GLOBAL
CONCENTRATED
QUALITY

Responsible Investing Policy

GCQ Funds Management Pty Ltd – May 2026

Company	GCQ Funds Management Pty Ltd
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Version Control		
Version Number	**Date Updated**	**Notes**
1.0	June 2023	Original document prepared and finalised by GCQ Funds Management.
1.1	December 2023	Annual review cycle.
1.2	June 2024	Document reviewed and updated to incorporate additional ESG commitments.
1.3	May 2025	Annual review.
1.4	May 2026	Annual review.

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SECTION A – INTRODUCTION

1. INTRODUCTION

At GCQ Funds Management Pty Ltd ("**GCQ**") our concentrated portfolio of approximately 20 companies represents a selection of the world's best businesses.

The foundation of our investment process is industry analysis, targeting industries with substantial and enduring barriers to entry. These industries are typically monopolies, duopolies, or oligopolies. We also seek out firms with highly valuable brands and pricing power.

The GCQ investment team employs quality checklists to pinpoint industries and companies that fulfil our criteria. We concentrate our efforts on about 20 industries, encompassing around 200 companies that we meticulously research and monitor for performance and valuation.

We prefer investing in companies with growth potential that extends beyond a single geographic market. The vast majority of companies we analyse are global operators experiencing worldwide growth. A key exception is businesses with a local monopoly in a rapidly growing industry.

Our focus is on businesses that deliver long-term prosperity. This requires a long-term perspective on the relationship between investment, the economy, environment and our society.

Therefore, when selecting industries to focus on, we exclude those with material environmental, social, and governance (ESG) risks.

We incorporate the consideration of ESG risks into investment decision-making and, as active owners in the companies in which we invest, we constructively advocate for positive ESG changes, guiding our investments towards a sustainable future. Among the factors that may contribute to this engagement is our work to understand each portfolio company's carbon footprint and approach to achieving net-zero carbon emissions. This Responsible Investment Policy (the Policy') sets out the principles and commitments that direct our approach to Responsible Investment.

2. SCOPE

GCQ manages a single investment strategy accessible via the GCQ Flagship Fund and through Individually Managed Accounts. This policy applies to all funds under management by GCQ.

3. GOVERNANCE

Roles and Responsibilities

The Policy supports the Chief Investment Officer's approach to portfolio construction and the activities of the GCQ Investment Team more broadly. The CIO is accountable for the implementation of the Policy.

The Chief Executive Officer has been responsible for the development of this policy and is responsible for ensuring that the Policy and its implementation is consistent with GCQ's investment strategy and external positioning.

The Governance Manager provides operational support to the CEO on ESG-related processes and reporting.

The Board of GCQ receives and reviews the annual Responsible Investment Report.

Monitoring and Reporting

Responsible investment reporting includes:

- Ongoing participation in the annual reporting cycle for signatories to the Principles for Responsible Investment
- Annual reporting to the Board on responsible investment progress and priorities
- Annual reporting to the Board on active ownership
- Annual publication of a report on GCQ's responsible investment activities. This report includes disclosure of the carbon footprint of GCQ's actively managed investment portfolio consistent with reporting requirements under the PRI's Montreal Pledge and progress on engagement with portfolio companies on net-zero targets.
- Annual voluntary reporting of a Modern Slavery Statement under the *Commonwealth Modern Slavery Act 2018.* This report covers how GCQ identifies, assesses and addresses modern slavery risks in its operations, supply chain and investment activities.

4. RESPONSIBLE INVESTMENT APPROACH TO PORTFOLIO CONSTRUCTION

We believe that responsible investment factors can affect the performance of investments and the existence of significant Environmental, Social or Governance issues is likely to lead to reduced earnings sustainability. Earnings sustainability is one of the hallmarks of a "quality" company that qualifies a company to be considered for inclusion in the GCQ investment strategy.

Examples of the type of responsible investment factors that may affect earnings sustainability include:

Environmental	Social	Governance
Climate change Resource scarcity & efficiency Pollution and waste Biodiversity	Human rights Labour standards Health & wellbeing First Nations rights & relations Modern slavery Diversity Supply chain management Stakeholder engagement & communities	Culture Executive remuneration Bribery & corruption Board diversity & composition Lobbying Taxation practices Corporate accountability and transparency Shareholder rights

Detailed consideration of each of these factors across all of the companies that we consider for inclusion in the portfolio is not practical. Our approach to ESG in the investment process involves:

a) Screening out companies that are assessed to have an unacceptable level of ESG risk;

GCQ excludes from its investment universe companies operating in a number of industries that are judged to be either socially undesirable or to carry unacceptable environmental risk. The list of exclusions currently includes companies with products connected to:

- Tobacco;
- Gambling;
- Cluster munitions;
- Child Labour;
- Thermal Coal; and
- Precious metals mining.

b) Identifying all significant ESG issues relating to each portfolio company and any company being considered for inclusion in the portfolio.

