



Going Beyond



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About this report

The information in this report covers Lion's operations in Australasia primarily and performance data is limited to Australia and New Zealand for the financial year beginning 1 January 2020 through to 31 December 2020, unless otherwise stated. Throughout the report we also introduce more recent case studies from our Lion Little World Beverages global network across the United States and the United Kingdom*.

This financial year is referred to as FY20 throughout the report. All dollar amounts are in Australian dollars, unless otherwise indicated. Our operations are detailed in the infographic on [page 4](#). The report does not cover the operations of our parent company Kirin Holdings Company, Limited (Kirin Group).

Our current sustainability strategy outlined on [page 6](#) relates to all businesses under Lion's operational control in Australia and New Zealand. To ensure this report is transparent and inclusive of other regions beyond Australasia, the scope of information incorporated in some sections of the report has been extended when such data was available. We will continue to expand the boundary of data collected in future years as data quality and availability improves.

This report is produced in accordance with the core requirements of the Global Reporting Initiative (GRI) Standards. An external assurance provider, KPMG, was engaged to provide limited assurance over this report, including Lion's self-declared GRI Standards indicators. This is the fifth year we have reported in accordance with the GRI guidelines.

To read KPMG's assurance statement [click here](#).

For the GRI index which provides the list of indicators we have reported against, please [click here](#).

* For a list of the entities covered by the report, please [click here](#) and [here](#).

Key highlights of the year:



\$1.97bn

Net sales revenue AUS and NZ



\$3.7m

Community investment



\$224m

Earnings before interest and tax (EBIT)



3,957

People employed



30

Manufacturing facilities



3

Major offices

These amounts are not inclusive of Lion Drinks & Dairy who were part of the business at this time. To view our share capital structure and total capitalisation please [click here](#) and [here](#).

A message from our CEO

Lion is committed to doing the right thing for the long term. As a leading brewer and manufacturer of adult beverages, we know our success hinges on our ability to operate ethically and in the best interests of society, while also looking after our environment.

For this reason, we define our core purpose not in terms of shareholder value, but in terms of the value we deliver for society: Lion exists to champion sociability and help people live well. Considering the far-reaching consequences of global lockdowns due to COVID-19, our purpose has never felt more meaningful or relevant than over the past 12 months.

Across our industry, the devastating impact of the closure of pubs, clubs, restaurants, bars and hospitality venues globally, and continued trading restrictions, are still being felt. We are proud of our immediate response to help our customers throughout what has been an incredibly challenging time and we remain committed to supporting them as they recover.

The wide-ranging impacts of COVID-19, as well as the devastating bushfires in Australia over the summer of 2019/20, contributed to lower company financial performance in the FY20 period.

Following a period of sustained decline in the mainstream beer market, we also had to make the difficult decision to close our West End Brewery in South Australia. We know this has been a particularly tough time for our team in South Australia and we have worked with those impacted to support them through this change.

Despite the challenges the year presented, we were able to deliver several key strategic environmental and social priorities as highlighted throughout this report.

The way consumers connect with brands and businesses has shifted dramatically in recent years and COVID-19 has accelerated this. There is a growing trend towards mindful consumption and wellness which continues to drive our focus on creating a balanced portfolio of products, including low and no alcohol options.

In Australia, Lion is a long-term partner of Heineken. We're proud that Heineken® 0.0 was the number one selling alcohol-free beer in Australia in 2020. In New Zealand, we have a

growing range of non-alcoholic options from the acquisition of iconic coffee brand, Havana coffee, to the launch of our first non-alcoholic beer with Speights 0% coming in mid-July 2021.

The role of technology across our supply chain, customer experience and hospitality has also evolved significantly. We implemented our new SAP platform in Australia in 2020, following the rollout in New Zealand in 2019; and this is supporting continued innovation, and making it easier for our customers to do business with us.

We are also particularly proud of the strong financial performance of New Belgium Brewing in the United States, in its first full year as part of Lion Little World Beverages. New Belgium Brewing is a leading B-Corporation and its activities and purpose-driven culture provide valuable insights and learnings for the wider Lion Group.

As a business, we recognise the need to move fast on climate change. Lion has committed to a net zero value chain by 2050.

We recognise a net zero value chain commitment involves our suppliers and we look forward to partnering for measuring and reducing our collective lifecycle emissions. We have already made good progress by becoming the first large-scale carbon neutral brewer in both Australia and New Zealand. This was followed by New Belgium's Fat Tire Amber Ale becoming the first nationally distributed certified carbon neutral beer in the US, and Steinlager becoming NZ's first major carbon zero beer brand, representing 10% of the total NZ beer market.

All this was made possible by the ongoing dedication of our people. More than ever, we focused on safety and wellbeing to help our people adapt during a time of great uncertainty and are proud to have maintained strong people engagement through an incredibly disruptive year.



Stuart Irvine

Chief Executive Officer





A message from our Group General Counsel and External Relations Director

2020 was a year of significant disruption for our communities. The waves of adversity – from fire to pandemic and flood – tested our resilience. Human connection was, and remains, more important than ever and Lion’s commitment to sociability and living well has continued to guide everything we do.

The bushfires in the Australian summer of 2019/20 shocked us all as they tore through regional Australia. Similarly, our Lion Little World Beverages businesses in the United States experienced wildfires at the end of 2020, the likes of which we have not seen before.

As the Australian bushfires took hold, we reached out to our communities and customers to provide a helping hand as they battled to save homes, businesses and livelihoods. We combined workplace giving, brand initiatives and donations to contribute more than \$1 million to relief efforts.

A great example of our response to the disaster was Little Creatures’ donation of 100% of its ‘Raspberry Dreams’ beer sales to WIRES to support the ‘little creatures’ that lost lives and habitats during the fires. Our friends and colleagues at New Belgium Brewing also supported this cause all the way from Colorado.

We were tested once again in the early months of 2021 with the devastating Australian East Coast floods. In partnership with GIVIT, Lion provided funds to help those impacted to get back on their feet.

And of course, it is impossible to reflect on 2020 without mentioning COVID-19 which has tested communities all over the world in different ways. Being social and interacting with others is a fundamental feature of human life, and without opportunities for social contact, including those provided by hospitality venues, we have become increasingly aware of the very real impact loneliness and isolation can have on wellbeing.

Through our focus on community and customers we developed several programmes to foster connection during the pandemic. For example, New Belgium Brewing launched its Bar & Restaurant Relief Fund to provide financial support to workers in the hospitality industry as well as frontline workers, raising over USD \$300,000.

The Steinlager team in New Zealand supported the RSA and the NZ Defence Force’s Stand at Dawn campaign, encouraging everyone to support those who have served their country, while staying safe in their bubbles at home. Steinlager turned 21 billboards into ‘Walls of Remembrance’, featuring the names of 30,000 fallen soldiers in the week leading up to ANZAC Day.

In Australia, Furphy set up a virtual pub open every Friday throughout the lockdown of April 2020, hosting up to 1,000 people to share a beer with some familiar faces around a virtual wooden pub table. Each Friday had a different celebrity bartender, and patrons could rate their host’s hospitality using a virtual tip jar, with contributions going to GIVIT’s COVID-19 relief fund, which Furphy matched dollar-for-dollar.

These are just a few of the wonderful examples of how Lion continued to facilitate connection and provide community support despite the need for physical distancing due to the pandemic. You can read more stories in the report.

This report, our first prepared in accordance with GRI principles since 2017, provides an insight into Lion’s sustainability ambitions, commitments and performance – a journey we are very proud to be on.

Copies of previous reports can be found [here](#) and you can visit www.lionco.com to learn more.

Libby Davidson

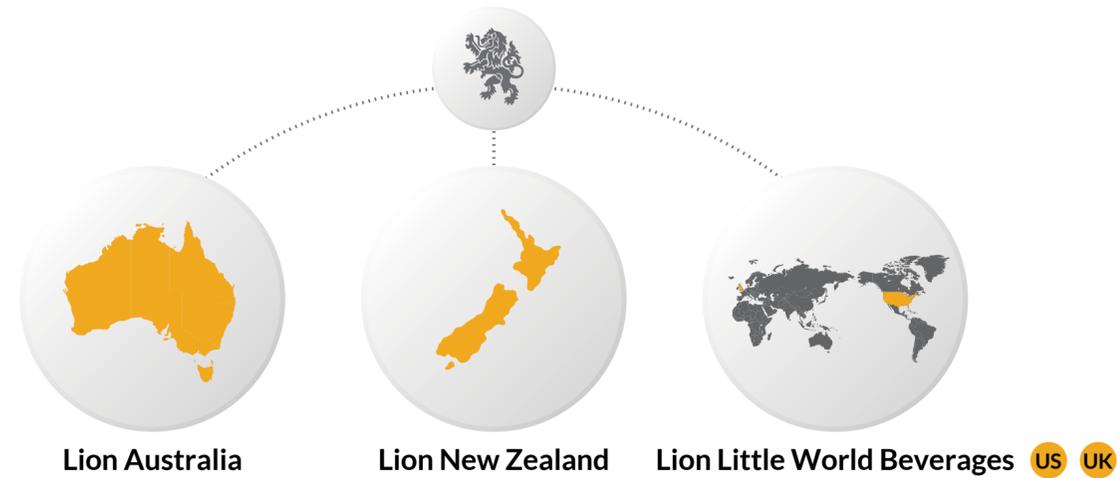
Group General Counsel and External Relations Director

Our business

About us

Lion is a leading beverages company in Australasia, with fast-growing operations in the United States and United Kingdom. As a member of the Kirin Group, we produce, market, sell and distribute alcoholic and non-alcoholic drinks and operate microbreweries worldwide.

