



Kayne Anderson Rudnick  
Investment Management

## Modern Slavery Statement

Kayne Anderson Rudnick Investment Management, LLC (“KAR”) is an investment management and wealth management firm headquartered in Los Angeles, California, in the United States. Our firm is currently not subject to any regulatory requirements with respect to modern slavery reporting, however we are committed to understanding and avoiding such risks to the extent they exist within our supply chain and within our portfolio companies.

We believe our operations and supply chain to be at low risk for modern slavery and human trafficking by virtue of our industry and our U.S. operating geography. The large majority of our investment management and wealth management services are provided through salaried professionals that we employ directly in compliance with all applicable U.S. labor laws. In the course of KAR’s operations, we engage a limited number of service providers for specialty functions such as consulting services, legal advisory services, cybersecurity assessments, audit services, and data provision, as well as for certain office support services. Given that our offices are located exclusively in the United States and key service providers are located exclusively in North America, we believe risks for modern slavery to be low, particularly in the case of specialty functions with highly skilled workers. We acknowledge that low risks could exist in supply chains for lower-skilled office support functions such as cleaning and maintenance.

KAR is committed to encouraging increased awareness of the risk of modern slavery and seeks to contribute towards the eradication of modern slavery as per the UN Sustainable Development Goals. KAR expects these policies to be updated and improved over time as supply chain transparency increases. In relation to our portfolio companies, KAR recognizes the challenges in seeking to ensure that no modern slavery is present in a company’s supply chain, particularly those of large multinational corporations. There is a risk of modern slavery in the operations and supply chains of our portfolio holdings companies that is, in part, due to the complexity and limited transparency of large organizations and global supply chains. The risks of modern slavery increase deeper into the supply chain as visibility decreases, and are particularly relevant to our investments in the apparel, consumer food products, technology hardware, and e-commerce industries given the complexity of supply chains which span both developed and developing nations.

We recognize that as responsible long-term shareholders, we have the opportunity to engage and influence management teams to eradicate modern slavery from their supply chains. KAR maintains and utilizes a proprietary environmental, social, and governance scoring system where modern slavery risks are captured as part of the “social” score. These scores are reviewed on at least an annual basis and may form input to investment decisions, where financially material. Similar to other environmental, social, and governance-related matters, we from time-to-time have the opportunity to use our shareholder voice to encourage companies to “know your supply chain” where doing so is deemed by us to be relevant to our assessment of risks to the long-term growth of the business. Assessing the effectiveness of any such engagement requires a multi-period time frame to monitor the progress of companies in improving the sustainability of their supply chains.