

An aerial photograph showing a river meandering through a landscape. On the left, a dense forest of green trees borders the river. On the right, a large, bright yellow field, likely rapeseed, is visible. The river flows from the top left towards the bottom right, curving around a forested peninsula.

Creating Value

RIVERWATER PARTNERS

2024 Sustainability Report

Riverwater Partners endeavors to create value for our clients who entrust us to

**grow their
wealth and
make the
world a
better place**

through responsible investing.

**This
is our
mission.**

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Value creation is our north star at Riverwater Partners.

Riverwater Partners creates value

for our customers, our employees, our local and global communities, and our planet through our responsible investment practice which seeks to grow wealth for our clients and make the world a better place – this is our mission.

Value is created by our Asset Management team

through its curation of small-cap equity portfolios of companies that have demonstrated superior returns on their responsibly deployed physical, human, and financial capital.

Value is created by our Wealth Management team

through client engagement to align individual financial strategy/ investment selection with individual life goals.

Value is created by our employees

as we adhere to the B Corp standard of using our business as a force for good to promote prosperity for all by protecting people and planet.

Thank you for placing your trust in Riverwater Partners

as we endeavor alongside you to fulfill our mission:

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

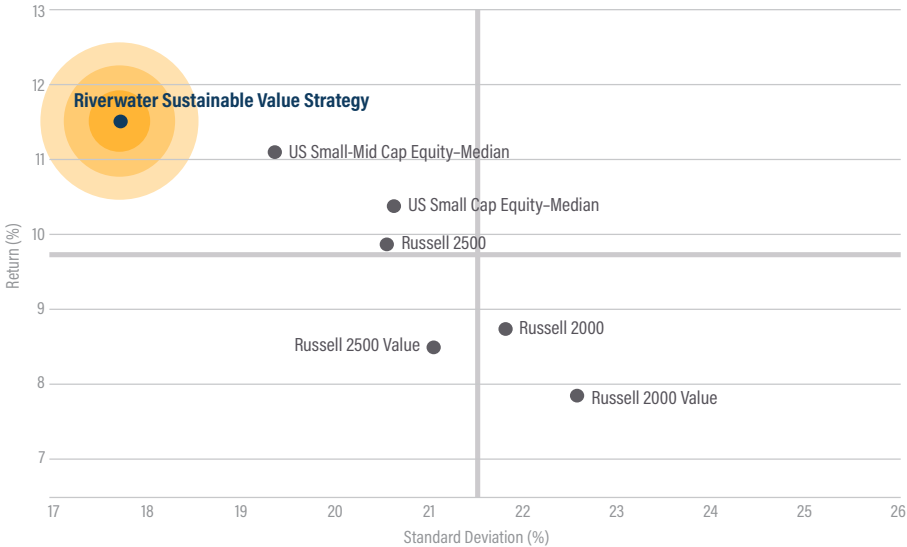


Cindy Bohlen, CFA
Chief Mindfulness Officer, Riverwater Partners

Value creation of Asset Management

Risk Vs. Returns

Annualized Since Inception 10/2016 - 12/2024



Source: eVestment 12/31/2016 - 12/31/2024

Annualized Returns

	3 mo.	1 yr.	3 yr.	5 yr.	since inception
Composite (gross)	2.59%	22.80%	10.86%	15.78%	12.64%
Composite (net)	2.34%	21.58%	9.77%	14.64%	11.52%
Benchmark (Russell 2500 Value Index)	-0.26%	10.98%	3.81%	8.44%	8.50%

Riverwater Partners claims compliance with the Global Investment Performance Standards (GIPS®). To receive a GIPS® Composite Report or a copy of our verification, please contact us. Performance is shown gross and net of fees. Net returns reflect the deduction of a model annual advisory fee of 1.00%, applied monthly. Actual fees may vary by account. Returns are time-weighted and include the reinvestment of dividends. Past performance is not a guarantee of future results. Investing in small- and mid-sized companies involves greater risk and volatility. All investments carry the risk of loss. Benchmark: Russell 2500 Value Index. Data is as of 12/31/2024 unless otherwise noted. Holdings may change at any time. The Sustainable Value composite was created in October 2016.

Delivering superior returns with lower risk.