Structure and strategies



Priority Categories



Key Strategies



Operations



Key brands

Australia



New Zealand



Lion Little World Beverages



The issues that matter – Materiality

In January 2021 we held a materiality workshop facilitated by external providers to review our material topics. The materiality review engaged a broad range of internal stakeholders to determine which environmental, social and governance topics were most likely to affect the success of our business, now and in the future.

Starting with the existing material topics from our previous sustainability report, we overlaid key drivers for change including sustainability megatrends, the changing regulatory environment and shifts in both capital markets and societal expectations along with the changes to our own business model. We also benchmarked existing material topics against customers and competitors to verify any new or emerging trends.

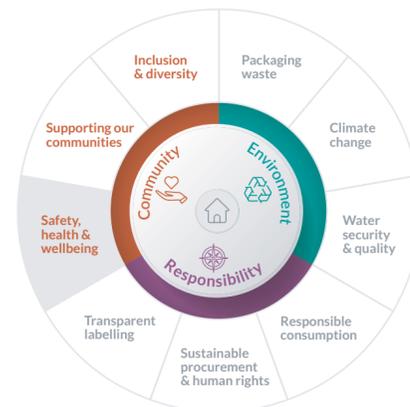
To validate and prioritise material topics, we assessed against relevance (important to highly material) and the degree to which Lion has control to manage the topic (low to high).

As a result of this workshop, our material topics were revised to better reflect the nature of our business today and the global trends identified earlier in this report.

Our top nine material topics as defined by this process are: safety, health and wellbeing; supporting our communities; diversity and inclusion; packaging waste; climate change; water security and quality; responsible consumption; sustainable procurement and human rights; and transparent labelling.

These material topics align with the sustainability pillars in our sustainability strategy on [page 6](#).

The following tool can be used to navigate the material topics in the report.



External consultation

In FY20 we undertook research to understand consumer insights to climate change and sustainability. This has enabled us to understand the external context and changes in consumer behaviour. As we prepare for our next GRI report we will continue to engage with our internal and external stakeholders to seek feedback and input.

Sustainability governance

The Sustainability Team partners with business units to manage sustainability risks and implement policies and initiatives relating to sustainability. The team reports to Lion's General Counsel and External Relations Director, on the Group Leadership Team, who then reports performance back to the Lion and Kirin Boards. To view our sustainability governance structure, [click here](#).



Our sustainability approach

Our leadership principles guide us in fulfilling our purpose

-  Be first choice with consumers, to win with customers
-  Think beyond, innovate, and adapt
-  Decide fast and make it happen
-  Welcome difference and stand for fairness
-  Do the right thing, for the long term



Community



- Safety, health & wellbeing Page 9
- Supporting our communities Page 11
- Inclusion & diversity Page 14

Environment



- Packaging waste Page 17
- Climate change Page 19
- Water security & quality Page 21

Responsibility



- Responsible consumption Page 24
- Sustainable procurement & human rights Page 26
- Transparent labelling Page 28

Connecting our little world

Across Lion's global craft beer and wine portfolio, we activate our sustainability strategy in locally-relevant and meaningful ways to each market across the US and the UK.

Lion's achievements are recognised through alignment with the B4SI Corporate Citizenship and the UN SDGs frameworks. Data and targets above are for Lion Australia & Lion New Zealand only.



Our sustainability performance

Our Sustainability Scorecard – Australia and New Zealand¹

● Below expected progress

● Steady progress

● Well progressed

	Material topic	Indicator	Target/Commitment	FY20	Progress
 Community	Safety, health & wellbeing ²	TRIFR	5.76 (10% reduction on FY19 result)	3.03	●
		LTIFR	3.19 (10% reduction on FY19 result)	1.61	●
	Supporting our communities	Volunteering hours	2,557	350	● ⁴
		Community investment	\$3.2m	\$2.7m	● ⁴
	Inclusion & diversity	Gender pay gap	+/- 1%	- 0.7%	●
		Gender diversity	50:50 gender balance by 2026	40.2%	●
 Environment	Packaging waste	% of recycled content in packaging	At least 50% recycled content by 2025	45-49%	●
	Climate change	Scope 1 and 2 emissions (kgCO ₂ e)	55% reduction in carbon emissions by 2030 (from an FY19 baseline)	14% reduction	●
	Water security & quality	Water usage intensity	A water efficiency target of <2.4 L/L by 2025 ³	3.7 L/L	● ⁵
 Responsibility	Responsible consumption	Alcohol&Me online modules completed and/or people trained face to face	31,000	38,651	●
	Sustainable procurement & human rights	Percentage of high-priority suppliers with a risk assessment (SEDEX)	> 95%	98%	●
	Transparent labelling	Compliance with labelling codes	100% compliance	100%	●

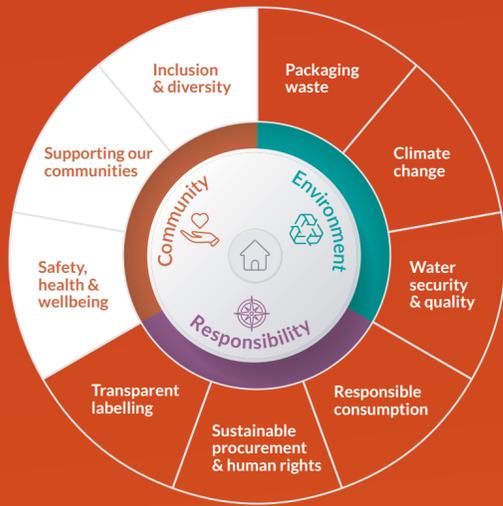
1. Raw data for FY19 and FY20 can be found [here](#).

2. The safety, health and wellbeing targets and performance data cover all of Lion except for the UK.

3. The water target and performance data relate to our five major manufacturing sites in Australia and New Zealand (Tooheys, XXXX, West End, Boags and The Pride NZ).

4. Please refer to [page 13](#) for more detail on FY20 progress.

5. Please refer to [page 21](#) for more detail on FY20 progress.



Community

Lion is committed to having a positive impact on the community. Guided by our core purpose of championing sociability and helping people to live well, we engage and build relationships with our people, customers, consumers, suppliers and community partners to make a difference where we can.



\$1m +

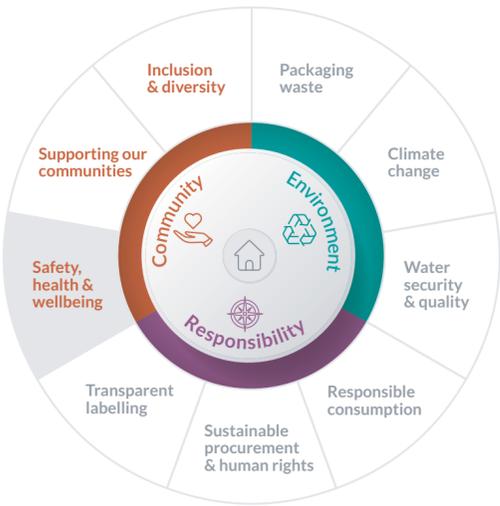
Donated to Australian bushfire relief efforts

Employer of Choice

Received Australia's Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation for the third year in a row

Relief Fund

New Belgium Brewing Co. (NBB) launched its Bar & Restaurant Relief Fund to supply financial aid to workers in the hospitality industry, as well as frontline workers



Community

Safety, health & wellbeing

Our safety vision at Lion is ‘Everyone Safe Everyday’ and this is the driving force behind the measures we take to ensure both the physical safety, and the mental and emotional wellbeing, of our people.

Keeping our people safe during COVID-19

COVID-19 had significant implications for Lion’s operations and ensuring the safety and wellbeing of our people – including our employees, contractors and suppliers – was a priority for our leadership team. To keep our people and partners safe, we implemented segregation, social distancing, increased hygiene measures and, as necessary, the closing of hospitality venues in line with government directives. Alongside this, we also implemented a range of measures to support mental wellbeing and resilience during an incredibly challenging year.



