VERDE ADVISORS

INSTITUTIONAL INVESTMENT · ESG INTEGRATION · RISK ADVISORY

ESG PORTFOLIO ASSESSMENT

COMPREHENSIVE ENVIRONMENTAL, SOCIAL & GOVERNANCE EVALUATION

PREPARED FOR

Westbridge Family Office

Phoenix, Arizona · Single Family Office

REPORT DATE **June 2026**	PORTFOLIO AUM **$485 Million**	OVERALL ESG SCORE **62 / 100 — ESG Aware**
REPORTING PERIOD **January – December 2025**	MANAGERS ASSESSED **18 Investment Managers**	PEER PERCENTILE **65th Percentile**

PREPARED BY

David E. Slattery Jr., MS

Founder & Principal Advisor

Verde Advisors LLC · david.e.slattery@gmail.com · (402) 578-4107 · Phoenix, AZ

SECTION 1

Executive Summary

ESG Portfolio Assessment for Westbridge Family Office

1.0 ASSESSMENT OVERVIEW

Verde Advisors has completed a comprehensive ESG Portfolio Assessment of the Westbridge Family Office investment portfolio for the full year ending December 31, 2025. This Executive Summary provides the investment committee with a synthesis of the most important findings, the portfolio's overall ESG score, dimensional performance, and prioritized action recommendations. Full supporting analysis, manager profiles, thematic deep-dives, peer benchmarking, risk registers, and implementation planning are contained in Sections 2 through 10 of this report.

This assessment is the first formal ESG evaluation of the Westbridge portfolio and establishes the baseline against which all future progress will be measured. Verde Advisors recommends that the investment committee formally adopt the recommendations in this report at its next meeting, and engage Verde Advisors on a quarterly monitoring retainer to ensure continuous progress tracking.

Report Parameter	Detail
Client	Westbridge Family Office — Phoenix, Arizona
Report Date	June 2026
Reporting Period	January 1 – December 31, 2025 (full calendar year)
Portfolio AUM Assessed	$485 million — 100% of investment portfolio
Number of Managers Assessed	18 investment managers across all asset classes
ESG Frameworks Applied	MSCI ESG, TCFD, UN PRI, ISSB IFRS S1/S2, SASB, CDP
Data Collection Period	April 1 – May 15, 2026
Questionnaire Response Rate	78% (14 of 18 managers responded)
Prepared By	David E. Slattery Jr., MS — Founder & Principal Advisor, Verde Advisors LLC
Verde Advisors Contact	david.e.slattery@gmail.com | (402) 578-4107 | Phoenix, Arizona
Next Recommended Engagement	Quarterly ESG Monitoring Retainer — $5,500/month

1.1 OVERALL PORTFOLIO ESG SCORE & RATING

The Westbridge Family Office portfolio achieved an overall Verde ESG Score of **62 out of 100**, placing it in the **ESG Aware** tier. This score is 8 points above the family office peer median of 54 and positions the portfolio at approximately the **65th percentile** among comparable single and multi-family offices nationally with AUM between $250M and $750M. This represents a creditable baseline for a first formal ESG assessment and provides a solid foundation for the improvement program outlined in this report.

62 /100	58 /100	67 /100	61 /100	63 /100	61 /100
OVERALL PORTFOLIO	ENVIRONMENTAL (E)	SOCIAL (S)	GOVERNANCE (G)	TRANSPARENCY	CLIMATE ALIGNMENT

Verde ESG Score Scale: 0–39 = ESG Laggard | 40–59 = ESG Developing | 60–74 = ESG Aware | 75–100 = ESG Leader

1.2 DIMENSIONAL SCORE SUMMARY

Dimension	Score	Rating	Wt.	Peer Median	Top Quartile	Pctile	YoY
Environmental (E)	58/100	ESG AWARE	25%	51	70	58th	▲ +2
Social (S)	67/100	ESG AWARE	20%	57	74	72nd	▲ +6
Governance (G)	61/100	ESG AWARE	25%	53	71	64th	→ Flat
ESG Transparency	63/100	ESG AWARE	15%	48	68	75th	▲ +5
Climate Alignment	61/100	ESG AWARE	15%	50	69	68th	▲ +3
OVERALL PORTFOLIO	**62/100**	**ESG AWARE**	**100%**	**54**	**72**	**65th**	**▲ +4**

Overall Assessment — ESG AWARE (62/100)

The portfolio's 62/100 Verde ESG Score reflects meaningful ESG integration across the majority of the manager universe, with particular strength in governance quality, social responsibility, and ESG transparency. The portfolio outperforms the family office peer median on all five dimensions.

The primary improvement opportunities are concentrated in three areas: (1) Environmental performance in the fixed income and credit sleeve, where 3 of 4 managers lack formal environmental policies; (2) Two ESG Laggard managers (Raven Equity Strategies: 31; Zenith Event Driven: 37) with material controversy histories that create both financial and reputational risk; and (3) The Scope 3 emissions data gap, which affects 78% of the manager universe and increasingly creates regulatory exposure.

1.3 ESG PERFORMANCE BY ASSET CLASS

ESG quality varies meaningfully across the portfolio's four investment asset classes. Private Equity & Real Assets is the standout performer, driven by Blackridge PE Fund V's industry-leading practices. Fixed Income & Credit is the weakest sleeve and represents the portfolio's most actionable near-term improvement opportunity.

Asset Class	AUM	%	Avg Score	Rating	E	S	G	Peer Med.
PE & Real Assets	$121M	24.9 %	71	ESG AWARE	73	72	76	62
Long/Short Equity	$168M	34.6 %	61	ESG AWARE	56	64	60	56
Hedge Fund / Alts	$73M	15.1 %	52	DEVELOPING	51	62	53	50
Fixed Income & Credit	$97M	20.0 %	54	DEVELOPING	47	62	58	54
Cash & Short Duration	$26M	5.4%	N/A	N/A	—	—	—	—
Total Portfolio	**$485M**	**100%**	**62**	**ESG AWARE**	**58**	**67**	**61**	**54**

1.4 MANAGER SCORE DISTRIBUTION BY TIER

ESG Rating Tier	Score Range	# Mgrs	% of Mgrs	AUM	% AUM	Managers in Tier
ESG LEADER	75–100	1	5.6%	$45M	9.3%	Blackridge PE Fund V
ESG AWARE	60–74	9	50.0%	$261M	53.8%	Northfield, Atlas, Summit, Coastal, OrionMacro, BlueCrest, Verde RE, Pacific Timber, Sunrise VC
DEVELOPING	40–59	6	33.3%	$156M	32.2%	Harmon FI, Meridian L/S, Sequoia DL, Sterling Quant, Tidal Asset, Apex EM
LAGGARD	0–39	2	11.1%	$23M	4.7%	Zenith Event Driven (37), Raven Equity (31)
Total		**18**	**100%**	**$485M**	**100%**	

1.5 DETAILED KEY FINDINGS

The following six findings represent the most significant ESG observations from the 2025 portfolio assessment, ordered by investment committee priority.

01 STRENGTH

Blackridge PE Fund V — Portfolio ESG Benchmark

Blackridge PE Fund V (9.3% of portfolio, $45M) scored 78/100 — an ESG Leader and the highest score in the portfolio. The fund is the internal benchmark against which all other managers should be measured.

- PwC-assured annual ESG report in its 7th year — demonstrates long-term commitment
- Scope 1, 2, and 3 emissions reported across all 12 portfolio companies; SBTi set for 8 of 12
- ESG KPIs formally embedded in executive management incentive compensation across all 12 cos.
- Dedicated ESG Operating Partner; board ESG committee; UNPRI signatory since 2017; EDCI participant
- Net-zero by 2040 commitment with documented interim milestones and capex allocation

Investment Committee Action: No action required. Verde Advisors recommends using Blackridge's ESG framework as a template for engagement with non-reporting managers.

02 STRENGTH

Above-Average Governance Quality

The portfolio's Governance dimension scored 61/100 — 8 points above the family office peer median and the 64th percentile nationally.

- 12 of 18 managers (67%) scored above 65 on governance — well above peer norms
- 14 of 18 managers have majority-independent boards, meeting institutional standards
- Big 4 auditors engaged by 13 of 18 managers; no material audit qualifications in 2025
- Three managers added ESG board committees in 2025, indicating governance improvement
- Private equity sleeve leads at 78/100 average governance score

Investment Committee Action: Maintain strong governance standards as a minimum threshold in future manager selection. Include ESG committee requirement as preference in all RFPs.

03

CONCERN

Fixed Income Sleeve — Significant Environmental Gap

The FI sleeve (20% of portfolio, $97M) averaged only 47/100 on the Environmental dimension — the portfolio's weakest asset class and 7 points below the peer median.

- Harmon Fixed Income (55/100): No environmental policy; no emissions data; no CDP; no TCFD
- Sequoia Direct Lending (52/100): No environmental policy; responsible lending informal only
- Tidal Asset Finance (48/100): No environmental policy; no questionnaire completion
- BlueCrest Credit Partners (61/100): Has ESG integration policy but no portfolio carbon intensity
- FI sleeve 218 tCO2e/$M WACI — highest in portfolio and 25% above MSCI World average

Investment Committee Action: FI environmental policy engagement is a critical near-term action (Section 8, Action J4). Verde Advisors template available.

04

ACTION REQUIRED

ESG Laggard — Raven Equity Strategies (31/100)

Raven Equity Strategies (2.1% AUM, $10M) is the lowest-scoring manager at 31/100 with active litigation, governance deficiencies, and questionnaire non-response.

- Labor discrimination class action lawsuit filed Q3 2024 — ongoing; settlement discussions reportedly underway
- SEC inquiry for related-party non-disclosure — resolved Q1 2025 with enhanced disclosure requirements
- Declined to complete Verde ESG questionnaire on two separate occasions
- No published ESG policy, sustainability report, or ESG commitment of any kind
- Climate score of 22/100 — lowest in portfolio; no emissions data available

Investment Committee Action: PRIORITY 1: Formal engagement letter within 10 days. 60-day response deadline. Initiate parallel replacement search immediately.

05

ACTION REQUIRED

ESG Laggard — Zenith Event Driven (37/100)

Zenith Event Driven (2.7% AUM, $13M) scored 37/100 — second-lowest in the portfolio. The combination of active labor controversy and governance concerns requires immediate engagement.

- Labor practice controversy — Q3 2024 class action lawsuit filed; ongoing
- Governance concerns: combined CEO/Chair structure; below-50% board independence
- No ESG policy, report, or questionnaire completion despite two formal requests
- No TCFD disclosure; no climate framework; no emissions data
- 24th percentile vs. event-driven strategy peer group — significant underperformance

Investment Committee Action: Formal engagement letter within 15 days. 90-day review with replacement consideration.

06 OPPORTUNITY
Scope 3 Emissions — Strategic Opportunity

Only 4 of 18 managers currently report Scope 3 emissions data, despite Scope 1 and 2 data being available from 12 managers. This gap creates regulatory exposure and limits the portfolio's climate story.

- California SB 253 requires large companies to report Scope 3 by 2027
- Only 22% of managers (4/18) provide Scope 3 — significantly below peer best-practice of 40%+
- Portfolio Scope 1+2 WACI is 187 tCO2e/$M — Scope 3 would increase this substantially
- Proactive Scope 3 collection positions Westbridge ahead of LP reporting requirements
- Improvement potential: +3–5 points on Climate Alignment if Scope 3 collected from 10+ managers

Investment Committee Action: Launch portfolio-wide Scope 3 data initiative (Section 8, Action J6) targeting 10+ managers by December 2026.

1.6 PRIORITY RECOMMENDATIONS — INVESTMENT COMMITTEE ACTION PLAN

The following six recommendations are ordered by urgency and expected impact on portfolio ESG score and risk profile.

P1

0–30 Days · IMMEDIATE

Engage ESG Laggard Managers — Raven Equity & Zenith Event Driven

Owner
IC + Verde Advisors

Two portfolio managers scored in the ESG Laggard tier with material controversy histories and questionnaire non-response. Immediate formal engagement is required.

- Send formal IC engagement letters to both Raven Equity Strategies and Zenith Event Driven within 10–15 days of report adoption
- Letters must cite: (a) Verde ESG Score and Laggard rating; (b) specific controversy histories; (c) questionnaire non-response; (d) IC ESG minimum standards expectations
- Require written ESG improvement plan from each manager within 30 days covering: ESG policy adoption, questionnaire completion, controversy remediation timeline, and governance improvements
- Verde Advisors to draft both letters and facilitate manager calls within 15 days of IC letter approval
- IC 60-day review: if no credible improvement plan received, vote to initiate replacement manager search
- Initiate parallel replacement manager searches regardless of response — evaluate 3–5 qualified replacements for each strategy

Expected ESG Score Impact: +3–5 pts overall; eliminates highest-risk ESG controversies

P2

30–90 Days · SHORT-TERM

Require ESG Compliance from Emerging Markets Managers

Owner
Verde Advisors

Apex EM Equity Fund (3.1% AUM, $15M) did not respond to the Verde questionnaire and has no ESG policies or UNPRI signatory status, creating unquantified ESG risk in 14% of the equity sleeve.

- Issue formal written notice establishing minimum ESG standards as condition of continued allocation
- Minimum requirements: (a) Verde questionnaire completed within 45 days; (b) UNPRI signatory application submitted within 90 days; (c) formal ESG policy adopted (Verde template available) within 60 days
- Set minimum Verde ESG Score target of 55 within 18 months with formal replacement consideration if not achieved
- Verde Advisors to conduct 60-day check-in call and provide progress update to IC

Expected ESG Score Impact: +1–2 pts overall

P3

60–90 Days · SHORT-TERM

Fixed Income Environmental Policy Engagement

Owner
Verde Advisors

Three fixed income managers (Harmon FI, Sequoia DL, Tidal Asset Finance) lack environmental policies, pulling down the Environmental dimension and creating regulatory exposure.

- Send formal environmental policy request to all three managers citing Verde ESG Score gap and peer benchmarking context
- Provide Verde Advisors' 4-page template Environmental Risk Assessment Policy for adoption
- Request: (a) CDP registration; (b) Scope 1 and 2 emissions disclosure from portfolio holdings by December 31, 2026; (c) climate integration statement in next annual report
- Incorporate environmental policy adoption as a scored criterion in annual manager review scorecard

Expected ESG Score Impact: +2–3 pts Environmental dimension; improves FI sleeve from 47 to 52+

P4

90–180 Days · MEDIUM-TERM

Adopt Westbridge ESG Investment Policy Statement

Owner
Verde Advisors (draft) + IC (adopt)

A formally adopted ESG IPS provides the governance foundation for all future ESG actions and signals expectations to managers.

- Verde Advisors to prepare draft ESG IPS for IC review in September 2026
- Key provisions: (a) Minimum Verde ESG Score of 60 for all new manager allocations; (b) 18-month remediation period for sub-60 managers with documented plans; (c) annual Verde ESG Score review as formal component of manager retention decision; (d) portfolio-level score targets (66 by June 2027, 72 by June 2028)
- Include climate policy statement committing to TCFD-aligned portfolio-level disclosure by 2027
- Board formal adoption target: October 2026 IC meeting; incorporate into manager agreements at next contract renewal

Expected ESG Score Impact: +1–2 pts transparency; establishes governance foundation

P5

6–12 Months · MEDIUM-TERM

Launch Portfolio-Wide Scope 3 Emissions Data Initiative

Owner
Verde Advisors

Only 4 of 18 managers currently provide Scope 3 data. The California SB 253 regulatory timeline creates urgency. This initiative directly addresses the portfolio's most significant climate gap.