Riverwater's Asset Management team invests in companies that bring value to society and shareholders by generating strong returns on their responsibly deployed physical, social, and financial capital. As long-term investors, and not stock traders, Riverwater invests in companies that are continuously innovating and adapting to the everchanging world. Innovation enables resilience and enhances revenue opportunity, driving returns on invested capital (ROIC), further driving stock returns. This enables us to fulfill our fiduciary duty to deliver superior returns with lower risk for our clients.

Riverwater Partners'

Three Pillar Framework

for Responsible Asset Management

Riverwater's responsible asset management framework assesses each investment candidate's stewardship of physical, human, and financial capital, in the face of the world's ever-changing environmental and social constructs. We actively engage with corporate executives on all factors that pose pecuniary risk/opportunity to the business and its stakeholders. Collaboration with thought leaders informs our practice.

Due Diligence reveals companies' responsible business practices.

Engagement allows us to consult with companies on improving their efforts.

Collaboration with thought leaders informs and supports our practice.



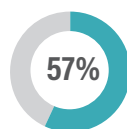
Pillar one: Due diligence

The footprint

Riverwater seeks companies that responsibly steward the human and natural resources they employ to conduct business. The footprint is a measure of the positive or negative impacts on society or the planet from a company's operations. Our proprietary scoring system measures each company's physical, social, and governance 'footprint' based on the factors shown here.

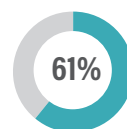


Physical Factors



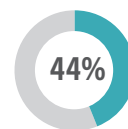
RECYCLED MATERIALS USE

48% employ circularity in product design



ENERGY STEWARDSHIP

54% measure and report specific energy metrics



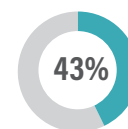
WATER STEWARDSHIP

44% measure and report specific water metrics



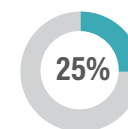
EMISSIONS STEWARDSHIP

47% measure and report specific emissions metrics



WASTE REDUCTION

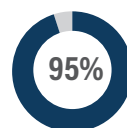
42% measure and report specific waste metrics/volumes.



SUPPLY CHAIN ENVIRONMENTAL STANDARDS

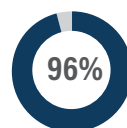
11% employ internal audits
9% employ external audits

Social Factors



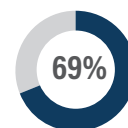
FAIR TREATMENT OF EMPLOYEES

78% of portfolio companies had a Glass Door rating > 3.5



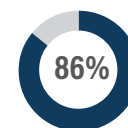
DIVERSITY, EQUITY, INCLUSION EFFORTS

81% have formal policy aimed at including diverse perspectives



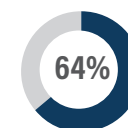
WORKER SAFETY

39% formally report above-industry safety rates



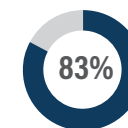
PRODUCT SAFETY

65% have formal cybersecurity policy.



SUPPLY CHAIN HUMAN RIGHTS

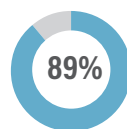
39% have human rights policy aligned with UNGP



GIVING BACK TO COMMUNITY

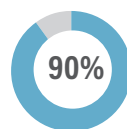
43% make investments in local communities

Governance Factors



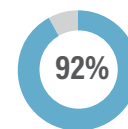
FORMAL SUSTAINABILITY REPORTING

54% have conducted a Materiality Assessment



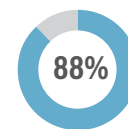
EXECUTIVE DIVERSE PERSPECTIVES

42% have a Sustainability Expert



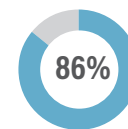
BOARD DIVERSE PERSPECTIVES

64% Have a Sustainability Lead



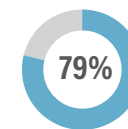
BOARD CHAIR/CEO SEPARATE

92% have a Lead Independent or Independent Board Chair



EXECUTIVE PAY TIED TO PERFORMANCE

50% have Performance Pay Tied to ROIC



STOCK OWNERSHIP GUIDELINES

65% of CEOs own 5X their base pay in stock

Donut graph numbers represent percent of Riverwater holdings that have some attention to the factor.

