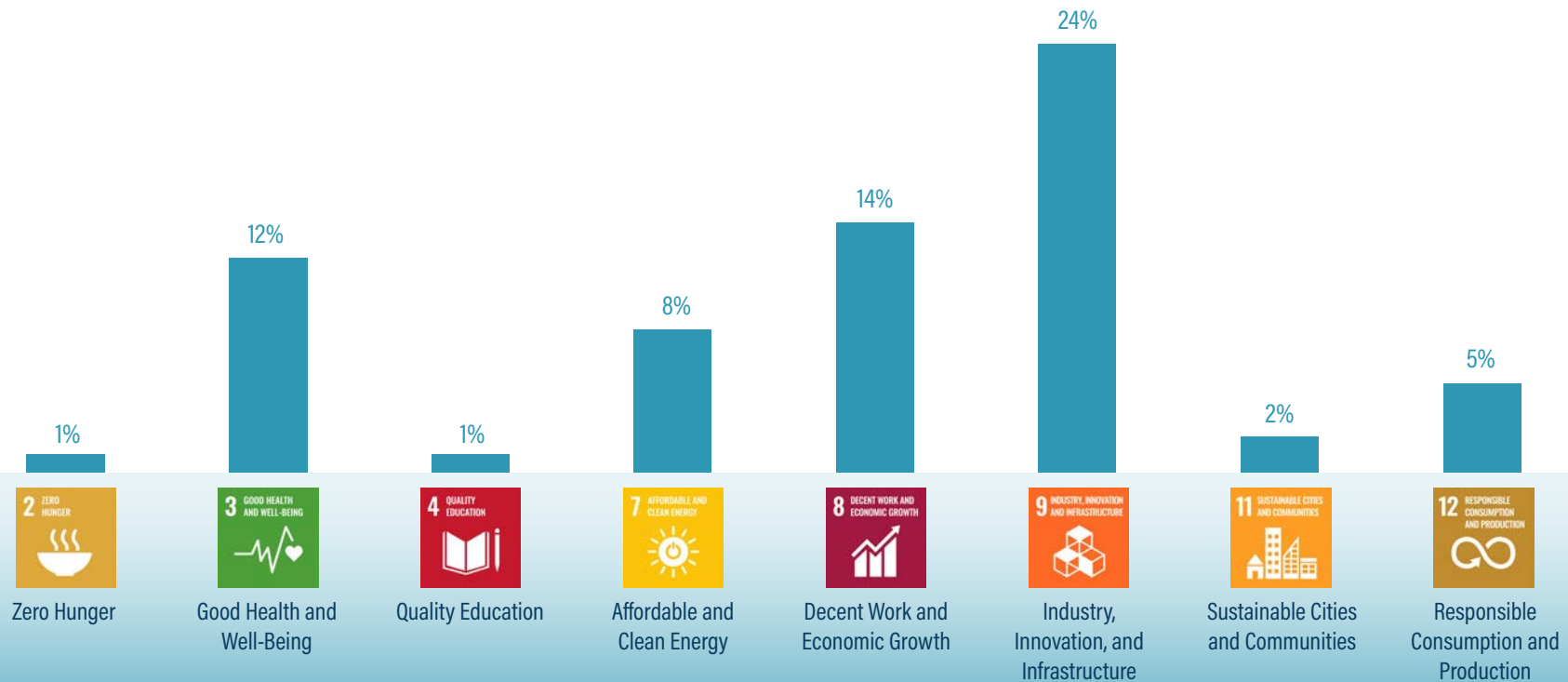
most important to a business and its stakeholders, given its industry. In addition, our scoring system rewards a company if its business by its nature provides a social or environmental good. The graphs below show the percent of portfolio holdings with a current focus on ESG factors.



Businesses Creating Value

Riverwater values the environmental and social value created by our portfolio companies by the very nature of their businesses, in alignment with the United Nations Sustainable Development Goals (SDGs).

The chart below shows the percentage of portfolio companies whose business targets a particular SDG. See all 17 UN SDGs on [page 12](#) or visit the [United Nations Department of Economic and Social Affairs](#).



Given that companies have embraced the notion of sustainability to create value, attention to ESG factors and reporting on it has improved over time. In order to capture the variance in sustainability efforts by our portfolio and peer companies, Riverwater enhanced its ESG

scoring methodology to be more gradient. All portfolio companies were scored using both the old and new system at the end of 2022; not surprisingly, all companies' scores declined under the new system.

