



LION

Supplier Responsible Sourcing Code

Lion Pty Ltd
ABN 50 128 004 268

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CEO's Foreword

At Lion we define our core purpose – our central objective – in terms of the value we deliver for society. We exist to champion sociability and help people to live well. This commitment extends to building a transparent and ethical supply chain.

As a leading beverage company with a portfolio that includes many of our region's favourite beer and wine brands as well as other adult beverages, we believe the scale of our operations provides both an obligation and an opportunity to help drive positive change.

We aim to do this by acting with integrity and upholding business ethics – including having strict policies on anti-bribery and corruption, conflicts of interest and protecting privacy, implementing sustainable sourcing practices and upholding the human rights of our own people, as well as those impacted by our extended value chains.

Our consumers expect transparency and want to know where Lion products come from and how they are made. They put their trust in our brands and expect us to do the right thing. We respect this trust and take our responsibility to honour it seriously.

But we can't achieve this alone.

We rely on thousands of suppliers providing us with raw materials such as hops and barley, as well as packaging and other goods and services to keep our business operating all year round.

This Responsible Sourcing Code outlines Lion's clear expectations of all our suppliers when it comes to sustainable sourcing practices spanning human rights, the environment and business ethics. We recognise this area is continually evolving and this Code will be regularly updated to ensure we are delivering on the expectations of our customers, consumers and the community.

I thank you for your ongoing partnership and commitment to continuous improvement. Together, I believe we can make a positive and enduring difference to our communities.

If you have any questions about this Code, please don't hesitate to contact your Lion procurement representative.

Stuart Irvine
CEO, Lion

1. Introduction

For Lion, sustainability is about doing the right thing for the long term. For the Long Term is our vision for a better future. A future where everyone enjoys the benefits of sociability and living well, and where our people, customers, suppliers and all the communities we touch thrive and prosper. And it's this vision that underpins our sustainability strategy with a clear focus on wellbeing, community and the environment.

The pillars of Lion's environmental sustainability strategy are:

1. Take action on climate change
2. Adopt a circular economy
3. Promote responsible sourcing

These priorities were selected through our materiality assessment process and are considered to be highly material for the long term sustainability of our business.

Through responsible sourcing, Lion is committed to upholding human rights in our value chain. We will continue to work with our suppliers to promote decent working conditions in our supply chain and to ensure there are no instances of forced and child labour and modern slavery in the supply chain within and beyond our first tier suppliers.

Our Procurement Policy and Supplier Responsible Sourcing Code embrace the International Bill of Human Rights¹, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work², the UN Guiding Principles on Business and Human Rights³ and enact within our value chains the [UN Global Compact \(UNGC\)](#) core values of human rights, labour standards, the environment as well as anti-corruption and its 10 principles.

¹ The International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenants on Economic, Social and Cultural Rights. It is widely regarded as the fundamental human rights framework in the international community.

² The Declaration on Fundamental Principles and Rights at Work refers to freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.




³ The United Nations Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council in 2011, are the authoritative global standard for States and business to prevent and address the risk of adverse impact on human rights linked to business activity.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

Lion & Sustainable Development Goals

| <i>Measures relevant to our Suppliers</i> | |
|--|--|
|  | <p>Strategy Priority: Take Action on Climate Change</p> <ul style="list-style-type: none">By 2030, reduce scope 3⁴ carbon emissions by 30% from 2015 level |
|  | <p>Strategy Priority: Adopt a Circular Economy</p> <ul style="list-style-type: none">By 2025, all consumer packaging material will be 100% recyclableBy 2025, increase use of recycled content in packaging material to 50%Continue light weighting packaging where appropriate without compromising product safety, integrity and shelf-life |
|  | <p>Strategy Priority: Promote Responsible Sourcing</p> <ul style="list-style-type: none">By 2020, ensure our sourcing of paper and packaging does not contribute to global deforestationBy 2020, all our first tier suppliers to have completed our responsible sourcing risk assessmentImplement supplier monitoring program to support the implementation of the CodeIncrease supply chain traceability and transparency, disclosure of risks and complianceCombat modern slavery within our supply chain |
| <p>To view Lion's complete sustainability strategy and mapping to the full suite of SDGs visit https://sustainability.lionco.com/our-strategy/</p> | |

⁴ Scope 3 emissions are indirect emissions other than scope 2. These are emissions beyond Lion's operational control such as extraction and production of purchased materials, agriculture, transport related activities, waste disposal, etc.

