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# Modern Slavery Statement

GCQ Funds Management Pty Ltd

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# Modern Slavery Statement

## Introduction and purpose of this statement

GCQ Funds Management Pty Limited (ABN 32 654 864 767) (GCQ) presents its 2024 Modern Slavery Statement. Although not required by the Modern Slavery Act 2018 (Cth) (the Act), GCQ voluntarily prepares this statement to demonstrate our commitment to responsible business operations and investing.

This statement outlines the steps GCQ has taken to detect and prevent modern slavery within our operations, supply chain, and investment portfolio. We aim to collaborate with suppliers, investee companies, and investors to raise awareness of modern slavery and influence others in managing associated risks.

This statement pertains to the year ending 30 June 2024 and will be updated annually. It was approved by the GCQ Board on 7 November 2024 and has not been formally submitted to the Attorney-General's Department.

## About GCQ Funds Management (GCQ)

At GCQ, we seek to deliver attractive long-term returns by investing in high-quality companies at compelling valuations. We are singularly focused on growing our investors' wealth over time and through economic and market cycles. We invest in a single portfolio consisting of approximately 20 handpicked listed companies from across the globe.

We focus on high-quality companies which demonstrate:

- Potential for predictable growth
- Favourable industry dynamics
- Enduring competitive advantages
- High margins and high returns on capital
- Low debt
- A strong management team focused on long-term prosperity

## GCQ's position on modern slavery

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom.

Practices that constitute modern slavery can include:

- human trafficking
- slavery
- servitude

- forced labour
- debt bondage
- forced marriage
- the worst forms of child labour

GCQ does not tolerate modern slavery and believes organisations must consider their role in upholding human rights and preventing abuses. We acknowledge that exploitative labour conditions may not always fit the narrow legal definition of modern slavery and recognise the potential for businesses to inadvertently contribute to such practices.

GCQ acknowledges that modern slavery risks may be present in:

- the supply chain of service providers used by GCQ to manage its operations and fund, and
- the underlying companies that GCQ has invested in and their extended supply chains.

Through ongoing engagement on the issue of modern slavery within our operations and supplier network and our portfolio companies, we look forward to making a positive contribution to the reduction of human rights abuses.

### ***Supply Chain***

Given that GCQ operates in a regulated environment and does not have complex supply chains, we assess the risk of modern slavery occurring within our operations or general supply chains as low.

GCQ's suppliers comprise two groups of professional service firms: those who support the operations of our investment fund, and those who directly support our business. The former includes our fund administrator, unit registrar, and a prime broker.

Service providers to our business predominantly include banks, accountancy practices, outsourced providers of information technology goods and services, auditors, law firms and office space leasing services.

The risks of modern slavery in our operations and supply chain relate not only to people, but also to the integrity and quality of the services we receive and potential financial impact of operational disruption.

### ***Portfolio Holdings***

GCQ will not invest in businesses that have been identified as engaging in modern slavery as defined by the Act.

### **Actions to be taken by GCQ to address modern slavery risks**

At GCQ we are committed to better understanding, identifying, managing, and mitigating the risks of modern slavery in our operations and those of our portfolio holdings.

Despite the low risk of modern slavery taking place within our operations and supply chains, GCQ is committed to developing initiatives to improve our understanding of and capacity to identify and manage modern slavery risks.

During the coming year, GCQ will request that its service providers complete a modern slavery self-assessment questionnaire covering the topics of mandatory reporting, operations, policies and responsibilities, due diligence processes, training and improvement, and supplier management.

We will be seeking confirmation they have not committed, or been notified of, or placed under investigation for, any offences relating to modern slavery. Suppliers will be required to confirm that they are continuously taking steps to identify risks and prevent the occurrence of modern slavery offences within their businesses.

Prior to engaging any new supplier, GCQ in accordance with our Outsourcing Policy, will undertake due diligence to ensure that each new supplier addresses the issue of modern slavery in its operations and supply chains.

To evaluate risks among investee companies, GCQ's initial screening processes aim to protect against exposure to modern slavery. For companies passing these initial screens, we refer to the Global Slavery Index for a comprehensive assessment of possible red flags in relation to labour practices and human rights controversies.

Furthermore, through our engagement and proxy voting, we encourage our investee companies to improve their supplier audits and report on labour practices among their suppliers and in their own operations transparently and comprehensively.

#### **How GCQ monitors the effectiveness of our actions**

GCQ's approach to monitoring effectiveness focuses on identifying not only suppliers and portfolio companies with evident modern slavery risks but also those where such risks may not be immediately apparent. We will assess the effectiveness of our actions through the responses to supplier questionnaires in the next reporting period.

Additionally, we will conduct a periodic review of the modern slavery section of our risk register, overseen by GCQ's Compliance Officer. For our portfolio holdings, we will seek improvements in the completeness of their reporting on labour practices where greater transparency is required.

GCQ remains focused on assessing modern slavery risk and using a risk assessment to understand its exposure to these risks. This assessment process will evolve as we continue to develop our methods for identifying and addressing modern slavery risks in our operations and investments.

#### **Additional relevant information**

GCQ is a signatory to the United Nations Principles for Responsible Investment and reports annually in accordance with its reporting framework.