Importantly, all portfolio companies' scores either stayed the same or increased from 2022 to 2023.

Environmental
Factors

CIRCULARITY	ENERGY STEWARDSHIP	WATER STEWARDSHIP	CLIMATE CHANGE STEWARDSHIP	WASTE STEWARDSHIP	SUPPLY CHAIN ENVIRONMENTAL STANDARDS
Recycled Materials used in Products/Packaging	Energy Stated Intentions	Water Stated Intentions	Climate Stated Intentions	Waste Stated Intentions	Standards Established
Circular Product Design	Energy Goals Set	Water Goals Set	Climate Goals Set	Waste Goals Set	Supplier Compliance
	Energy Measurement/Reporting	Water Measurement/Reporting	Climate Measurement/Reporting	Waste Measurement/Reporting	Internal Audit
	Energy Progress Toward Goals	Water Progress Toward Goals	Climate Progress Toward Goals	Waste Progress Toward Goals	External Audit

Social
Factors

FAIR TREATMENT OF EMPLOYEES	DEI	WORKER SAFETY	PRODUCT SAFETY	SUPPLY CHAIN HUMAN RIGHTS	COMMUNITY STEWARDSHIP
Fair Benefits/Pay	DEI Policy	Safety Policy/Procedures	Product Safety Protocol	Supply Chain Human Rights Policy	Donations of Time
Career Track	DEI Tracking	Below Industry Incident Rate	Zero Product Safety Incidents	Policy Aligned with UNGC HR	Donations of Dollars
Glass Door Rating > 3.5	Overall Diversity > 25%		Cybersecurity Protocol	Supply Chain Human Rights Audits	Reinvesting in Community (STEM Programs)
Employee Engagement	Senior Level Diversity > 25%		Zero Cybersecurity Incidents	Zero HR Incidents in Supply Chain	Community as a Stakeholder

Governance
Factors

SUSTAINABILITY REPORTING	EXECUTIVE DIVERSITY	BOARD DIVERSITY	CHAIR/CEO INDEPENDENCE	PAY TIED TO PERFORMANCE	STOCK OWNERSHIP REQUIREMENT
Sustainability Reporting Verbiage	20% Gender/Ethnicity/Age	Expertise Diversity	Chair/CEO Separate	Majority of Pay At-Risk	CEO: 5X
Materiality Assessment	25% Gender/Ethnic/Age	25% Gender/Ethnicity/Age	Lead Independent Director	Pertinent Benchmark Short-Term	NEO: 3X
Sustainability Reporting Framework Alignment	50% Gender/Ethnic/Age	50% Gender/Ethnicity/Age		ROIC Long-Term	Board Chair: 2X
Sustainability Reporting Progress	Sustainability Expert	Sustainability Lead			Board: 1X



PILLAR TWO: Engagement Efforts

The second pillar of Riverwater's Three-Pillar Approach to Sustainable Investing is Engagement. As active investors, we seek cooperative engagement with company leadership and board members about improving their responsible deployment of physical, human, and financial capital. Our partnership approach gives leadership the flexibility to focus on the ESG factors that are most material to the business and its stakeholders, which include society and the planet. It allows leadership to prioritize initiatives and seek real long-term solutions toward optimal value creation.

100%

**of Riverwater portfolio
companies maintained or
improved their Riverwater
ESG score in 2023**

Helping Companies Begin the Journey

Riverwater specializes in small-cap investment management. Not surprisingly, smaller companies are generally at an earlier stage in the ESG journey than their larger peers. As responsible investors, Riverwater helps executives understand how a focus on responsible capital deployment improves long-term value creation. We provide guidance for beginning and continuing the journey. Examples of two of our engagements are below.

Mayville Engineering

Mayville Engineering's (MEC) Investor Relations team requested a meeting with Riverwater to review MEC's current ESG policy and practice. We suggested that MEC perform a Materiality Assessment to determine where its stakeholders felt it should prioritize its sustainability efforts. Based on its industry, Riverwater's suggestions included:

- Product Life Cycle Circularity, if MEC is involved in design
- Energy Use Stewardship
- Water Stewardship
- GHG Policy aligned with TCFD
- Supply Chain Human Rights Due Diligence Policy and Practice in alignment with UNGPHRDD
- Governance - begin to seek greater diversity in executive team and board

MEC published its inaugural sustainability report in 2023, which included a materiality analysis to understand which sustainability and ESG topics were most critical to its investors, employees, shareholders, customers, and other community stakeholders. MEC reports on its energy use and water stewardship and has reduction goals in place. MEC has a supplier code of conduct that includes a human rights aspect.