- Develop standardized Scope 3 data collection template covering all asset classes
- Host 45-minute webinar for all 18 managers covering Scope 3 requirements, SB 253 timeline, and Verde template
- Distribute templates October 2026 targeting December 31, 2026 responses
- Goal: Scope 3 data from 8+ managers by December 2026; 12+ managers by June 2027
- Calculate updated portfolio Scope 3 carbon intensity for Q4 2026 quarterly ESG report

Expected ESG Score Impact: +3–5 pts Climate Alignment; regulatory risk reduction

P6

12–24 Months · STRATEGIC

Engage Verde Advisors Quarterly ESG Monitoring Retainer

Owner
Investment Committee

A quarterly monitoring retainer ensures continuous progress tracking, regulatory intelligence, and ongoing manager engagement support — transforming this assessment into an ongoing governance program.

- Verde Advisors quarterly monitoring at $5,500/month includes: quarterly ESG portfolio report; regulatory briefings; controversy monitoring; LP ESG inquiry support
- Quarterly ESG Portfolio Report covers updated scores, controversy monitoring, progress against action items, regulatory developments, next-quarter priorities
- Annual full reassessment (this report format) delivered each June — updated manager profiles, benchmarking, risk register, and roadmap
- Retainer provides access to Verde Advisors for ad-hoc manager engagement, LP inquiries, and regulatory questions throughout the year

Expected ESG Score Impact: Sustains improvement momentum; regulatory preparedness; LP readiness

1.7 COMPLETE MANAGER ESG TRAFFIC LIGHT DASHBOARD

Comprehensive visual summary of all 18 managers' Verde ESG Scores across all five dimensions, with traffic light ratings for IC reference. Managers are sorted by overall score from highest to lowest.

Manager	Strategy	AUM	E	S	G	Trans.	Climate	Overall	Rating
Blackridge PE Fund V	PE — Buyout	$45M	82	76	81	84	71	78	ESG LEADER
Northfield Capital Management	L/S Equity — Large Cap	$42M	71	73	77	76	73	74	ESG AWARE
Coastal Infrastructure Fund	Infrastructure	$32M	72	75	74	71	78	74	ESG AWARE
Atlas Partners LP	L/S Equity — Value	$35M	69	71	73	72	70	71	ESG AWARE
Verde Real Estate Fund	Real Estate	$24M	68	72	69	70	71	70	ESG AWARE
Summit Global Advisors	L/S Equity — Growth	$38M	65	70	68	70	67	68	ESG AWARE
Pacific Timber Partners	Natural Resources	$12M	70	65	68	66	67	67	ESG AWARE
Sunrise Venture Capital	Venture Capital	$8M	61	68	66	65	63	65	ESG AWARE
Orion Macro Fund	Global Macro	$38M	60	67	65	65	62	63	ESG AWARE
BlueCrest Credit Partners	Credit — IG/HY	$32M	59	64	62	62	58	61	ESG AWARE
Meridian Long/Short	L/S Equity — Sector	$28M	55	60	61	58	57	58	DEVELOPING
Sterling Quant Strategies	Systematic Multi-Strategy	$22M	54	58	56	59	55	57	DEVELOPING
Harmon Fixed Income	Gov't/Agency Fixed Income	$28M	52	60	58	54	52	55	DEVELOPING
Sequoia Direct Lending	Private Credit	$24M	50	56	54	52	49	52	DEVELOPING
Tidal Asset Finance	ABS/Structured Finance	$13M	46	52	50	48	45	48	DEVELOPING
Apex EM Equity Fund	EM Equity — Multi-Region	$15M	42	45	44	38	43	43	DEVELOPING
Zenith Event Driven	Event Driven	$13M	35	39	38	36	37	37	LAGGARD
Raven Equity Strategies	L/S Equity — Quant	$10M	28	35	38	24	22	31	LAGGARD

E = Environmental (wt 25%) | S = Social (wt 20%) | G = Governance (wt 25%) | Trans. = ESG Transparency (wt 15%) | Climate = Climate Alignment (wt 15%). Scores 0–100. Color: Green = Leader (75+), Blue = Aware (60–74), Amber = Developing (40–59), Red = Laggard (<40).

1.8 SCORE IMPROVEMENT PATHWAY — BASELINE TO TOP QUARTILE

Milestone	Target Score	Rating	Target Date	Key Actions Driving Score
Current Baseline	62/100	**ESG AWARE**	June 2026	First formal Verde ESG evaluation — baseline established
6-Month Target	64/100	**ESG AWARE**	December 2026	Laggard engagement complete (+2); EM notice issued (+0.5); FI env. policies in progress
12-Month Target	66/100	**ESG AWARE**	June 2027	Laggard remediation/replacement (+3); EM compliance (+1); FI env. policies adopted (+1.5)
18-Month Target	69/100	**ESG AWARE**	December 2027	ESG IPS board adopted (+1); climate strategy underway (+0.5); UNPRI 55%+ (+0.5); Scope 3 data (+1.5)
24-Month Target	72/100	**ESG AWARE**	June 2028	Top quartile achieved; climate scenario analysis complete; all managers Developing+ tier
36-Month Vision	76/100	**ESG LEADER**	June 2029	ESG Leader tier; assured reporting; impact allocation; 65%+ UNPRI; best-in-class disclosure

1.9 PEER BENCHMARKING SUMMARY

The Westbridge portfolio's ESG profile was benchmarked against a peer universe of comparable single and multi-family offices with AUM between $250M and $750M in the United States. Full peer benchmarking analysis is provided in Section 6.

Metric	Westbridge	Bottom Q	Median	Top Q	Pctile	Commentary
Overall Verde ESG Score	62	41	54	72	65th	Above median; 10 points from top quartile
Environmental Dimension	58	38	51	70	58th	Fixed income sleeve is drag; PE sleeve compensates
Social Dimension	67	44	57	74	72nd	Portfolio's best relative ranking
Governance Dimension	61	40	53	71	64th	Strong overall; two Laggards limit upside
ESG Transparency	63	35	48	68	75th	Best relative position; 3 new TCFD adopters
Climate Alignment	61	36	50	69	68th	Above median; Scope 3 gap is constraint
% Mgrs w/ ESG Policy	78%	42%	65%	88%	70th	Above median; 2 more reaches top quartile
% Mgrs UNPRI Signatory	44%	18%	38%	67%	55th	Improvement opportunity — campaign needed
% Portfolio Laggard AUM	4.8%	28%	14.2%	5.0%	55th	Well below median — Laggard removal improves further
Annual ESG Report?	No	No	Varies	Yes	<40th	First annual report planned for Q3 2027

1.10 ESG RISK SUMMARY

Verde Advisors identified 12 material ESG risks during this assessment. The four highest-priority risks are summarized below. The full risk register with all 12 risks, mitigation status, and recommended actions is provided in Section 7.

Risk	Priority	AUM Exposed	Current Mitigation	IC Action Required
R-01: Laggard controversy escalation (Raven + Zenith)	CRITICAL	$23M (4.8%)	None	Formal engagement within 15 days; P1 recommendation
R-02: SEC climate disclosure compliance	HIGH	~$330M (68%)	4/18 managers TCFD-aligned	Manager TCFD engagement; Verde regulatory monitoring
R-03: Carbon pricing & transition risk	HIGH	~$265M (55%)	Partial — some managers track carbon	Portfolio scenario analysis; FI engagement

Risk	Priority	AUM Exposed	Current Mitigation	IC Action Required
R-05: Physical climate risk — real assets	**HIGH**	$121M (25%)	Strong — real assets assessed	Annual monitoring; scenario updates for high-risk locations

1.11 VERDE ADVISORS ESG MONITORING & ADVISORY SERVICES

This one-time ESG Portfolio Assessment establishes the baseline for Westbridge Family Office's ESG program. Verde Advisors recommends transitioning to a quarterly ESG monitoring retainer to ensure continuous progress tracking, regulatory intelligence, and ongoing manager engagement support.

Service	Description	Deliverable	Frequency
Quarterly ESG Portfolio Report	Updated Verde ESG Scores for managers with new data; controversy monitoring; regulatory briefing; action item progress; IC recommendations	15–20 page report	Quarterly
Regulatory Intelligence Briefing	Material ESG regulatory developments (SEC, SFDR, ISSB, California, EU) and their practical implications for the portfolio	2–4 page brief	Quarterly
Controversy Monitoring	Real-time monitoring of manager and portfolio company ESG controversies; alert service for material events	Email alerts + quarterly summary	Ongoing + Quarterly
Manager Engagement Support	Draft manager engagement letters; facilitate manager calls; review ESG improvement plans; provide Verde template documents	As needed	On request
LP ESG Inquiry Support	Draft responses to LP ESG inquiries; prepare ESG portfolio summaries for LP due diligence; ESG data room support	As needed	On request
Annual Full Reassessment	Complete Verde ESG Score refresh for all managers; updated benchmarking; new risk register; revised roadmap	Full 10-section report	Annual (June)

Engagement	Description	Fee
Annual ESG Monitoring Retainer	All services above; 12-month commitment; maximum 3 concurrent full-service retainer clients	$5,500 / month
This Assessment (one-time)	10-section ESG Portfolio Assessment as delivered in this report	$22,000 (paid)
ESG IPS Drafting (add-on)	Draft Westbridge ESG IPS for IC review and board adoption; included in retainer if commenced within 90 days	$8,000 or in retainer
Climate Alignment Strategy (add-on)	Portfolio-level TCFD scenario analysis; carbon intensity reduction target; Scope 3 integration framework	$15,000 or in retainer
Manager Replacement Shortlist (add-on)	Verde ESG due diligence and shortlist for replacement manager searches (per replacement)	$8,000–$15,000 / search

Recommended Next Step

Verde Advisors recommends commencing the Annual ESG Monitoring Retainer effective January 2027 (allowing time for 2026 action item implementation). In the interim, Verde Advisors is available to draft the Laggard engagement letters (Action J1/J2) as an immediate follow-on to this assessment.

To discuss the monitoring retainer, action item implementation, or any aspect of this report: David E. Slattery Jr. · david.e.slattery@gmail.com · (402) 578-4107

SECTION 2

Engagement Scope & Methodology

Frameworks · Data Sources · Scoring Rubric · Limitations

2.0 SECTION OVERVIEW

This section provides comprehensive documentation of the Verde Advisors ESG Portfolio Assessment engagement — the client background and objectives, the scope parameters defining what was and was not evaluated, detailed descriptions of each of the six ESG frameworks applied, the Verde ESG Score's proprietary methodology with full weighting documentation, the data collection process and response summary, and the limitations and caveats that should inform the investment committee's interpretation of findings.

2.1 Client Background & Engagement Objectives

Westbridge Family Office is a single-family office managing approximately $485 million in investable assets on behalf of a multigenerational family with principal business interests in real estate development, technology, and consumer products. The family operates from Phoenix, Arizona, with investment activities conducted nationally and globally.

The investment committee is composed of three family members and two independent advisors. The committee manages the portfolio with the support of external investment managers and advisors, without a large internal investment staff. This lean governance structure makes the Verde Advisors ESG monitoring service particularly well-suited to the family office's operational needs.

2.1.1 WHAT PROMPTED THIS ASSESSMENT

The engagement was commissioned in March 2026 following a family council meeting at which next-generation family members requested formal ESG integration into the investment program. Specific concerns raised included: (1) portfolio exposure to fossil fuel-linked investments; (2) manager governance practices following high-profile governance failures at other family office-backed investments; (3) the family's desire to align investments with their stated philanthropic values; and (4) growing awareness that institutional LP co-investors in their real estate ventures were requiring ESG documentation.

2.1.2 FORMAL ENGAGEMENT OBJECTIVES

The investment committee identified five formal objectives for this assessment, documented in the March 15, 2026 Engagement Agreement:

01 **Establish a credible, data-driven baseline measurement of the portfolio's current ESG profile using a recognized institutional methodology, enabling future progress tracking and peer comparison.**

How Addr
and family

02 **Identify the highest-priority material ESG risks across the 18-manager universe, with specific focus on financial, regulatory, and reputational risks that could affect portfolio returns.**

How Addr

03	**Develop a practical, phased improvement roadmap with specific manager engagement actions, policy initiatives, and ESG monitoring programs that are achievable with the family office's lean governance structure.**	**How Addr** 24-month i
04	**Build the governance infrastructure and reporting capability to track ESG progress quarterly, respond credibly to LP ESG inquiries, and prepare for evolving regulatory ESG disclosure requirements.**	**How Addr** objective.
05	**Position the family office to meet evolving institutional LP and regulatory ESG disclosure expectations, particularly as the family's real estate development business seeks institutional partners.**	**How Addr** directly ad

2.2 Scope of Assessment

2.2.1 WHAT IS IN SCOPE

Portfolio Coverage: 100% of the investment portfolio — all 18 investment managers across all asset classes and all $485 million in AUM as of December 31, 2025. No manager or asset class was excluded.

ESG Dimensions: All five Verde ESG Score dimensions: Environmental (E), Social (S), Governance (G), ESG Transparency, and Climate Alignment. Within each dimension, all four sub-components.

Manager ESG Practices: Each manager's ESG investment policies, practices, data disclosures, sustainability reports, proxy voting policies, diversity disclosures, climate commitments, and controversy history as of the assessment date.

Portfolio-Level Analysis: Portfolio-level ESG exposure mapping, dimensional scores, asset class comparison, sector and geographic exposure, carbon intensity, peer benchmarking, and risk register.

Reporting Period: Full calendar year 2025 (January 1 – December 31, 2025) as the primary reporting period; some forward-looking data through May 2026 incorporated where available.

Peer Benchmarking: Comparison against a peer universe of single and multi-family offices with AUM of $250M–$750M in the United States using Verde Advisors' proprietary database and industry research.

2.2.2 WHAT IS NOT IN SCOPE

Excluded from This Assessment	Rationale
Direct operating company ESG assessments (individual portfolio companies within manager portfolios)	This assessment evaluates managers' ESG practices and frameworks — not each individual company held within a manager's portfolio. Portfolio company ESG is assessed at the manager level.
Personal assets and real property directly held by the Westbridge family	In-scope: institutional investment portfolio only. Directly held property is a separate advisory engagement if desired.
Investment performance analysis (returns, risk-adjusted performance, attribution)	ESG assessment is distinct from investment performance evaluation. This report makes no comment on manager investment performance or return expectations.
Legal compliance audit of managers or the family office	This is an ESG advisory assessment, not a legal audit. References to legal matters (controversies, SEC inquiries) are for ESG assessment purposes only.
ESG quality of the family office's direct service providers (attorneys, accountants, bankers)	Out of scope for this engagement. Could be addressed in a future scope extension if desired.
Forward-looking financial forecasts or investment recommendations	This report does not make recommendations to buy, sell, or hold any security or investment. It is an ESG advisory report only.

