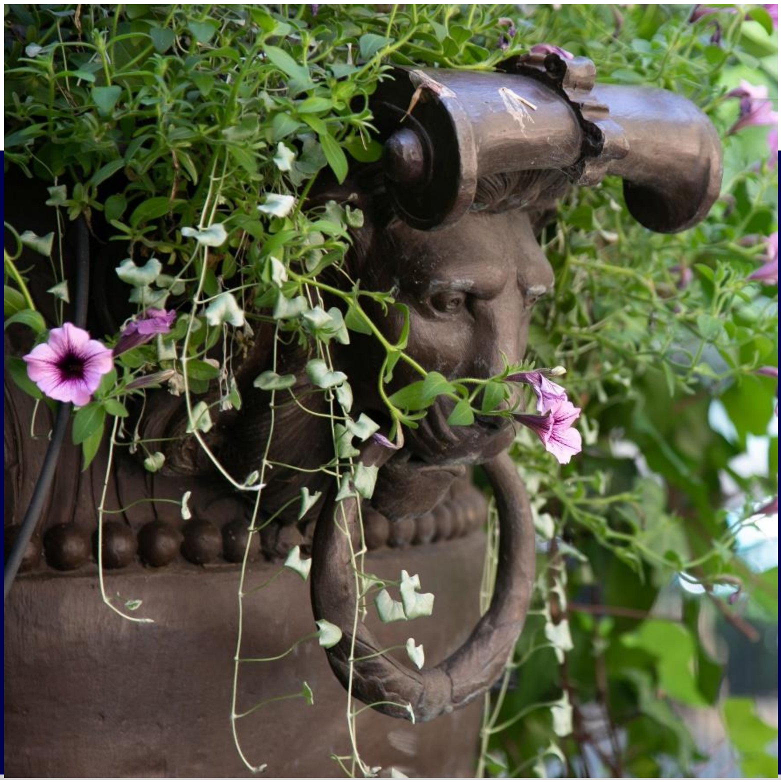
DRIEHAUS
CAPITAL MANAGEMENT

# Responsible Investment Policy

December 2022



## PURPOSE & SCOPE

At Driehaus Capital Management LLC ("Driehaus") we are a fiduciary with respect to our clients which means we act in the best interest of our clients. We believe material environmental, social and governance ("ESG") factors will affect the sustainability of companies' future earnings and profitability and therefore may impact the risk and return potential of our long-term investment prospects. We believe the linkage between ESG factors and corporate fundamental operating metrics will likely persist, if not increase, in the future. We therefore believe it is important to consider a variety of factors, including significant ESG risks and opportunities as a part of our fiduciary duty to our clients.

Driehaus is a signatory to the Principles for Responsible Investment ("PRI") and, alongside other institutional investors worldwide, supports its mission to promote the incorporation of ESG factors into the investment process.

For the above reasons we integrate an analysis of material ESG factors relevant to potential investments we make. We also reasonably monitor our portfolio investments, to the extent practical, to track the progress of improvements.

This policy applies to the listed equity investments held by the strategies we manage for clients and market to prospective investors.

## ESG INTEGRATION APPROACH

Investment professionals at Driehaus integrate the consideration of material ESG factors into our investment process through quantitative and qualitative analysis, monitoring and reporting.

We layer ESG metrics from external sources into the quantitative aspects of our research process. The type of factor and its materiality will vary across companies, regions, industries and countries and type of investment (e.g. long, short, trades that includes multiple securities and event-driven trades). By analyzing the ESG scores of potential and current investments, we seek to identify risks that may not always be obvious through traditional fundamental analysis.

Qualitative fundamental analysis is also conducted on potential investments as well as owned companies, including an assessment of a particular company's ESG footprint through a review of commentary derived from external ESG rating agencies. This analysis seeks to identify material ESG risk factors and their correlation to a company's potential future earnings and profitability. More specific examples are as follows:

Environmental factors may include, but are not limited to carbon emissions, water scarcity, waste management, air and water pollution and electronic waste. Material environmental risks may result in higher energy costs, disruptions to operations, environmental accidents, increased regulatory pressures and reputational damage.