During 2023 Riverwater Partners provided **17 companies** with educational resources regarding the benefits of a focus on ESG and tools to embed it into business practice and reporting. This is an ongoing effort, and much progress has been made as of 12/31/2023:

6 engaged during 2023 have begun publicly reporting their sustainability efforts

5 engaged during 2022 have begun publicly reporting their sustainability efforts

Plexus

Riverwater engaged with Plexus (PLXS) regarding its sustainability journey at our first meeting in fall of 2022. In October 2023, Riverwater was invited to review PLXS's inaugural sustainability report, which was completed based on multistakeholder input for its Materiality Assessment, and efforts underway for the most salient ESG factors. These include:

- DfE (Design for Environment), PLXS's circularity focused design services, making its business by its nature very responsible
- PLXS supply chain attention to human rights aligned with UN GPHR
- PLXS Zero-defect manufacturing, which is important given many of the products are used in health care
- PLXS gender/ethnic diversity employment at all levels of the company
- PLXS cybersecurity policy and practice that have to-date avoided cyberattacks
- PLXS GHG emissions policy in alignment with TCFD: targets for reduction established at Scope 1 and 2
- PLXS waste reduction through waste streaming
- PLXS focus on water stewardship: The company is doing an initial evaluation of its risk profile and has been in dialogue with The Water Council about potentially becoming a WAVE customer.
- PLXS ESG oversight at manager, executive, and board levels

SDG Alignment for Real World Impact

Each Riverwater Partners engagement effort is aligned with one or more of the [United Nations Sustainable Development Goals \(SDGs\)](#), aiming to impact real world issues.

SUSTAINABLE DEVELOPMENT GOALS



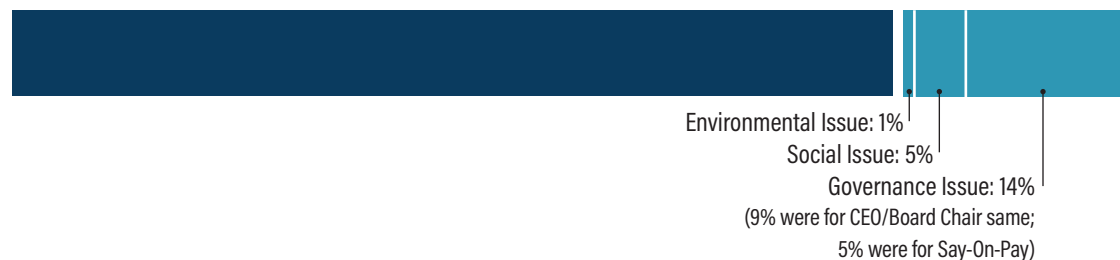
Engaging By Voting Proxies

Riverwater Partners votes proxies of portfolio companies according to our Proxy Voting Policy, which favors management and shareholder resolutions that align with our ESG views. While we generally vote in favor of resolutions prompting companies to do more relating to ESG, we carefully consider whether a resolution's request will result in better outcomes than the company is already pursuing. We do not predeclare our voting intentions. We write to Boards of Directors when we vote against management on a proxy resolution.

RIVERWATER VOTED 100% OF 516 PROXY PROPOSALS RECEIVED DURING 2023

Voted In Favor of Management: 80%

Voted Against Management: 20%





PILLAR THREE: Collaboration Efforts

The third pillar of Riverwater’s Three Pillar Approach to Sustainable Investing is Collaboration with sustainability entities and responsible investors to inform our practice and partner in engagement.

Membership in these organizations provides us with thought leadership on best practices, current trends, and impact, which enables us to focus our ESG lens effectively. Riverwater also partners with these organizations in engagement - with companies and policy makers - regarding salient ESG issues, to magnify our impact.

Riverwater collaboration with sustainability peers informs our engagement with portfolio companies, **which aims to guide them toward value creation.**



Signatory of:



Public Policy

Promoting Understanding of Sustainable Investing in Congress

Riverwater signed on to a US SIF letter encouraging House of Representatives members to join a new Congressional Sustainable Investment Caucus to focus on educating members of Congress about sustainable investment, advance sensible policies to ensure that sustainable investing continues to flourish in the US, and act as a counterweight against recent attacks that would limit investing that utilizes ESG data.

