RiverRock Impact Report 2023

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2023 at a Glance

75% Loans with ESG Characteristics*

100% Investments promoting ESG & Sustainability**

357,607 kWh of Renewable Energy

100% ESG Training

Improved Gender Diversity***

GHG emission Reduction

*RiverRock Senior Loan Fund (RSLF1)
**ARAC Fund
***Fund & Firm level

Letter from Our CEO

As part of its DNA, RiverRock Group provides small and mid-cap corporates in Europe with long-duration financial support and actively seeks out investments with the potential to make a positive impact on stimulating local economies. We aim to address the drivers of climate change and create economic benefits for society as a whole, as we believe that investments with such characteristics stand to outperform in the long term.

Our investment teams share an acute awareness of their duties as stewards of our clients' assets and this perspective underpins all of our investment decisions. Pre-investment, Environmental, Social and Governance factors play a major role during the proposal evaluation stage of each investment opportunity and post-investment. We consider such factors as fundamental components of our investment portfolio monitoring process. As part of its responsible investing approach and recognition of sustainability-related financial disclosures, RiverRock assesses its material ESG and sustainability-related risks, including climate risk, and will share these findings with its investors.

Despite the continued challenges posed by the Covid-19 pandemic, RiverRock weathered the storm as our engagement with investee companies allowed us to pre-empt any problems and roll out action plans to stabilise companies as required. Internally, RiverRock employees adapted comfortably to the enhanced working-from-home policy and an employee assistance program provided mental, physical and emotional wellbeing support to help our employees through this tough period.

Since 2017, Environmental, Social and Governance issues have been embedded in our investment process. This year our foresight was rewarded, as our customers and portfolio companies proved resilient in the face of economic shocks from the pandemic, both in the communities we serve and along the supply chains we finance. We are proud of the successes we achieved this year, both financially and non-financially: generating significant measurable positive impacts through the companies we invested alongside. To do this, we focused on engagement, climate risk and employee welfare amongst our investees.

Our infrastructure strategy was recognized as industry leading through PRI, receiving an 'A' rating in all UN PRI reporting since 2021.

Since 2021, RiverRock has implemented a double ESG rating methodology developed in-house which is used across all funds. This allows us to filter out investments which do not conform to RiverRock's ESG commitments. Additionally, we are incentivising our partners to improve their ESG risk management processes. ESG training is being provided to all RiverRock employees.

As we did the previous year, we held the UN's Sustainable Development Goals ("SDGs") at the forefront and are happy to share the results of our efforts in helping to deliver on SDGs 3 (Good Health and Wellbeing), 4 (Quality Education), 5 (Gender Equality), 6 (Clean Water and

Sanitisation), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry Innovation and Infrastructure), 11 (Sustainable Cities and Communities), 13 (Climate Action), and 16 (Peace, Justice and Strong Institutions). Thanks to our new ARAC fund, RiverRock is now also helping to deliver on SDGs 10 (Reduce Inequalities) and 17 (Partnerships for the goals). RiverRock believes the Sustainable Development Goals provide a sound guide to identifying, creating, and measuring impacts.

We are optimistic that our continued engagement with companies and education of employees, as well as supporting our local communities, will enable us to create significant positive impacts in the coming years and enable RiverRock to have continued success.

Alignment with our clients is central to everything we do, and we are proud to be supported by a diverse investor base, incorporating public institutions, public and corporate pensions, insurance companies and family offices. Long term success relies on the quality of our investment decisions and increasingly, this is achieved by doing so through the lens of sustainability.

Yours Sincerely,

Michel Péretié
Partner & CEO

Key Initiatives during 2023

At RiverRock, ESG is at the cornerstone of all investment decisions. As part of an ever-evolving business group, we always strive to enhance and enrich our understanding of the environment we operate in, alongside the challenges that are posed. Driven by this spirit, we took several initiatives that broadened our scope and strengthened RiverRock's ESG risk management. Some of these initiatives included:

- **Two new SFDR Article 8 funds:** RiverRock has launched two new SFDR Article 8 funds: RiverRock Senior Loan Fund II (RSLF2) and RiverRock Absolute Return Alternative Credit Fund (ARAC). RSLF2 and ARAC are targeting to have respectively at minimum 80% and 70% of their assets promoting ESG.