1.1 Purpose of this Code

The purpose of this Code is to support the implementation of Lion's Procurement Policy, which captures Lion's commitment to responsible sourcing through three core principles:

1. Promoting human rights and ethical sourcing
2. Promoting sustainable sourcing
3. Building strong commercial outcomes and productive partnerships

1.2 Scope

The requirements in this Code (except [Section 6 - Material Specific Requirements for Sustainable Sourcing](#)) apply to all:

- co-manufacturers; and
- suppliers who supply Lion Group and any of its majority owned subsidiaries:
 - inputs and ingredients used in production of any of Lion's consumer products; and
 - not for re-sale goods and services that are not used in making Lion brand products such as consumables, furniture, computers, plant and equipment, machinery and so on.

Material specific requirements only apply to the suppliers of materials detailed in [Section 6](#).

This Code applies to all first tier suppliers (including brokers and agents) and their suppliers in all geographic locations unless otherwise specified. First tier suppliers are those with a direct supply relationship, contract or purchase order with Lion or one of its majority owned subsidiaries.

This Code may also apply to suppliers who supply to entities where Lion Group has a minority shareholding and where:

- the entity's product is marketed under the Lion brand; and/or
- the commodity or industry supply chain is, or potentially is, medium or high risk with respect to human rights or the environment.

Materials used in products that are made under licence for another Brand Owner are excluded from the scope where the Brand Owners' specifications differ from Lion's.

Lion expects this Code to be fully adopted by our suppliers by 30 June 2020.

1.3 Transparency and Compliance

Suppliers and their suppliers must respect the rights of workers in accordance with relevant national laws, acknowledge the International Labour Organisation's conventions⁵ and comply with Lion's Responsible Sourcing Code (this Code). Our aim is to continually increase the transparency of our

⁵ ILO conventions - International labour standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) and setting out basic principles and rights at work. They are either conventions, which are legally binding international treaties that may be ratified by member states, or recommendations, which serve as non-binding guidelines.

upstream value chain and give our customers confidence that their trusted brands are being sourced responsibly and from sustainable sources.

We recognise that not all our suppliers are at the same level of compliance with the requirements of this Code. However, we expect that all our suppliers will develop clear plans to achieve compliance and be able to demonstrate continuous improvement and progress.

1.4 Supplier Assessment, Monitoring and Verification

1.4.1 Supplier Assessment

To assess the level of risk across its suppliers, Lion requires high priority suppliers to complete Sedex Self-assessment questionnaires (SAQ) for all their sites that supply product or service to Lion. Brokers and agents must ensure their suppliers complete the Sedex SAQ for all facilities that Lion is supplied from.

High priority suppliers and brokers are determined on the type of transactions, country of origin and sectorial risk rating. Lion will use the suppliers' self-assessment combined with country and sectorial risk rating to determine the level and frequency of its supplier monitoring process.

1.4.2 Monitoring and Verification

Lion expects all suppliers to have systems in place to actively monitor and record their compliance with the laws and standards as outlined in this Code. When requested by Lion, suppliers must submit a copy of their company compliance systems documentation, as evidence of their compliance with the laws and this Code, within the stipulated timeframe.

For materials where Lion requires specific certification(s), suppliers are required to provide evidence of the relevant certification(s).

Lion reserves the right to request or conduct independent audits to verify suppliers' compliance with this Code. Independent audits must be conducted by [SAAS accredited](#) or [BSCI authorised](#) auditing companies.

Suppliers must use all reasonable endeavours to assist Lion in conducting such an audit, including, without limitation, allowing site access to Lion's representatives and supplying all relevant requested evidence of certifications and compliance.

1.5 Annual Reporting

All packaging and raw materials suppliers are required to submit annual reports providing information on:

- Quantity of materials supplied to Lion
- Carbon emissions
- Water use

Packaging suppliers will also be required to provide:

- Packaging unit weights
- Packaging recycled content and recyclability

The annual reporting will be based on calendar year and Lion will provide a reporting template for the required information.