Outcome: On Wednesday, January 25, 2023, the Congressional Sustainable Investment Caucus (CSIC) was launched. US SIF worked closely with the co-chairs, Representatives Juan Vargas (CA-51) and Sean Casten (IL-06), and their staff in the planning and launching of this caucus. In addition to the co-chairs, founding members of the caucus are Reps. Emmanuel Cleaver (MO-05), Bill Foster (IL-11), Raul Grijalva (AR-07), Seth Magaziner (RI-02) and Brad Sherman (CA-32).

Help SEC Understand Investor Perception about its Proposed ESG Labeling

UN PRI was asked by the SEC for a summary of signatory letters and rationale regarding its proposed ESG labeling rules. PRI invited Riverwater to either categorize our fund(s) into one of the three proposed labels or make time to discuss our rationale. We informed the PRI that Riverwater's original letter advised against the SEC's labels because they are too broad and don't say enough to help investors make informed decisions regarding sustainable investment options. We believe funds should provide description about their process to help potential investors make sound and informed decisions about aligning their investments with their values.

Help Governments Understand Importance of Water Stewardship by Business

Riverwater signed on to CDP "Open Letter to Governments on Water Crisis," which called on all governments to:

1. Strengthen their National Sustainable Development Strategies for 2030 before the UN Water Conference in March 2023, to ensure a planned and equitable transition to a water secure world by 2030 or sooner.
2. Commit to ambitious, domestic short term water targets and outline a pathway, including clear water secure roadmaps, for each water-dependent sector.
3. Implement domestic policies to deliver these targets, incent private investments in water solutions and ensure ambitious pre-2030 action through: efficient mechanisms for pricing water risks and impacts, the removal of environmentally harmful subsidies by set deadlines, and the development of just transition plans for affected workers and communities.
4. Commit to implementing mandatory water disclosure requirements aligned with international best practice recommendations that work for people and planet, ensuring comprehensive disclosures that are consistent, comparable, and decision useful.

Help Ensure that AI Development/Deployment is Safe

Riverwater signed on to a statement in Support of Robust EU Artificial Intelligence (AI) Regulation that calls on the EU to strengthen the proposed Artificial Intelligence Act by considering and including changes to the proposed regulation to ensure the rights of all members of society are protected and does not limit civic freedoms and democratic processes.

Public Policy [continued]

Promote Climate Change Awareness

To send a collective message from companies and investors that climate change and other sustainability threats are material risks that should be considered in corporate and investor decision-making, Riverwater signed on to Ceres and We Mean Business (via B Corp) 'Institutional Investors and Businesses Reaffirm Commitment to Sustainable Investing and Corporate Climate Action' Letter – the **"Freedom to Invest" Letter**.

Affirm Support for DOL Rule Relating to ESG Consideration by Plan Sponsors

Signed onto US SIF letter to members of US House of Representatives and US Senate asking them to vote against the Congressional Review Act aimed at overturning the DOL final rule "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights."

The Rule does not mandate consideration of ESG, as proponents of CRA suggest. Specifically, the rule makes clear that:

1. A fiduciary's determination of an investment or investment course of action must be based on factors that the fiduciary reasonably determines to be relevant to a risk and return analysis;
2. Fiduciaries do not violate their duty of loyalty by taking plan participants' preferences into account when constructing a menu of plan options for participant-directed individual account plans;
3. The fiduciary duty to manage a plan includes the management of shareholder rights connected to shares of stock, such as the right to vote proxies.

Dialogue on Responsible Investing

During 2023, Riverwater Partners engaged with a variety of organizations on the virtues of Responsible Investing. We listened and we spoke about how the responsible deployment of human, physical, and financial capital are important for long-term prosperity:

- Engaged with UW-Madison students, alumni, and other interested persons about the importance of attention to People and Planet to ensure long-term Profit for business
- Engaged with UW-Madison ASAP students about ESG - what it is, why it matters, how Riverwater approaches it, how it is evolving, recent backlash, etc.
- Shared perspectives on ESG (sustainable investing) and data for positive social and environmental impacts and competitive returns on the podcast Person and Planet by Purevant Living
- Engaged with responsible investors, NGOs, sustainability organizations about the importance of a system stewardship approach to responsible investing

FOCUS ON WATER STEWARDSHIP

As a Water Champion, Riverwater values its association with The Water Council, a Milwaukee-based non-governmental organization with an international reputation for supporting corporate water stewardship and fostering water-related technology.