ICARE. IOWN. ILEAD.

Why is it important for Lion?

We believe that keeping our people safe is fundamental to the sustainable success of Lion and a demonstration of our core purpose in action: championing sociability and helping people live well.

Our commitment to keeping everyone safe was hugely influential in Lion’s response to the COVID-19 pandemic, as we navigated the challenges of operating safely and supporting our people working under restricted circumstances, including working from home.

97%

of mandatory safety training completed on time

How we manage safety and wellbeing

Lion’s Safety & Wellbeing Policy sets out our key safety commitments, which we use to develop a culture of care, as well as ownership and leadership for safety and wellbeing. In this, Lion commits to:

- meeting relevant safety legislation,
- working to continuously improve our safety performance,
- providing our people with supervision, training, tools and equipment to stay safe every day,
- identifying and reducing safety risks to as low as reasonably practicable,
- communicating and consulting with our people on matters affecting their safety, and
- supporting our people in the event they are injured at work.

Lion achieved these commitments by embedding safety and wellbeing policies, frameworks, and strategies that reduce risk, delivering best practice safety systems and driving safety ownership by all.

Our strategic focus in 2020 was ‘Keep Our People and Workplace Safe’ which focused on continuously improving our commitments outlined above, as well as navigating the challenges posed by COVID-19.

How we stay on track

Lion’s key safety performance measures include both lead and lag performance indicators.

In July 2020, we expanded our key lead safety performance indicator, the Safety Index Score (SIS), across all functions. The SIS comprises six key leading indicators (risk assessments, inspections, near misses, training, corrective actions and incident investigations).

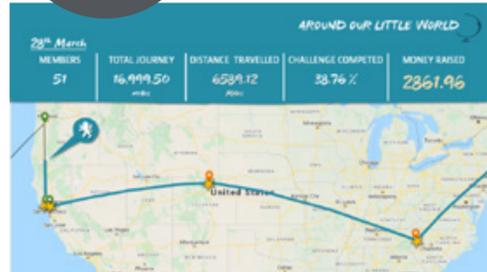
Lion’s key lag performance indicator is the Total Recordable Incident Frequency Rate (TRIFR). Pleasingly, we recorded a sustained reduction in injuries over the year. While performance improvement from March may in part be attributable to the impacts of COVID-19 (e.g., closure of Hospitality etc), our Supply Chain sites continued to operate throughout this period.





Community

Safety, health & wellbeing (continued)



Around our Little World

In January 2021 our Lion Little World Beverages UK team launched a challenge to see if they could walk, run, cycle and swim from Magic Rock or Fourpure in the UK to New Belgium in Fort Collins, USA. The challenge was designed to inspire our teams to stay healthy – both physically and mentally – especially during the challenging tier four lockdown period in the UK. The distance of individual activity was tracked and aggregated via the exercise app Strava to inspire everyone to stay active and support our communities by raising money for some amazing causes at the same time.

Highlights

Sustained **reduction** in injuries over the year.

10% improvement in TRIFR from 2019.

Performance¹

3.03 Total Recordable Incident Frequency Rate (TRIFR) against an FY20 target of 5.76.

1.61 Lost Time Injury Frequency Rate (LTIFR) against an FY20 target of 3.19.

Each business unit scored 6/6 in the Safety Index Score (SIS) in our first year of use.²

17,682 hours of safety training completed by employees through Success Factors.³

97% of mandatory safety training completed on time.

1. Performance data covers all of Lion excluding the UK and Europe.
 2. This data point was outside the scope of KPMG's assurance.
 3. This does not include all Safety and Wellbeing programmes such as Stop for Safety or Mental Health First Aid Training.



Lion's pandemic response

Lion's priority during the COVID-19 crisis was to keep our people safe. To that end, we developed a series of pandemic response plans, which were designed to allow our organisation to respond nimbly to unexpected changes in our operating environments.

Additionally, we also developed and delivered COVID-19 capability sessions to provide practical advice and support during this uncertain

time, including working flexibly and staying connected, building resilience in self and families, optimism, and mindful July – a series of guided mindfulness sessions for all.

Strict compliance with governmental and regulatory requirements has also been crucial in preserving the health and safety of our people, partners and suppliers. Lion's leaders were directly involved in our pandemic response, with the

Group Leadership Team receiving regular updates on developments and the implementation of our response plans.

Finally, we recognised the increasing importance of mental health during this prolonged crisis; and, as a result, have commissioned an internal review of Lion's mental health strategy with the help of independent not-for-profit, the Black Dog Institute.





Community

Supporting our communities

Contributing to and investing in the communities in which we operate is a central tenet of our business. We recognise that healthy local communities are critical to the sustainable growth of our business; and want to support those who support us, through good times and bad.

Through Lion’s Community Investment Strategy, we are committed to investing in and contributing to the communities in which we operate and making a meaningful and measurable impact. We do this through both strategic community investment partnerships and long-term relationships with our nominated workplace giving partners.

Uplifting Australia connects families online

As part of our Community Investment Programme in 2020, Lion was proud to be a partner with Uplifting Australia. During 2020, Uplifting Australia updated its programmes, and adapted them to a virtual format – launching the Family Connect programme online. Family Connect is a family programme that sets children up for good mental health and is backed by evidence and a team of thought leaders in family wellness.

Based on the four essential skills of listening, appreciation, emotions and self-responsibility it guides the user through a short online module with clear instructions on how to practice each of the skills through meaningful conversations within the family unit.

Why is it important for Lion?

While we have operations across the world, we tailor our operational approach to meet the needs of each community we serve. As a result, local councils, universities, community associations and local not-for-profits play an important role in guiding our efforts around educational programmes and community wellbeing.



Acting locally

In response to the COVID-19 crisis in the United States, New Belgium Brewing Co. (NBB) launched its Bar & Restaurant Relief Fund to supply financial aid to workers in the hospitality industry, as well as frontline workers. NBB’s efforts raised more than US\$300,000, providing much needed financial support to 567 eligible workers. As a Certified B Corp, New Belgium Brewing is committed to supporting its local community, especially in times of need.

How we manage supporting the communities in which we live, work and play

Lion has always contributed to the communities in which it operates. With a core purpose of championing sociability and living well, our approach to community investment in Australia and New Zealand has focused on:

- Building positive relationships
- Building a positive drinking culture
- Better nutrition for all
- Preserving our lands and natural resources

Through this approach we provided support through strategic partnerships, workplace giving and volunteering. Such partnerships had been in place for over six years and in 2020 we decided to review this. Following an in-depth process of research into social issues of importance and due diligence, we refreshed and refined our community investment strategy (see the infographic [here](#)). The revised strategy was launched internally in November 2020.

As part of the community investment refresh, we reviewed our strategic partnerships through a tender process and from 2021 to 2024, Lion’s strategic community partners will be Gotcha4Life and Graeme Dingle Foundation. We also reviewed and refreshed our workplace giving partners. This was done through a survey of all Lion employees in Australia and New Zealand. The number of workplace giving partners increased from 10 to 20. Details of the not-for-profit partners we support are listed on our [website](#).

In 2021 we will continue to work across the Lion Group to identify opportunities for collective and collaborative community investment initiatives.

In 2020 in Australia, we started our reconciliation journey. This included the development of a Reconciliation Action Plan Working Group comprising representatives across the business to input to the drafting and compilation of Lion’s first Reflect RAP. To support this, we worked in partnership with Corporate Culcha, an Indigenous training provider, to develop the Lion Aboriginal and Torres Strait Islander Cultural Capability modules and workshops to be rolled out to Lion employees in 2021. In NZ, we celebrate Maori Language Week held in September each year.



Sustainable Development Goals

Through our partnership with Tasman Environmental Markets, we’re empowering local communities by supplying employment opportunities and sustainable infrastructure for economic, cultural and social resilience, advancing our efforts to support SDGs 15 (Targets: 15.2 and 15.3) and 8 (Target: 8.4)





Community

Supporting our communities (continued)

How we stay on track

In 2019, Lion adopted the B4SI framework¹ to manage and measure our positive impact within our communities. B4SI is a robust, internationally recognised framework that allows us to measure the impact of our activities within the community through three pillars: Inputs, Outputs and Impacts. In 2020, we expanded our data collection to include our global businesses and we will build on this work to formalise global targets in years to come.

