

Milton

CORPORATION LIMITED

2020 MODERN SLAVERY STATEMENT

Introduction

Milton Corporation Limited (Milton) is an Investment company established in 1938 and listed on the Australian Securities Exchange (ASX) in 1958. Milton is predominantly a long term investor in companies and trusts listed on the ASX that are well managed. Milton has over 30,000 shareholders and as at 30 June 2020, Milton's market capitalisation amounted to \$2.8 billion.

Milton is opposed to slavery in all its forms including modern slavery which includes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

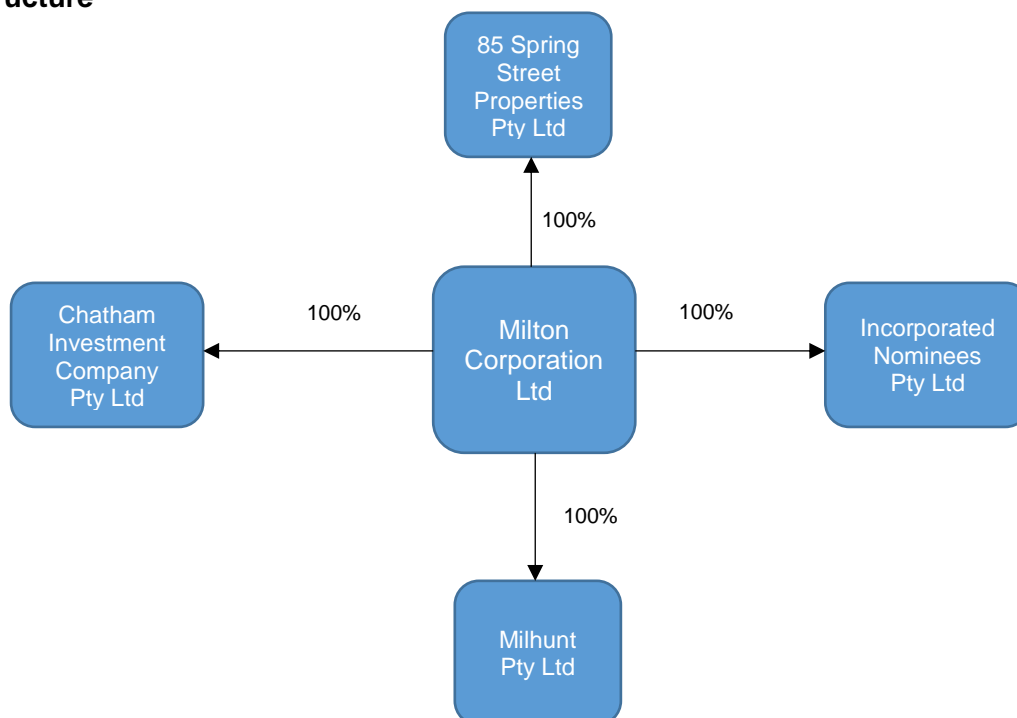
The Australian Modern Slavery Act 2018 (the Act) defines modern slavery as including eight types of serious exploitation namely trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and worst forms of child labour where children are subject to slavery or engaged in hazardous work.

This statement is pursuant to the Modern Slavery Act 2018.

Application

This policy applies to Milton Corporation Limited (Milton). Milton had a consolidated revenue greater than \$100 million for the financial year ended 30 June 2020 and as such a reporting entity under the Act. Milton's entity structure is shown below.

Structure



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Milton's wholly owned subsidiaries 85 Spring Street Properties Pty Limited, Chatham Investment Company Pty Limited and Milhunt Pty Ltd each have investments in separate joint venture entities that have non-controlling interests in three property development joint ventures. Incorporated Nominees Pty Limited is the appointed trustee for Milton Corporation Foundation's investments and Milton's senior staff share purchase plan shares. These wholly owned subsidiaries are not reporting entities under the Act.