THE WATER COUNCIL

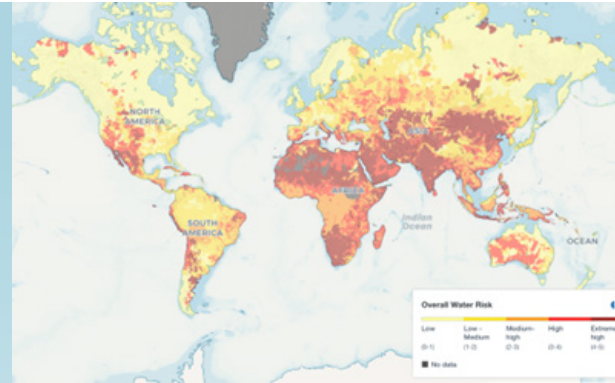
Cindy Bohlen served on a panel at The Water Council's 2023 Water Leaders Summit: Resilience

for Organizations in the Face of Climate Change around Water, offering the investor's perspective. Her message was:

Both highly dependent on water and a major driver of water-related impacts, business has a crucial role to play — and a vested interest — in delivering a water secure future.

The food, fashion, chemicals, pharmaceuticals, energy, industrial and mining sectors have a hand in 70% of the world's freshwater use and pollution. According to research by Ceres, at least 50% of the stocks listed in each of the four major US stock indices are in industries with medium to high water-related risks:

- The consumer staples sector could face a \$200 billion impact from water scarcity.
- In 2022, depleted and contaminated water supplies led to \$13.5B of stranded assets across four major industries (oil and gas, electric utilities, coal, and metals and mining).
- By 2030, it's projected that water demand will exceed supply by 56%. This has the potential to impact all industries, including some that one might not think about like semiconductors, which power everything we do.



The sustainable investment community is also desperately seeking credible frameworks to verify sustainability efforts and avoid “greenwashing” in portfolio companies. This is particularly true for water stewardship, which can be difficult to quantify due to water’s complex and hyperlocal nature. One initiative that addresses this is The Water Council’s program for enterprise-wide water stewardship verification, WAVE. We see WAVE as an ideal vehicle for management teams to identify their greatest water challenges and opportunities—and to create a plan to address them. We appreciate its approach that moves companies from intention to action.

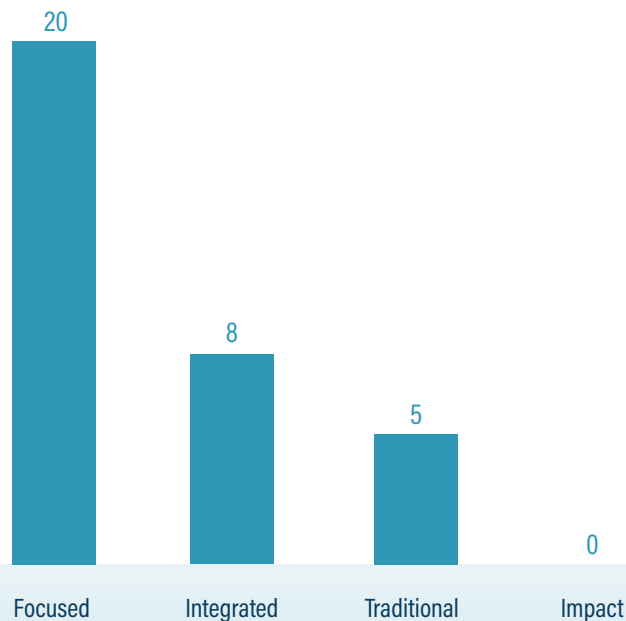
During 2023, Riverwater engaged with our portfolio companies in the industrial, technology, and food and beverage industries - industries that rely heavily on water for their business, and which have the potential to impact water resources - about their water stewardship efforts. We offered tools to assist with water stewardship and introduced them to The Water Council and its WAVE program. We will promote further collaboration and monitor progress.



Value Creation Impact OF EXTERNAL MANAGERS

The Investment Advisory Team at Riverwater conducts regular due diligence on external investment funds/managers included in our clients' portfolios, as well as research on new investment products that come to the market. As part of our due diligence we seek to understand how external managers incorporate ESG criteria in their investment process, how they engage with companies on material ESG factors, and on global sustainability themes that are important in creating financial and non-financial value.

