

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

Modern Slavery Statement

Financial year ended 30 June 2022

Issue No: 1 – December 2022

Issued by: BKI Investment Company Limited

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Sydney 2000 NSW Australia



Introduction

This document is a Modern Slavery Statement (**Statement**) issued by BKI Investment Company Limited (ACN 23 106 719 868) (**BKI** or the **Company**) having regard to the Modern Slavery Act 2018 (Cth) (the **MS Act**) with the approval of the Board of BKI Investment Company Limited.

BKI is a Listed Investment Company on the Australian Securities Exchange (ASX: BKI) with consolidated revenue of greater than \$100 million for the year ended 30 June 2022. An Australian entity carrying on business in Australia with revenue of at least \$100 million is a reporting entity for the purposes of the MS Act.

The Statement covers BKI and its wholly owned Australian subsidiaries, together the **BKI Group**. This Statement sets out the actions taken by the BKI Group to address modern slavery risks within its business and supply chains.

Criteria 1 & 2: Identify the reporting entity and describe its structure, operations and supply chains

BKI Investment Company

BKI is a Listed Investment Company on the Australian Securities Exchange. During the 1980's Brickworks Limited (ASX: BKW) established a portfolio of Australian listed company shares. The objective is to make long term investments in a portfolio of Companies that grow over time and generate an increasing income stream.

History of BKI

On 17 October 2003, BKI Investment Company Limited was formed and listed on the Australian Securities Exchange. However, the objectives from the 1980's have remained unchanged. At the time of listing total assets were circa \$170 million. In 2016, BKI externalized its management responsibilities to Contact Asset Management Pty Limited (**Contact**), AFSL 494045. Contact's Directors Tom Millner and Will Culbert were previously the CEO and Portfolio Manager of BKI, respectively.

Apart for one investee company, the Group does not hold more than 5% of the issued share capital of any other investee company.¹

¹ As at 30 June 2022, BKI held 5.68% of the issued share capital of Lindsay Australia Limited.

BKI Group Structure

BKI has a market capitalization of approximately \$1.3 billion² and has no debt on its balance sheet. BKI has approximately 18,000³ shareholders and its registered office is located at Suite 302, Level 3, 1 Castlereagh Street, Sydney.

BKI has five Directors and no employees. BKI Group outsources both Portfolio Management and Company Secretarial services to Contact. The majority of BKI Directors are Independent and provide the Company with investment governance oversight. The role of the Directors as defined by the Company's Board Charter is to oversee the investment activities and performance management of the Company.

The BKI Group includes BKI and its wholly owned subsidiaries, namely Brickworks Securities Pty Limited, Huntley Investment Company Pty Limited, BKI Sub Pty Limited and Pacific Strategic Investments Pty Limited.

Supply Chain

BKI Group considers its supply chain to be low risk in relation to modern slavery with its supply chain dominated by external professional services. In reviewing its supply chain, the BKI Group also considered the supply chain of Contact and considers Contact's supply chain to be low in risk.

BKI Group and Contact are service-based businesses; not involved in the production of any physical goods. The services utilised by the BKI Group and Contact are office-based and relate to the purchase of mainly services and some basic goods required for the day-to-day running of the businesses. These goods and services include office supplies, external audit services, external legal advice, external share registry services, insurance, stockbroking, travel and the leasing of office space which includes office cleaning and computer and telecommunication services.

Criteria 3: Addressing modern slavery risks in the companies in which we invest

Reporting entities that engage in investment activities often do not have control over the actions of the investee. The Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities states that "*an investment firm is not required to individually monitor or report on each of its investees and their operations and supply chains*". In this regard, the investee does not necessarily form part of the BKI Group's supply chain.

Despite this, the BKI Group operates a responsible investment policy that considers environmental, social and governance (ESG) matters which form an important part of the investment process. The majority of investee companies in BKI's portfolio address ESG matters within their annual reports or separate ESG reports to shareholders, providing transparency and hence the opportunity to include such matters in our investment process.

As the manager of the BKI portfolio, Contact regularly analyses companies to ensure ongoing alignment with our investment framework. Contact and BKI Group have developed an investment process that is proven, robust and repeatable. Our collective goal is to always invest in high quality businesses with strong governance processes, a strong balance sheet, competitive advantage and managed by capable and trustworthy people.

² Correct as at 30 November 2022.

³ As at 30 June 2022, BKI had 17,375 shareholders.

The risk of modern slavery is considered within the meaning of "ESG" in our investment process. Contact subscribes to MSCI's ESG Ratings and Research database. MSCI is a leading provider of critical decision support tools and has been servicing the global investment community for over 50 years. MSCI ESG Research products and services are provided by MSCI ESG Research, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide.

Criteria 4: Controls to address the risk of modern slavery

BKI is an Investment Company with no employees and an outsourced investment management function. BKI's registered office is small and operates under an office-based supply chain. It is therefore the Board's opinion that the risk of modern slavery is relatively low.

BKI, through Contact, has processes in place to identify and manage the risk of modern slavery in its operations and supply chains through:

- Seeking to identify, assess and monitor potential higher risk areas in our supply chains;
- Using MSCI's ESG Ratings and Research database within our stock selection and investment process;
- Engaging with key suppliers to ensure they are aware of modern slavery and are taking appropriate action; and
- Training Contact employees as to these risks and the need to manage them.

Criteria 5: Effectiveness assessment

BKI's Directors have been briefed on the requirements of the MS Act and Contact are engaged and trained on modern slavery risks. Modern slavery risks are reviewed within the Company's risk management framework.

BKI and Contact are committed to continuously monitoring and improving management of modern slavery risks in our investment operations and supply chains and will remain vigilant and engaged on the issue.

Criteria 6: Process of consultation with owned or controlled entities

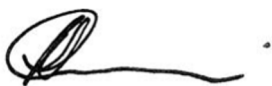
BKI's 100% owned subsidiaries, Brickworks Securities Pty Limited, Huntley Investment Company Pty Limited, BKI Sub Pty Limited and Pacific Strategic Investments Pty Limited, have common management with BKI and are covered by this Statement.

Criteria 7: Other relevant information

No other relevant information.

This Statement has been approved by the Board of BKI Investment Company Limited.

Robert Millner
Chairman



Sydney
13 December 2022