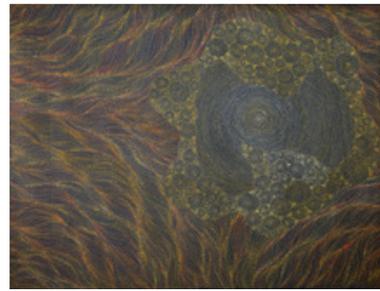
This approach provides a reliable and holistic view of a company's social investments, from what is contributed, what happens and what changes as a result. Setting annual targets enables us to continue to review and track performance of our community investment using this framework.

Throughout 2020, Lion continued to support our two strategic partners, Uplifting Australia and the Graeme Dingle Foundation (NZ), as part of our execution of this strategy. As part of the refreshed Community Investment Strategy, we also reviewed our strategic community partnerships.

Following an in-depth materiality assessment of the most relevant and pressing social issues, we identified mental health and resilience as a key focus area going forward and invited not-for-profits to pitch to work in partnership with us on this important social issue. The result of this rigorous process is that we will continue to partner with the Graeme Dingle Foundation in New Zealand and will launch a new and exciting partnership with Gotcha4Life in Australia.

We have set clear targets around volunteering hours for the Australian and New Zealand businesses, where all permanent employees can access two paid volunteering days per year. We measure engagement with our volunteering and workplace giving programmes quarterly. We look forward to sharing more detail about our social impact in our upcoming social impact report.

1. Previously known as the London Benchmarking Group.



Artist: Sarrita King Tribe: Gurindji NT
Year Created: 2020 Title: Waterhole
Medium: Acrylic paints on canvas
Image Licensing Rights managed by
Dreamtime Art Creative Consultancy

As part of Lion's Reflect RAP, we commissioned a piece of artwork. 'Waterhole', by Gurindji artist Sarrita King, highlights the importance of water in the nurturing of living things. The social and sustaining aspects of the waterhole are also significant for Lion, reflecting our purpose to champion sociability and help people live well.



\$1m+

Donated to bushfire relief efforts

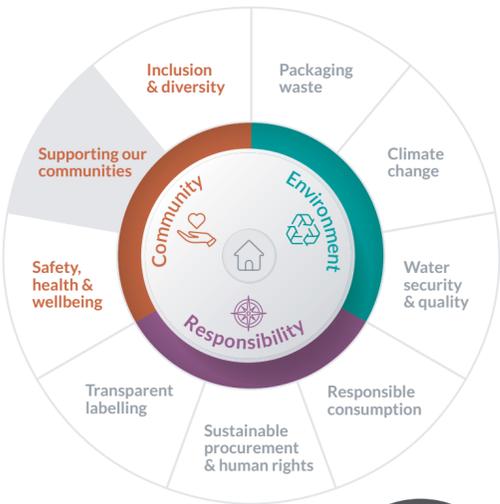
Australian bushfire relief

Lion stepped in to help communities affected by Australia's devastating bushfires in 2019-20. In January 2020, we combined our workplace giving contributions, brand initiatives and not-for-profit donations to contribute in excess of \$1 million to the bushfire relief effort. Lion CEO, Stuart Irvine, said the company's response was led by its people.

"Every day over the last couple of weeks I have opened my inbox to see new events and initiatives organised by our teams – not just in Australia and New Zealand, but across our Little World Beverages footprint too – focused on helping the communities in which we operate get back on their feet."

In addition to these contributions, Lion Australia customers were also given access to extended credit and invoice terms, stock allowances and altered delivery conditions as needed. Free cleaning was provided for draught beer systems to get venues back open as soon as possible.





Community

Supporting our communities (continued)



Building positive relationships

Distinguished Vineyards & Wine Partners (DVWP), our premium wine business in North America, encapsulates Lion's approach to supporting our communities. DVWP's collection of iconic wineries focuses its community contribution through the mentality of 'growing forward while also giving back.' In September 2020, DVWP launched Dough Wines, a collaboration with the James Beard Foundation (JBF). As part of this ground-breaking partnership, an annual donation from Dough Wines will support the valuable work the Foundation does for the restaurant industry and our local communities.

Highlights

Donated in excess of **\$1 million** to Australian bushfire relief efforts.

\$30 million in credit issued to venues for unused kegs left stranded due to COVID-19 restrictions.

\$3.7 million¹: our total global community investment.

\$2.7 million community investment in Australia and New Zealand.

\$3.7m

our total global community investment

Performance

350 volunteering hours completed in New Zealand and Australia against an annual target of 2,557.

\$2.7 million community investment across Australia and New Zealand in 2020 against a target of \$3.2 million.

Given the challenges faced in the volunteering sector due to COVID-19 lockdowns, we did not manage to meet our 2020 target. We also recognise that community investment across Australia and New Zealand declined to \$2.7 million in 2020 from a base of \$3.3 million in 2019. This is a result of the impact of COVID on brand investments and in-person volunteering events.



Borough Wines partnership

This year Lion also partnered with the Graeme Dingle Foundation and others to create Borough Wines – a Marlborough-based fund raising initiative. We donated winemaking services and label and website design, enabling the Graeme Dingle Foundation to help fund the valuable programmes they run in Marlborough, New Zealand (Kiwi Can, Stars and Career Navigator).

"The entire Lion team have been incredibly amazing in supporting the Borough Wine initiative – from their growers, winemaking, marketing design and website support as well as staff volunteer time with ongoing admin ..."
– Kelvin Watt (GDF Marlborough Regional Manager).



Strategic Community Partnership - Graeme Dingle Foundation

The Graeme Dingle Foundation delivers evidence-based programmes that build life skills and confidence and support young people in New Zealand with career navigation. The life skills generated through participation in the programmes directly impact young people's ability to succeed in life. Lion has formed an extensive partnership with the Graeme Dingle Foundation which is pivotal to ensuring the Graeme Dingle Foundation's work can continue to be undertaken.

In 2020 Lion sponsored five local Tamaki schools to take 1,608 students through their weekly Kiwi Can programmes. Kiwi Can teaches values and life skills that the students take with them through school and into later life, encouraging self-belief and confidence.

1. This includes data from Australia, New Zealand, the UK and US.



Community

Inclusion & diversity

Our success as a business relies on our capacity to attract and retain the talents of a diverse and inclusive workforce. As a result, we focus on creating and maintaining teams that reflect inclusion and diversity in the fullest sense. Inclusion is building an environment where all people irrespective of cultural background, gender identity, disability or sexual orientation feel that they belong and are given the opportunity to thrive.

International Women's Day

Advancing women's participation in the fields of Science, Technology, Engineering, Mathematics and Medicine (STEMM) is essential to addressing leadership change and working towards a sustainable future for our planet. On International Women's Day (IWD) on 8 March 2020, Lion reinforced its commitment to gender equality by funding a US\$25,000 scholarship with Homeward Bound – a transformational leadership initiative for women with a background in STEMM from around the world. The 2020 IWD also marked the launch of our IWD Ale, proudly brewed by the Little Creatures Fremantle brew team.



Why is it important for Lion?

Many of our people faced new challenges in 2020, including working from home and managing their own and their family's wellbeing. More than ever, ensuring that all our people felt included and valued was a key priority for Lion.

Not only does diversity of perspectives increase our people's wellbeing and engagement, it is also good for business. A range of different voices contributes to increased profit, competitiveness and innovation. It also better reflects the customers who buy our products, which in turn delivers increased innovation and better results. We believe this innovation, driven by a diverse and inclusive culture, is a key enabler for our growth aspirations.

Incorporating a diverse range of perspectives takes commitment. We need to ensure that consciously addressing our biases and challenging our assumptions is viewed as an important component of how we improve as a business.

How we manage inclusion and diversity

At Lion, welcoming difference and standing for fairness is one of our Leadership Principles. This is supported by our Inclusion and Diversity plan, which sets out three main strategies in 2020:

- embedding inclusion into our culture to unlock innovation,
- attracting, developing and retaining a diverse mix in teams, and
- building trust and relevance as a sustainable business.

Helping us achieve this are a number of policies including Families at Lion, Lion Flex and our Inclusion and Diversity policy.

Gender equality in the workplace is also a key aspect of our Inclusion and Diversity plan. In 2020, we focused on several initiatives, including Women at Lion – a targeted career acceleration programme for women – and a company-wide International Women's Day event. Alongside these initiatives, in 2021 we set ourselves a new target to achieve balanced teams where there is a minimum 40% gender representation of both men and women across all our teams by 2030.

Lion's commitment to inclusion and diversity also sits at the heart of the decision to develop our first Reconciliation Action Plan (RAP) in early 2020. To find out more about how we are embedding the RAP, see the 'Supporting our communities' section of this report.

How we stay on track

Our Inclusion and Diversity Scorecard measures and reports progress towards our 2030 Gender Balance Aspiration. We measure gender representation in teams quarterly.

Our Remuneration Team reviews pay equity annually and is responsible for communicating results through quarterly insight reports to the leadership team.