Due diligence continued

The handprint

Riverwater seeks companies whose businesses by their very nature bring specific social or environmental value to society or the planet. The handprint measures this positive impact, which is captured in our proprietary scoring system. In 2024, our portfolio companies' businesses contributed to many of the United Nations Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS

The chart below shows the number of portfolio companies whose business targets a particular SDG. For a full description of all 17 UN SDGs visit the [United Nations Sustainable Development Goals](#).

of companies contributing to each goal



The handprint of Riverwater portfolio companies isn't always obvious because it often lies in the innovation of their products/services.
Examples of value creation by Riverwater companies:

SDG 9: Industry, Innovation, Infrastructure



Ciena Corporation's photonics technology provides the lowest cost/lowest power/lowest latency solution for moving bits of data in the network. Over the past decade, while increasing fiber capacity by 35X, Ciena equipment has achieved 25-30% annualized cost and power/bit reduction for its customers and avoided over 5.5 million tons of CO2.

SDG 7: Affordable and Clean Energy



ICF International's CO2SIGHT Tool helps electric utilities explore decarbonization scenarios to achieve climate and clean energy goals. ICF works with customers toward transportation electrification, building decarbonization, and clean energy and has modeled a path for the United States to eliminate more than 40% of GHG emissions by 2030 and nearly 90% of GHG emissions by 2050 relative to 2005, in alignment with its Paris goals.

SDG 11: Sustainable Cities and Communities



The Federal Agricultural Mortgage Corporation, also known as Farmer Mac, has helped fund loans to over 86,000 rural borrowers in all 50 states, which has provided more than \$90 billion of investments in rural America. This includes loans to purchase land, extend working capital, install clean energy, bring broadband access, etc., all aimed at driving resilience in American farmers, their families, and their communities.

SDG 3: Good Health and Well-Being



Quest Diagnostics serves 1 in 3 Americans each year, performing 200 million tests to provide diagnostic insights to improve lives. Quest seeks to address disparities in healthcare access through its Quest for Health Equity (Q4HE) initiative.

SDG 6: Clean Water and Sanitation



Modine Manufacturing Company's Airedale cooling systems reduce data center energy use by up to 44%, which is important because data centers are projected to account for 8% of total global energy use by 2030 up from 3% today. Additionally, Airedale cooling systems allow for lower water intensity, enabling avoidance of 389 million gallons of water use in data centers in 2021.

SDG 8: Decent Work and Economic Growth



Founded in 2014 by former U.S. Army Green Beret Evan Hafer, Black Rifle Coffee Company was built upon the mission to serve coffee and culture to people who love America. A Veteran-founded business operated by principled men and women who honor those who protect, defend, and support our country, Black Rifle is committed to hiring 10,000 Veterans to provide opportunities to the military community that helped build our country.

SDG 11: Sustainable Cities and Communities



Palomar Insurance Corporation is a leader in providing insurance coverage for earthquakes, hurricanes, floods and other perils. Palomar leverages data from industry-leading catastrophe models to evaluate and accurately price exposures at the ZIP code or geocode level based on characteristics particular to the risk, allowing it to offer comprehensive protection and tailored pricing for individuals and businesses in geographies plagued by natural disaster where securing insurance is challenging.

SDG 4: Quality Education



Grand Canyon University educates 100,000+ students annually, offering them an education that is affordable, attainable, and relevant. Tuition has remained flat for 10 years. GCU graduates generally receive attractive "return on spend" based on Gainful Employment income disclosures.

A partnership approach

Riverwater's asset management team engages with corporate executives and board members regarding their responsible deployment of human, physical, and financial capital. We focus on factors that have the potential for material real-world and pecuniary impact on their business and stakeholders, all aligned with one or more [United Nations Sustainable Development Goals \(SDGs\)](#).

of companies engaged per goal



Amdocs Cybersecurity



During a dialogue with Matthew Smith, Investor Relations, we inquired about Amdocs's business opportunity as well as risk mitigation as it relates to offering cybersecurity for its communications service provider customers. Amdocs, an ISO 27001 certified organization, now shares publicly that its cybersecurity strategy is designed to ensure that all employees and contractors adhere to its robust policy. Cybersecurity oversight is governed by the CFO, COO, and a dedicated board member and audit committee. Information security and cybersecurity awareness training is mandatory and includes phishing and social engineering simulations. Amdocs's established incident response processes provide clear guidelines and escalation protocol in the case of a breach. This includes multiple internal incident reporting channels, all handled by its 24/7 global cybersecurity center. Amdocs conducts an ongoing 3rd party vulnerability assessment across all devices, as well as recurring external

penetration testing to critical assets to assure Amdocs is protected from external threats.