2.3 ESG Frameworks Applied

Verde Advisors draws on six globally recognized ESG frameworks. These are not proprietary licenses — Verde Advisors uses their publicly available methodologies, standards, and rating scales as the calibration backbone for the Verde ESG Score. This approach ensures the score is grounded in institutional-quality standards while remaining an independent assessment.

MSCI ESG Rating Methodology

MSCI · Est. 2010

MSCI ESG Research provides company-level ESG ratings on a seven-point scale from CCC (laggard) to AAA (leader), measuring resilience to long-term, industry-material ESG risks. MSCI assesses 1,000+ ESG data points and applies 35 ESG key issues mapped to 2,800+ sub-industries. The most widely used institutional ESG rating system globally, referenced by 300+ of the world's leading institutional investors.

How Used in This Assessment: Verde Advisors uses MSCI's published rating methodology and publicly available company-level ratings as a calibration reference for the Verde ESG Score, particularly for equity-focused managers. MSCI's industry-specific ESG materiality maps inform which ESG factors are assessed for different manager portfolio compositions.

TCFD — Task Force on Climate-related Financial Disclosures

TCFD · Est. 2015

The Financial Stability Board established TCFD in 2015. Recommendations organize climate-related financial disclosure around four pillars: Governance (board oversight), Strategy (impacts on business), Risk Management (processes for identifying/managing climate risks), and Metrics & Targets. TCFD is referenced in the regulatory requirements of 40+ countries.

How Used in This Assessment: TCFD is the primary structure for Verde Advisors' Climate Alignment dimension. Each of the four TCFD pillars is evaluated for every manager, with pillar coverage driving a significant portion of the climate alignment score. TCFD also structures the portfolio-level physical and transition risk scenario analysis.

UN PRI — Principles for Responsible Investment

UN PRI · Est. 2006

Launched in 2006 at the New York Stock Exchange, the UN PRI is the world's leading proponent of responsible investment. The six principles cover ESG incorporation, active ownership, disclosure, promotion, collaboration, and reporting. With 7,000+ signatories managing $120+ trillion in assets, UNPRI signatory status is a globally recognized commitment signal.

How Used in This Assessment: UNPRI signatory status and the quality of a manager's PRI Transparency Report are key inputs to the ESG Transparency dimension. Verde Advisors also uses the PRI's 2023 reporting framework as a reference for assessing manager LP reporting obligations.

ISSB — International Sustainability Standards Board

ISSB · Est. 2021

The ISSB was established under the IFRS Foundation in 2021 to develop a global baseline of sustainability-related financial disclosure standards. IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures) were published in June 2023. As of 2026, 130+ countries have adopted or are adopting ISSB standards.

How Used in This Assessment: Verde Advisors uses ISSB IFRS S1 and S2 as the forward-looking reference standard for regulatory compliance assessment. Managers aligned with ISSB are better positioned for mandatory reporting requirements. ISSB alignment is factored into the regulatory readiness analysis in Section 5.4.

SASB — Sustainability Accounting Standards Board

SASB · Est. 2011

SASB, now part of the IFRS Foundation, publishes industry-specific materiality standards identifying which sustainability topics are likely to affect the financial condition of companies within each of 77 industries across 11 sectors. SASB standards are used by 2,500+ companies globally and are incorporated into ISSB IFRS S2.

How Used in This Assessment: Verde Advisors uses SASB's industry-specific materiality maps to determine which ESG factors receive additional weight in assessing managers with concentrated industry exposure. This ensures sector-appropriate ESG factor weighting across diverse manager strategies.

CDP — Carbon Disclosure Project

CDP · Est. 2000

CDP operates the world's largest environmental disclosure system. Over 23,000 companies representing more than 50% of global market capitalization disclose through CDP annually on climate change, water security, and forests. CDP data is the primary source of standardized, comparable corporate climate data globally.

How Used in This Assessment: CDP is the primary source for carbon emissions data (Scope 1, 2, and where available Scope 3) in Verde Advisors' Environmental dimension assessment. CDP disclosure scores and response quality are used as inputs to the Climate Strategy sub-component.

2.4 Verde ESG Score — Proprietary Methodology

The Verde ESG Score is Verde Advisors' proprietary composite metric providing a consistent, comparable, and actionable assessment of ESG quality across diverse asset classes and strategies. It is calculated as a weighted average of five sub-dimensions on a 0–100 scale.

2.4.1 DIMENSION WEIGHTING & RATIONALE

Dimension	Wt.	Rationale for Weighting	Primary Sub-Components
Environmental (E)	25%	Climate change is the most financially material long-term ESG risk across asset classes. The 25% weight reflects this materiality.	Carbon Emissions (30%), Climate Strategy (25%), Environmental Policy (25%), Resource Efficiency (20%)
Social (S)	20%	Social risks (labor, supply chain, diversity) create material financial and reputational impacts but face greater data availability challenges than other dimensions.	Labor Practices (35%), Human Capital (25%), Diversity & Inclusion (25%), Community Impact (15%)
Governance (G)	25%	Governance quality is most directly linked to financial performance and most data-rich due to mandatory proxy and regulatory disclosures.	Board Quality (30%), Executive Compensation (25%), Shareholder Rights (20%), Ethics (25%)
ESG Transparency	15%	Transparency measures commitment and reporting quality. 15% weight reflects importance as a commitment signal and score reliability driver.	Reporting Completeness (35%), Framework Adoption (30%), Assurance (20%), Questionnaire (15%)
Climate Alignment	15%	Climate Alignment specifically measures forward-looking Paris alignment, distinct from current carbon footprint. Growing in importance with regulation.	TCFD Alignment (35%), Emissions Pathway (30%), Physical Risk (20%), Transition Plan (15%)
Total	**100%**		

2.4.2 SCORING SCALE & RATING TIER DEFINITIONS

Score	Tier	Definition	Portfolio Implication	Peer Distrib.
75–100	**ESG LEADER**	Best-in-class ESG practices. Proactive management of material ESG risks. Comprehensive, independently assured ESG reporting. Recognized ESG leadership.	Hold as internal benchmark. Share best practices. Monitor for continued leadership.	~20% of peers
60–74	**ESG AWARE**	Above-average ESG practices with meaningful integration. Some gaps in specific dimensions or disclosure quality. Generally responsive to engagement.	Active monitoring with targeted engagement on specific gaps. Most managers should be in this tier as minimum.	~35% of peers
40–59	**DEVELOPING**	Basic ESG awareness. Material gaps in policies, practices, or disclosure. Limited controversy history but weak proactive management.	Structured engagement with measurable milestones. Annual review against targets.	~30% of peers

Score	Tier	Definition	Portfolio Implication	Peer Distrib.
0–39	**LAGGARD**	Significant ESG deficiencies. Material controversy history or active risk incidents. Non-responsive to ESG engagement.	Formal engagement within 30 days. Replacement consideration within 60 days.	~15% of peers

2.4.3 ASSET CLASS SCORING CALIBRATION

Verde ESG Scores are calibrated within asset class context. A score of 65 for a PE manager and a score of 65 for a government bond manager reflect above-average ESG quality for their respective peer groups — acknowledging that disclosure norms, data availability, and ESG integration practices differ across asset classes.

Asset Class	Typical Range	Disclosure Norm	Calibration Notes
Publicly Traded Equity	50–85	High (mandatory SEC disclosures, proxy)	Most data-rich; MSCI ESG Ratings available; SASB and CDP data widely available
Private Equity / Buyout	45–80	Medium-high (improving with EDCI)	EDCI emerging as standard; ESG value creation increasingly material; longer time horizon favors ESG integration
Real Assets (RE / Infra)	50–80	Medium-high (GRESB)	GRESB is industry standard; physical climate risk particularly material; community impact relevant
Fixed Income / Credit	35–70	Medium (improving)	ESG integration in credit analysis is newer; climate risk in credit growing rapidly
Hedge Funds / Alternatives	30–70	Low-medium (variable)	Wide variance; strategy-dependent materiality; transparency often lower than long-only
Venture Capital	35–70	Low (disclosure limited)	Earlier stage; governance and climate alignment limited; portfolio company impact and thesis-level ESG most material

2.5 Data Collection Methodology

2.5.1 FOUR-STAGE DATA COLLECTION PROCESS

Verde Advisors employed a four-stage data collection methodology designed to maximize completeness and reliability of ESG information across the diverse 18-manager universe.

Stage 1

March 15 – April 1, 2026

Public Data Baseline & Manager Research

Verde Advisors established an initial ESG profile for each manager using publicly available information: manager websites and marketing materials; published sustainability and ESG reports; annual reports and regulatory filings; SEC filings (Form ADV, proxy statements); CDP database records; UNPRI signatory database and public reporting; GRESB and EDCI public data; media monitoring and ESG controversy databases; and Verde Advisors' proprietary knowledge of each manager.

Outcome: Preliminary Verde ESG Score estimates established for all 18 managers. Initial controversy inventory compiled. Framework adoption status documented.

Stage 2

April 1, 2026

Verde ESG Data Request Questionnaire Distribution

A comprehensive 47-question ESG Data Request Questionnaire was distributed to all 18 managers with a May 15, 2026 response deadline. The questionnaire covered all five Verde ESG Score dimensions and requested attachment of supporting documentation (policy documents, ESG reports, assurance letters, board committee charters).

Outcome: 14 of 18 managers (78%) responded within the deadline — above the industry average of approximately 60%. 4 managers did not respond: Raven Equity Strategies and Zenith Event Driven (both Laggard tier) declined; Apex EM Equity and Tidal Asset Finance did not respond without explanation.

Stage 3

April 15 – May 20, 2026

Manager Documentation Review & Quality Assessment

Verde Advisors conducted systematic review of all documentation submitted by the 14 responding managers. Documentation quality was assessed for: completeness (are all claimed practices documented?); specificity (are commitments quantified with targets and timelines?); credibility (are claims supported by evidence?); and recency (are disclosures current?). Vague statements without supporting data were noted and resulted in lower transparency scores.

Outcome: Documentation quality assessment completed for all 14 responding managers. 6 managers received requests for additional documentation or clarification.

Stag e 4

May 20 – June 1, 2026

Score Finalization, Calibration & Peer Benchmarking

Verde Advisors calculated final Verde ESG Scores for all 18 managers using a structured scoring worksheet for each of the five dimensions and all sub-components. Scores were calibrated against Verde Advisors' proprietary family office peer database to ensure consistent percentile positioning. A final quality review was conducted by the lead advisor.

Outcome: Final Verde ESG Scores established for all 18 managers. Peer calibration completed. Portfolio-level composite score calculated.

2.5.2 QUESTIONNAIRE RESPONSE SUMMARY

Manager Group	Mgrs	Sent	Responded	Rate	Non-Responders	Assessment Impact
Long/Short Equity	6	6	5	83%	Raven Equity (declined ×2)	Raven scored solely on public data; score may be understated
Fixed Income & Credit	4	4	4	100%	None	Full data available; varying disclosure depth across managers
Private Equity & Real Assets	5	5	5	100%	None	Highest documentation quality; all managers provided full supporting docs
Hedge Fund / Alternatives	3	3	2	67%	Zenith Event Driven (declined)	Zenith scored on public data only; score conservative
Total	**18**	**18**	**14**	**78%**	**4 non-responding**	**4 managers public data only — scores may be understated**

2.6 Limitations & Caveats

The following limitations should be considered when interpreting findings. Verde Advisors has designed the methodology to minimize these limitations, but full elimination is not possible given the current state of ESG data availability.

Non-Responding Managers — Potential Score Understatement: Four managers (Raven Equity, Zenith Event Driven, Apex EM Equity, Tidal Asset Finance) did not respond to the Verde questionnaire. Their scores are based exclusively on publicly available information. If these managers have meaningful ESG practices not reflected in public disclosures, their scores may be understated. This is unlikely for Raven and Zenith given their controversy histories, but possible for Apex EM and Tidal.

Data Currency & Lag: This assessment reflects ESG practices and disclosures as of December 31, 2025 (reporting period end) and April–May 2026 (data collection period). ESG practices may have evolved since the data collection date. Managers who adopted new ESG policies after April 2026 would not receive credit in this assessment.

Private Manager Disclosure Constraints: Private fund managers (PE, hedge funds, private credit) are generally subject to fewer mandatory ESG disclosure requirements than publicly traded companies. ESG data quality and comparability for private managers is inherently lower and less standardized than for public company managers.

Qualitative Judgment in Scoring: While Verde Advisors applies a consistent scoring rubric (documented in Appendix A), some scoring components require qualitative judgment — particularly in assessing the credibility and specificity of ESG commitments. Two analysts applying the same rubric to the same manager may produce modestly different scores. Verde Advisors has implemented a dual-review process to minimize variability.

Peer Data Limitations: Family office peer data used in benchmarking is based on Verde Advisors' proprietary database and publicly available industry research. This peer group may not be perfectly representative of Westbridge's specific peer set. Peer scores are directional benchmarks rather than precise statistical norms.

Forward-Looking Statements: Scenario analysis, improvement projections, and expected score impacts from recommended actions are inherently uncertain. Actual outcomes will depend on manager responsiveness, market conditions, regulatory developments, and IC execution. These projections should be treated as directional rather than precise forecasts.

Not Investment Advice: This report is provided for ESG advisory purposes only and does not constitute investment advice, a solicitation, or a recommendation to buy, sell, or hold any security, fund, or investment. ESG assessments are one input to investment decision-making and should be considered alongside traditional financial analysis.

SECTION 3

Portfolio Overview

Asset Allocation · Manager Universe · ESG Exposure · Sector & Geography

3.0 SECTION OVERVIEW

This section provides a comprehensive overview of the Westbridge Family Office investment portfolio, establishing the structural context for the ESG assessment findings. The portfolio overview covers: (1) asset class allocation and AUM breakdown; (2) the complete 18-manager universe with ESG scores; (3) ESG quality distribution; (4) sector concentration analysis identifying sector-specific ESG risk themes; and (5) geographic exposure analysis with ESG data quality and regulatory context by region.

3.1 Portfolio Asset Allocation

3.1.1 AUM BY ASSET CLASS — DECEMBER 31, 2025

The Westbridge Family Office portfolio totals $485 million across five investment groups as of December 31, 2025. The portfolio reflects an endowment-style approach with meaningful private markets and alternatives exposure alongside traditional liquid strategies.

Asset Class	AUM	% Port	# Mgrs	Avg Score	Tier	Peer Median	vs. Peer	Score Range
Long/Short Equity	$168M	34.6%	6	61/100	ESG AWARE	56	+5	31–74
Fixed Income & Credit	$97M	20.0%	4	54/100	DEVELOPING	54	0	48–61
PE & Real Assets	$121M	24.9%	5	71/100	ESG AWARE	62	+9	65–78
Hedge Fund / Alternatives	$73M	15.1%	3	52/100	DEVELOPING	50	+2	37–63
Cash & Short Duration	$26M	5.4%	—	N/A	N/A	N/A	—	—
Total Portfolio	**$485M**	**100%**	**18**	**62/100**	**ESG AWARE**	**54**	**+8**	**31–78**

3.1.2 PORTFOLIO ALLOCATION OBSERVATIONS — ESG PERSPECTIVE

- The **Private Equity & Real Assets sleeve (24.9% of AUM)** is the ESG standout — 9 points above peer median and the only sleeve with an ESG Leader manager. This reflects both higher ESG disclosure norms for PE (driven by EDCI and LP expectations) and the specific quality of Blackridge PE Fund V and Coastal Infrastructure Fund.
- The **Fixed Income & Credit sleeve (20% of AUM)** is the portfolio's ESG weak point — at peer median and 7 points below the portfolio average. This sleeve has the most near-term improvement potential given three of four managers lack basic environmental policies achievable within 60–90 days.
- The **Long/Short Equity sleeve (34.6% of AUM)** has the widest score range — from 31/100 (Raven Equity Laggard) to 74/100 (Northfield Capital) — indicating uneven ESG quality partly obscured by the sleeve average. The Raven

situation is the most acute portfolio risk.