- **Net Zero Asset Managers Initiative member:** RiverRock did commit to support the goal of net zero greenhouse gas emissions by 2050 or sooner, by becoming a signatory of the Net Zero Asset Managers Initiative. We will set our 2050 and interim targets and begin the annual reporting process in line with TCFD recommendations.

- **Integrating ESG & Sustainability into Compensation policy:** A process integrating ESG & Sustainability factors into compensation process (i.e., linking Executive/PM variable pay/bonus with ESG & Sustainability factors and incorporating ESG factors into individual employee performance)

ESG Risk & Sustainability Management

RiverRock considers the UN's Sustainable Development Goals in its investment process and ensures the compliance of its investments working towards delivering these goals through pre-defined targets. We approach sustainability through a three-prong approach: under the umbrella of the SDGs, using a detailed ESG metrics checklist, then implementing impact indicators tied to fund-specific criteria which we monitor on a regular basis. RiverRock is also a Signatory of UNPRI.

RiverRock is delighted to be awarded an A rating in the UNPRI 2020 report. The United Nations Principles for Responsible Investment (UNPRI) in July 2020 granted RiverRock an A rating for Strategy and Governance and an A rating for Infrastructure. This reflected a strong improvement on last year and testament to RiverRock's evolution as a leader in sustainable investing. This score is an independent recognition of RiverRock's execution and commitment to transparency and best practices. The high scores from UNPRI attests to RiverRock's integrated Environment, Social and Governance (ESG) investment processes. RiverRock reported in the Fixed Income, Corporate Non-Financial asset class for the first time in 2020, scoring a B which is the median score among peers. RiverRock commits to an evolution of working internally and with portfolio partners on sustainability and impact measures. RiverRock is among the first funds with such a diversified set of strategies, from Working Capital and Direct Lending to Credit and Infrastructure, to sign up to UNPRI and implementing the best ESG practices across the Group.

Sustainability Risk Policy
As part of its responsible investing approach and recognition of sustainability-related financial disclosures, RiverRock integrates sustainability risks into the investment decision making process. In addition to following exclusionary criteria and a strict "do no harm" approach, we follow global norms on labour and business from organizations like the International Labour Organization (ILO) and go further by assessing how our counterparties address sustainability factors material to the strategies, such as climate risks, employment practices, respect for human rights, and governance, including anti-corruption and anti-bribery. As part of the SFDR legislation applied from March 2021, we are also assessing and disclosing our own climate risks more transparently.

Adverse sustainability impact
As part of our origination and due diligence process, we incorporate the consideration of principal adverse impacts of investment decisions on sustainability factors. We endeavour to exclude investments that have a material negative effect on sustainability.
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.

ESG Driven by SDGs

Our Funds

RiverRock Senior Loan Funds “RSLF1” & “RSLF2”

As part of its responsible investing approach and recognition of sustainability-related financial disclosures, the PM team integrates sustainability risks into the investment decision making.

Our exclusion policy is in line with ESG criteria and includes (among others) the exclusion of investments into: weapons and ammunition, prisons and detention centres, sex trade, human cloning, coal mining, nuclear energy, gambling, nuclear energy, and tobacco.

In addition to the exclusion list and a strict do no harm approach, we go further by assessing sustainability risks through a two level selection process that also excludes certain industries and companies whose customers/counterparties count more than 10% of sales in sectors we deem harmful. By doing so, we encourage our counterparties to allocate to sectors that improve the environment and society.