2. Legal and Contract Compliance

Lion expects its suppliers to enter into written contracts with Lion setting out the terms and conditions of our supply arrangements. The contracts may include provisions dealing with responsible sourcing standards and practices, and may incorporate Lion's Supplier Responsible Sourcing Code (this Code) by reference.

Lion and its suppliers will be legally bound by commitments given under the contracts, including any commitments in relation to responsible sourcing standards and practices.

3. Business Integrity

Lion takes very seriously the ethical and lawful conduct of our people. Lion has established internal policies setting out the standards of integrity that Lion expects of its employees when carrying out business, e.g. policies in relation to anti-bribery and corruption, conflicts of interest and privacy.

Similarly, Lion expects its suppliers to establish their own internal processes and policies setting out appropriate standards of business integrity.

4. Human Rights and Labour Standards

4.1 Employment is freely chosen

4.1.1 The Supplier shall under no circumstances use, or in any other way benefit from, forced, bonded or prison labour in line with ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on Abolition of Forced Labour. Where the Supplier is using prison labour under a legal framework, it must notify Lion.

4.1.2 The Supplier shall only use or employ workers with a legal right to work.

4.1.3 All workers, including employment agency staff must be validated by the Supplier for their legal right to work by reviewing original documentation. The Supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation.

4.1.4 Workers shall not be required to pay recruitment fees, lodge deposits or their identity papers (or passports) with their employer and shall be free to leave their employment after reasonable notice.

4.1.5 The Supplier shall not restrict its workers freedom of movement.

4.2 Freedom of association and the right to collective bargaining are respected

4.2.1 The Supplier should grant its employees the right to freedom of association and collective bargaining in accordance with all applicable laws and regulations. Where the right to freedom of association and collective bargaining is restricted under law, the Supplier should facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

4.2.2 The Supplier shall ensure workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

4.3 Child labour shall not be used

4.3.1 The use of child labour is strictly prohibited in line with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If children are found to be working directly or indirectly for the Supplier, the Supplier shall seek a sensitive and satisfactory solution that puts the best interest of the child first.

4.3.2 The Supplier shall comply with the national minimum age for employment or the age of completion of compulsory education and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.

4.3.3 Young workers under 18 years of age must not be employed to work in conditions which harm their physical, mental and emotional development and wellbeing.

4.4 Working conditions are safe, healthy and hygienic

4.4.1 The Supplier shall provide a safe, healthy and hygienic working environment, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

4.4.2 The Supplier shall provide potable drinking water, clean toilet facilities, adequate lighting and ventilation, personal protective equipment (PPE) and, if appropriate, sanitary facilities for food storage.

- 4.4.3 The Supplier shall provide adequate safeguards against fire and shall ensure strength, stability and safety of buildings and equipment (including dormitory accommodation where provided).
- 4.4.4 The Supplier shall have a documented emergency plan including notification and evacuation procedures; fire detection and suppression equipment, adequate number of clearly marked and easily accessible exits and appropriate first aid supplies.
- 4.4.5 The Supplier shall identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed.
- 4.4.6 Workers shall receive regular and recorded health and safety training including emergency drills and evacuation, and such training shall be repeated for new or reassigned workers.
- 4.4.7 Dormitory buildings, where provided, shall be clean, safe, and meet the basic needs of the workers. There shall be adequate space for each worker, adequate heat and ventilation, access to potable water, clean toilets and showers, clean facilities for food preparation and storage. Workers shall be able to enter and leave the dormitory buildings freely at any hour.
- 4.4.8 The Supplier shall assign responsibility for health and safety to a senior management representative.

4.5 Fair wages are paid

- 4.5.1 Wages and benefits paid for a standard working week shall meet or exceed, national legal standards. In any event, wages should always be enough to meet basic needs and to provide some discretionary income for workers and their families.
- 4.5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 4.5.3 Deductions from wages as a disciplinary measure or any deductions from wages not provided for by Law shall not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

4.6 Working hours are not excessive

- 4.6.1 Working hours comply with any Law and benchmark industry standards, whichever affords greater protection to ensure the health, safety and welfare of workers.