- The **Hedge Fund/Alternatives sleeve (15.1% of AUM)** scores 52/100 with Zenith Event Driven as a Laggard dragging down the average. Without Zenith, the sleeve average would be approximately 60/100. This underscores the disproportionate impact of Laggard managers on sleeve-level performance.

3.2 Full Manager Universe

3.2.1 COMPLETE 18-MANAGER ESG PROFILE

All 18 portfolio managers sorted by Verde ESG Score from highest to lowest. Color coding reflects rating tier.

Manager	Strategy	AUM	%	Score	Rating	Quest.	UNPRI	ESG Report
Blackridge PE Fund V	PE — Buyout	$45M	9.3%	78/100	ESG LEADER	Yes	Yes	Annual
Northfield Capital Management	L/S Equity — Large Cap	$42M	8.7%	74/100	ESG AWARE	Yes	Yes	Annual
Coastal Infrastructure Fund	Infrastructure	$32M	6.6%	74/100	ESG AWARE	Yes	Yes	Annual
Atlas Partners LP	L/S Equity — Value	$35M	7.2%	71/100	ESG AWARE	Yes	Yes	Biennial
Verde Real Estate Fund	Real Estate	$24M	5.0%	70/100	ESG AWARE	Yes	Yes	Annual
Summit Global Advisors	L/S Equity — Growth	$38M	7.8%	68/100	ESG AWARE	Yes	Yes	Annual
Pacific Timber Partners	Natural Resources	$12M	2.5%	67/100	ESG AWARE	No	No	Annual
Sunrise Venture Capital	Venture Capital	$8M	1.6%	65/100	ESG AWARE	No	WIP	Partial
Orion Macro Fund	Global Macro	$38M	7.8%	63/100	ESG AWARE	Yes	WIP	Partial
BlueCrest Credit Partners	Credit — IG/HY	$32M	6.6%	61/100	ESG AWARE	Yes	Yes	Annual
Meridian Long/Short	L/S Equity — Sector	$28M	5.8%	58/100	DEVELOPING	Yes	WIP	None
Sterling Quant Strategies	Systematic Multi-Strategy	$22M	4.5%	57/100	DEVELOPING	Yes	No	Partial
Harmon Fixed Income	Gov't/Agency Fixed Income	$28M	5.8%	55/100	DEVELOPING	Yes	No	None
Sequoia Direct Lending	Private Credit	$24M	5.0%	52/100	DEVELOPING	Yes	No	Partial
Tidal Asset Finance	ABS/Structured Finance	$13M	2.7%	48/100	DEVELOPING	No	No	None
Apex EM Equity Fund	EM Equity — Multi-Region	$15M	3.1%	43/100	DEVELOPING	No	No	None
Zenith Event Driven	Event Driven	$13M	2.7%	37/100	LAGGARD	No	No	None
Raven Equity Strategies	L/S Equity — Quant	$10M	2.1%	31/100	LAGGARD	No	No	None

Quest. = Verde ESG Data Request Questionnaire completion status. UNPRI = UN Principles for Responsible Investment signatory status (WIP = work in progress/application initiated).

3.2.2 MANAGER UNIVERSE — DETAILED CHARACTERISTICS

Additional manager-level detail including relationship history, location, and primary ESG strengths/concerns.

Manager	Strategy	Score	Location	Primary ESG Strength	Primary ESG Concern
Blackridge PE Fund V	PE Buyout	78	New York, NY	Net-zero commitment; SBTi; PwC assured ESG report	Three portfolio co. transition plans still pending
Northfield Capital	L/S Equity LgCap	74	Boston, MA	Strong board governance; UNPRI signatory since 2019	Scope 3 not reported; no third-party assurance
Coastal Infrastructure	Infrastructure	74	Chicago, IL	Full TCFD alignment; Deloitte assurance; 1.5°C pathway	Scope 3 supply chain data limited
Atlas Partners LP	L/S Equity Value	71	Greenwich, CT	Strong shareholder rights; UNPRI since 2021	Biennial vs. annual ESG reporting cadence
Verde Real Estate Fund	Real Estate	70	Phoenix, AZ	GRESB participant; physical climate risk assessed	No Scope 3 tenant emissions data
Summit Global Advisors	L/S Equity Growth	68	San Francisco, CA	Diversity report; employee NPS published	Scope 3 gap; no formal net-zero commitment
Pacific Timber Partners	Natural Resources	67	Portland, OR	FSC certified; watershed protection programs	No UNPRI signatory status; TNFD not addressed
Sunrise Venture Capital	Venture Capital	65	Austin, TX	Climate tech thesis; DEI focus in portfolio cos.	No UNPRI; only partial ESG reporting
Orion Macro Fund	Global Macro	63	New York, NY	Macro ESG thematic research; DEI policy	UNPRI application in progress; informal TCFD
BlueCrest Credit Partners	Credit IG/HY	61	Chicago, IL	ESG in credit analysis; UNPRI signatory	No portfolio carbon intensity calculated
Meridian Long/Short	L/S Equity Sector	58	Houston, TX	Adequate governance; IC majority independent	No ESG report; no environmental policy
Sterling Quant	Systematic Multi	57	New York, NY	AI/model governance policy; carbon as factor	No standalone ESG report; not UNPRI
Harmon Fixed Income	Gov't/Agency	55	Minneapolis, MN	Adequate governance; Big 4 auditor	No environmental policy; no emissions data
Sequoia Direct Lending	Private Credit	52	Los Angeles, CA	Responsible lending informal commitment	No formal policy; TCFD not addressed
Tidal Asset Finance	ABS/Structured	48	New York, NY	Adequate audit quality	No questionnaire response; no ESG engagement

Manager	Strategy	Score	Location	Primary ESG Strength	Primary ESG Concern
Apex EM Equity	EM Equity Multi	43	New York, NY	Governance risk monitoring in strategy	No questionnaire; no UNPRI; no policies
Zenith Event Driven	Event Driven	37	New York, NY	None identified	Active labor controversy; no ESG engagement
Raven Equity Strategies	L/S Equity Quant	31	Chicago, IL	None identified	Active litigation; questionnaire declined ×2

3.3 ESG Quality Distribution & Exposure Map

3.3.1 AUM CONCENTRATION BY ESG TIER

ESG Tier	Range	Mgrs	AUM	% AUM	% Mgrs	Managers
ESG LEADER	75–100	1	$45M	9.3%	5.6%	Blackridge PE Fund V (78)
ESG AWARE	60–74	9	$261M	53.8%	50.0%	Northfield (74), Atlas (71), Coastal (74), Summit (68), Verde RE (70), OrionMacro (63), BlueCrest (61), Pacific Timber (67), Sunrise VC (65)
DEVELOPING	40–59	6	$156M	32.2%	33.3%	Meridian (58), Sterling Quant (57), Harmon FI (55), Sequoia DL (52), Tidal (48), Apex EM (43)
LAGGARD	0–39	2	$23M	4.7%	11.1%	Zenith Event Driven (37), Raven Equity (31)
Total		**18**	**$485M**	**100%**	**100%**	

3.3.2 ESG EXPOSURE MAP BY ASSET CLASS

Asset Class	Leader AUM	Aware AUM	Developing AUM	Laggard AUM	Key ESG Risk
L/S Equity ($168M)	— (0%)	$115M (68%)	$43M (26%)	$10M (6%)	Raven controversy; Apex EM data gap
Fixed Income ($97M)	— (0%)	$32M (33%)	$65M (67%)	— (0%)	3/4 managers lack env. policy; FI climate gap
PE & Real Assets ($121M)	$45M (37%)	$76M (63%)	— (0%)	— (0%)	Physical climate risk; Sunrise VC disclosure
Hedge Fund/Alts ($73M)	— (0%)	$38M (52%)	$22M (30%)	$13M (18%)	Zenith controversy; quant transparency
Portfolio Total	**$45M (9.3%)**	**$261M (54%)**	**$130M (27%)**	**$23M (4.7%)**	

3.3.3 SCORE DISTRIBUTION HISTOGRAM

Distribution of manager scores to understand portfolio ESG quality concentration and identify outlier patterns.

Score Band	Mgrs	AUM	Managers in Band	IC Implication
75–100 (Leader)	1	$45M (9.3%)	Blackridge PE Fund V	Hold; use as internal benchmark for engagement
65–74 (Aware+)	5	$154M (31.8%)	Northfield, Coastal, Atlas, Verde RE, Summit	Monitor; targeted improvement on specific gaps
60–64 (Aware baseline)	4	$107M (22.1%)	BlueCrest, Pacific Timber, Sunrise VC, Orion	Engage on improvement; UNPRI and Scope 3 priority
55–59 (Developing+)	3	$88M (18.1%)	Meridian, Sterling, Harmon FI	Structured engagement; environmental policy primary
45–54 (Developing-mid)	3	$68M (14.0%)	Sequoia DL, Tidal, Apex EM	Formal improvement requirements; questionnaire mandate

Score Band	Mgrs	AUM	Managers in Band	IC Implication
0–44 (Laggard)	2	$23M (4.7%)	Zenith, Raven	Immediate engagement; replacement consideration

3.4 Sector Concentration Analysis

The portfolio's underlying sector exposures — derived from manager strategy types and disclosed portfolio characteristics — create specific ESG risk themes that differ meaningfully by sector. The following analysis identifies the eight primary sector exposures and their associated ESG risk profiles.

Sector	Exposure	Primary ESG Risk Themes	Risk Level	Mitigation Status	Recommended Actions
Financial Services	~25%	Governance, regulatory risk, conduct risk	MEDIUM	Well-managed — strong governance scores; conduct risk monitoring adequate	Governance improvement; ESG-linked comp expansion
Technology	~18%	Data privacy, labor, AI governance, IP	MEDIUM	Variable — data privacy policies generally present; AI governance emerging gap	AI governance to be added to 2027 questionnaire
Healthcare	~12%	Drug pricing/access, clinical ethics, data privacy	LOW	Generally strong — healthcare equity managers score well on Social	Maintain monitoring; supply chain medical devices
Real Estate	~10%	Physical climate, green building, tenant rights	MEDIUM	Strong — real assets managers have TCFD alignment, physical risk assessments	Physical risk scenario updates; Scope 3 tenant emissions
Energy (indirect)	~8%	Carbon intensity, stranded asset, transition risk	HIGH	Weak — significant carbon exposure in FI credit sleeve, minimal env. policies	PRIORITY: FI environmental policy engagement (Action J4)
Consumer (Disc/Staples)	~8%	Supply chain labor, packaging, data privacy	MEDIUM	Variable — strong portfolio company standards at Blackridge; weak at EM equity	Supply chain labor policy required for EM managers
Industrials / Infrastructure	~7%	GHG emissions, worker safety, community impact	LOW	Strong — infrastructure managers have best-in-class ESG practices	Maintain; update physical risk for climate-vulnerable regions
Natural Resources / Timber	~3%	Biodiversity, deforestation, community rights	MEDIUM	Adequate — Pacific Timber has FSC certification baseline	TNFD pilot disclosure; biodiversity assessment

3.5 Geographic ESG Exposure Analysis

The portfolio has meaningful geographic diversification across developed and emerging markets. Geographic exposure affects ESG assessment in two ways: (1) the quality and availability of ESG data from different regions; and (2) the regulatory environment governing ESG disclosure in each jurisdiction.

Region	Est. Exposure	Primary Managers Exposed	Data Quality	Regulatory Environment	Risk Level
United States	~68%	All L/S equity, all FI, Blackridge PE, Sunrise VC	STRONG	SEC climate rules phased 2025–27; CA SB 253/261; TCFD prominent	MEDIUM
Western Europe	~12%	Blackridge PE (some), Atlas, Northfield (some holdings)	STRONG	SFDR; CSRD; EU Taxonomy — most stringent globally	MEDIUM
Asia Pacific (ex-China)	~8%	Apex EM Equity (partial), Orion Macro (tactical)	ADEQUATE	ISSB adoption accelerating (Australia, Singapore, Japan)	MEDIUM
Emerging Markets (Other)	~6%	Apex EM Equity (primary), Orion Macro (tactical)	WEAK	Variable; limited mandatory disclosure; ISSB early stage	HIGH
Latin America	~4%	Orion Macro (tactical), Pacific Timber (some sourcing)	ADEQUATE	Brazil leads regional standards; deforestation regulation	MEDIUM
Canada	~2%	L/S equity managers (some portfolio cos.)	STRONG	Strong ESG disclosure norms; TCFD-aligned; ISSB advancing	LOW

3.5.1 GEOGRAPHIC ESG RISK SUMMARY

The portfolio's geographic ESG risk profile is dominated by three considerations:

- **United States domestic exposure (68% of AUM):** The SEC's phased climate disclosure rules and California's SB 253 and SB 261 create the most immediate regulatory compliance risk for portfolio company holdings. The fixed income sleeve's limited TCFD adoption is most exposed to this risk. Proactive TCFD engagement across all managers addresses this.
- **European exposure (12% of AUM):** SFDR and CSRD create potential LP reporting obligations if European institutional investors are current or prospective co-investors. The portfolio is not currently structured to produce SFDR Principal Adverse Impact (PAI) indicators. A SFDR gap analysis is recommended if European LP relationships are active or targeted.
- **Emerging markets exposure (14% combined EM + Latam):** ESG data quality and regulatory standards in emerging markets remain significantly below developed market norms. Apex EM Equity Fund's questionnaire non-response creates a specific blind spot. Supply chain labor risk is the most acute ESG concern in EM-exposed managers.

3.6 Portfolio ESG Summary Statistics

Twelve key portfolio-level ESG metrics summarizing the assessment findings.

Statistic	Value	Commentary
Overall Portfolio Verde ESG Score	62/100	ESG Aware tier; 65th percentile among comparable family offices
Score Range (min – max)	31 – 78	47-point spread reflecting wide manager ESG quality variance
Standard Deviation of Scores	14.2 points	Moderate dispersion; two Laggard outliers drive spread
% of Managers at or Above Peer Median	67% (12/18)	Above-average portfolio; improving year-over-year
% of AUM Managed by UNPRI Signatories	44% ($213M)	Above peer median of 38%; well below top quartile of 67%
% of Managers with Annual ESG Report	56% (10/18)	Above peer median of 52%; top quartile threshold is 78%
% of Managers with Third-Party ESG Assurance	17% (3/18)	Above peer median of 13%; significant room to grow
Portfolio Scope 1+2 WACI	187 tCO2e/$M revenue	7% above MSCI World average of 175; FI sleeve drives at 218
% of Managers Reporting Scope 3	22% (4/18)	Below institutional best-practice of 40%+; key improvement target
# of Active Material ESG Controversies	2 managers	Raven Equity and Zenith Event Driven; both in active engagement
# of ESG Regulatory Non-Compliance Incidents	0	No known regulatory actions related to ESG in review period
Portfolio ESG Score Target — 24 Months	72/100	Top-quartile; achievable through roadmap actions (Section 8)

SECTION 4

Manager-by-Manager ESG Assessments

Individual Profiles — All 18 Managers

This section provides individual ESG assessment profiles for all 18 investment managers. Each profile covers: Verde ESG Score by dimension, evidence and notes, controversy history, and specific investment committee recommendations.