The market is supporting the ESG drive by adding ‘ESG ratchets’ to most new loans. These set a number of pre-defined sustainability KPI’s and if met, the coupon is reduced. In 2023, 18 out of 49 RSLF1 unique borrowers (37%) and 4 out of 17 of RSLF2 (24%) had ESG ratchets. We expect near 100% of loans to benefit from these ratchets by 2025.

These targets included things such as:

1) Measuring CO2
2) Hiring more women
3) Contributing more in society
4) Creating an ESG internal team

We deployed new capital to companies pioneering sustainable alternatives to antiquated, incumbent, technologies including a €20 million loan to one sustainable frying-pan pioneer

We expanded the share of the portfolio loans with definite ESG targets that translate to lower margin ratchets once successfully hit by the borrowers

Investee companies have supplemented their management teams with dedicated ESG Directors

76% of investee companies have a dedicated CSR statement on their website, thanks in part to our engagement

RSLF targeted SDGs

RiverRock Brownfield Infrastructure Fund “RBIF1”

Along with RiverRock's responsible investment policy, RBIF1’s Investment Team conducts an assessment using the ESG Due Diligence Checklist prior to the investment being authorised. The findings are then presented to the Investment Committee, with mitigation steps taken into consideration, if additional work is needed on certain criteria. At this point the Investment Committee can approve or reject the transaction from proceeding, based on sustainability and impact factors. RBIF has also started to work with GRESB assessment (see box below).

RBIF1’s team reviews ESG criteria at the Board level of portfolio companies and sets KPIs to measure and track the Fund’s positive impacts. ESG issues are also carefully monitored for positive performance and to identify specific ESG risks that may arise.

RBIF1 is proud of its engagement strategy, working with counterparties to improve their identification and integration of specific impacts which contribute not only to sustainability in operations, but also less risk in the long term and potentially contribute to outperformance.

Acquisition of a Spanish company committed to aerial emergency services: medical interventions, firefighting, search and rescue missions achieved whilst using best practices manuals to reduce CO2 footprint

R&D Investments: Commissioning a review of building energy efficiency to identify improvements

Increased our participation in a Spanish hospital complex during the pandemic crisis. Chrysalis 1st GRESB Score within Social Infrastructure: Recreational Facilities

RBIF1 targeted SDGs

About GRESB: GRESB Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments. They are aligned with international reporting frameworks, such as GRI, PRI, SASB, DJSI, TCFD recommendations, the Paris Climate Agreement, UN SDGs, region and country specific disclosure guidelines and regulations.
Investors use the ESG data and GRESB’s analytical tools to monitor their investments, engage with their managers, and make decisions that lead to a more sustainable and resilient real asset industry.

RBIF1 - Asset by Asset ESG Performance

GCP


- 3,017 police workers

Achievements:

- Installation of Solar panels on roofs
- 157,000 kWh of renewables generated from renewable sources
- LED lights installed to increase the energy efficiency
- Online meetings substituted by in-person meetings: impact on air pollution
- Hired a specific ESG advisor to assist on ESG initiatives
- Asset enrolled into GRESB since 2022

Exterimmo


Ecolya: 8,663 students

- Annual competition among students on how finding innovative ways to reduce energy consumptions

Nov'Ecole: 3,157 students

Achievements:

- Part of the energy climate plan of the City of Paris:
- 40.6% of consumption reduction
- 42.5% of GHG emissions reduction

Combourg Aquatic Center

Achievements:

- Optimize the 25% of water treatment reauctioning water filtering at night

Vigo

- 1,020 hospital beds

Achievements:

- Water recollection systems.Water consumption: 181.201 m3
- 230,607 kWh produced by solar panels. Energy production with biomass
- Offered free parking to medical staff during Covid-19
- Provide free TV to all patients during Covid-19
- Implementation of a Compliance Committee
- Implementation of policies covering the following:
- Equality plan, Sexual harassment protocol, Ethical code of conduct

Pinhal Interior


- 93km road that connects the interior north and central regions of Portugal and remote urban areas

Achievements:

- Charger parks for electric vehicles and plug-in hybrid vehicles
- Replacement of traditional cars with electric cars
- Inclusion of the carbon cost of purchasing in service decision making
- 32 electric charging point in the Pinhal Interior Sub-concession
- Acoustic barriers to minimize noise pollution
- 0.6 km of safety barriers
- External Portuguese Board member:
  relevant track record and bringing governance best practice

RiverRock Direct Lending Opportunities "RDLO"

By financing Italian healthcare receivables, RiverRock Direct Lending Opportunities is providing working capital funding to a sector in need. The fund is helping reduce regional geographic inequalities, focusing on private hospitals in areas where the average day sales outstanding for invoices is 160 days (vs. an average of 60 days in Europe).

As part of the origination and due diligence process, RDLO incorporates the consideration of principal adverse impacts of investment decisions on sustainability factors through a multi-level process from an exclusions list to an ESG checklist.

Helped private healthcare institutions with poor financial help from banks or government to increase their capacity during the pandemic crisis.

25 Italian hospitals and medical centers have been facilitated with working capital solution

RDLO targeted SDGs

RiverRock MiniBond Fund "RMF"

In addition to following exclusionary criteria and a strict do no harm approach, RMF follows global norms on labour and business from organizations like the ILO and goes further by assessing how counterparties address sustainability factors material to the strategies, including anti-corruption and anti-bribery.

At least 57% of our counterparties are following or implementing energy conservation strategies. In one specific case, the company is investing part of the RiverRock funds in renovating their facilities through installing a new photovoltaic system with fast charge power columns for electric vehicles

A water conservation strategy was implemented by 42% of RMF's clients in 2021

RMF targeted SDGs

RiverRock Absolute Return Alternative Credit Fund “ARAC”

As an SFDR Article 8 Fund, ARAC focuses on trade finance investment opportunities around the world. ARAC investment strategy incorporates ARAC targets specific areas where a positive socio-economic impact is deemed achievable and works with its counterparties and partners to quantify and report on that impact.
As of end of 2023, all ARAC Fund investments promote ESG & Sustainability aspects and selected SDGs.

ARAC Fund focuses on investment opportunities in emerging markets and investee companies that incorporate and promote ESG & Sustainability characteristics. As of December 2023, 100% of ARAC investments are aligned with fund investment strategy and promote ESG (Opportunity score 4/5 or 5/5)

At the end of 2023, ARAC supported the projects below:

- Implementation of a centre for the production and development of animal vaccines in **Angola**
- Refinancing of the acquisition of a eucalyptus farm in **Brazil** by a "green" silicon metal producer towards solar panels, batteries, and semiconductors markets
- Eastern and Southern African Trade and Development Bank (TDB): supporting local economies, infrastructure and trade finance in **Eastern Africa** and **Middle East**
- Eskom, leading **South African** electricity public utility, accelerating the upgrade and extension of electricity production and distribution in the country

ARAC targeted SDGs

The Path Ahead: 2024

Looking ahead to 2024, we are excited for the continued growth of our investee companies and engagement with our counterparties, to continue to raise the bar on sustainability. We aim to focus especially on climate risks, their potential impact, and effective strategies to manage these risks. We expect the macro environment to improve and stabilize; this will not only support our financial performance but ease the operations of our companies.

At the Group level, RiverRock is committed to enhance its stewardship role and engagement with different stakeholders. A Group-level policy shall be developed and implemented in-line with PRI guidelines. Moreover, our focus will be on providing high quality training to our staff and enhancing their understanding of the ESG environment, emerging market and regulatory challenges and to equip them with suitable resources needed to effectively manage such challenges.

At asset level, RBIF1 is aiming to implement an energy audit (Skate), a project to start using Sustainable Aviation Fuel (Eliance), around € 800,00 CAPEX plan 2023-2025 to implement energy efficiency (Cocoon), and to reduce greenhouse gas emissions by 30% (Exterimmo). RSLF1 is aiming to align 100% of its loans with ESG characteristics.