- 4.6.2 Suppliers shall comply with all applicable laws for workers' entitlements to breaks, rest periods, parental leave, public and annual holidays.
- 4.6.3 In any event, workers shall not on a regular basis be required to work in excess of 60 hours (excluding overtime) per week unless permitted by national law or under a collective bargaining agreement.
- 4.6.4 Workers shall be provided with at least one day off for every 7 day period on average.
- 4.6.5 Overtime shall be reasonable, shall not be excessive, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

4.7 Workers are treated fairly and with respect

- 4.7.1 There is no unlawful discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 4.7.2 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

4.8 Regular employment is provided

- 4.8.1 To every extent possible, work performed must be on the basis of recognised employment relationships established through national law and practice.
- 4.8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
- 4.8.3 Where workers are employed through a third party labour agency, the Supplier shall comply with ILO Convention 181 – Private Employment Agencies, 1997.

4.9 Engaging overseas workers in Australia and New Zealand

In addition to the human rights and labour standards under sections 4.1 to 4.8, the following standards apply to Suppliers operating within Australia and/or New Zealand:

- 4.9.1 All people working in Australia or New Zealand are entitled to basic rights and protections in the workplace. This includes overseas workers, which refers to workers who are not Australian or New Zealand citizens or permanent residents, and may include 'backpackers', seasonal workers, or international students.

- 4.9.2 In order to work in Australia or New Zealand, they must have a current visa with the right to work in that country. It is a criminal offence to hire or refer illegal workers. Fines apply to employers, labour hire companies, employment agencies and anyone who allows illegal workers to work or refers them for work. Suppliers are responsible for ensuring the workers engaged to provide goods and services to Lion are legally allowed to work in the country they are employed regardless of whether the workers are employed directly by the Supplier or through a labour hire intermediary.
- 4.9.3 Suppliers must validate the legal right to work in the country of employment for workers on their facilities or providing a service to Lion at Lion's sites. In Australia, Suppliers can verify legal right to work using the free service [Visa Entitlement Verification Online \(VEVO\)](#). In New Zealand, Suppliers can use the [VisaView](#) check.
- 4.9.4 Employment conditions of all workers (including overseas workers) must meet or exceed the minimum employment rights set out by the relevant authorities:
- In Australia, the minimum requirements are known as the National Employment Standards (NES) set by the Fair Work Act 2009 which apply to all employees covered by the national workplace relations system, unless an applicable Modern Award conveys more generous entitlements. For further information, refer to the "Fair Work Information Statement" and fact sheets "Introduction to the National Employment Standards" and "Foreign workers – Know your workplace rights!" on Fair Work Australia's website www.fairwork.gov.au.
 - In New Zealand, the Minimum Employment Rights and Responsibilities as set out at by Employment New Zealand www.employment.govt.nz.
- 4.9.5 All overseas workers must receive an induction before starting work, in a language they understand or with an interpreter present. The induction as a minimum must include an explanation of workers' basic rights, safety at work.
- 4.9.6 All overseas workers engaged to work in Australia must be provided a copy of the Fair Work Information Statement and 'My employment checklist' available from www.fairwork.gov.au in a language they understand.
- 4.9.7 All overseas workers engaged to work in New Zealand must be provided a copy of Employment New Zealand's the [Minimum Employment Rights and Responsibilities](#) in a language they understand.
- 4.9.8 Suppliers who engage overseas workers either employed directly or through a third party labour hire company must:
- have documented management systems and processes in place for monitoring compliance with workplace laws with respect to overseas workers, including, without limitation, the minimum rights and conditions at work outlined above; and
 - implement processes to enable adequate oversight of any labour hire companies, contractors or sub-contractors they use with regards to compliance with workplace laws, correct rates of pay, hours of work and the minimum rights and conditions at work.

5. Protection of the Environment

5.1 Environmental Permits

- 5.1.1 The Supplier shall obtain and ensure currency of all relevant environmental permits for its operations and facilities as required by national and local laws.
- 5.1.2 The Supplier shall comply with the requirements of all its environmental permits and national and local environmental laws and regulations.
- 5.1.3 The Supplier's facilities shall dispose of their production waste in accordance with local environmental laws and regulations.

