RIVERWATER STEWARDSHIP POLICY

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WHAT IS STEWARDSHIP?

Per UN PRI, "Active Ownership 2.0 is a vision for an evolved standard in Stewardship that is underpinned by an increase in investors' ambition and assertiveness. It builds on existing practice and expertise but explicitly prioritizes critical systemic goals and collective effort aimed at concrete outcomes, rather than processes and activities or narrow interests."

Outcomes, not incomes or profits

Active ownership 2.0 prioritizes the pursuit and achievement of positive real-world goals. While resources, activity metrics, and intermediate goals are among the levers available to signatories, these are neither sufficient nor universally relevant in the delivery of outcomes.

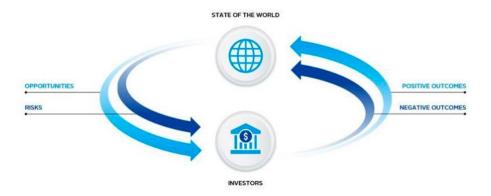
Common Goals

Systemic issues require a deliberate focus on and prioritization of outcomes at the economy- or society-wide scale. This means stewardship that is less focused on the risks and returns of individual holdings, and more on addressing systemic or 'beta' issues such as climate change and corruption. It means prioritizing the long-term, absolute returns for universal owners, including real-term financial and welfare outcomes for beneficiaries more broadly.

Collaborative Action

Focusing on collective goals and the delivery of positive real-world outcomes is possible only through enhanced collaboration among investors and service providers.

Challenges inherent in addressing collective systemic issues, such as the free-rider



problem (i.e. where some avoid the costs of addressing collective problems, while reaping the benefits), result in weaker pursuit of collective goals

relative to those where the distribution of costs and benefits is more equitable. This leaves collective interests comparatively under-addressed by signatories, despite their significance.

Enhanced collaboration – in a variety of forms – spreads the cost of addressing collective goals and is therefore central to achieving the required evolution in stewardship practice.

RIVERWATER STEWARDSHIP APPROACH

Align Objectives with SDGs

Riverwater has begun to align its Engagement effort objectives with the SDGs. For each engagement, one or more SDGs has been specified as a target real world outcome.

Align Business Practices with SDGs

Riverwater is a Certified B Corp and therefore aligns its own business practices with the SDGs.

Align Efforts with Like-Minded Organizations

Riverwater aligns its efforts with investors, investee companies, NGOs, public policy influencers, individuals, and government agencies to work toward better world outcomes.

Reporting

Riverwater reports on its progress toward achievement of and progress toward goals of its stewardship efforts via its B Corp assessment, UN PRI assessment, Sustainability Reports, proxy voting record, public disclosure to interested parties.