Manager	Strategy	AUM	Score	Rating
Blackridge PE Fund V	PE — Buyout	$45M	78/100	ESG LEADER
Northfield Capital Management	L/S Equity — Large Cap	$42M	74/100	ESG AWARE
Atlas Partners LP	L/S Equity — Value	$35M	71/100	ESG AWARE
Summit Global Advisors	L/S Equity — Growth	$38M	68/100	ESG AWARE
Coastal Infrastructure Fund	Infrastructure	$32M	74/100	ESG AWARE
Orion Macro Fund	Global Macro	$38M	63/100	ESG AWARE
BlueCrest Credit Partners	Credit — IG/HY	$32M	61/100	ESG AWARE
Verde Real Estate Fund	Real Estate	$24M	70/100	ESG AWARE
Pacific Timber Partners	Natural Resources	$12M	67/100	ESG AWARE
Sunrise Venture Capital	Venture Capital	$8M	65/100	ESG AWARE
Harmon Fixed Income	Gov't/Agency Fixed Income	$28M	55/100	DEVELOPING
Meridian Long/Short	L/S Equity — Sector	$28M	58/100	DEVELOPING
Sequoia Direct Lending	Private Credit	$24M	52/100	DEVELOPING
Sterling Quant Strategies	Systematic Multi-Strategy	$22M	57/100	DEVELOPING
Tidal Asset Finance	ABS/Structured Finance	$13M	48/100	DEVELOPING
Apex EM Equity Fund	EM Equity — Multi-Region	$15M	43/100	DEVELOPING
Zenith Event Driven	Event Driven	$13M	37/100	LAGGARD
Raven Equity Strategies	L/S Equity — Quant	$10M	31/100	LAGGARD

Blackridge PE Fund V

78
/100

ut · $45M (9.3% of portfolio

ESG LEADER

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	82/100	25%	ESG LEADER	Net-zero by 2040; SBTi targets 8/12 portfolio cos.; TCFD-aligned; Scope 1/2/3 reported
Social (S)	76/100	20%	ESG LEADER	42% female portfolio co. leadership; UNGC signatory; living wage standard; DEI policy
Governance (G)	81/100	25%	ESG LEADER	ESG Operating Partner; board ESG committee; ESG KPIs in mgmt incentive plans
ESG Transparency	84/100	15%	ESG LEADER	Annual ESG report (7th year); PwC assurance; UNPRI since 2017; EDCI participant
Climate Alignment	71/100	15%	ESG AWARE	Paris-aligned pathway; physical risk complete for all 12 assets; transition plans 9/12
OVERALL VERDE ESG SCORE	**78/100**		ESG LEADER	**Rating: LEADER**

Controversy History

No material controversies. Minor supply chain incident 2024 — resolved.

Investment Committee Recommendation

No action required. ESG benchmark. Share framework as best-practice with other managers.

• Complete transition plans for 3 remaining portfolio companies — request timeline

Northfield Capital Management

74 /100

ESG AWARE

– Large Cap · $42M (8.7%

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	71/100	25%	**ESG AWARE**	Formal environmental policy; Scope 1/2 complete; TCFD partial; SBTi under consideration
Social (S)	73/100	20%	**ESG AWARE**	Human capital report; workforce diversity data; active shareholder engagement
Governance (G)	77/100	25%	**ESG LEADER**	Independent board majority; proxy voting policy ESG-aligned; annual governance review
ESG Transparency	76/100	15%	**ESG LEADER**	Annual ESG report since 2020; UNPRI since 2019; no third-party assurance
Climate Alignment	73/100	15%	**ESG AWARE**	Carbon footprint calculated; TCFD partial; physical risk assessment in progress
OVERALL VERDE ESG SCORE	**74/100**		**ESG AWARE**	**Rating: AWARE**

Controversy History

No material controversies. Minor ISS flag on CEO comp 2024 — resolved.

Investment Committee Recommendation

Request Scope 3 timeline. Encourage net-zero commitment. Recommend limited assurance.

- Scope 3 emissions timeline
- Net-zero commitment or SBTi target
- Limited third-party assurance

Atlas Partners LP

71
/100

ESG AWARE

– Value · $35M (7.2% of p

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	69/100	25%	ESG AWARE	Environmental risk screening; Scope 1/2 from portfolio cos.; CDP participant
Social (S)	71/100	20%	ESG AWARE	ESG integration in investment thesis; human capital metrics tracked
Governance (G)	73/100	25%	ESG AWARE	Strong board independence; majority voting; shareholder engagement
ESG Transparency	72/100	15%	ESG AWARE	Biennial ESG report; UNPRI since 2021; no assurance
Climate Alignment	70/100	15%	ESG AWARE	TCFD partial; carbon intensity tracked; no net-zero commitment
OVERALL VERDE ESG SCORE	**71/100**		ESG AWARE	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Move to annual ESG reporting. Full TCFD alignment by 2027.

- Annual ESG report (currently biennial)
- Full TCFD alignment
- Scope 3 data target

Summit Global Advisors

68
/100

ESG AWARE

– Growth · $38M (7.8% of

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	65/100	25%	ESG AWARE	Formal ESG integration policy; carbon screening; Scope 1/2 for majority of holdings
Social (S)	70/100	20%	ESG AWARE	Diversity report; employee NPS published; strong human capital practices
Governance (G)	68/100	25%	ESG AWARE	Good governance; shareholder rights policy; performance-aligned exec comp
ESG Transparency	70/100	15%	ESG AWARE	Annual ESG report; UNPRI signatory; questionnaire fully completed
Climate Alignment	67/100	15%	ESG AWARE	Basic TCFD; climate risk in investment process; no formal net-zero
OVERALL VERDE ESG SCORE	**68/100**		ESG AWARE	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Maintain. Target Scope 3 in 2026 report. Encourage net-zero commitment.

• Scope 3 data in 2026 report

• Formal climate scenario analysis

Coastal Infrastructure Fund

e · $32M (6.6% of portfolio

74
/100

ESG AWARE

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	72/100	25%	**ESG AWARE**	Strong emissions management; Scope 1/2/3; green bond issuance; TCFD fully aligned
Social (S)	75/100	20%	**ESG LEADER**	Community impact assessments; indigenous rights policy; labor standards in all contracts
Governance (G)	74/100	25%	**ESG AWARE**	Independent board; ESG advisory committee; governance integrated in asset management
ESG Transparency	71/100	15%	**ESG AWARE**	Annual sustainability report; UNPRI signatory; Deloitte limited assurance
Climate Alignment	78/100	15%	**ESG LEADER**	TCFD fully aligned; 1.5C pathway for asset portfolio; strongest climate score in portfolio
OVERALL VERDE ESG SCORE	**74/100**		**ESG AWARE**	**Rating: AWARE**

Controversy History

No controversies. Industry-recognized ESG leader in infrastructure.

Investment Committee Recommendation

No action required. Climate alignment best practice in portfolio.

• Scope 3 supply chain data (currently limited)

• Nature/biodiversity assessment for assets

Orion Macro Fund

63
/100

ESG A
WARE

o · $38M (7.8% of portfolio

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	60/100	25%	ESG AWARE	Macro ESG thematic research; carbon pricing analysis; EM environmental screening
Social (S)	67/100	20%	ESG AWARE	Formal DEI policy; living wage; community investment program
Governance (G)	65/100	25%	ESG AWARE	Good governance; independent investment committee; clear COI policy
ESG Transparency	65/100	15%	ESG AWARE	Partial ESG report; UNPRI commitment Q1 2026
Climate Alignment	62/100	15%	ESG AWARE	TCFD partial; climate as macro theme; scenario analysis informal
OVERALL VERDE ESG SCORE	**63/100**		ESG AWARE	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Complete UNPRI application. Request formal TCFD. Move to full annual ESG report.

- UNPRI completion (in progress Q3 2026)
- Full TCFD report by 2027
- Annual ESG report

BlueCrest Credit Partners

61
/100

ESG AWARE

/HY · $32M (6.6% of portfo

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	59/100	25%	DEVELOPING	ESG integration in credit analysis; environmental screen; CDP data in credit assessment
Social (S)	64/100	20%	ESG AWARE	Responsible lending policy; supply chain assessment; labor standard monitoring
Governance (G)	62/100	25%	ESG AWARE	Governance quality assessment integral to credit analysis; ESG covenant monitoring
ESG Transparency	62/100	15%	ESG AWARE	Annual ESG report; UNPRI signatory; ESG integration documented
Climate Alignment	58/100	15%	DEVELOPING	Partial TCFD; climate in credit analysis; no portfolio carbon intensity calculated
OVERALL VERDE ESG SCORE	**61/100**		ESG AWARE	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Request portfolio carbon intensity calculation. Encourage full TCFD alignment.

- Portfolio carbon intensity calculation
- TCFD full alignment
- Scope 3 for large issuers

Verde Real Estate Fund

70
/100

ESG AWARE · $24M (5.0% of portfolio)

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	68/100	25%	ESG AWARE	LEED/BREEAM certifications; energy efficiency; waste reduction across portfolio
Social (S)	72/100	20%	ESG AWARE	Tenant engagement programs; affordable housing component; community impact reporting
Governance (G)	69/100	25%	ESG AWARE	Strong asset-level governance; tenant advisory councils; transparent leasing
ESG Transparency	70/100	15%	ESG AWARE	Annual sustainability report; GRESB participant
Climate Alignment	71/100	15%	ESG AWARE	Physical climate risk assessment complete; TCFD aligned; green building investment theme
OVERALL VERDE ESG SCORE	**70/100**		ESG AWARE	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

No action required. GRESB participation is best practice.

- Nature/biodiversity assessment for relevant assets
- Scope 3 tenant emissions

Pacific Timber Partners

ources · $12M (2.5% of po

67
/100

ESG AWARE

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	70/100	25%	**ESG AWARE**	FSC certified; biodiversity monitoring; watershed protection programs
Social (S)	65/100	20%	**ESG AWARE**	Local community engagement; indigenous rights policy; excellent safety record
Governance (G)	68/100	25%	**ESG AWARE**	Clear governance; annual audit; transparent harvest reporting
ESG Transparency	66/100	15%	**ESG AWARE**	Annual sustainability report; FSC certification; no UNPRI
Climate Alignment	67/100	15%	**ESG AWARE**	Climate resilience assessments; carbon sequestration credits; physical risk monitored
OVERALL VERDE ESG SCORE	**67/100**		**ESG AWARE**	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Encourage UNPRI signatory. Request TNFD pilot disclosure given sector relevance.

• UNPRI application — highly recommended

• TNFD biodiversity pilot disclosure

Sunrise Venture Capital

65
/100

ESG A
WARE

pital · $8M (1.6% of portfoli

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	61/100	25%	**ESG AWARE**	Portfolio company ESG onboarding; climate tech investment thesis; carbon footprint tracking
Social (S)	68/100	20%	**ESG AWARE**	DEI in portfolio company hiring; diverse founders priority; employee wellness
Governance (G)	66/100	25%	**ESG AWARE**	VC governance best practices; board composition support; anti-dilution standards
ESG Transparency	65/100	15%	**ESG AWARE**	Partial ESG report; UNPRI interest expressed
Climate Alignment	63/100	15%	**ESG AWARE**	Climate tech focus aligned with transition; Scope 1/2 available; limited Scope 3
OVERALL VERDE ESG SCORE	**65/100**		**ESG AWARE**	**Rating: AWARE**

Controversy History

No controversies.

Investment Committee Recommendation

Encourage UNPRI application. Request full annual ESG report. Climate tech is differentiator.

• UNPRI application

• Full annual ESG report

• Portfolio company ESG KPI standardization

Harmon Fixed Income

ty Fixed Income · $28M (5.

55
/100

DEVEL
OPING

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	52/100	25%	DEVELOPING	No environmental policy; no emissions data; no CDP; ESG screening limited
Social (S)	60/100	20%	ESG AWARE	Basic labor practices; no diversity disclosure; no human capital report
Governance (G)	58/100	25%	DEVELOPING	Adequate governance; independent oversight; basic proxy voting policy
ESG Transparency	54/100	15%	DEVELOPING	No ESG report; no UNPRI; questionnaire responded with limited depth
Climate Alignment	52/100	15%	DEVELOPING	No TCFD; no climate risk framework; minimal climate integration
OVERALL VERDE ESG SCORE	**55/100**		DEVELOPING	**Rating: DEVELOPING**

Controversy History

No controversies but significant disclosure gap.

Investment Committee Recommendation

Require formal environmental policy. Request CDP registration. 12-month ESG improvement timeline.

- Environmental policy adoption (Verde template available)
- CDP registration and Scope 1/2
- UNPRI application
- ESG report commitment

Meridian Long/Short

58 /100 **DEVELOPING**

– Sector · $28M (5.8% of p

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	55/100	25%	**DEVELOPING**	Basic ESG screens; no environmental policy; limited environmental disclosure
Social (S)	60/100	20%	**ESG AWARE**	Standard labor practices; no diversity report; employee turnover not published
Governance (G)	61/100	25%	**ESG AWARE**	Adequate board governance; majority independent; no ESG governance integration
ESG Transparency	58/100	15%	**DEVELOPING**	No ESG report; UNPRI interest expressed; questionnaire completed with limited data
Climate Alignment	57/100	15%	**DEVELOPING**	No TCFD; no climate risk framework; carbon footprint not calculated
OVERALL VERDE ESG SCORE	**58/100**		**DEVELOPING**	**Rating: DEVELOPING**

Controversy History

No material controversies.

Investment Committee Recommendation

Require environmental policy and ESG reporting plan within 6 months.

- Environmental policy — 6-month timeline
- UNPRI application
- Annual ESG report by 2027
- Carbon footprint calculation

Sequoia Direct Lending

52 /100

dit · $24M (5.0% of portfolio

DEVELOPING

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	50/100	25%	**DEVELOPING**	Basic ESG screens in credit underwriting; no environmental policy; no emissions data
Social (S)	56/100	20%	**DEVELOPING**	Responsible lending commitment stated informally; no formal social policy
Governance (G)	54/100	25%	**DEVELOPING**	Standard governance; credit covenants include basic ESG reps
ESG Transparency	52/100	15%	**DEVELOPING**	Partial disclosure; no ESG report; UNPRI interest
Climate Alignment	49/100	15%	**DEVELOPING**	No climate framework; climate risk not formally integrated in credit process
OVERALL VERDE ESG SCORE	**52/100**		**DEVELOPING**	**Rating: DEVELOPING**

Controversy History

No controversies.

Investment Committee Recommendation

Require formal responsible lending policy. ESG integration documentation in credit process.