5.2 Environmental Management Systems

- 5.2.1 The Supplier shall develop, document and implement an effective environmental management system based on ISO 14001:2015 or a similar internationally recognised standard for its facilities that supply Lion.
- 5.2.2 The environmental management system must identify and document key environmental impacts and implement controls to eliminate or minimise impact on the environment, as a minimum, with respect to:
 - waste reduction, reuse, recycling and disposal;
 - hazardous chemicals storage and management;
 - air and water emissions;
 - energy use and carbon emissions; and
 - water use and wastewater discharge.

6. Material Specific Requirements for Sustainable Sourcing

As a minimum, all suppliers of agricultural commodities must demonstrate that they have processes to monitor, identify, remedy and report any use of forced labour and child labour. Lion reserves the right to request independent audits of suppliers' processes.

6.1 Animal Welfare

- 6.1.1 Lion places significant importance on the welfare of the animals. Lion will only source animal products from farms that have implemented animal welfare standards and comply with relevant federal and state animal welfare legislation.

6.2 Sugar

- 6.2.1 All cane sugar supplied to Lion must be Bonsucro certified or Smartcane Best Practice accredited, inclusive of all modules of the Smartcane Best Management Practice program.

6.2.2 Lion may accept alternative certification schemes, if deemed equivalent, at its discretion.

6.3 Coffee

6.3.1 As a minimum all coffee products (beans, crystals, powder and other forms) must be 4C compliant. 4C Code of Conduct sets baseline criteria for sustainable coffee production.

6.3.2 All coffee product suppliers including brokers must provide evidence of 4C compliance and complete transparency of the upstream value chain from farm to Lion. If a supplier does not have its own supply chain traceability program, Lion may accept Fairtrade, Rainforest Alliance or UTZ certification.

6.4 Cocoa

6.4.1 All cocoa product (bean, powder and other forms) suppliers including brokers must provide complete transparency of the upstream value chain from farm to Lion. If a supplier does not have its own supply chain traceability program, Lion may accept Fairtrade, Rainforest Alliance or UTZ certification.

6.5 Palm oil and derivatives

6.5.1 All palm oil and its derivatives supplied for use in Lion's brands must be certified through the physical supply chain certification models of the Roundtable for Sustainable Palm Oil (RSPO). The acceptable RSPO certification models are identity preserved, segregated or mass balance supply chain models.

6.6 Soy

6.6.1 Soy sourced from regions where soya production is likely to lead to deforestation or loss of high value conservation areas must be either certified by the Roundtable on Responsible Soy (RTRS) or the Sustainable Agricultural Network (SAN).

6.6.2 WWF identifies the following regions as high value conservation areas most affected by the expansion of soy production:

- The Amazon;
- Cerrado in Brazil;
- Chaco region straddling Argentina, Bolivia and Paraguay; and
- Atlantic Forest on the east coast of South America.

6.7 Packaging

The resources we use in making our products are finite and we acknowledge our responsibility to reduce waste and use resources more efficiently. Our consumers are increasingly conscious

of the environmental impact of product packaging and we recognise that the current economic model of ‘take, make, dispose’ is not sustainable in the long term.

Lion is adopting the principles of a circular economy, reducing waste and reliance on natural resources, improving packaging design and reducing costs. This means designing products and processes so that resources can be used in a ‘closed loop’ system to reduce demand on natural resources.

To promote the circular economy, Lion has set the following targets to achieve by 2025:

- Reduce unnecessary packaging and implement lightweight packaging where possible;
- 100% of consumer packaging is recyclable; and
- Consumer packaging contains 50% or greater recycled content.

- 6.7.1 Any primary packaging with recycled content must meet food safety requirements and not adversely impact packaging functionality and shelf-life.
- 6.7.2 All paper and board products must either have at least 50% recycled content or provide a time bound plan to achieve at least 50% recycled content within the term of the supply contract.
- 6.7.3 Virgin content in paper and board must be certified under the Forest Stewardship Council (FSC) certification or Programme for Endorsement of Forest Certification (PEFC).
- 6.7.4 All plastics (rigid and flexible), should include recycled content where possible or provide a time bound plan to introduce recycled content within the term of the supply contract.
- 6.7.5 All glass and aluminium packaging material must have at least 50% recycled content or a time bound plan to achieve 50% recycled content within the term of the supply contract.