Operation

Milton is an investment company listed on the Australian Securities Exchange (ASX). Milton is a long term investor which predominantly invests in a diversified portfolio of Australian listed companies and trusts. The portfolio consists of investments in approximately 72 companies and trusts valued at \$3.2 billion as at 28 February 2021.

Milton's portfolio of investments are managed internally by its executives and as such no performance or management fees are paid to any external party. This internal management structure helps to keep costs low to maximise returns for its over 30,000+ shareholders.

Ordinary fully franked dividends are paid out of profits semi-annually to its shareholders. Milton has paid dividends every year since listing in 1958.

Supply Chain

Milton being an investment company operating solely in Australia has suppliers mainly comprising of a small number of reputable Australian based corporate entities. Main suppliers include banks, broking firms, share registry services, insurance, audit, legal, research and consulting firms.

Due to the nature of Milton's operations and its reputable and small Australian based key supplier chain, Milton has assessed the risk of modern slavery within its direct business operations as low.

Actions taken to address Risks of Modern Slavery Practices in the operations and supply chain

Milton acknowledge its suppliers play a key role to identify and eliminate modern slavery practices from the supplier chain. Due to the size of Milton's key suppliers, it is likely that they too are reporting entities under the Act. Milton will continue to monitor its supply chain to identify areas where it believes the risk of modern slavery is high.

Milton has established a stringent vendor due diligence process as part of Milton's overall risk management framework. Key suppliers are screened for processes, procedures and compliance with applicable laws, regulations and best practices prior to entering into new contractual engagements. Modern slavery clauses will be included where applicable in new and renewed contracts with all key suppliers.

Milton will continue to engage with its key suppliers and understand how they conduct their own due diligence of their own supplier networks to review and assess the risks of modern slavery and applicable controls.

The Board has established an Audit and Risk committee which is responsible for overseeing Milton's corporate governance framework and ensuring the effectiveness of risk management and internal controls. Milton has developed a Code of Conduct that promotes a high standard of ethical behaviour and corporate governance practices within the organisation. A Whistleblower Policy also has been established to provide a mechanism by which eligible whistleblowers can report on certain matters including

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unethical practices and unsafe work practices and be protected from any detrimental conduct against them.

Code of Conduct (Code): Milton's Code outlines the principles and standards that Directors and employees are required to abide by when making decisions and discharging their duties. The Code outlines Milton's core values of integrity, transparency and accountability and compliance. It emphasizes that a high standard of ethical behaviour is expected of its Directors and employees at all times to ensure that Milton's reputation is maintained and that there will be confidence in Milton's integrity of disclosures, reporting and compliance with laws and regulations.

Whistleblower Policy: Milton's whistleblower policy was developed to encourage reporting of any suspected unethical, illegal and fraudulent conduct. This policy applies to employees, officers, directors as well as vendors and contractors of Milton. Eligible whistleblowers can report on a number of matters including unethical practices, breach of internal policy or matters that may cause loss or be detrimental to the interest of Milton.

Assessing Effectiveness

Responsibility for assessing and addressing modern slavery risks have been assigned to the Company Secretary under the oversight of the Chief Executive Officer and the Audit and Risk Committee.

Modern slavery risks are reviewed regularly by management and reported to the Audit and Risk committee within Milton's risk management framework. Any identified gaps in Milton's modern slavery risk management approach will be addressed through continuous benchmarking of best practices in the industry.

Milton's modern slavery risk management approach will be reviewed annually by the Audit and Risk Committee and reported to the Board. The Modern Slavery Statement will be reviewed and updated annually.

Consultation with Subsidiaries

Milton's fully owned subsidiaries 85 Spring Street Properties Pty Limited, Chatham Investment Company Pty Limited, Milhunt Pty Ltd and Incorporated Nominees Pty Limited are managed and operated by Milton's directors and executives and do not have any external managers. Operations of all Milton's subsidiaries are encompassed in Milton's Modern Slavery Statement.

This statement was approved by the board of Milton on 17 March 2021.



Brendan O'Dea

Managing Director

18 March 2021

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