- Responsible Lending Policy required
- ESG integration documented in underwriting
- TCFD basic alignment

Sterling Quant Strategies

57
/100

DEVELOPING

Multi-Strategy · $22M (4.5

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	54/100	25%	DEVELOPING	ESG factors in quant signals; carbon intensity as factor; no environmental policy
Social (S)	58/100	20%	DEVELOPING	Diversity in quant team; AI/model governance policy; no broader social policy
Governance (G)	56/100	25%	DEVELOPING	Strong model governance; independent risk oversight; algorithm bias policy
ESG Transparency	59/100	15%	DEVELOPING	Partial disclosure (firm brochure); no standalone report; not UNPRI signatory
Climate Alignment	55/100	15%	DEVELOPING	Carbon as factor; basic TCFD awareness; climate not formally integrated beyond model
OVERALL VERDE ESG SCORE	**57/100**		DEVELOPING	**Rating: DEVELOPING**

Controversy History

No controversies.

Investment Committee Recommendation

Environmental policy and standalone ESG report. AI governance is differentiating strength.

- Environmental policy adoption
- Standalone annual ESG report
- UNPRI application

Tidal Asset Finance

ured Finance · $13M (2.7%

48
/100

DEVEL
OPING

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	46/100	25%	DEVELOPING	No environmental policy; no emissions; limited ESG in ABS structuring
Social (S)	52/100	20%	DEVELOPING	Basic labor practices; no social policy; no diversity data
Governance (G)	50/100	25%	DEVELOPING	Standard governance; adequate audit; limited ESG governance
ESG Transparency	48/100	15%	DEVELOPING	No ESG report; no UNPRI; questionnaire not completed
Climate Alignment	45/100	15%	DEVELOPING	No TCFD; no climate framework; no risk assessment
OVERALL VERDE ESG SCORE	**48/100**		DEVELOPING	**Rating: DEVELOPING**

Controversy History

No controversies but structured finance faces growing ESG scrutiny.

Investment Committee Recommendation

Require ESG questionnaire completion and basic policy as condition of continued allocation.

- Require completed questionnaire
- Basic ESG policy — 6-month deadline
- Consider ESG-integrated replacement at next review

Apex EM Equity Fund

43 /100

DEVEL OPING

– Multi-Region · $15M (3.1

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	42/100	25%	DEVELOPING	Basic ESG screening; no environmental policy; limited EM data
Social (S)	45/100	20%	DEVELOPING	Social screening for labor controversies; no formal social policy
Governance (G)	44/100	25%	DEVELOPING	Governance risk monitoring in strategy; no ESG committee
ESG Transparency	38/100	15%	LAGGARD	No ESG report; not UNPRI; questionnaire not completed
Climate Alignment	43/100	15%	DEVELOPING	No TCFD; no climate framework; EM physical risk not assessed
OVERALL VERDE ESG SCORE	**43/100**		DEVELOPING	**Rating: DEVELOPING**

Controversy History

No material controversies in period. Historical controversy 2022 labor practices — remediated.

Investment Committee Recommendation

Require questionnaire completion and UNPRI application within 90 days.

- Questionnaire required — condition of continued allocation
- UNPRI application — 90-day deadline
- Minimum ESG score target: 55 within 18 months

Zenith Event Driven

37
/100

LAGGARD

n · $13M (2.7% of portfolio

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	35/100	25%	**LAGGARD**	No environmental policy; no climate disclosure; no ESG integration
Social (S)	39/100	20%	**LAGGARD**	Labor practice concern (ongoing litigation); no social policy
Governance (G)	38/100	25%	**LAGGARD**	Below-average governance; combined CEO/Chair; below-50% board independence
ESG Transparency	36/100	15%	**LAGGARD**	No ESG report; not UNPRI; questionnaire declined despite two requests
Climate Alignment	37/100	15%	**LAGGARD**	No TCFD; no climate framework; no emissions data
OVERALL VERDE ESG SCORE	**37/100**		**LAGGARD**	**Rating: LAGGARD**

Controversy History

MATERIAL: Q3 2024 labor discrimination class action (ongoing). Q1 2025 SEC inquiry resolved.

Investment Committee Recommendation

ACTION REQUIRED: Formal engagement letter within 15 days. Written plan within 30 days.

- IMMEDIATE: Formal engagement — 15 days
- Written ESG plan — 30 days
- Controversy resolution update
- IC decision: remediation or replacement — 60 days

Raven Equity Strategies

31 /100

LAGGARD

– Quant · $10M (2.1% of p

Dimension	Score	Wt.	Rating	Evidence & Notes
Environmental (E)	28/100	25%	LAGGARD	No environmental policy; no climate disclosure; no ESG integration; all data unknown
Social (S)	35/100	20%	LAGGARD	Material labor controversy; no social policy; no diversity disclosure
Governance (G)	38/100	25%	LAGGARD	Below-average governance; related-party concern; comp opacity
ESG Transparency	24/100	15%	LAGGARD	No ESG report; not UNPRI; declined questionnaire twice
Climate Alignment	22/100	15%	LAGGARD	No TCFD; no climate framework; no emissions data; worst climate score in portfolio
OVERALL VERDE ESG SCORE	**31/100**		LAGGARD	**Rating: LAGGARD**

Controversy History

MATERIAL: Q3 2024 labor discrimination class action ongoing. Q1 2025 SEC inquiry resolved.

Investment Committee Recommendation

PRIORITY 1 ACTION REQUIRED: Formal letter 10 days. 60-day deadline. Initiate replacement search in parallel.

- IMMEDIATE: Formal letter — 10 days
- Questionnaire completion — 30 days
- ESG policy commitment — 30 days
- Replacement search — initiate now
- Controversy litigation update

SECTION 5

Thematic ESG Analysis

Climate · Governance · Social · Regulatory

5.1 CLIMATE EXPOSURE DEEP DIVE — TCFD FRAMEWORK

Verde Advisors conducted a TCFD-aligned climate risk assessment analyzing portfolio exposure to both physical and transition climate risks under three scenarios: 1.5°C Paris-aligned, 2°C Delayed Transition, and 3°C+ Business-as-Usual.

TCFD Pillar	Current Portfolio Status	Primary Gaps	Priority
Governance	IC discusses climate risk annually; no dedicated oversight committee	Not in formal investment policy; no board-level climate mandate	**MEDIUM**
Strategy	8/18 managers have climate scenario analysis; PE and infrastructure strongest	No portfolio-level scenario analysis; physical risk not in asset allocation decisions	**HIGH**
Risk Management	Physical risk complete for real assets ($121M); transition risk informal for liquid strategies	No systematic transition risk monitoring; no climate VaR calculation	**MEDIUM**
Metrics & Targets	Scope 1+2 WACI = 187 tCO2e/$M; Scope 3 from 4/18 managers only	Scope 3 data gap is primary metric weakness; no portfolio net-zero pathway defined	**HIGH**

5.1.1 CLIMATE SCENARIO ANALYSIS

Scenario	Temp.	Est. Portfolio Impact	Highest Risk Exposures	Time Horizon
Paris Aligned (Orderly)	1.5°C	Est. –2% to –4% valuation	Energy sector credit; carbon-intensive EM equity	2030–2040
Delayed Transition (Disorderly)	2°C	Est. –4% to –8% valuation	FI credit in high-transition sectors; PE portfolio cos. without plans	2035–2050
Business as Usual	3°C+	Est. –8% to –15% valuation	Real assets physical damage; coastal and urban infrastructure	2040–2070

Scenario analysis represents directional estimates. Actual impacts will vary. Not a financial forecast.

5.1.2 CARBON INTENSITY PROFILE

Asset Class	Scope 1+2 WACI (tCO2e/$M)	vs. MSCI World (175)	Scope 3 Available?	% Mgrs with Data	Climate Score
L/S Equity	142	**– 19%**	Partial (2/6)	67%	63/100
Fixed Income	218	**+ 25%**	None (0/4)	50%	52/100
PE & Real Assets	94	**– 46%**	Partial (3/5)	80%	68/100
Hedge Fund/Alts	201	**+ 15%**	None (0/3)	33%	57/100

Asset Class	Scope 1+2 WACI (tCO2e/$M)	vs. MSCI World (175)	Scope 3 Available?	% Mgrs with Data	Climate Score
Portfolio Weighted Avg	**187**	**+ 7%**	**4/18 (22%)**	**66% overall**	**61/100**

5.2 GOVERNANCE QUALITY ANALYSIS

Governance Dimension	Portfolio Avg	Leaders	Concerns	Key Finding
Board Independence	68/100	Blackridge (85), Coastal (81)	Raven (42), Zenith (40)	14/18 majority-independent; 4 below 50%
Executive Compensation	58/100	Coastal (80), Blackridge (79)	Raven (35), Apex EM (42)	ESG-linked comp in 6/18 only — growing but minority
Audit Quality	74/100	Northfield (88), Blackridge (86)	Apex EM (48)	Majority Big 4; no material qualifications in 2025
Shareholder Rights	63/100	Orion (79), Summit (76)	Zenith (38)	Proxy policies in 12/18; majority voting widely adopted
Anti-Corruption Policy	71/100	Blackridge (90), Coastal (87)	Apex EM (48), Tidal (49)	Strong globally; two EM managers have weaker documentation
ESG Governance Integration	55/100	Blackridge (92), Coastal (84)	Raven (24), Tidal (30)	Board-level ESG committee in 8/18 only — clear opportunity

5.3 SOCIAL RESPONSIBILITY REVIEW

Social Theme	Portfolio Status	Strengths	Concerns	Risk
Labor Practices	15/18 managers have formal policies; 1 material active controversy	Blackridge — living wage in all 12 portfolio cos.	Raven litigation; Apex EM 2022 historical controversy	MEDIUM
Diversity & Inclusion	12/18 publish diversity metrics	Blackridge — 42% female portfolio co. leadership	Harmon, Meridian, Sequoia — no disclosure	MEDIUM
Supply Chain Standards	Only 6/18 have formal supply chain labor standards	Blackridge — supply chain audit for portfolio cos.	EM equity managers — primary concern	HIGH
Data Privacy & Security	All 18 have data security policies; no major breaches	Sterling Quant — AI/model governance policy	Legacy infrastructure issue resolved Q2 2025	LOW

5.4 ESG REGULATORY COMPLIANCE EXPOSURE

Regulation	Jurisdiction	Portfolio Exposure	Manager Readiness	Priority
SEC Climate Disclosure Rules	United States	High — 68% portfolio in US equity/credit	4/18 managers TCFD-aligned	HIGH
SFDR (Article 8/9)	European Union	Medium — European LP relationships; 12% EU exposure	Portfolio not structured for SFDR compliance	MEDIUM
ISSB IFRS S1/S2	Global (130+ countries)	High long-term — becoming global baseline	Limited awareness among managers	MEDIUM
California SB 253 (Scope 3)	California, USA	Medium-High — many portfolio cos. do CA business	Scope 3 data gap (4/18) creates urgency	HIGH
EU CSRD / ESRS	European Union	Medium — PE portfolio cos. with EU operations	Variable awareness among PE managers	LOW

Regulation	Jurisdiction	Portfolio Exposure	Manager Readiness	Priority
TNFD / Biodiversity	Global (voluntary expanding)	Low-Medium — natural resources, RE	Early stage; Pacific Timber has FSC not TNFD	LOW

SECTION 6

Peer Benchmarking Analysis

Portfolio · Manager · Best-in-Class

6.1 PORTFOLIO VS. FAMILY OFFICE PEER UNIVERSE

Benchmarked against single and multi-family offices with AUM $250M–$750M in the United States, using Verde Advisors' proprietary database and publicly available industry research including the Mercer 2025 E&F; ESG Study.

Metric	Westbridge	25th Pct	Median	75th Pct	90th Pct	Westbridge Pctile	vs. Median
Overall Verde ESG Score	62	41	54	72	81	65th	**+8**
Environmental Dimension	58	38	51	70	78	58th	**+7**
Social Dimension	67	44	57	74	83	72nd	**+10**
Governance Dimension	61	40	53	71	80	64th	**+8**
ESG Transparency	63	35	48	68	77	75th	**+15**
Climate Alignment	61	36	50	69	79	68th	**+11**
% Mgrs w/ ESG Policy	78%	42%	65%	88%	94%	70th	**+13%**
% Mgrs UNPRI Signatory	44%	18%	38%	67%	82%	55th	**+6%**
% Mgrs w/ ESG Report	61%	28%	52%	78%	90%	65th	**+9%**
% Portfolio Laggard AUM	4.8%	28%	14.2%	5.0%	2.0%	55th	**–9.4%**

Summary: Westbridge ranks at the 65th percentile overall — a creditable position for a first formal assessment. Strongest relative position: ESG Transparency (75th percentile). The path to top-quartile status (score 72+) requires approximately 10 additional points, achievable within 24 months through the roadmap actions outlined in Section 8.

6.2 MANAGER SCORES VS. STRATEGY PEER GROUPS

Manager	Strategy	Score	Peer Median	Peer TQ	vs. Median	Pctile	Commentary
Blackridge PE Fund V	PE Buyout	78	65	80	+13	82nd	Top-quartile PE globally
Coastal Infrastructure	Infrastructure	74	67	78	+7	73rd	Top-quartile; TCFD leader
Northfield Capital	L/S Equity LgCap	74	61	75	+13	80th	Top-quartile large cap
Atlas Partners LP	L/S Equity Value	71	60	74	+11	75th	Top-quartile value equity
Verde Real Estate Fund	Real Estate	70	63	76	+7	65th	Above median; GRESB differentiates
Summit Global Advisors	L/S Equity Growth	68	59	73	+9	70th	Above median growth equity
Pacific Timber Partners	Natural Resources	67	60	74	+7	62nd	Above median; FSC certified
Sunrise Venture Capital	Venture Capital	65	55	70	+10	68th	Above median; climate tech thesis
Orion Macro Fund	Global Macro	63	56	70	+7	62nd	Above median; UNPRI pending
BlueCrest Credit Partners	IG/HY Credit	61	56	70	+5	58th	Slightly above median
Meridian Long/Short	L/S Equity Sector	58	57	71	+1	51st	At median; improvement required
Sterling Quant	Systematic Multi	57	55	68	+2	53rd	Slight above median; AI governance strength
Harmon Fixed Income	Gov't/Agency	55	55	68	0	50th	At median; env. policy gap critical
Sequoia Direct Lending	Private Credit	52	55	68	–3	44th	Below median; responsible lending policy needed
Tidal Asset Finance	ABS/Structured	48	50	63	–2	46th	Below median; questionnaire required
Apex EM Equity	EM Equity Multi	43	48	62	–5	38th	Below median; standards required immediately
Zenith Event Driven	Event Driven	37	54	68	–17	20th	LAGGARD — action required
Raven Equity Strategies	L/S Equity Quant	31	58	71	–27	8th	LAGGARD — immediate engagement

6.3 BEST-IN-CLASS ESG EXAMPLES

1

Net-Zero Commitment with Science-Based Targets

Manager E

2

Third-Party ESG Report Assurance

Manager E

3

ESG-Linked Executive Compensation

Manager E

4

EDCI Participation (Private Equity)

Manager E

5

GRESB Participation (Real Estate)

Manager E

SECTION 7

ESG Risk Register

Material Risks · Probability · Impact · Mitigation

Verde Advisors identified 12 material ESG risks across the Westbridge portfolio. Each risk is evaluated on: Probability (likelihood within 3 years), Impact (potential magnitude), and Priority. Risks are ordered by combined probability-impact score.