Further affirmation of Amdocs's robust strategy was a third-party security risk assessment by UpGuard, which gave Amdocs an 'A' with 808/950 possible points scored.

Jones Lang LaSalle Incentive Pay Structure



Sent letter to Jones Lang LaSalle (JLL) Board of Directors suggesting that JLL adopt ROIC as a long-term metric to determine long-term incentive compensation, given its superior link to value creation. During dialogue with Scott Einberger, JLL IR, and Lisa Round, Head of Executive Compensation, to discuss incentive compensation, Scott and Lisa discussed the history of JLL's compensation program, which has always included both short- and long-term metrics. The new CFO has a strong affinity for ROIC for the company, and that metric has been discussed in the

past. Scott and Lisa made a good case for the current metrics in alignment with value creation for all stakeholders, and said they would take our ideas to the compensation committee for further consideration.

LeMaitre Responsible Business Reporting



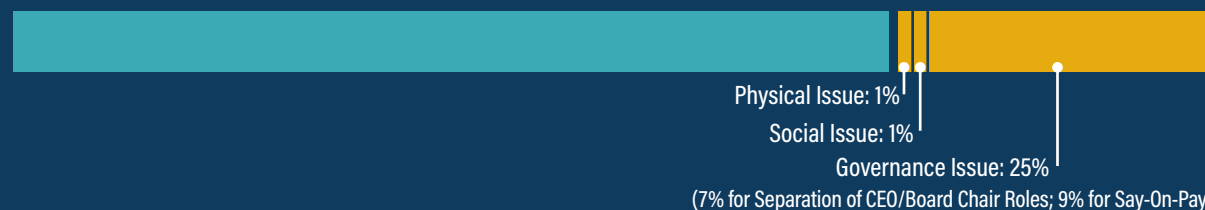
We have engaged with the management team of LeMaitre (LMAT) regarding reporting on salient responsible business practices. CFO JJ Pellegrino discusses LMAT's efforts and positive impact of its focus on strong corporate culture and innovation/product safety in a video on the company website. In addition, LMAT's website includes a letter from CEO George LeMaitre highlighting its manufacturing facility certifications, product quality/safety, and workforce diversity. It includes policies: Conflict minerals disclosure, supplier code of conduct, EEO statement, employee benefits, board diversity, diversity & inclusion, code of conduct.

Proxy Voting

Riverwater votes all proxies in alignment with our Proxy Voting Policy which favors management and shareholder resolutions that align with our responsible investing philosophy.

Total Votes In Favor with Management: 73%

Total Votes Against Management: 27%



Creating a strong foundation for business.

Signatory of:



Riverwater collaborates with thought leaders on responsible business practices to inform our practice and partner in engagement. Collectively we understand that protecting the environmental, social, and governance structures on which all businesses rely is imperative for their prosperity.

Public Policy

Riverwater engages with public policy makers toward policy that will lead to resilient social and environmental systems that create a strong foundation for business to thrive. The following examples highlight Riverwater's policy engagement initiatives.

Goal to End Plastics Pollution

Riverwater signed on to the UN PRI Statement from the Private Financial Sector to the Member States Negotiating the International Legally Binding Instrument (ILBI) to End Plastic Pollution. The purpose of this statement is to demonstrate support from the financial sector for an ambitious international legally binding instrument to end plastic pollution and to set out what a robust agreement would include from the perspective of the financial sector.

This statement was drafted by UNEP FI, PRI, Finance for Biodiversity Foundation, Business Coalition for a Global Plastics Treaty, Dutch Association of Investors for Sustainable Development (VBDO) and CDP. It is endorsed by 160 financial institutions representing over c. (US) \$15.5 trillion in combined assets.

Goal to Mitigate Climate Change

Signed on to 2024 Global Investor Statement to Governments on the Climate Crisis, encouraging a whole-of-government approach to implement policies in line with countries' nationally-determined contributions (NDCs) and a 1.5°C scenario, recognizing common but differentiated responsibilities and respective capabilities between emerging and developed economies, that will accelerate private sector action and large-scale investment.

Aim to work in partnership with AIGCC, CDP, Ceres, Investor Group on Climate Change, IIGCC, UN PRI, UN Environmental Program to encourage governments to implement policies in line with countries' nationally-determined contributions and a 1.5°C scenario.

