

## ENGAGEMENT POLICY

JANUARY 2025

As active investors, Riverwater Partners engages company executives and boards to promote their long-term prosperity in alignment with long-term societal needs. Our goal is to promote meaningful impact over time with respect to improved corporate governance, fair treatment of all stakeholders, resilient environmental practice, and ultimately, superior financial outcomes and real economy benefits.

As investors in the small cap space, where companies are often early in their responsible business journey, we work to educate and share best policy and practice for a given company, based on its industry. Our ultimate goals are superior performance and increased impact over time.

Riverwater Partners Portfolio Managers and Analysts, including dedicated Responsible Investment personnel, seek collaborative engagement with company leadership. This allows a focus on the issues that are most important to the long-term viability and success of the company and its stakeholders and gives leadership flexibility to prioritize initiatives and seek solutions.

### **Engagement may take several forms:**

- Holding direct conversations with portfolio companies and issue experts regarding issues, trends, efforts
- Writing to portfolio companies regarding issues, trends, efforts
- Collaborating with other investors, companies, and advocates on issues, trends, efforts
- Voting Proxies according to our Proxy Voting Policy, which favors management and shareholder resolutions that align with our views
- Advocating for public policy that favors resilient environmental and social constructs
- Providing educational outreach to the marketplace

### **Methods for Selecting Companies for Engagement:**

- How do a company's efforts compare to those in their industry?
- Which practices are most important to the company?
- Which practices are most important to the environment and stakeholders?
- Which practices are most important to Riverwater and our clients?
- Has there been a controversial proxy vote or a controversy in general?

### **Monitoring Process and Response**

- Riverwater will monitor progress toward improved efforts.
- Riverwater will engage leadership toward achievement of goals.

- Riverwater will collaborate with other shareholders to engage company leadership to work toward goals.
- Riverwater will consider selling its position if a company remains unresponsive.