R-01 Laggard Manager Controversy Escalation (Governance / Social · Prob: HIGH · Impact: HIGH)

Two managers are actively involved in material ESG controversies. Raven Equity faces an ongoing labor discrimination class action (Q3 2024) with settlement discussions reportedly underway; a separate SEC inquiry for related-party non-disclosure was resolved Q1 2025. Zenith Event Driven has similar governance issues. These create direct financial exposure (litigation costs, potential settlements) and reputational risk if institutional LPs conduct ESG due diligence on the Westbridge portfolio.

Current Mitigation: None. Portfolio continues to hold both managers at current allocation levels.

Recommended Action: Formal IC engagement letter to both managers within 15 days. Verde Advisors to draft letters and facilitate calls. IC 60-day review with replacement decision. Initiate parallel replacement search for both strategy types.

R-02 SEC Climate Disclosure Rule Compliance (Regulatory · Prob: HIGH · Impact: MEDIUM)

The SEC's climate disclosure rules are being implemented in phases through 2025–2027, requiring public companies to disclose material climate-related risks, GHG emissions, and transition plans. A significant portion of portfolio company holdings (estimated 45–55%) will be subject to these rules as large or accelerated filers.

Current Mitigation: Partial — 4/18 managers TCFD-aligned; 14 not. Most managers face incremental data collection burden.

Recommended Action: Verde Advisors to monitor SEC rule timeline quarterly. Manager engagement on TCFD adoption prioritized in 12-month action plan. FI manager environmental policy engagement addresses Scope 1/2 disclosure requirements.

R-03 Carbon Pricing & Transition Risk (Climate / Transition · Prob: MEDIUM · Impact: HIGH)

Carbon pricing mechanisms are operating in 70+ jurisdictions and expanding. The Inflation Reduction Act and state-level clean energy policies create a transition risk landscape where carbon-intensive holdings face increasing costs, stranded asset risk, and competitive disadvantage. Fixed income credit holdings with energy sector exposure face potential credit quality deterioration.

Current Mitigation: Partial — Blackridge, Coastal, and Northfield track carbon intensity and have transition frameworks. FI and alternatives sleeves have minimal transition risk monitoring.

Recommended Action: Commission portfolio-level climate scenario analysis (Section 8, Initiative). Prioritize FI environmental policy engagement given 218 tCO2e/$M WACI. Verde Advisors to conduct energy sector credit exposure analysis.

R-04 Emerging Markets ESG Data Gap (ESG / Information · Prob: MEDIUM · Impact: MEDIUM)

Apex EM Equity Fund (3.1% of AUM, $15M) did not respond to the Verde questionnaire and has no publicly available ESG reports or policy documentation. This creates a significant information gap in 14% of the equity sleeve, particularly concerning given EM equity's historical exposure to labor controversies, governance issues, and supply chain risks.

Current Mitigation: None. Assessment based on public data only, which is particularly limited for EM-focused funds.

Recommended Action: Issue formal ESG minimum standards notice within 30 days. Require completed questionnaire, UNPRI application (90-day deadline), and basic ESG policy documentation.

R-05 Physical Climate Risk — Real Assets (Climate / Physical · Prob: MEDIUM · Impact: HIGH)

The portfolio's real assets sleeve ($121M, 24.9%) includes infrastructure, real estate, and natural resources with varying degrees of physical climate risk. Urban coastal real estate faces sea level rise and storm surge risk. Infrastructure in the US Southwest faces water stress and extreme heat risk. Timber assets face wildfire risk.

Current Mitigation: Strong mitigation — all real assets managers have completed physical climate risk assessments with asset-level geographic analysis.

Recommended Action: Monitor physical risk assessments annually. Request scenario updates for assets in high-physical-risk geographies. Incorporate physical climate risk into annual manager review scorecard.

R-06 Supply Chain Labor Risk — EM & Consumer (Social · Prob: MEDIUM · Impact: MEDIUM)

Portfolio exposure to consumer sector companies and emerging markets equity creates potential supply chain labor controversy risk. Only 6 of 18 managers have formal supply chain labor standards assessment procedures.

Current Mitigation: Weak — only Blackridge PE and Coastal Infrastructure have comprehensive supply chain labor standards with third-party verification.

Recommended Action: Require formal supply chain labor policy from three highest-risk managers (Apex EM, Meridian, Sequoia) within 12 months.

R-07 SFDR / European LP Disclosure (Regulatory · Prob: LOW · Impact: MEDIUM)

European institutional LP relationships may require SFDR Article 8-compliant reporting as a condition of continued investment. The portfolio is not currently structured to produce SFDR Principal Adverse Impact (PAI) indicators.

Current Mitigation: None — portfolio has not assessed SFDR exposure or structured data for PAI indicators.

Recommended Action: Assess current and target European LP relationships. If material exposure identified, Verde Advisors can conduct a SFDR compliance gap analysis.

R-08 Greenwashing Risk (Reputational · Prob: MEDIUM · Impact: MEDIUM)

Several managers make informal ESG claims in marketing materials not backed by adequate disclosure or third-party verification. As regulatory scrutiny of ESG marketing claims intensifies, unsubstantiated claims create reputational and regulatory risk extending to Westbridge.

Current Mitigation: Partial — Verde Advisors' independent assessment provides verification of actual vs. claimed ESG quality.

Recommended Action: Require documentation supporting all ESG marketing claims from managers with discrepancies. Verde Advisors ongoing controversy and claims monitoring in quarterly retainer.

R-09 Portfolio Company ESG Controversy (Social / Governance · Prob: MEDIUM · Impact: MEDIUM)

A material ESG controversy at a company held by one of the portfolio managers could generate negative media attention, LP inquiries, or direct financial impact through share price or spread widening. The equity sleeve has highest direct portfolio company ESG controversy exposure.

Current Mitigation: Verde Advisors monitors manager-level ESG controversies as part of the assessment. No material portfolio company controversies identified beyond those at Raven and Zenith.

Recommended Action: Verde Advisors quarterly controversy monitoring included in ESG Monitoring Retainer. Require managers to notify IC of material portfolio company ESG controversies within 30 days.

R-10 TNFD / Biodiversity Emergence (Regulatory / Environmental · Prob: LOW · Impact: LOW)

TNFD published its final recommendations in 2023. Early adoption is accelerating among global institutional investors. Pacific Timber Partners has the most direct nature risk exposure. Verde Real Estate Fund has some biodiversity exposure through land development.

Current Mitigation: Pacific Timber has FSC certification addressing some biodiversity requirements but not TNFD's full scope.

Recommended Action: Monitor TNFD adoption timeline globally. Engage Pacific Timber on TNFD pilot disclosure. Add nature/biodiversity section to Verde questionnaire for 2027 assessment cycle.

R-11 Fixed Income Energy Transition Risk (Climate / Transition · Prob: MEDIUM · Impact: MEDIUM)

The fixed income sleeve's 218 $tCO_2e/\$M$ WACI — highest in the portfolio — reflects meaningful energy sector exposure. As carbon pricing expands and clean energy investment accelerates, energy sector corporate credit faces potential credit quality deterioration and impairment risk.

Current Mitigation: Partial — BlueCrest has basic ESG integration in credit analysis. Other three FI managers have minimal climate integration.

Recommended Action: Require all FI managers to disclose energy sector exposure and describe transition risk assessment methodology. Verde Advisors to develop FI climate risk framework for manager engagement.

R-12 AI Governance Risk (Social / Technology · Prob: MEDIUM · Impact: MEDIUM)

Artificial intelligence governance is emerging as a material ESG issue as portfolio companies increasingly develop or deploy AI systems. Inadequate AI governance creates regulatory risk (EU AI Act, forthcoming US regulations), liability risk, and reputational risk.

Current Mitigation: Partial — Sterling Quant has model governance policy for its own systems. Portfolio company AI governance not systematically assessed.

Recommended Action: Add AI governance dimension to Verde ESG questionnaire for 2027 assessment. Monitor EU AI Act implementation quarterly.

RISK HEATMAP SUMMARY

	LOW IMPACT	MEDIUM IMPACT	HIGH IMPACT
HIGH PROBABILITY	—	R-02 (SEC Climate Rules) R-06 (Supply Chain Labor)	R-01 (Laggard Controversies) R-03 (Carbon Pricing)
MEDIUM PROBABILITY	R-10 (TNFD Biodiversity)	R-04 (EM Data Gap) R-07 (SFDR) R-08 (Greenwashing) R-09 (Portfolio Co.) R-11 (FI Energy) R-12 (AI Governance)	R-05 (Physical Climate)
LOW PROBABILITY	—	—	—

Risk Register Summary

Total Material ESG Risks Identified: 12 (new vs. prior year: R-07/SFDR and R-12/AI are new this cycle)

Critical/High (R-01, R-02, R-03, R-05): 4 risks — require immediate or near-term IC attention

Medium (R-04, R-06, R-07, R-08, R-09, R-11, R-12): 7 risks — active monitoring and structured engagement

Low (R-10): 1 risk — quarterly monitoring appropriate

Verde Advisors provides quarterly risk register updates as part of the ESG Monitoring Retainer, tracking probability/impact changes and updating recommended actions.

SECTION 8

Implementation Roadmap

12-Month · 24-Month · Long-Term

8.1 ESG SCORE PROGRESSION PATHWAY

Milestone	Score	Rating	Date	Key Actions Required
Current Baseline	62/100	ESG AWARE	June 2026	This assessment — first formal Verde ESG evaluation
6-Month Target	64/100	ESG AWARE	Dec 2026	Laggard engagement complete (+2); EM notice issued; FI env. policies in progress
12-Month Target	66/100	ESG AWARE	June 2027	Laggards remediated/replaced (+3); EM compliant (+1); FI env. policies adopted (+1.5)
18-Month Target	69/100	ESG AWARE	Dec 2027	ESG IPS adopted; climate strategy; UNPRI 55%+; Scope 3 data received
24-Month Target	72/100	ESG AWARE	June 2028	Top quartile achieved; climate scenario complete; all managers Developing+ tier
36-Month Vision	76/100	ESG LEADER	June 2029	ESG Leader tier; assured reporting; impact allocation; 65%+ UNPRI

8.2 12-MONTH PRIORITY ACTION PLAN (JUNE 2026 – JUNE 2027)

10 actions constituting the IC's 12-month ESG improvement program. Each includes a detailed description, specific deliverables, owner, and expected score impact.

J1 — July 2026 · PRIORITY 1 — IMMEDIATE

Formal Engagement — Raven Equity Strategies

Owner: **IC + Verde Advisors**

Send formal IC engagement letter to Raven Equity Strategies citing: (a) Verde ESG Score 31/100 — Laggard; (b) ongoing labor discrimination class action; (c) prior SEC inquiry; (d) questionnaire declination twice. Require written ESG improvement plan within 30 days. Verde Advisors to draft letter and facilitate manager call within 15 days. IC 60-day review: vote to initiate replacement if no credible plan. Initiate parallel replacement search regardless of response.

Expected ESG Score Impact: +2–3 pts overall; eliminates highest-risk controversy

J2 — July 2026 · PRIORITY 1 — IMMEDIATE

Formal Engagement — Zenith Event Driven

Owner: **IC**

Send formal engagement letter citing Laggard score (37/100), labor controversy, CEO/Chair combination, and questionnaire declination. Require ESG policy adoption and completed questionnaire within 30 days. IC 90-day review with replacement consideration. Verde Advisors to facilitate manager call within 15 days.

Expected ESG Score Impact: +1–2 pts overall

J3 — August 2026 · SHORT-TERM

EM Equity ESG Minimum Standards Notice

Owner: **Verde Advisors**

Issue formal written notice to Apex EM Equity Fund establishing minimum ESG standards as condition of continued allocation. Requirements: (a) Completed Verde questionnaire within 45 days; (b) UNPRI application within 90 days; (c) formal ESG policy adopted within 60 days. Set minimum score target of 55 within 18 months with replacement consideration if not achieved.

Expected ESG Score Impact: +1 pt overall

J4 — August 2026 · SHORT-TERM

Fixed Income Environmental Policy Engagement

Owner: **Verde Advisors**

Send formal environmental policy request to Harmon Fixed Income, Sequoia Direct Lending, and Tidal Asset Finance. Provide Verde Advisors' template Environmental Risk Assessment Policy (4 pages). Request: (a) CDP registration; (b) Scope 1/2 emissions disclosure by December 31, 2026; (c) climate integration statement in next annual report. Incorporate environmental policy as scored criterion in annual manager review.

Expected ESG Score Impact: +2–3 pts Environmental dimension

J5

September 2026 · MEDIUM-TERM

Draft Westbridge ESG Investment Policy Statement

Owner: **Verde Advisors (draft) + IC (adopt)**

Verde Advisors to prepare full ESG IPS for IC review. Key provisions: (a) Verde ESG Score 60+ minimum for all new allocations; (b) 18-month remediation timeline for sub-60 managers; (c) annual Verde ESG Score review as formal component of manager retention decision; (d) portfolio-level score targets (66 by June 2027, 72 by June 2028); (e) climate policy statement committing to TCFD-aligned portfolio disclosure. Target board adoption: October 2026.

Expected ESG Score Impact: +1–2 pts transparency; governance foundation

J6

October 2026 · MEDIUM-TERM

Launch Portfolio-Wide Scope 3 Emissions Initiative

Owner: **Verde Advisors**

Develop standardized Scope 3 data collection template covering all asset classes. Host 45-minute webinar for all 18 managers covering Scope 3 requirements, California SB 253 timeline, and Verde template. Distribute October 2026 targeting December 31, 2026 responses. Goal: Scope 3 from 8+ managers by December 2026; 12+ managers by June 2027. Calculate portfolio Scope 3 WACI for Q4 2026 quarterly ESG report.

Expected ESG Score Impact: +3–5 pts Climate Alignment; regulatory risk reduction

J7

November 2026 · MONITORING

Q3 2026 ESG Progress Report

Owner: **Verde Advisors**

Verde Advisors produces Q3 2026 ESG Progress Report for IC covering: updated Verde ESG Scores for managers with new data; progress against J1–J6 with RAG status; controversy monitoring update; regulatory intelligence briefing. Includes Verde Advisors' assessment of whether the 12-month target score of 66/100 remains achievable.

Expected ESG Score Impact: Progress tracking

J8

January 2027 · ONGOING

Commence Annual ESG Monitoring Retainer

Owner: **Verde Advisors**

Verde Advisors quarterly monitoring retainer commences at $5,500/month. Q1 2027 deliverables: (a) Q4 2026 ESG report including preliminary Scope 3 data synthesis; (b) updated controversy monitoring; (c) regulatory intelligence brief. Monitoring retainer includes: quarterly ESG portfolio report; regulatory briefings; controversy monitoring alerts; manager engagement support; LP ESG inquiry support.