We are planning to launch one new SFDR Article 8 funds in 2024, RBIF2, increasing total number of Article 8 funds to 3. RiverRock's Article 8 funds will include RiverRock Absolute Return Alternative Credit Fund (ARAC), RiverRock Brownfield Infrastructure Fund 2 (RBIF2) and RiverRock Senior Loan Fund 2 (RSLF2).

We are looking forward to onboarding additional mission-aligned investors as we seek to increase our financial and non-financial impacts in the year ahead. In addition, we are looking to launch new funds focusing more on impact investing and growing our presence in this space.

Annex 1 TCFD report*

Governance
Under RiverRock's Environmental and Social Management System (ESMS), climate risk assessments are conducted for each investment.

RiverRock's Executive Committee, composed of the firm's partners including Michel PERETIE and Mario CORDONI, plays a crucial role in overseeing climate-related risks and opportunities.
The Executive Committee actively engages in the governance of climate-related matters to ensure alignment with the organization's strategic goals and risk management practices. This oversight is done through ad-hoc committee and ESG incident register.

Management within RiverRock plays a central role in assessing and managing climate-related risks and opportunities. This includes conducting climate risk assessments for each investment, identifying vulnerabilities, and developing adaptation plans.

Management ensures that climate risk assessments are integrated into RiverRock's decision-making processes, providing valuable insights for informed investment decisions. They work closely with investee companies to encourage the adoption of climate-friendly practices and the development of adaptation plans to minimize climate change shocks.

RiverRock's governance structure involves the participation of Co-Chief Investment Officers (Co-CIOs) and the Chief Impact Officer in escalated discussions concerning 'high' ESG-related risks. Investments identified with high-risk factors are subject to a rigorous approval process that includes the implementation of risk remedies to address and manage these risks effectively. The Executive Committee will also be notified of these discussions and approvals.

This collaborative approach between the Executive Committee and management reinforces RiverRock's commitment to proactively managing climate-related risks and seizing opportunities while ensuring that its investments are in line with sustainable and responsible practices.

Strategy
RiverRock acknowledges the paramount importance of climate risk assessment in today's circumstances, particularly within its private equity strategy. In response to this recognition, RiverRock has prioritized the development of comprehensive climate risk assessments for its infrastructure fund RBIF.

RBIF systematically evaluates transition risks and opportunities over varying timeframes. In the short term, a key opportunity identified is the potential for energy efficiency improvement for all assets within the portfolio. RBIF is committed to enhancing the efficiency of its assets, not only reducing operational costs but also contributing to its long-term sustainability goals.

Furthermore, RBIF has recognized the imperative of decarbonization. A detailed decarbonization plan has been first developed with the support of an external consultant for one of its assets, aligning with RiverRock's commitment to the Net Zero Asset Managers initiative.
This plan outlines the steps to reduce carbon emissions and transition towards a low-carbon operation,

*as of Dec 2022

positioning the asset for long-term viability.

RBIF also employs a systematic approach to assess and manage physical risks associated with climate change. RBIF acknowledges the increasing operational expenses associated with climate-related risks in the medium to long term. Specifically, it identifies the risks of extreme heat, drought, and flooding as potential cost drivers. These physical risks have the potential to significantly impact the infrastructure assets and operations. While these physical risks are a concern, they also bring opportunities. For RBIF's firefighting and emergency service asset, the increased frequency and severity of fire weather conditions can lead to heightened demand for its services. This presents an opportunity to enhance the asset's role in firefighting and emergency response, potentially increasing its value within the portfolio.

In response to these identified physical risks and opportunities, RBIF is actively exploring strategies to enhance the resilience of its portfolio and capitalize on opportunities where possible.

In addition, RBIF’s strategy is designed to ensure resilience by considering various climate-related scenarios. These scenarios of 2°C or lower scenario is included when applicable as well as other plausible future climate pathways. By integrating these scenarios into its strategy, RBIF can assess the robustness of its approach and make informed decisions that account for different potential climate outcomes.