This work is undertaken by the investment team and, once identified, an assessment is made of the significance of each issue for a) the long-term sustainability of the business and b) for valuation. The outcome of this review is then used to answer two ESG-related questions on the **GCQ Business Quality Checklist™**.

These checklist questions require the investment team to make an assessment of whether 1) corporate governance is friendly to minority shareholders, and 2) the company is free from major ESG issues that threaten long-term business sustainability. Any company that is identified as having major ESG issues is automatically excluded from further consideration.

c) Review by GCQ's CEO of the investment team's assessment of the expected impact of ESG issues on earnings sustainability of businesses that are being considered for inclusion in the portfolio but that third party analysts have identified as having heightened ESG risks.

One indicator that a business model may not be sustainable is a high ESG risk rating assigned by an ESG research agency. Therefore, if any portfolio company – or company that is being considered for inclusion in the portfolio – has a High (>30) risk rating assigned by Sustainalytics, the investment team's analysis of ESG issues will be the subject of review by the GCQ CEO to independently assess whether 1) ESG-related risks are likely to impact the long-term sustainability of the business, and 2) whether ESG risks have been appropriately incorporated into the GCQ valuation.

5. ACTIVE OWNERSHIP

By actively engaging with portfolio companies, we seek to influence the management of material issues that can impact long-term returns.

Priorities - Engagement objectives are framed with reference to concerns identified by the GCQ investment team. Areas that may be the focus of engagement include:

a) *Alignment with long-term objectives* – we expect companies to create and enhance value for the long term while appropriately balancing their best interests with those of shareholders and stakeholders.

b) *Identification and management of material issues* – we expect companies to act in a responsible way. This includes identifying and managing material risks. Assessment of risks and opportunities should consider financial, regulatory, operational, reputational and legal impacts.

c) *Strong governance and accountability* – we expect companies to have effective systems and processes in place to ensure clear accountability for strategy implementation, risk management and company performance.

d) *Preserving a social license to operate* – we understand that an entity's social license to operate is a valuable intangible asset. It is founded by the trust a company has earned with its stakeholders. We expect companies to effectively engage with stakeholders to maintain this social license to operate.

e) *Transparency and adequate disclosures* – as shareholders, we require transparent and meaningful disclosure from companies for informed decision-making. Companies should publicly disclose all information that is or is expected to be material in the long term, in a timely and complete manner, including any environmental, social and governance issues.

f) *Meaningful plan to achieve net-zero carbon emissions* – as shareholders, we expect all companies to do their part to achieve net-zero carbon emissions across their operations within a reasonable timeframe. This may require investing in carbon-free energy, scaling solutions and collaborating with partners to achieve a broader impact.

Active Ownership Tools - GCQ pursues active ownership using two key tools:

a) *Engagement* – interaction with portfolio companies to better understand their business models and to influence their performance and practices with the aim of driving enhanced long-term returns for investors in the GCQ strategy. Engagement with portfolio companies is undertaken directly by the GCQ investment team. We may participate in public debate and collaborate with peers to undertake collective engagement activities to address significant responsible investment concerns. Engagement activities can include direct dialogue (e.g. company meetings, letters to management/boards), site visits and dialogue with key stakeholders to encourage progress in their responsible investment integration practices and company interactions.

b) *Voting* – exercising our voting rights is a key element of our active ownership approach and an important link in the chain of accountability between a company and its shareholders. We aim to execute our voting rights for all shares in listed public companies in line with GCQ's Proxy Voting policy. We may notify portfolio companies of our voting intentions ahead of company meetings. Decisions on voting are made directly by GCQ based on what we believe is in the best financial interests of our investors. GCQ does not engage in any coordination of voting decisions with other parties who have shareholdings in the same company.

6. REVIEW

This policy will be reviewed annually by management and approved at least every three years by the Board.

Issued by GCQ Funds Management Pty Ltd

May 2026