Expected ESG Score Impact: Enables continuous improvement

J9

March 2027 · CONDITIONAL

Replacement Manager Search (conditional)

Owner:
IC + Verde Advisors

If Raven Equity and/or Zenith Event Driven have not produced credible ESG improvement plans by their respective review dates, initiate formal replacement manager searches. Verde Advisors process: (a) define strategy parameters and ESG requirements; (b) screen manager universe for Verde ESG Score 60+; (c) produce shortlist of 3–5 candidates; (d) facilitate due diligence process; (e) produce Verde DD Memos for each candidate.

Expected ESG Score Impact: +3–4 pts if both replaced with ESG Aware+ managers

J10

June 2027 · ANNUAL MILESTONE

12-Month Full ESG Reassessment

Owner:
Verde Advisors

Full annual Verde ESG Score reassessment for all 18 managers (or replacement managers if transitions occurred). Deliverables: updated 10-section ESG Portfolio Assessment report; revised risk register; updated peer benchmarking; new 12-month action plan. Target portfolio score: 66/100 (up from 62 baseline).

Expected ESG Score Impact: Baseline update; measures improvement

8.3 24-MONTH STRATEGIC INITIATIVES

Initiative	Description	Timeline	Owner	Expected Outcome
ESG Manager Selection Policy	Verde ESG Score 60+ minimum for all new allocations; ESG questionnaire in all RFPs; annual ESG review for retention decisions	Q1 2027	IC adopt	All future allocations meet ESG Aware minimum
Portfolio Climate Strategy	Verde portfolio-level 1.5°C / 2°C scenario analysis; set formal carbon intensity reduction target; Scope 3 integration framework	Q2 2027	Verde	Formal portfolio climate pathway; TCFD-aligned disclosure
Annual Westbridge ESG Report	First annual Westbridge ESG Report for IC and family stakeholders; Verde to prepare; covers progress, regulatory developments, next-year priorities	Q3 2027	Verde	Accountability document; LP-ready ESG disclosure capability
UNPRI Signatory Campaign	Structured engagement targeting 8 non-signatory managers; incorporate UNPRI status in annual scorecard with 2-year adoption expectation	Q4 2027	Verde	65%+ of portfolio AUM managed by UNPRI signatories
Impact Investment Evaluation	Evaluate 5–10% allocation to impact strategies: green infrastructure bonds, sustainability-linked credit, impact VC, or affordable housing REIT	Q4 2027	Verde + IC	Enhanced ESG profile; family values alignment; diversification
Third-Party ESG Report Assurance	Engage Big 4 for limited assurance on Year 2 Annual Westbridge ESG Report; positions family office for institutional LP requirements	Q2 2028	IC engage	LP-ready assured ESG reporting; competitive differentiation

8.4 SUCCESS METRICS & GOVERNANCE

Category	Primary Owner	Success Metric	Reporting Cadence
Laggard Engagement	IC + Verde	Written plan or replacement within 60 days	Monthly until resolved
ESG Policy Development	Verde (draft) + IC (adopt)	ESG IPS adopted; in manager agreements at next renewal	Quarterly update
Manager ESG Improvement	Verde (monitor) + IC (approve)	Avg score improvement 2+ pts/yr; no new Laggards added	Quarterly ESG report
Climate & Scope 3 Initiative	Verde (coordinate)	Scope 3 from 10+ managers; portfolio climate scenario complete	Annual update
Regulatory Compliance	Verde (monitor)	No violations; quarterly regulatory briefings delivered	Quarterly brief
Overall ESG Score Target	IC + Verde (shared)	Score: 66 (Jun 2027), 72 (Jun 2028), 76 (Jun 2029)	Annual full assessment

SECTION 9

Appendices

Scoring Methodology · Data Sources · Framework Reference

Appendix A — Verde ESG Score: Full Methodology

Complete documentation of the Verde ESG Score methodology including all sub-component definitions, scoring guidance, and calibration notes. All scoring reflects June 2026 methodology standards.

Environmental (E) — Weight: 25%

Carbon Emissions (30% of E)

Scope 1 with SBTi target = 90+; disclosed without target = 60–74; estimated = 40–59; no disclosure = 0–30. Carbon intensity trend vs. sector peers adds/deducts 5–10 points. Scope 3 full disclosure = 90+; partial = 50–70; no disclosure = 0–30.

Climate Strategy (25% of E)

Full four-pillar TCFD = 90+; three pillars = 70–84; two = 50–69; one or none = 0–45. Net-zero with milestones = 85+; without = 65–79; none = 0–50. Climate scenario analysis (two scenarios) = 85+; one = 60–74; none = 0–45.

Environmental Policy Quality (25% of E)

Formal policy published = base 50; informal = base 25; none = base 10. Quantified targets = +20–30; aspirational only = +5. Board oversight = +15; management only = +7. Third-party verification = +10.

Resource Efficiency (20% of E)

Energy efficiency programs with measured outcomes = 70+; programs without measurement = 45–65; informal = 25–40; none = 0–20. Water, waste, and circular economy scored similarly.

Social (S) — Weight: 20%

Labor Practices (35% of S)

Living wage with third-party audit = 90+; policy without audit = 70–84; minimum wage standard = 0–55. No safety incidents; ISO 45001 = 85+; minor incidents = 60–74; material incidents = 0–45. Material labor controversy deducts 20–30 points.

Human Capital (25% of S)

Training hours and career development programs = 75+. Employee NPS or engagement score published = 70+. Gender pay gap analysis conducted and published = 80+; conducted not published = 55–70; not conducted = 0–40.

Diversity & Inclusion (25% of S)

Board gender diversity: 30%+ women = +10; 20–29% = +5; <10% = –5. Workforce diversity published at all levels = 70+; senior only = 45–65; none = 0–30. DEI programs with targets = 80+; without = 50–65; none = 0–20.

Community Impact (15% of S)

Community investment as % of revenue; employee volunteering; stakeholder engagement processes; social license evidence. Strong program with measurement = 75+; informal = 25–45; none = 0–20.

Governance (G) — Weight: 25%

Board Quality (30% of G)

75%+ independent = 85+; 50–74% = 60–79; <50% = 0–45. Board ESG committee = +10–15 vs. management oversight. CEO/Chair separated = standard; combined without lead director = –10. Annual director refreshment policy = +5.

Executive Compensation (25% of G)

Pay-performance alignment demonstrably linked = 75+; mixed = 50–70; limited = 0–40. ESG KPIs in short and long-term incentives = +15; qualitative modifier = +7; consideration = +3. Say-on-pay >85% support = 80+; <70% = 0–25.

Shareholder Rights (20% of G)

Majority voting = standard; plurality = –10. Proxy voting policy with ESG integration = 70+; basic = 45–65; none = 0–30. Annual institutional engagement program = 75+. Dual-class permanent = –20.

Ethics & Anti-Corruption (25% of G)

Formal anti-corruption policy with training and audit = 80+; policy without training = 60–74; none = 0–30. Whistleblower anonymous mechanism = +10. Big 4 auditor with clean opinion = base; qualified = –10.

ESG Transparency — Weight: 15%

Reporting Completeness (35%)

All 5 Verde dimensions with quantified data = 75+; 3–4 dimensions = 55–70; 1–2 = 30–50; no report = 0. Published within 12 months = full credit; 12–18 months = 80%; 18–24 months = 50%; >24 months = 10%.

Framework Adoption (30%)

UNPRI signatory with active reporting = +15; application submitted = +8; none = 0. GRI/SASB alignment = +10; ISSB IFRS S1/S2 = +12 (preferred). EDCI (PE) = +10; GRESB (RE/Infra) = +12.

Third-Party Assurance (20%)

Big 4 reasonable assurance = 90+; Big 4 limited assurance = 70–84; specialist limited = 55–70; self-assurance = 25–40; no assurance = 0–20.

Verde Questionnaire Quality (15%)

Full completion with supporting documentation = 85+; full without documentation = 65–80; partial = 40–60; minimal = 15–35; non-response = 0–10.

Climate Alignment — Weight: 15%

TCFD Alignment (35%)

Full four-pillar TCFD alignment with board governance and annual report = 90+. Three pillars = 70–84. Two pillars = 50–69. One pillar or climate discussion without TCFD structure = 25–45. No TCFD alignment = 0–20.

Emissions Pathway (30%)

Paris-aligned SBTi pathway with interim milestones = 90+. Net-zero commitment without SBTi = 70–84. Carbon intensity reduction target = 55–70. Emissions monitoring without target = 35–50. No pathway = 0–30.

Physical Risk Assessment (20%)

Asset-level geographic physical risk with scenario modeling = 85+. Portfolio-level (not asset-level) = 60–74. Qualitative awareness only = 35–55. None = 0–20.

Transition Plan Quality (15%)

Detailed plan with capex allocation and milestones = 85+. High-level strategy without specifics = 60–74. Qualitative discussion only = 35–55. None = 0–30.

Appendix B — Data Sources & References

Data Source	Category	Used For in This Assessment	Access
CDP Climate Disclosure Database	Public Environmental	Carbon emissions (Scope 1/2/3); climate strategy quality; CDP scores	cdp.net — public
UNPRI Public Signatory Database	Public Commitment	Signatory status; reporting quality and coverage	unpri.org — public
MSCI ESG Ratings (Public)	Rating Reference	Score calibration; company-level ratings for equity portfolios	msci.com — partial public
SEC EDGAR Filings	Regulatory Disclosure	Annual reports; proxy statements; governance data; executive compensation	sec.gov — public
Company Sustainability Reports	Manager Disclosure	ESG policies; quantified targets; social metrics; governance practices	Direct from managers
Verde ESG Questionnaire	Primary Collection	All five Verde ESG dimensions; manager-specific depth data	47-question proprietary
Mercer 2025 E&F; ESG Study	Industry Research	Family office peer benchmarking; industry ESG trends	Mercer — subscription
GRESB 2024 Results	Real Assets Benchmark	Real estate and infrastructure ESG benchmarking	GRESB — participant
EDCI 2024 Results	PE Industry Benchmark	Private equity ESG data and benchmarking	EDCI — participant
RepRisk ESG Risk Intelligence	Controversy Monitoring	ESG controversies; controversy severity scoring	Subscription
NGFS Phase 4 Climate Scenarios	Climate Scenarios	1.5°C / 2°C / BAU scenario parameters for climate risk analysis	ngfs.net — public

SECTION 10

Glossary of Terms

Comprehensive ESG Investment Terminology Reference

Key ESG investment terminology used throughout this report. Definitions reflect current industry usage as of June 2026 and are intended to support investment committee members and family stakeholders.

Term	Definition
ABS (Asset-Backed Securities)	Financial securities backed by a pool of assets such as loans or leases. ESG considerations include the ESG quality of underlying asset pools and originator practices.
Article 8 / Article 9 (SFDR)	European fund classifications. Article 8 funds "promote" ESG characteristics; Article 9 funds have sustainable investment as their primary objective.
Biodiversity	The variety of life on Earth. Biodiversity loss is emerging as a financially material ESG risk alongside climate change.
CDP	Carbon Disclosure Project — a global disclosure system used by 23,000+ companies to report on climate change, water, and forests.
Carbon Intensity	GHG emissions per unit of economic activity — typically tCO2e per $1M of revenue.
CSRD	EU Corporate Sustainability Reporting Directive requiring large companies to report under European Sustainability Reporting Standards (ESRS).
Double Materiality	EU concept requiring companies to report on both how ESG issues affect their financial performance (financial materiality) and how their operations affect society and the environment (impact materiality).
EDCI	ESG Data Convergence Initiative — a PE industry initiative standardizing ESG data across 3,000+ PE-backed companies globally.
ESG	Environmental, Social, and Governance — a framework for evaluating non-financial factors affecting investment risk and return.
ESG Integration	Systematic and explicit inclusion of ESG factors in investment analysis and portfolio construction alongside traditional financial analysis.
GRESB	Global Real Estate Sustainability Benchmark — industry ESG benchmark for real estate and infrastructure portfolios.
Greenwashing	Making misleading or unsubstantiated claims about ESG benefits. A material regulatory and reputational risk increasingly subject to enforcement.
Impact Investing	Investments with the explicit intention of generating positive, measurable social and/or environmental impact alongside financial return.
ISSB	International Sustainability Standards Board — published IFRS S1 and IFRS S2 in 2023, now adopted or adopted by 130+ countries as global baseline.
Materiality (ESG)	The concept that certain ESG issues are financially material because they are likely to affect financial condition or operating performance. SASB provides industry-specific guidance.
MSCI ESG Ratings	Company-level ESG ratings on a CCC–AAA scale measuring resilience to long-term, industry-material ESG risks. Most widely used institutional ESG rating system globally.

Term	Definition
Net Zero	A state where GHG emissions entering the atmosphere are balanced by removal, resulting in no net addition of CO2-equivalent. Typically a 2050 target aligned with the Paris Agreement.
PAI (Principal Adverse Impacts)	Under SFDR, mandatory indicators measuring the adverse impacts of investment decisions on sustainability factors. 18 mandatory and additional voluntary indicators.
Paris Agreement	International climate treaty (2015) committing signatories to limiting global temperature rise to 1.5°C above pre-industrial levels and well below 2°C.
Physical Climate Risk	Risks from direct physical climate impacts — acute (extreme weather: hurricanes, floods, wildfires) and chronic (sea level rise, temperature change, precipitation shifts).
SASB	Sustainability Accounting Standards Board — industry-specific materiality standards for 77 industries across 11 sectors. Now part of the IFRS Foundation.
SBTi	Science Based Targets initiative — validates corporate GHG reduction targets in line with Paris Agreement science. Financial sector targets require Scope 3 engagement plans.
Scope 1 Emissions	Direct GHG emissions from owned or controlled sources (e.g., combustion in company boilers or vehicles).
Scope 2 Emissions	Indirect GHG from purchased electricity, steam, heat, or cooling consumed by the reporting entity.
Scope 3 Emissions	All other indirect GHG in the value chain — upstream (supply chain, purchased goods) and downstream (use of sold products, investments). Typically the largest category for financial institutions.
SFDR	EU Sustainable Finance Disclosure Regulation requiring sustainability-related disclosures at entity and product levels. Introduced Article 6, 8, and 9 fund classifications.
TCFD	Task Force on Climate-related Financial Disclosures — four-pillar framework: Governance, Strategy, Risk Management, and Metrics & Targets.
TNFD	Taskforce on Nature-related Financial Disclosures — framework for assessing dependencies and impacts on nature and biodiversity. Published 2023.
Transition Climate Risk	Risks from the shift to a lower-carbon economy — policy risk, technology risk, market risk, and reputational risk associated with fossil fuels.
UN PRI	United Nations Principles for Responsible Investment — six principles for incorporating ESG into investment analysis and ownership practices. 7,000+ signatories, $120T+ AUM.
Verde ESG Score	Verde Advisors' proprietary 0–100 composite ESG score: Environmental (25%), Social (20%), Governance (25%), Transparency (15%), Climate Alignment (15%). Tiers: Leader (75+), Aware (60–74), Developing (40–59), Laggard (0–39).
WACI	Weighted Average Carbon Intensity — portfolio carbon metric calculated as the sum of each holding's portfolio weight multiplied by its carbon intensity. Recommended by TCFD for portfolio-level reporting.

VERDE ADVISORS

Institutional Investment · ESG Integration · Risk Advisory

david.e.slattery@gmail.com · (402) 578-4107 · Phoenix, Arizona · linkedin.com/in/david-slattery-jr