Risk Management

RiverRock's risk management processes are designed to systematically identify, assess, and manage climate-related risks while integrating them into the overall risk management framework. This approach ensures that climate-related risks are addressed comprehensively and aligned with RiverRock's strategic goals.

Notably, within the RiverRock organization, the infrastructure funds RBIF employs a rigorous process to identify and address climate-related risks across its portfolio. Transition risks are assessed within operations, markets, and business models. The entity evaluates potential financial impacts under various scenarios, considering factors like regulatory changes and shifts in consumer behaviour. Physical risks are assessed through vulnerability and resilience evaluations, focusing on hazards such as flooding, extreme weather events and sea-level rise. By conducting regular materiality assessments, RBIF determines the most significant climate-related risks that require immediate attention.

RBIF’s approach to managing climate-related risks is proactive and comprehensive. For transition risks, RBIF develops risk management strategies, including mitigation plans and the adoption of sustainable practices. For physical risks, the entity engages with investee companies to put in place adaptation measures and emergency response plans. These strategies are designed to enhance the resilience of its assets against potential climate impacts and are continuously monitored to ensure their effectiveness.

Climate-related risks on RBIF are seamlessly integrated into RiverRock's overall risk management framework. The identification, assessment, and management of these risks are interwoven with the entity's broader risk management strategies. This integration ensures that climate-related risks are considered alongside other risks, fostering a holistic understanding of the risk landscape. By incorporating climate-related risks into the organization's core risk management processes, RiverRock ensures that these risks are consistently monitored, evaluated, and addressed in alignment with its business objectives.

Metrics and Targets

For our infrastructure funds, RBIF's commitment to addressing climate-related risks encompasses a comprehensive metrics framework designed to assess both transition and physical risks in alignment with its strategy and risk management process.

Transition Risk Metrics

RBIF employs a comprehensive set of metrics to assess transition risks, which consider both financial driver analysis and transition scenarios analysis. These metrics are instrumental in evaluating the potential impact of transition risks on the organization's assets, while aligning with the broader strategic objectives.

The metrics encompass two distinct scenarios from International Energy Agency, namely Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS). The latter, consistent with the goal of limiting global warming to below 2 degrees Celsius, is of particular significance. These scenarios serve as frameworks to evaluate the effects of regulatory changes, technological advancements, and shifts in market behavior under different climate pathways.

Within this analysis, RBIF systematically scores and assesses changes related to regulatory environments, technology landscape, and market dynamics, considering how these changes might unfold in each scenario. Financial drivers are then mapped onto the transition scenarios to derive a comprehensive understanding of the potential impact of transition risks on the organization's assets.

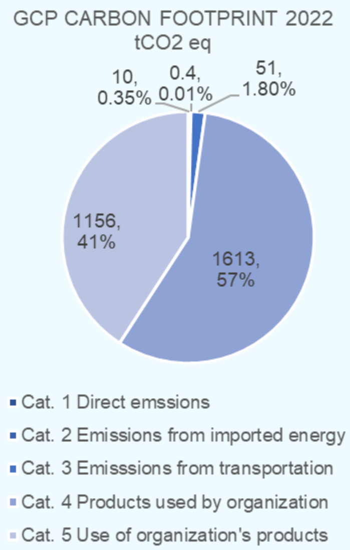
In instances where the final risk rating indicates a high level of exposure, RBIF proactively develops mitigation plans. These plans are formulated to effectively manage and reduce the identified transition risks. By employing these metrics and the associated scenarios, RBIF enhances its capacity to make informed investment decisions, navigate risks, and capitalize on opportunities while fostering a low-carbon economy.