Inclusivity is core to who we are, and is at the heart of true sociability, that is why it is one of our Leadership Principles 'Welcome Difference and Stand for Fairness'.

Lion's Respect and Conduct policy sets out how we expect our people to behave. In 2019, we launched new online Respect and Conduct Training, that brings to life our Respect and Conduct policy. Online training is compulsory for every team member every two years. In alternate years we have yearly face to face training with our people, in small groups to continue to discuss inclusion and our shared accountability to create an inclusive company for all. Our inclusion and diversity practices are reviewed regularly to ensure they meet evolving community and industry standards.

To meet the commitments set out in our RAP we have implemented cultural competency training to build the capability and understanding of Aboriginal and Torres Strait Islander cultural heritage. This includes the topics of historical perspectives, cultural perspectives and putting cultural competence into practice. We will track completion of training to ensure we remain on track and continue to improve cultural awareness across the organisation.





Community

Inclusion & diversity (continued)

Highlights

3rd year in a row Lion received the WGEA Employer of Choice for Gender Equality citation.

Performance¹

In 2020, Lion had a female employee base of **40.2%** in Australia and New Zealand.

Lion had a **37%** representation of women in leadership roles in 2020.

The ratio of the basic salary and remuneration of women to men for each employee category was **-0.7%** in 2020 against a target of +/- 1%.



Lion shows its true colours

In August 2020, Pride at Lion – our champion group for LGBTIQ+ people and allies – celebrated the diversity of our communities as part of the 10th annual Wear it Purple Day. Wear It Purple strives to foster supportive, safe and empowering environments for LGBTIQ+ young people. We also became a corporate supporter of the organisation to increase the impact we can make.

To coincide with the Wear it Purple Day, we brewed purple beer as part of a new Little Creatures release called Purple Pale Ale – a hazy pale ale with a natural purple hue caused by the addition of butterfly pea flower.



Employer of Choice for Gender Equality

In 2020, we received the Australian Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation for the third consecutive year, signifying our long-term commitment and continued efforts to become a more inclusive and diverse workplace.

¹ Performance data relates to Australia and NZ only. For a full data set click [here](#).



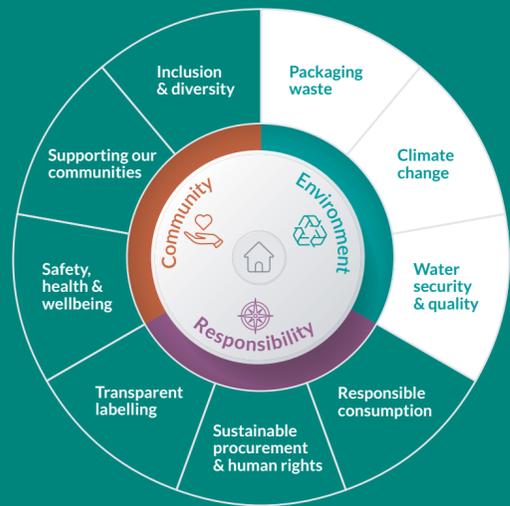
#pourproudly with the Brooklyn Stonewall IPA

Following the tradition of #pouringproudly during the Sydney Mardi Gras season, we partnered with Brooklyn Brewery from the US to bring its Brooklyn Stonewall IPA to Australia. The beer was created in collaboration with The Stonewall Inn to support the continuing work

of The Stonewall Inn Gives Back Initiative. The initiative is a platform that channels decades of activism towards supporting and advancing LGBTIQ+ communities in the US and around the world. It does so by raising awareness and providing assistance and education.

Proceeds from the beer were donated to the Stonewall Gives Back Initiative, as well as the Bobby Goldsmith Foundation – Australia's oldest community-based HIV organisation committed to providing client-centred care to help people living with HIV.





Enviroⁿment

We collaborate across our supply chain to support a healthy planet by minimising our water use, reducing our carbon emissions and promoting circular economy solutions for our packaging.



Lion's environmental objectives take a precautionary approach through a robust assessment of risk prior to design, manufacture and marketing of our products. We employ scientific analysis, such as Life Cycle Assessments of new packaging materials, and continual improvement in environmental performance at our sites through Environmental Management Systems and processes audited to international standard ISO14001.

1st

large-scale carbon neutral certified brewer in Australia

Largest beverage company in New Zealand to become

carbon zero certified

>95%

of Lion's packaging is recyclable



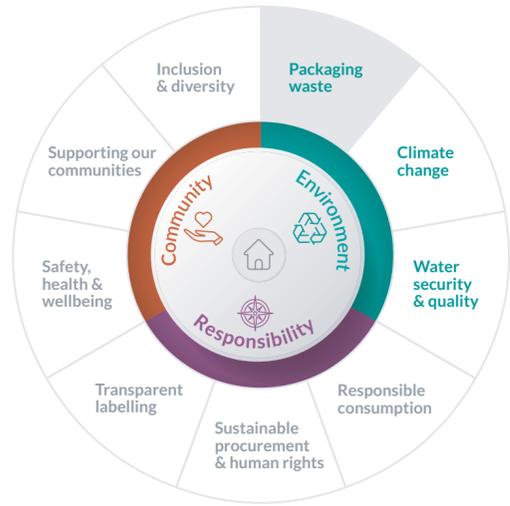
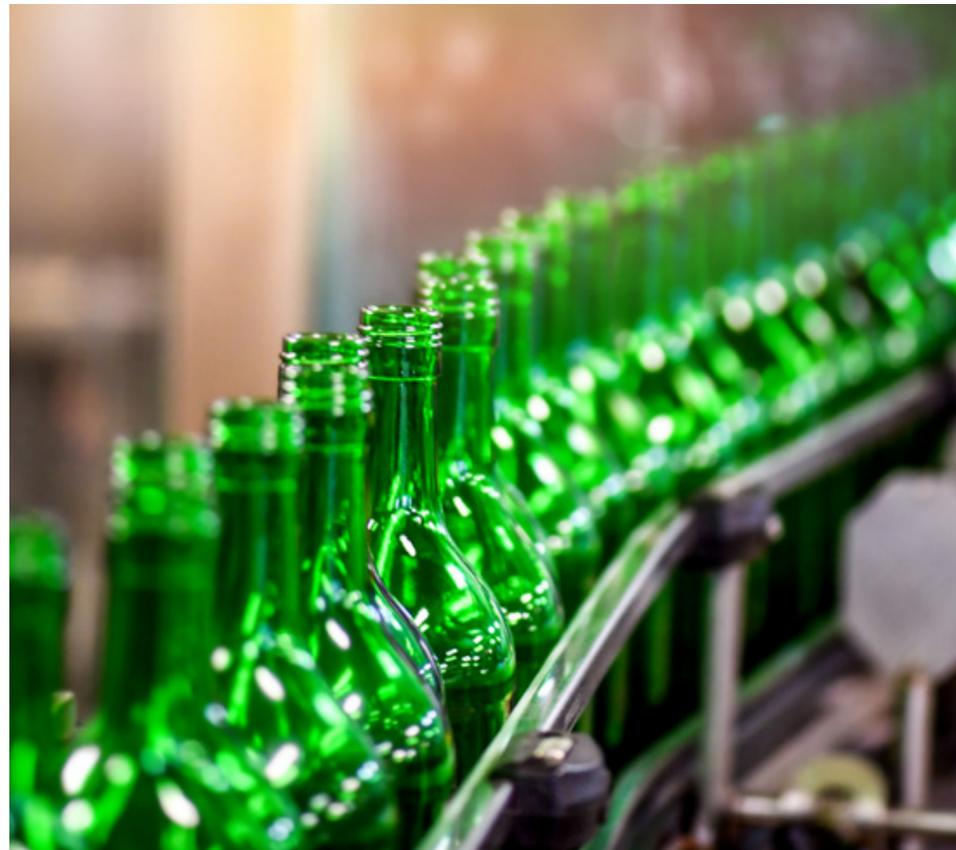


Environment

Packaging waste

Solving the pressing environmental problem of packaging waste is a business imperative for Lion, and increasingly important to our customers and consumers. In 2020, we continued to focus on reducing waste and making our packaging more recyclable and reusable.

In New Zealand, we are working closely with our glass suppliers to increase the amount of recycled content in our glass bottles. This not only drives a circular economy, but also reduces our Scope 3 carbon emissions in the process.



Sustainable Development Goals

Our sustainable packaging initiatives are aligned to SDG 12 (Targets: 12.2 and 12.5).

Why is it important for Lion?

The continued move from take, make, waste to a circular economy is providing opportunities for companies, including Lion, to innovate and respond to consumer demands for reduced raw material consumption and less waste.