7. Glossary of Terms and Definitions

| Terms | Definitions |
|-----------------------------------|---|
| Lion or Lion Group | Lion Pty Ltd and its related bodies corporate (as defined in the Corporations Act 2001 (Cwlth)). |
| UN Global Compact | The UN Global Compact (UNGC) is a voluntary initiative based on CEO commitments universal sustainability principles and align strategies and operations with universal principles of human rights, labour, environment and anti-corruption. |

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| UN Guiding principles on Business and Human Rights | The UN Guiding principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. The guidelines were endorsed by the UN Human Rights Council in June 2011. |
| Sustainable Development Goals (SDGs) | The UN Sustainable Development Goals (SDGs) are a set of 17 global goals and a universal call to action to end poverty, protect the planet and ensure prosperity. |
| Majority owned subsidiary | A company whose shares are 50% or more owned by a member of the Lion Group. |
| First tier supplier | First tier suppliers are those with contractual relationship with Lion or one of its majority owned subsidiaries. |
| Upstream value chain | For Lion upstream value chain includes all activities upstream of our manufacturing sites including production and supply of raw materials, any processing of raw materials before it is supplied to us as well as activities such as storage, transport and shipping. |
| Sedex | The Supplier Ethical Data Exchange (Sedex) is an online data sharing platform enabling buyers, suppliers and auditors to store, share and report on social, ethical and environmental policies, practices and performance. |
| SAQ | Self-assessment questionnaire. Sedex has a set of questions tailored to industry sectors that suppliers complete and share with their customers to enable customers to assess suppliers based on their self-assessment. |
| SAAS accredited | Auditing companies accredited by the Social Accountability Accreditation Services (SAAS) to conduct SA8000 audits and certificates of compliance to the SA8000 Standard. |
| BSCI authorised | Audit companies authorized by the Business Social Compliance Initiative (BSCI) to conduct BSCI audits. |
| Forced labour | Forced labour refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment. Where the Supplier is using migrant or prison labourers under a legal framework, Lion Pty Ltd must be made aware to review appropriate documentation maintained by the Supplier. |
| ILO | The International Labour Organisation (ILO) is a United Nations agency dealing with labour issues, setting international labour standards, developing policies programs to promote decent work opportunities for all. The ILO has 187 member states (including Australia and New Zealand). |
| Recruitment fees | A set fee or a percentage of income demanded from workers by a labour recruitment agent for job placement. |
| Child labour | Child labour refers to work that: <ul style="list-style-type: none"> • is mentally, physically, or morally harmful to children; • can negatively affect their mental, physical, or social development, and • interferes with their schooling: <ul style="list-style-type: none"> ○ by depriving them of the opportunity to attend school; |

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| | <ul style="list-style-type: none"> ○ by obliging them to leave school prematurely; or ○ by requiring them to attempt to combine school attendance with excessively long and heavy work. |
| Environmental Management System | An Environmental Management System (EMS) is a set of processes and practices that enable an organisation to reduce its environmental impacts and increase its operating efficiency. An effective EMS should be based on 'Plan-Do-Act-Check' cycle and should include the organisational structure, planning and resources for developing, implementing and monitoring objectives for the protection of the environment. |
| ISO 14001 | ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). |
| Bonsucro | Bonsucro is an international not for-profit, multi-stakeholder organization established in 2008 to promote sustainable sugar cane. Its aim is to reduce 'the environmental and social impacts of sugarcane production while recognising the need for economic viability. It does this through setting sustainability standards and certifying sugar cane products including ethanol, sugar and molasses. |
| Smartcane Best Management Practice (BMP) | The Smartcane BMP is an industry-led, voluntary program available to all sugarcane growers across the state of Queensland. Smartcane BMP assists growers to document, benchmark and continuously improve their on-farm practices for productivity, profitability and stewardship. Smartcane BMP has been benchmarked against the Bonsucro Production Standard, demonstrating full alignment with the Standard's indicators. |
| 4C compliant | 4C compliant refers to coffee that has successfully passed a verification audit against the 4C baseline standard. The 4C baseline standard is defined and maintained by the 4C Association and the 4C Code of Conduct comprising social, environmental and economic principles for sustainable production, processing and trading practices of green coffee. |
| Fairtrade | Fairtrade is a non-profit organisation aiming to help primary producers in developing countries achieve better trading terms and to promote sustainable farming. Fairtrade focuses on certification of commodities, or products which are typically produced in developing countries and exported to developed countries such as coffee, cocoa, sugar, chocolate, fresh fruit, flowers and so on. |
| Rainforest Alliance | The Rainforest Alliance is an international non-profit organisation working to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices. A Rainforest Alliance Certified farm is one that complies with 10 standards set in place by the Sustainable Agriculture Network (SAN). These standards include ecosystem conservation, wildlife protection, and fair treatment and good working conditions for workers. Rainforest Alliance and UTZ are merging. Both certification programs will continue until the new certification program is established in 2019. |
| UTZ certified | UTZ Certified is a certification program and a consumer label for sustainable farming of cocoa, coffee, tea and hazelnut. |