ESG Ratings of Riverwater Select List



To continually validate our efforts, each fund/manager on our **Select List** undergoes an assessment based on their commitment to sustainable investing and is assigned to one of the following categories.

Impact Investing: Impact Investing aims to generate social or environmental impact alongside financial returns, focusing on specific UN PRI Sustainable Development Goals or impact themes, often managed through fixed income strategies or private markets funds with measurable ESG outcomes.

ESG Focused Investing: ESG Focused investing intricately integrates environmental, social, and governance factors into investment decisions, emphasizing engagement, proxy voting, and promoting measurable ESG outcomes, often targeting UN PRI Sustainable Development Goals with robust stewardship policies.

ESG Integrated Investing: ESG Integrated strategies incorporate ESG factors into investment processes, though less extensively than ESG Focused strategies, often using exclusionary or scoring methodologies, with less emphasis on engagement and proxy voting.

Traditional Investing: Traditional investing comprises broadly diversified strategies across equity, fixed income, and alternatives, without utilizing ESG criteria, driven solely by the opportunity for financial return.



Matthews Asia

Engagement Efforts of Outside Managers

External managers that land in our Impact Investing or ESG Focused Investing categories are actively engaged with their portfolio companies on sustainability issues that are material to their businesses and stakeholders. Here are examples of the important work being done by a few of these external managers.

EXAMPLE ONE: **Matthews Asia**

Matthews Asia has been a leading investment management firm focused on value creation in the emerging markets for many years. Long known for their inclusion of Governance factors (the “G” in ESG) in their investment process, Matthews has expanded their efforts on broader sustainability factors and themes. They make a strong case for the contributions of smaller companies in emerging markets countries toward a more sustainable future. According to a recent report (Fueling Sustainability in Emerging Markets (matthewsasia.com)), Matthews believes that “as countries are pressed into making their industries more sustainable, inclusive and equitable, doors can open for startups, whether they are helmed by visionaries, have new solutions to bring to the table or have innovative ways of working.”

Matthews actively engages with the companies they invest in and, like Riverwater, finds that smaller companies are quite willing to discuss ESG issues with them. These companies know that their growth potential and access to capital is often tied to sustainability factors, especially considering that the policies of many emerging markets governments are moving in that direction.

On a broader scale, many emerging markets countries are leading the charge toward clean energy. Considering money spent to deploy clean technologies (sustainable energy, electric vehicles, hydrogen, and carbon capture), the Asia Pacific region now represents more than half of the global energy transition investment, as well as the world’s highest growth rate.

In the emerging markets, consistency of data and reliance on third-party data providers has long been a challenge for investors. Therefore, Matthews has a deep team of researchers on the ground in emerging markets countries such as those in the Asia Pacific region. These researchers do extensive fundamental research on companies they invest in, with a strong focus on material ESG metrics that are driving a more sustainable economy for their region.



EXAMPLE TWO: **Impax Asset Management**

Impax Asset Management, a global investment firm, has been a leading voice in sustainable investing for 25 years. They were one of the first to launch a publicly available mutual fund that used social and financial criteria in the investment process. They were also the first firm to offer a mutual fund focused on investing in companies that advance women, as well as a fund focused on resource efficiency solutions. Clearly, Impax has a unique and valuable perspective on ways to create value through sustainable investing.

Julie Gorte, Ph.D., is the Senior Vice President for Sustainable Investing at Impax. Julie recently wrote an article (Investing to address biodiversity loss - Impax Asset Management (impaxam.com)) addressing global biodiversity-related finance. This is a big, and complicated, task, but Julie writes "Given the enormous value of nature for humanity and the economy, we believe that as awareness of the risks of biodiversity loss grows among policy makers and consumers there will be more long-term opportunities for solutions that reduce and remove these risks." It stands to reason that the stewardship of the Earth's natural resources is critical to sustaining life as we know it. Generally, biodiversity initiatives include: 1) agriculture, 2) aquaculture, 3) climate change, 4) pollution, and 5) invasive species. It will be important to devote capital to finding solutions to the serious challenges involved in each of these areas.

Impax does not currently manage a fund dedicated solely to biodiversity, but widely invests across their broader Environmental Markets strategy in companies with innovative solutions to these challenges. Impax is also an important thematic investor in our industry, with funds devoted to specific themes such as their Global Women's Leadership Fund, Global Sustainable Infrastructure Fund, and the Social Leaders Fund. It is good to have a voice like Impax in the sustainable investment marketplace.