Our contribution to this issue has underpinned our sustainability efforts for the last two decades and continues to be a priority. We have invested in improving our packaging and initiatives to reduce waste and increase recycling rates by consumers. This commitment is strengthened by the work we do with governments and other industry bodies to shape better policy outcomes and amplify our collective impact through technological advancement.

At Lion, we envision a truly circular economy as the outcome of our efforts to eliminate waste. As a result, the circular economy concept is embedded in Lion's business performance and targets as well as our parent company Kirin Holdings' Environmental Vision 2050. We intend to continue playing an active role in helping the Kirin Group achieve this vision.

How we manage packaging waste

Our Sustainable Packaging Strategy sets out how we want to improve the circularity of materials used in our value chain. As part of this strategy, we focus on increasing the recycled content in our packaging through the following three tiers of action:

- First, we aim to maximise recycled content in existing materials without compromising quality or safety.
- Second, where it is not yet possible to increase recycled content in our packaging, we evaluate alternative materials.
- Finally, we support recovery schemes to ensure the collection of clean, high-quality recycled materials that can be sourced by local suppliers and recycled back into products of equal or higher value.

We do, however, recognise that widespread societal behaviour change is required to eliminate waste. While over 95% of Lion's packaging materials is now recyclable, we believe we have a responsibility to also support our consumers in understanding how to correctly dispose of packaging items. For instance, we provide recycling information on our products, including the REDcycle logo.

For the small amount of packaging items which are not currently recyclable, we are working closely with our suppliers and waste processors to seek alternative materials.

How we stay on track

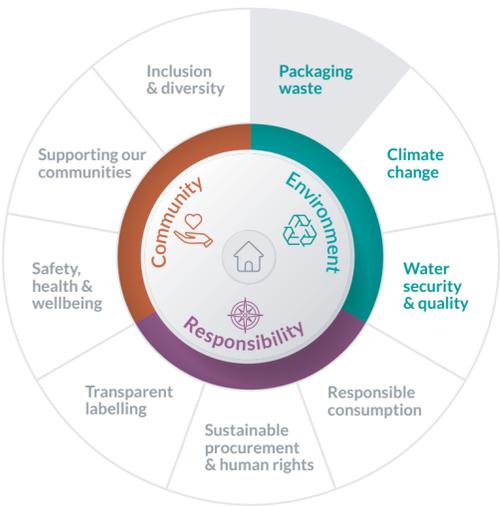
Our Sustainable Packaging Strategy also includes several ambitious targets, which are aligned with the Australian Packaging Covenant Organisation (APCO) 2025 targets. These are:

- Increasing recycled content to at least 50% by 2025.
- 100% of Lion's packaging materials to be reusable, recyclable or compostable by 2025.

In pursuit of a circular economy we are committed to achieving zero avoidable waste to landfill by 2025. To keep ourselves accountable, Lion holds bi-monthly, quarterly and annual reviews to track progress against our overall sustainable packaging results. These reviews are endorsed by Lion's senior leadership, who have appointed a Project Steering Group to report progress. The projects and initiatives we ultimately pursue across our business units and brands are informed by this review process.

We are also founding members of the Glass Packaging Forum in NZ. We provide funding towards its globally unique glass recycling initiatives including a product stewardship scheme accredited under the Waste Minimisation Act NZ 2008. The scheme has been reaccredited until 2024.





Environment

Packaging waste (continued)

Highlights

REDcycle logo added to all our plastic shrink wrap on our cans and bottle packs to inform consumers about how to recycle soft plastics packaging.



Lion supplements single-use packaging for many products with a circular system of reusable steel kegs.

Performance

More than 95% of Lion's packaging is recyclable.

45-49% of recycled content in our packaging materials on average.



New Zealand transitions to thinner board

In addition to focusing on locally produced bottles, we also look to reduce the amount of material used in packaging. Throughout New Zealand, we transitioned from B-flute corrugated cartons to thinner I-flute corrugated cartons. This enabled us to achieve a significant reduction of 85.5 tonnes in fibre used and to reduce associated carbon emissions.

95% +

of Lion's packaging is recyclable

Lion's role in Container Deposit Schemes

Lion recognises its producer stewardship responsibilities in relation to its packaging, and plays an active role in all of Australia's Container Deposit Schemes. Lion holds a majority ownership of Marine Stores, a Super Collector in South Australia and the Northern Territory, and is also part of Exchange for Change, a joint venture that coordinates the NSW Container Deposit Scheme. In Queensland and Western Australia, Lion is an industry member of Container Exchange (QLD) Limited (COEX) and WA Return Recycle Renew Limited (WARRRL), which have been appointed as the Producer Responsibility Organisations to administer and run the Queensland and Western Australian schemes respectively.



Containers for Change

The Western Australian container deposit scheme commenced on 1 October 2020, and to date is the most successful scheme launch. With over 260 million containers already returned, the Containers for Change WA Scheme is on track to deliver more than 500 local jobs, providing employment opportunities for people with disability, the long-term unemployed, and Aboriginal and Torres Strait Islander peoples.

Over 3,000 charities and community groups have registered with the scheme to receive container based donations, and have been paid over \$1 million in electronic donations since the launch of the scheme.

For more details on Containers for Change WA, please [click here](#).

260m

containers already returned



Byron Bay Premium Lager refresh

Internationally produced bottles can significantly contribute to transport emissions. In 2021, Lion commenced updating Byron Bay Premium Lager's packaging by switching to local bottles – not only to reduce its environmental footprint, but also to respond more quickly to market fluctuations and strengthen the brand's identity.

The project's outcomes included a 90% reduction in the transportation distance of each empty glass bottle – resulting in significant carbon emissions reductions – and a 23% increase in recycled content through local suppliers. The switch to local bottles also improved the recyclability of our packaging as we eliminated ceramic labels, which are substantial contaminants to glass recycling.





Environment

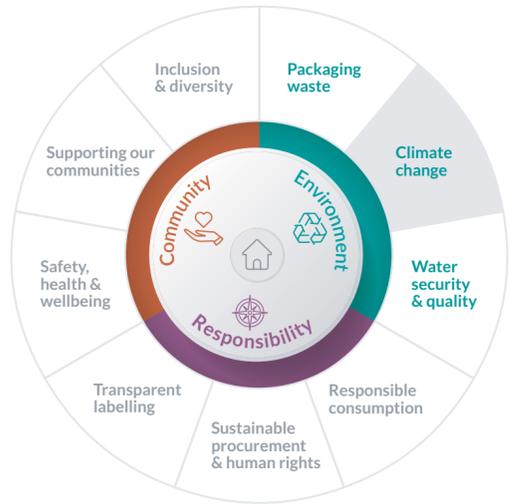
Climate change



Climate change is a systemic issue that all businesses must address. As a company, Lion takes this challenge seriously. In a world that continues to be disrupted by COVID, we remain focused on sending a strong signal to our people and supply chain that we recognise our collective responsibility to measure, manage and reduce our emissions. Demonstrating this commitment, Lion became Australia's first large-scale carbon neutral brewer in April 2020 and New Zealand's largest beverage manufacturer to be certified as carbon zero in early 2021.



NSW Solar Farm supporting renewable PPA.



In 2020, Lion became an inaugural member of the Australian Climate Leaders Coalition, sponsoring the 'New Forms of Partnership' initiative to address value chain emissions across the broader economy. We have also been members of the Climate Leaders Coalition in New Zealand since 2017.



Sustainable Development Goals

Our direct emission reduction initiatives included biogas, rooftop solar, efficient equipment and renewable power purchase agreements, and align to SDGs 7 (Target: 7.1) and 9 (Target: 9.4).

Why is it important for Lion?

The events of 2020 have emphasised how important it is that Lion addresses the impacts of climate change. These include:

- **Supply chain disruption:** our supply chains are affected by drought, fire and extreme weather events, and face increased insurance, water and energy costs as a result.
- **Changing consumer preferences:** market trends in our regions demonstrate an increased consumer awareness of the effects of climate change.
- **Changing legislation and expectations:** governments and industry leaders alike are developing climate commitments, which could potentially impact our business.

Ultimately, we believe business must lead the way towards the low-carbon future we all need for long-term economic and social sustainability. Playing a leading role within our industry to support this vision is therefore central to our own success and that of our value chain.

Two of our flagship brands are certified carbon neutral: Fat Tire in the United States and Steinlager in New Zealand.

How we manage climate change

2020 was our year to step-change our climate commitments. Lion's Carbon Neutral Strategy is bold and ambitious with a clear pathway to progressively decarbonise our business.

As part of the strategy, we committed to use 100% renewable electricity to brew our beers by 2025 and stretched ourselves further by adapting our existing science-based target to limit global warming to under 1.5°C. This sets a reduction target of 55% by 2030 for our direct emissions (Scope 1 and 2) from a 2019 baseline which aligns with the commitment made by our parent company, Kirin, in July 2020.