Water Stewardship

Climate change is the crisis of our time. Importantly, the effects of climate change will be felt by most in the form of water. This includes businesses that depend on water used in their products and operations. Society also depends on businesses to be good stewards of water to ensure that it will be pure and plentiful for all.

Working in partnership with the Ceres Valuing Water Finance Initiative, and other responsible investment managers, Riverwater had dialogue with a food and beverage company regarding progress to establish policy and best process for water stewardship in its operations, including supply chain. The company shared its 2024 Environmental Policy which is a very good start. Riverwater also introduced the company's head of ESG to The Water Council, a Milwaukee-based and globally-recognized expert in water stewardship to discuss potential partnership toward improved policy and practice. Dialogue is ongoing.

Riverwater engaged a contract manufacturing company regarding its water stewardship in operations, as well as the design and engineering process. The company recently completed its first water risk assessment, which is the first step. We introduced them to The Water Council to consider its WAVE program, which helps a business begin to implement water stewardship best practice.

Value creation of Wealth Management

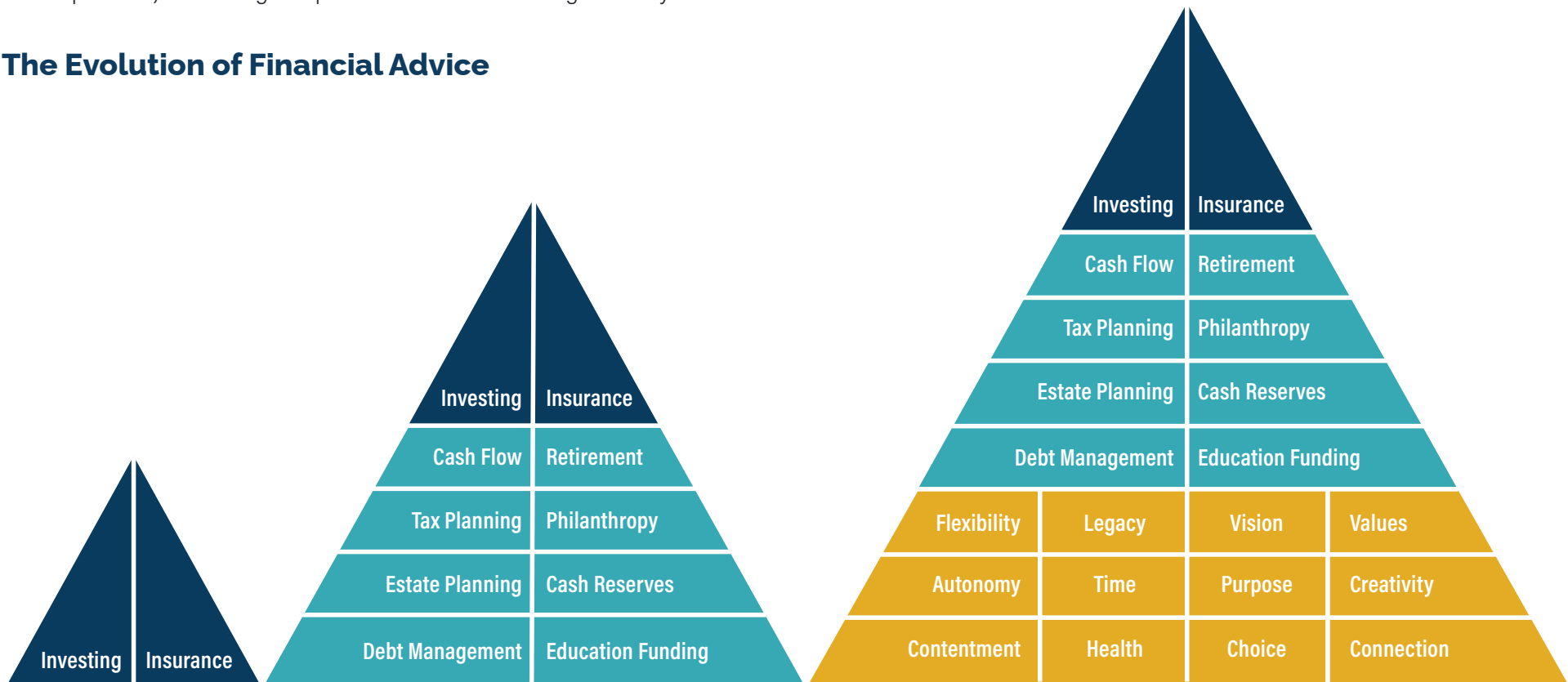
Value creation of Wealth Management has evolved over decades from simply providing clients with access to mutual funds in the 1990s to helping clients align their financial decisions with what truly matters to them – their purpose, value, and their mission in life. This is a powerful shift because when executed well, wealth management becomes not just a process to manage money effectively, but a way to help clients live their best life.