EXAMPLE THREE: **Ecofin Investments, LLC**

Ecofin is a sustainable investment firm with offices in the U.S. and the U.K. Their strategies strive to provide solutions in private and public securities that address global challenges in climate action, water, and sustainable communities. Ecofin believes that these challenges are creating large capital needs and driving investment opportunities.

One of those strategies is offered via the Ecofin Global Renewables Infrastructure Fund (ECOIX). This strategy invests primarily in utilities that are leading the way in the multidecade transition toward green energy. Utilities around the globe are adapting and/or overhauling their business models to accommodate new greener technologies and decentralized power sources.

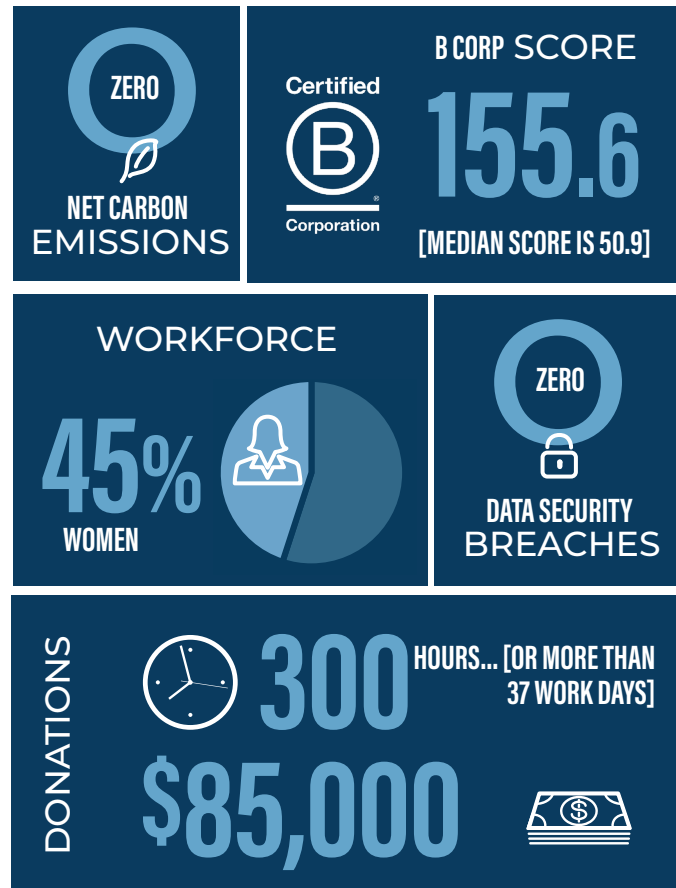
Ecofin believes that these forward-thinking utilities will be major beneficiaries of secular growth and should deliver attractive returns on their significant capital investments. The utilities owned by this fund generate 72.3% of their energy from renewable sources, such as wind, solar, hydro, biomass, and biogas.

A top five holding of ECOIX is Clearway Energy, which is one of the largest renewable energy owners in the U.S. with 2,000 megawatts of wind and solar generation, as well as battery projects across the country. Clearway produced energy to 1.7 million American households in 2022, 92% of which was generated carbon-free. Clearway is also active in The Renewable Energy Wildlife Institute, which aims to minimize the environmental impacts of renewable energy projects.

Value Creation Impact OF RIVERWATER PARTNERS

As a Certified B Corp, Riverwater Partners endeavors to responsibly use society's physical, human, and financial capital to create value for our clients, employees, community, and society generally. It's how we achieve our mission:

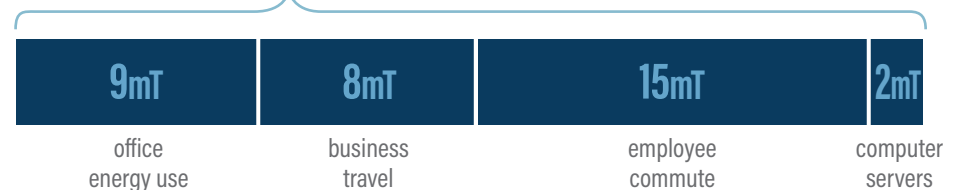
To make the world a better place by growing wealth through sustainable investing.