At the same time as addressing our direct emissions, we recognise that a majority of our products' lifecycle emissions come from indirect (i.e. Scope 3) emission sources. These emission sources include ingredients and packaging used in our products as well as logistics services throughout the supply chain. That's why we have also set a science-based target to reduce our Scope 3 emissions by 30% by 2030, as compared to our 2019 baseline. To achieve this, we are engaging with key suppliers to understand what causes these emissions and to identify opportunities for reducing them.

To bridge the gap of emissions we are not able to reduce, we partnered with Tasman Environmental Markets (TEM) in 2020 to offset the remaining emissions to achieve certified carbon neutral organisations in Australia and New Zealand.

How we stay on track

As part of Lion's response to climate change there are three key metrics that measure the effectiveness of our response: direct carbon reduction, energy efficiency and use of renewable electricity.

This year, we focused on several initiatives to address these three metrics. First, we are converting brewery wastewater into biogas to reduce our reliance on natural gas. Second, we have installed rooftop solar at two of our major breweries – XXXX and Little Creatures Geelong. Finally, we continue to invest in energy efficient equipment and review options for renewable electricity power purchase agreements (PPAs) to add to our PPA in New South Wales. Our dedicated teams are focusing these efforts further by reviewing our sites' energy performance and identifying opportunities for improvement.

Lion reports on its environmental performance through our environmental data system, which measures our carbon footprint and tracks carbon reduction. Environmental performance is reviewed as part of broader business performance reviews and through internal consultation – including site-based environmental team meetings and collaboration on meeting targets set out in sustainability scorecards. Climate outcomes are also factored into some business unit goals and achievement outcomes such as supply chain.





Environment

Climate change (continued)

Highlights

Through Lion's Carbon Neutral Strategy, we reached the following proud milestones:

Lion has committed to a **net zero value chain** (Scopes 1, 2 and 3) by 2050¹.

Lion became **Australia's first large-scale carbon neutral brewer in April 2020**; complementing our ambitious carbon reduction programme with certified carbon credits that offset our remaining organisational footprint.

The **New Zealand business also became a carbon neutral certified organisation** in early 2021.

100% renewable Power Purchase Agreement in NSW commenced, reducing emissions by over 15,000 tonnes.

On-site solar electricity generation at XXXX, removing approximately 944 tonnes of carbon emissions.



Performance²

Achieved a **28% absolute reduction in our carbon footprint since 2015**, putting us on track to meet our carbon reduction target of 55% by 2030.

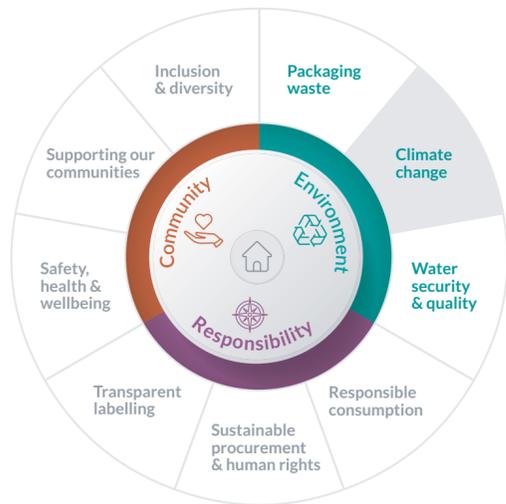
Improved our GHG emissions intensity from **130 kgCO₂e/kl in 2019** to **106 kgCO₂e/kl in 2020**.

Over 92,000 tonnes offset through Climate Active-certified shared value orientated projects and the Toitū carbon zero certification.

↓ 28%

absolute reduction in our carbon footprint since 2015

1. Lion has followed the forward offsetting methodology developed by the [Climate Active Standard](#). The offsets have been retired in March 2020.
2. Performance data applies to all sites in Australia, New Zealand and North America.



Lion Australia achieved a significant reduction in Scope 2 carbon emissions for NSW due to the 100% renewable Power Purchase Agreement commencing in January 2020. This has eliminated almost all Scope 2 carbon emissions from Lion Australia in NSW, with the exception of our York Street office.



Fat Tire Amber Ale becomes America's first certified carbon neutral beer

In August 2020, New Belgium Brewing announced its flagship Fat Tire Amber Ale had earned carbon neutral accreditation. This made it the first nationally distributed beer to achieve this milestone in the United States and raises the bar for the entire brewing industry.

To raise awareness and drive action in the industry, the team was not afraid to make a splash. On International Beer Day, retailers in several markets voluntarily increased the price of Fat Tire six-packs ten-fold to \$100. The move was designed to spark customer attention around the growing agricultural disruptions caused by climate change, which may make many goods unaffordable.

Since the inception of Fat Tire Amber Ale in 1991, New Belgium has worked to cut its environmental impact by producing renewable electricity onsite and donating \$17 million to climate and environmental advocacy. To avoid living in a world where a six-pack of beer costs \$100, Fat Tire's goal is to inspire other industries to act now to ensure a sustainable future for all.

More renewable energy

Lion is an anchor partner in the world's first industry scale aggregated **Power Purchase Agreement (PPA)** with the Australian Hotels Association NSW and Engie – allowing pubs in NSW to bypass expensive retail energy prices, whilst reducing carbon emissions at Lion's biggest brewery – the Tooheys Brewery – by 40%.

We have pooled our energy needs in NSW with the needs of participating NSW hotels, accessing solar power from regional NSW in what is a win for the industry, the economy and the environment.

Steinlager became New Zealand's first large-scale beer brand to achieve Toitū carbon zero certification

To reach this significant milestone, we focused on reducing emissions throughout Steinlager's product lifecycle – from growing the hops and barley, and brewing the beer, to packaging and transport. While working with suppliers and customers is the preferred method to drive down carbon emissions through our products' lifecycle, areas that cannot be reduced are offset by two key initiatives: a forest regeneration project in the South Island and a renewable energy project in India.





Environment

Water security & quality

Lion views water as our most precious resource and manages it accordingly. In 2020, we continued to invest in water efficiency initiatives, reduce our water usage and manage our operations to minimise risk to natural waterways.



Why is it important for Lion?

Clean water is the key ingredient in our products and underpins the long-term success of our business. Ensuring the short- and long-term quality and security of water is not just a key priority for our business – it is a material risk for our suppliers and the communities in which we operate.

How we manage water security and quality

Water stewardship constitutes one of the four pillars of our environmental sustainability strategy, and we are committed to implementing best practice water stewardship in our supply chain. This includes:

- achieving best practice efficiency levels for water use within our own breweries,
- improving the quality of wastewater we discharge, and
- monitoring water use in the sourcing of our raw materials.

In 2020, Lion continued to focus on ongoing water management without compromising the quality and high standard of the water we use in our products. Our commitment to reducing our water use is shared by many – from the engineers keeping our equipment functioning efficiently and continually seeking better ways to operate, through to the central supply chain teams improving our raw material sourcing.

How we stay on track

A verifiable set of data and targets are essential to improving our water stewardship. Lion has set short- and medium-term targets for its large breweries, which include:

- a water efficiency target of <2.4 L/L by 2025.

To ensure our efforts translate into improved water quality and security for the business and local communities, Lion holds monthly, quarterly and annual reviews to track progress against our targets. Progress is tracked from our breweries, right up to senior leadership and the Board.



Sustainable Development Goals

Our ongoing efforts to improve the quality and security of water for our business, communities and suppliers align with SDG Targets 6.4 and 6.b.





Environment

Water security & quality (continued)

Highlights

7% improvement in water efficiency achieved in The Pride brewery in Auckland.

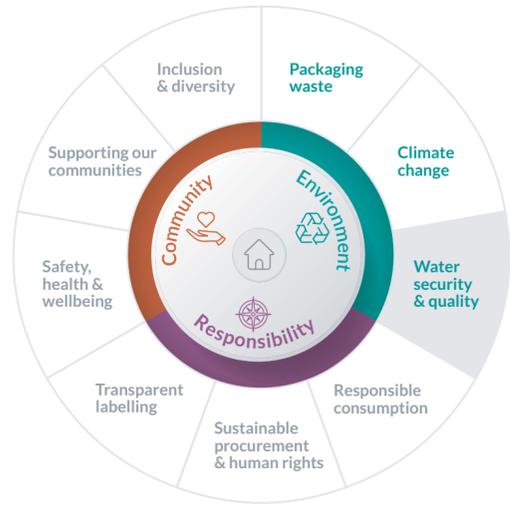
10% savings in water used in The Pride brewery in Auckland.