Riverwater's Wealth Management client experience begins with a comprehensive understanding of each client's unique profile (financial background, core values, investment objectives, risk tolerance, and long-term aspirations). This thoughtful process enables clients to gain clarity on

their financial identity, visualize their desired future, and proceed with well-informed confidence in their financial decisions.

Our comprehensive financial planning approach integrates detailed cash flow analysis, strategic income tax planning (coordinated with CPAs), customized education funding strategies, risk mitigation planning, and tailored trust, estate, and generational wealth transfer solutions (developed in collaboration with estate planning attorneys). By establishing a thorough understanding of your financial resources, we create alignment between clients' values, available assets, and long-term financial objectives.

The Evolution of Financial Advice



Riverwater's investment management process is rooted in disciplined risk management guided by our clients' unique financial goals, through thoughtful portfolio construction, strategic investment selection, and ongoing financial planning. This includes:

Active Manager Selection: We conduct rigorous due diligence to identify and partner with fund managers who have demonstrated strong performance and consistency in generating value.

Passive Efficiency: Where active management has limited outperformance potential, we utilize low-cost, passive investments to optimize returns and reduce fund expenses.

Opportunistic Positioning: We maintain the flexibility to capitalize on unique opportunities while adhering to disciplined long-term investment principles. This approach allows for thoughtful diversification across multiple asset classes, including strategic allocations to alternative investments that offer distinctive value.

Purpose-Driven Investing: We integrate responsible investment factors into investment decisions to align portfolios with our clients' values while maintaining a focus on long-term capital appreciation.

Tax-Efficient Wealth Building: We incorporate tax-loss harvesting, asset location strategies, and capital gains management to maximize after-tax returns and preserve wealth.

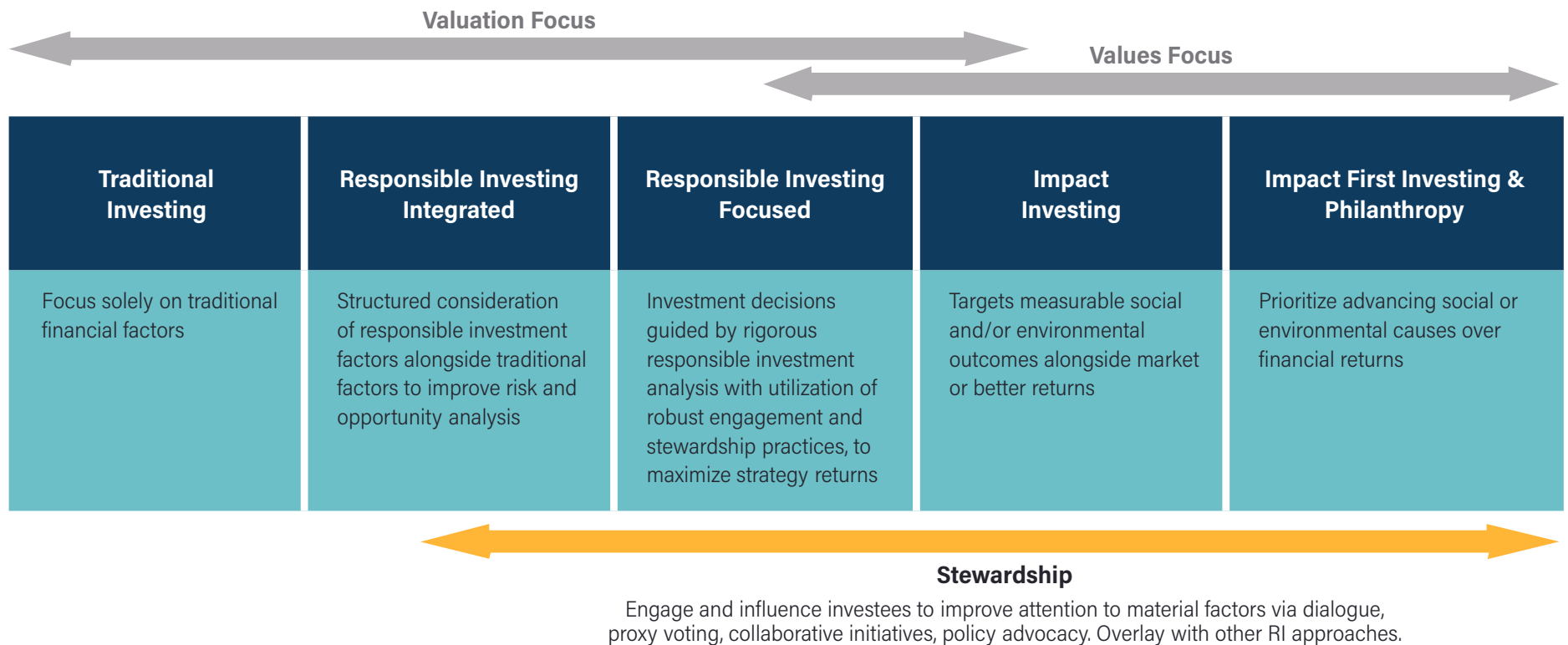
Principled Risk Management: We balance growth opportunities with prudent risk oversight, helping smooth out portfolio volatility over time.