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| | Rainforest Alliance and UTZ are merging. Both certification programs will continue until the new certification program is established in 2019. |
| RSPO | Roundtable for Sustainable Palm Oil (RSPO) is a non-profit organisation that has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). |
| RTRS | Roundtable for Responsible Soy (RTRS) is an organization that promotes responsible production, processing and trading of soy on a global level. It has created the RTRS Standard for Responsible Soy Production for certification of soy production that is socially equitable, economically feasible and environmentally sound. |
| Sustainable Agriculture Network (SAN) | The Sustainable Agriculture Network (SAN) is a coalition of non-profit conservation organisations in America, Africa, Europe and Asia promoting the environmental and social sustainability of agricultural activities through the development of standards for best practices, certification and training for rural farmers. |
| Circular economy | A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life. |
| Recyclable | Consumer packaging material that can be recycled through kerbside recycling services available to most households in Australia and New Zealand. |
| Recycled content | ISO 14021 defines recycled content as the proportion, by mass, of recycled material in a product or packaging. Only pre-consumer and post-consumer materials shall be considered as recycled content. Pre-consumer materials are those diverted from the waste stream during a manufacturing process. Post-consumer materials are those generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product. |
| FSC certified | Forest Stewardship Council (FSC) is a global non-profit organisation setting standards for sustainable forest management. FSC certification and its label gives consumers confidence that the paper/board products they buy has come from a forest and supply chain that is responsibly managed. |
| PEFC certified | Programme for the Endorsement of Forest Certification (PEFC) is a global non-profit organisation promoting sustainable forest management through independent third party certification. |

APPENDIX 1 - International Labour Standards

List of relevant International Labour Standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up recommendations:

- [C87, Freedom of Association and Protection of the Right to Organise Convention, 1948](#)
- [C98, Right to Organise and Collective Bargaining Convention, 1949](#)
- [C29, Forced Labour Convention, 1930](#)
- [C105, Abolition of Forced Labour Convention, 1957](#)
- [C138, Minimum Age Convention, 1973](#)
- [C090, Night Work of Young Persons \(Industry\) Convention \(Revised\), 1948](#)
- [C182, Worst Forms of Child Labour Convention, 1999](#)
- [C181, Private Employment Agencies, 1997](#)
- [C100, Equal Remuneration Convention, 1951](#)
- [C111, Discrimination \(Employment and Occupation\) Convention, 1958](#)
- [The ILO call for Decent Work](#)
- [C1, Hours of Work \(Industry\) Convention, 1919](#)
- [C14, Weekly Rest \(Industry\) Convention, 1921](#)
- [C95, Protection of Wages Convention, 1949](#)
- [C131, Minimum Wage Fixing Convention, 1970](#)
- [C135, Workers' Representatives Convention, 1971](#)
- [C155, Occupational Safety and Health Convention, 1981](#)
- [C161, Occupational Health Services Convention, 1985](#)
- [R85, Protection of Wages Recommendation, 1949](#)
- [R116, Reduction of Hours of Work Recommendation, 1962](#)
- [R135, Minimum Wage Fixing Recommendation, 1970](#)
- [R164, Occupational Safety and Health Recommendation, 1981](#)
- [R184, Home Work Recommendation, 1996](#)
- [R190, Worst Forms of Child Labour Convention Recommendation, 1999](#)