

RIVERROCK



RiverRock Environmental, Social and Governance
("ESG")
Rating Framework
Q1 2022

DOUBLE ESG RATING

In addition to following exclusionary criteria and a strict do no harm approach, RiverRock actively seeks out investments with the potential to make positive impacts on poverty, the environment and society. RiverRock's in-house ESG rating framework estimates the positive impacts and applies a **Sustainable Opportunity Rating** to each potential investment.

Across its various funds and strategies, RiverRock works with multiple companies who have their own ESG policies and governance. In order to control and monitor these companies to ensure they are aligned with RiverRock's ESG standards, we grade each of them with an **ESG Risk Management Rating**.

This double ESG rating system enables RiverRock to be transparent with investors; disclosing each fund's ESG performance and evolution through time as new investments are made.

SUSTAINABILITY OPPORTUNITY RATING

As part of our origination and due diligence process, we incorporate the consideration of principal adverse impacts of investment decisions on sustainability factors. Whilst rating and comparing the environmental, social or governance benefits each investment provides can sometimes be subjective, RiverRock monitors all available impact indicators such as CO2 emissions, energy consumption, waste management, economy growth, and equality benefits during each investment's life cycle.

Sustainable Opportunity Rating	
<i>Rating</i>	<i>Criteria</i>
5	The primary asset or company is inherently sustainable, generating tangible positive environmental or social impacts
4	Sustainability is heavily embedded into operations, driving efficiencies and significantly reducing environmental and social impact of activities
3	The investment or company's primary purpose is not ESG. Has exposure to some sustainable business activities in its operations or products/services
2	Not generating any tangible environmental or social impacts
1	Transaction in an industry on the exclusion list

ESG RISK MANAGEMENT RATING

As part of our origination and due diligence process, each company RiverRock works with must complete an ESG Risk Management Checklist covering environmental, social and governance risks. RiverRock's internal ESG model further calculates an ESG risk management rating based on their answers. Checklists and rating calculations can be tailored by strategy to emphasise the score towards each fund's specific targets (i.e. Sustainable Development Goals (SDGs)). RiverRock keeps track of the evolution of its partners' ratings by resubmitting checklists on at least a semi-annual basis for every fund (higher frequency for SFDR article 8 and 9 funds).

ESG Risk Management Rating		
<i>Rating</i>	<i>Score from checklist</i>	<i>Criteria</i>
5	80-100%	Robust ESG management systems in place
4	60-79%	ESG policy and measures put in place to assess and manage ESG risks
3	40-59%	Moderate exposure to ESG risks, basic ESG risk management
2	20-39%	No or little management in place for ESG risks
1	0-19%	No consideration of ESG factors and risks

TAILORED AND ADAPTABLE SOLUTION

Although the main goal of RiverRock's double ESG rating system is to be as transparent as possible to our investors and prevent greenwashing, our in-house tailored solution has other advantages:

- Reporting: Helps track specific impacts and build ESG reports in compliance with European regulations
- Benchmarking: Facilitates comparison of investments' and companies' ESG ratings between each fund, and enables us to track the evolution of such comparison through time
- Challenging investees: Incentivises RiverRock's partners to improve their ESG policies and make a positive impact on society
- Adaptable: Built to follow ESG regulations and rating methodologies updates