Aligning financial decisions with personal values.

Our clients have unique goals.

Riverwater Partners helps select investment options to provide clients with the combination of Value Creation and Values Alignment best suited to achieve their real-world and financial goals.

Responsible Investment (RI) Value Creation Spectrum



RI Focused Manager: Boston Trust Walden



With a track record dating back to 1975, Boston Trust Walden systematically incorporates responsible investment considerations into its investment decisions by evaluating how material factors affect

a company's financial profile. Their proprietary materiality framework assesses the potential influence of these factors on key performance drivers like revenue, expenses, and risk exposure, ultimately determining the factors' impact on valuation and overall business quality.

The integration process is structured in three key steps: identifying sustainability-related risks and opportunities specific to a company's industry and operating context; conducting in-depth research using a broad array of sources to assess the company's overall sustainability profile; and finally, evaluating company performance against determined risks and opportunities to judge financial materiality.

By embedding these insights into fundamental analysis, Boston Trust Walden seeks to uncover companies with stronger licenses to operate, lower risk profiles, and greater long-term growth potential, all of which contribute to durable value creation for clients.

Impact Manager: Community Capital Management



Community Capital Management has a 25-year history of managing impact bond portfolios. The CCM Community Impact Bond Fund is an investment grade, intermediate-duration bond fund seeking capital preservation, current income, and maximum returns.

The fund has a dual mandate to deliver attractive risk-adjusted returns and positive societal outcomes. CCM achieves this mandate by investing in well-researched bonds that have direct and measurable impacts as stated in the use or intent of proceeds.

Each bond's use of proceeds must align with one or more of CCM's impact themes. A significant portion of these investments qualify under the Community Reinvestment Act (CRA) of 1977. CCM conducts all impact analyses internally, leveraging data sources such as High Poverty Census Tracts designated by the Federal Financial Institutions Examination Council (FFIEC) and First-Time Homeowner criteria defined by the US Department of Housing and Urban Development (HUD).

Through this disciplined approach, CCM seeks to generate competitive returns while aligning clients' capital with their values, enabling investors to achieve both financial objectives and meaningful societal impact.

Understanding the spectrum of responsible investment approaches enables investors to select strategies that align their financial objectives and personal values.

Our people are our most valuable assets.

Value creation of Riverwater employees

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 2024, Riverwater donated over **\$77,500 to nonprofits** at the local, national, and international levels, with a focus on the greater Milwaukee community. Our team members contributed **262 hours of volunteer service**—an average of 26.2 hours per employee—including two river clean-up events that removed more than 30 pounds of garbage from the Milwaukee Riverbasin.