Some examples of social factors are workplace safety, data protection and privacy, employee and management diversity, labor standards, employee training and development, customer satisfaction, and consumer protection policies. Social factors can negatively affect a company's reputation and ability to attract talent, which ultimately affects profitability.

Finally, governance factors, such as business ethics, accounting standards, board structure and oversight, and whistleblower schemes play a crucial role in our risk analysis for a given company.  Without strong corporate governance practices, we may lack confidence in the leadership and integrity of a company's management team.

Consistent with our risk management process, the purpose of this analysis is to ensure that ESG-related risks are identified, understood, and controlled, to the extent practical.  We may disregard ESG scores or external analysis, for instance if we do not view the ESG commentary as material or if we disagree with the analysis.

## PORTFOLIO GUIDELINES

ESG factors are one part of the overall investment analysis our investment teams conduct when determining the potential for companies to deliver differentiated earnings growth.  Rigid constraints, guidelines and negative screening are not applied within our investment strategies.

We may, however, manage custom mandates with stricter ESG or Socially Responsible Investment constraints that meet client-specific guidelines and policies.

## ENGAGEMENT & ACTIVE OWNERSHIP

Driehaus' engagement efforts with companies serve as a tool to further evaluate and explore risks, including material ESG risks, to enhance due diligence, and to reinforce industry wide efforts to encourage companies to embrace and disclose sustainable practices.

While we recognize the benefits of investor activism, as a fiduciary we do not delay in exiting investments where we are uncomfortable with the asymmetric return potential.  Much of our engagement efforts are generated on a case-by-case basis and centered around the most relevant or material risks for a given company.  Our ESG engagement priorities are generally set forth as follows but may change based on the investment team, the company, region, industry and country and other factors:

- Understanding management practices where disclosures are lacking
- Encouraging disclosure of material sustainability risks
- Understanding size, nature and trend of any controversy, as well as a company's strategy to manage such controversies
- Addressing non-compliance with the UN Global Compact
- The severity of our risk concerns

Discussions with company management allow the investment team to learn about a company's perspectives and approaches, provide said company with feedback, and raise any issues (including ESG issues) that have been identified during the research process.

Additionally, when a client authorizes Driehaus to vote proxies on their behalf, we generally vote in accordance with a third-party proxy solicitation service's sustainability voting guidelines. Please see the Driehaus proxy voting policy for more information on proxy voting.

## RESPONSIBILITIES & OVERSIGHT

Our firm's responsible investing activities are performed by the various portfolio managers and analysts in partnership with our risk management team. Direct oversight and accountability for responsible investing activities falls under the purview of the Investment Policy Committee ("IPC"). The IPC is responsible for ensuring the investment teams adhere to this policy. Driehaus' CEO exercises ultimately accountability and authority over the firm's responsible investing efforts. **Please see Appendix A to this policy for more information about oversight.**

Development and maintenance of this policy is the responsibility of the firm's ESG Committee. The ESG Committee is responsible for reviewing the policy at least annually and amending it as necessary. The ESG committee is comprised of legal, investment, risk and marketing professionals.

## CLIENT COMMITMENT

In addition to being a signatory of the PRI, Driehaus is supportive of trends related to the growing importance of ESG issues for example as an endorser of the Investor Stewardship Group. While Driehaus performs ESG integration across our investment strategies, we also manage strategies for clients who have wish to make sustainability a core objective of their investment strategy. Those sustainability-focused strategies may include exclusionary screens and/or specific sustainability criteria.

Established: October 2017
Last Updated: December 2022

## Appendix A

## RESPONSIBLE INVESTMENT OVERSIGHT FLOW CHART