Scenario IEA	STEPS		APS	
Asset	2030	2050	2030	2050
GCP	Minimal	Minimal	Minimal	Minimal
VIGO	Minimal	Minimal	Minimal	Minimal
Exterimmo	Minimal	Minimal	Minimal	Minimal
Triavium	Low Opp	Minimal	Minimal	Minimal
Eliance	Minimal	Minimal	Minimal	Minimal
Cocoon	Low Opp	Low Opp	Minimal	Low Opp
YannV2	Minimal	Minimal	Minimal	Minimal

High Opp	Med Opp	Low Opp	Minimal	Low Risk	Med Risk	High Risk

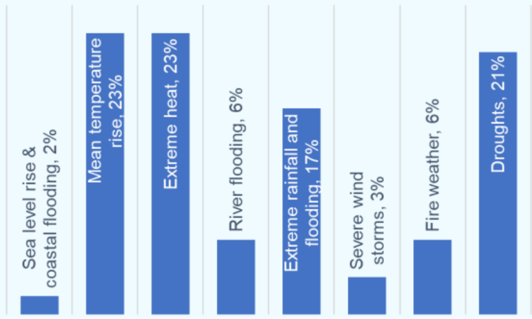
The results of this assessment indicate that the transition risks remain globally low for RBIF. The four Public-Private Partnership (PPP) projects benefit from risk-sharing mechanisms with public owners, effectively transferring the majority of transition risk responsibilities to these public stakeholders. This risk-sharing arrangement provides stability and security for these assets, reducing their exposure to transition risks.

Meanwhile, as a responsible investment company, we seek to improve corporate environmental sustainability. In line with this objective, it has been decided to first quantify the GHG emissions of one of the assets, GCP, and to establish a starting point for progressively reducing their environmental impact.



Physical Risk Metrics

RBIF employs a robust approach to assess physical risks, drawing on projections from the Intergovernmental Panel on Climate Change (IPCC) based on the most plausible climate-related hazard scenario for asset locations, particularly under the RCP4.5 scenario. The analysis reveals that the portfolio faces substantial exposure to rising temperatures (23%) and extreme heat events (23%), both of which can significantly impact asset integrity and performance. Additionally, droughts (21%) and extreme rainfall leading to flooding (17%) pose substantial risks, with potential implications for water availability and asset resilience.



To comprehensively address these major risk categories, RBIF's risk management and adaptation strategies incorporate various inputs. These include data from local historical climate hazard events, governmental adaptation measures, technical due diligence reports, and existing adaptations. This holistic approach enhances the accuracy of risk assessment and enables RBIF to effectively gauge the financial impact of identified physical risks.

An important note is that while the risk assessment approach remains consistent for both assets under Public-Private Partnership (PPP) arrangements and non-PPP projects, the PPP structure offers an additional layer of financial protection. Specifically, in PPP projects, any potential financial impact arising from physical risks is efficiently transferred to public clients through established risk-sharing mechanisms. This unique characteristic of PPP projects provides an added layer of resilience, further safeguarding the organization's financial interests.

In cases where RBIF identifies a high residual risk, regardless of the project type, the organization proactively develops adaptation plans. These plans are meticulously designed to address the identified physical risks and enhance the overall resilience of the organization's assets.

Targets
RiverRock's commitment to addressing climate-related risks extends to the establishment of meaningful metrics and targets, aligned with its strategy for a low-carbon economy. While specific targets have not yet been set, RiverRock is dedicated to being a part of the Net Zero Asset Managers initiative. This commitment reflects RiverRock's intent to proactively contribute to global efforts in mitigating climate change by aligning its investments with a net-zero emissions pathway.

RiverRock recognizes that setting clear and ambitious targets is a crucial step toward enhancing its resilience and contributing to a sustainable future. The organization acknowledges the importance of robust, science-based targets that are aligned with the latest climate science and international climate agreements.

As part of its commitment to the Net Zero Asset Managers initiative, RiverRock aims to establish targets in the coming year that will guide its efforts in reducing its carbon footprint and transitioning its portfolio toward a net-zero emissions trajectory. These targets will reflect RiverRock's dedication to actively managing climate-related risks and seizing opportunities in alignment with a 2°C or lower scenario.