Scholarship & Internship Program

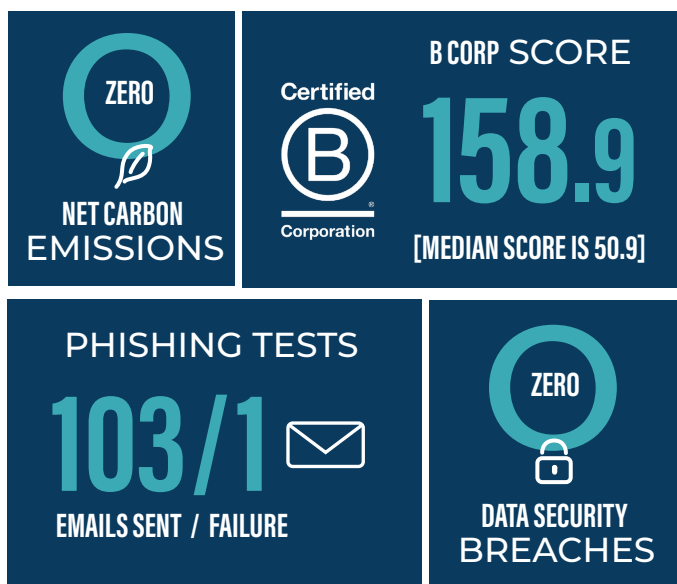
Riverwater Partners is proud to offer a need-based scholarship for Junior, Senior, and Graduate students accepted into the Lubar School of Business Investment Management Program. This initiative aims to encourage students from disadvantaged financial backgrounds to consider careers in investment management. Beyond financial support, scholarship recipients gain valuable industry experience through internship opportunities at our firm, providing hands-on experience in sustainable investing.

Community Impact

Our team continued to share expertise with numerous nonprofit organizations, including:

- Environmental conservation initiatives
- Local arts organizations
- Healthcare and medical research institutions
- Financial literacy and economic empowerment programs
- Youth development organizations

Through these partnerships, Riverwater Partners remains dedicated to our mission: To make the world a better place by growing wealth through sustainable investing.



Data Security and Privacy

Strong data security and privacy remained paramount to protecting our clients and ensuring our organization's success in 2024. Our comprehensive cybersecurity program continued to yield positive results:

- Zero data security breaches
- 103 phishing test emails sent to employees with only one failure
- One comprehensive penetration test performed with zero successful penetrations

Riverwater maintains its commitment to cybersecurity as a firm-wide concern, requiring awareness and collaboration at all levels. Our Cybersecurity Policies and Procedures are evaluated annually and incorporate controls at the administrative, technical, physical, software, and device levels.

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.

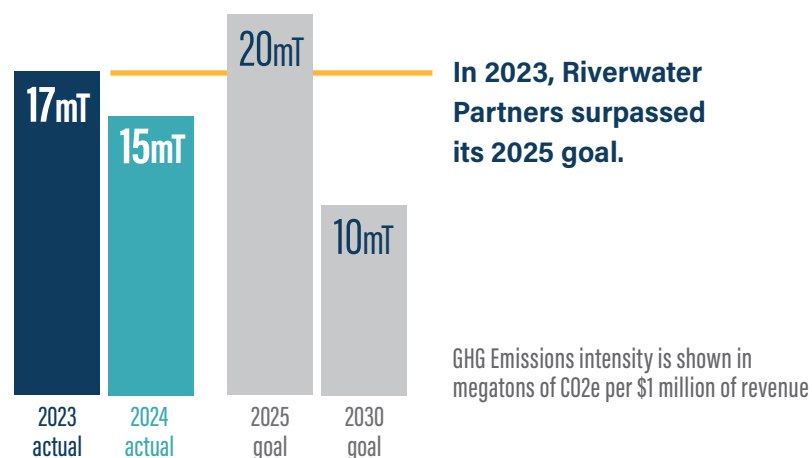
During 2024, Riverwater's Greenhouse Gas (GHG) footprint was the equivalent of **34 megatons CO₂e** (vs 34mT CO₂e in 2023):



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.



Riverwater Partners

Our Vision

To be a leading responsible investor 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 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

Embrace humility and diversity of thought

Strive for excellence with integrity and passion

Generate measurable impact

Champion a culture of teamwork and collaboration

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 offers wealth management and asset management services to individuals, nonprofits, and institutions.

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. Using business as a force for good, our responsible investing practice aims to create value for our clients, our firm, our communities, our society, and our planet.

RIVERWATER PARTNERS
www.riverwaterpartners.com