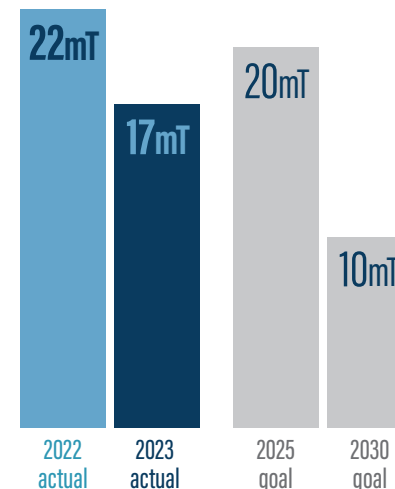
Net Zero Emissions

Riverwater's business, by its nature, does not produce a significant carbon footprint. However, we understand that climate change is one of the most pressing crises of our time, demanding the attention of all, which is why we recommend to all companies in which we invest that they focus on this important factor, and why we do, as well.

During 2023, Riverwater's Greenhouse Gas (GHG) footprint was the equivalent of **34 megatons CO2e** (vs 39mT CO2e in 2022):



Riverwater purchased carbon offsets from TerraPass, which directs money to projects that remove carbon from the atmosphere, and "offset" our carbon emissions.



TARGET SETTING

Riverwater Partners has set goals to reduce our GHG footprint per unit of revenue, or our carbon intensity, as we grow our business.

In 2023, Riverwater Partners surpassed its 2025 goal.

GHG Emissions intensity is shown in megatons of CO2e per \$1 million of revenue

Data Security and Privacy

Strong data security and privacy are paramount to the protection of our clients, and therefore, the success of our organization. This is true for every financial services company, and increasingly for all businesses.

Riverwater believes cybersecurity must be a firm-wide concern requiring awareness and collaboration at all levels. Our Cybersecurity Policies and Procedures were designed to ensure that controls and practices in place surrounding the firm's Information Technology infrastructure mitigate the risks of inadvertent disclosure of confidential client data, material non-public information, or a compromising event to our technical infrastructure.

These controls and practices are evaluated annually and incorporated at the administrative, technical, physical, software, and device levels. They include training, endpoint security anti-ransomware and anti-exploit technology; ongoing anti-phishing exercises; and strong password and multi-factor authentication on all accounts. Additionally, we undergo periodic cyber liability and IT policies and systems assessments to determine what weaknesses exist, if any, with our data security controls.

Riverwater Firm Culture

As a services business, Riverwater recognizes that our people are our most valuable assets. We strive to ensure team members feel valued and appreciated by offering opportunities for professional growth, fair compensation and benefits and encourage work-life balance.

In addition to health care stipend and 401(k) plan, all employees receive a \$1000 annual stipend for education and development and 100 hours to fulfill volunteer responsibilities.

Riverwater Giving

Riverwater Partners understands the importance of adding value to the communities in which we operate. Therefore, we commit to donating between 3 and 5% of our employee hours/revenue dollars to organizations that serve our local communities.

In 2023, Riverwater donated over \$85,000 to nonprofits, mostly in the greater Milwaukee community. Highlighting two of the charities we are proud to support:

[The Wisconsin Women's Business Initiative Corporation \(WWBIC\).](#)

WWBIC provides business loans and access to fair and responsible capital, business and financial wellness training and one-on-one coaching to women small business entrepreneurs in the greater Milwaukee area.

[River Revitalization Foundation.](#) The mission of the River Revitalization Foundation is to establish a parkway for public access, walkways, recreation, and education, bordering the Milwaukee, Menomonee, and Kinnickinnic Rivers; to use the rivers to revitalize surrounding neighborhoods; and to improve water quality. River Revitalization Foundation engages high school students as land stewardship interns, providing the opportunity to have exposure to all operations of an urban land trust and nonprofit management with a focus on land stewardship and restoration.



Over 300 hours of expertise donated to nonprofits, including:

- Seventh Generation Interfaith
- Milwaukee Repertory Theatre
- Wisconsin MicroFinance
- MCW Cancer Center
- First Tee
- Tempo Waukesha

Riverwater Partners

CREATING VALUE

Riverwater Partners is a Milwaukee-based investment advisory firm dedicated to investing responsibly. This enables us to create value for our clients and society.

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 Partners became the first certified B-Corporation in

Milwaukee in 2018. We are proud to be a Certified Women's Owned business.

We believe responsible investing, 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 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.

Our Values:

- Embracing humility and diversity of thought
- Striving for excellence with integrity and passion
- Generating measurable impact will enable Riverwater Partners to fulfill its mission to make the world a better place by growing wealth through sustainable investing.



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