Performance

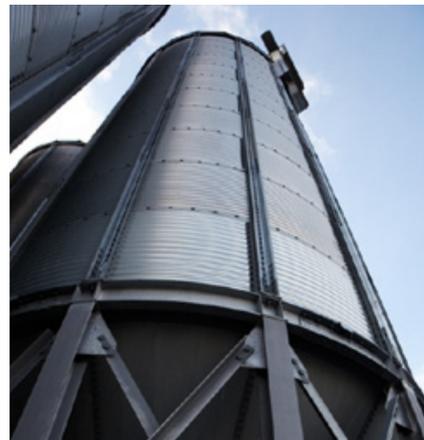
In 2020, our five largest manufacturing sites achieved an efficiency measure of **3.7 litres** of water used for every litre of packaged product against an annual target of 3.4 L/L.

Our total water usage across all sites in Australia and New Zealand in 2020 was **3,144,662 kL**, compared to 3,456,654 kL in 2019.

The water efficiency target currently applies to our five largest breweries across Australia and New Zealand which account for over 90% of our water usage. Our water efficiency performance was lower than expected in 2020 due to the impact of COVID-19 on production volumes which characteristically leads to lower water efficiency due to increased cleaning and product changes. Given the continued focus on water efficiency across the business we remain committed to achieving our long-term target of 2.4L/L by 2025.



The Pride brewery in Auckland achieved a 7% improvement in water efficiency, through a rapid and focused response to Auckland's first drought in 25 years.



10%

savings in water used in The Pride brewery in Auckland.

Water saving initiatives in New Zealand

In April 2020, local catchment dams dropped below 50% capacity in Auckland, the lowest in 25 years.

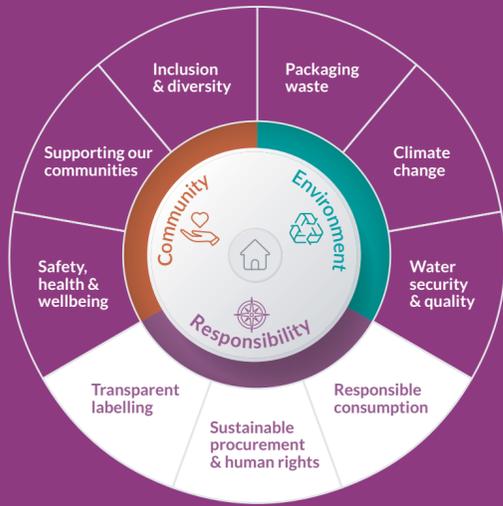
This prompted Auckland Council to issue a challenge to businesses in the area to cut water usage by a minimum of 10%.

Given that water restrictions are uncommon in Auckland, The Pride brewery – our largest brewery and multi beverage manufacturing facility in New Zealand – addressed this urgent challenge by:

- creating a platform to raise awareness on the issue in the broader community,
- forming a multi-disciplinary team that focuses on uncovering opportunities,
- monitoring performance and effectiveness of water reduction efforts, and
- staying closely connected with the local water authority.

The outcome from this focused response was positive. In addition to achieving a 10% reduction in overall water usage, The Pride also achieved a 7% improvement in water efficiency for production. The Pride's success improved the brewery's operations, and provided an opportunity to share findings with local businesses and the Auckland Council.





Responsibility

Acting responsibly as an alcohol producer is foundational to our social licence to operate. This pillar ensures we produce, market and label our products in line with our values and community standards, and guides how we protect human rights in our supply chain.



38,651
modules completed in our
Alcohol&Me programme

alcohol-free
Number one selling alcohol-free
beer in Australia is Heineken® 0.0





Responsibility

Responsible consumption

The International Alliance for Responsible Drinking (of which our parent company, Kirin, is a member) defines responsible drinking as ‘... the enjoyment of alcohol drinks by adults who choose to drink in a manner that does not harm others and minimises risk of harm to the consumer.’ Lion honours this commitment by encouraging the responsible sale, marketing service and consumption of alcohol while addressing and mitigating issues relating to harmful use.



SMASHED campaign

funded by the industry initiative, The Tomorrow Project, and its public-facing consumer brand, Cheers!, uses live theatre and interactive workshops to engage students in learning about peer pressure, relationships and the dangers of consuming alcohol. The 2020 SMASHED tour visited 50 schools across the country, performing to 10,574 Year 9 students.



Why is it important for Lion?

Our products are a valued part of the social life of millions of people across the globe, and as such we have an important role to play in supporting moderate and responsible choices. Through our growing portfolio of lower alcohol and non-alcoholic beverages and our commitment to consumer education, we aim to evolve even further the positive trends in drinking culture.

Our efforts in this space are also an important statement for our people, suppliers and stakeholders (including customers, local communities, regulators and governments) about our principles and expectations. By becoming a market leader in innovation across the lower alcohol category and investing in non-alcoholic alternatives, we demonstrate to the community that the industry is evolving to meet changing social needs and the positive role we can play in tackling harmful use of alcohol as part of a whole-of-society approach.

Finally, as we expand outside our home markets of Australia and New Zealand, it's important to have a consistent minimum standard for responsible marketing that is publicly available.

How we manage responsible consumption

Tackling alcohol misuse requires a community-wide effort. We contribute to this effort in several important ways. One is by providing our consumers with relevant information they need to make better choices about their alcohol consumption through our websites and labels, as well as supporting education programmes and partnerships. In Australia and New Zealand, we partner with leading industry-funded organisations DrinkWise and Cheers! which aim to reduce alcohol misuse through behaviour change campaigns and education initiatives.

We also work with external stakeholders to deliver campaign messages through our brands and sponsorship activities to create greater awareness. For instance, we recently worked with the Sydney Swans to deliver DrinkWise branding on footballs at all home games.

To support this education and outreach, we maintain strict expectation around the responsible sales and marketing of our products. We require our marketing teams and external marketing agency partners to be trained in responsible marketing and Lion-specific standards, to ensure our marketing does not inadvertently contribute to the problems of alcohol misuse or excessive consumption. As we expand in 2020 and beyond, we are developing a Global Marketing Code which will provide a framework for addressing future standard changes and applying them across Australia and New Zealand.

How we stay on track

We evaluate our performance in promoting responsible consumption primarily through the reach and delivery of education campaigns run by Lion and our partner organisations. For example, DrinkWise produced a series of videos and radio messages featuring its ambassador, Dr Andrew Rochford. The series addressed stress, anxiety and alcohol consumption during the pandemic, with a total cumulative reach of 32.5 million.

We track and measure the delivery of our own education programme, Alcohol & Me, through attendance records and surveys. In 2020, we doubled the number of modules completed through the programme (compared to 2019) and had over 1.2 million views via social media.

In terms of our products, we evaluate the growth of non-alcoholic and low-alcohol portfolios and assess the efficacy of our responsible marketing efforts through our compliance with advertising codes.

Lion NZ also has a strong focus on developing the low/no alcohol category. For some years we have had iconic brands with low-strength variants like Steinlager Light (previously Steinlager Mid). We have added to the portfolio with the acquisition of iconic coffee brand Havana coffee, the launch of Lindauer Free, Mac's 0.5% Stunt Double, and will be adding our first non-alcoholic beer Speights Summit Zero in July 2021.





Responsibility

Responsible consumption (continued)



Heineken® 0.0

Heineken® 0.0 is Heineken®'s first alcohol free beer and was launched in Australia in 2019. The beer has surged in popularity since its launch as many Australians seek to moderate their drinking. Heineken® 0.0 gives beer drinkers more choice, opening up new occasions for consumption, so consumers can enjoy a great tasting beer but not the alcohol that comes with it.

Highlights

30% more unique visitors to the Alcohol&Me online site in 2020 than in 2019.

2.5x more online modules completed through our education platform in 2020 than in FY19.

The increase in numbers to both our Alcohol&Me website and module completion demonstrates that more people are finding their way to our content and are interested to learn how to make smarter choices related to alcohol.

The Alcohol&Me website was a **finalist** in the 2020 'Public Good' section at the Designers Institute of New Zealand Best Awards for design excellence.

#1 selling non-alcoholic beer in Australia is Heineken® 0.0 – now the biggest contributor to the category, doubling in size over the last 12 months.

(Source: IRI Packaged Beer, MAT Feb '21).

Performance

38,651 online modules of Alcohol&Me completed in NZ during 2020 against a target of 30,000.

158 people trained face-to-face through Alcohol&Me in 2020 against a target of 1,000.

The number of face-to-face sessions of Alcohol&Me delivered in 2020 was impacted by COVID-19 lockdowns so we were unable to meet our target.

Advertising compliance:

	Australia	New Zealand
Complaints made	19	4
Referrals to Complaints Board	9	4
Upheld	1 (no fault breach*)	0

*relates to placement of a billboard by a third-party provider

Bounce Back, a DrinkWise initiative

"Listening to Bounce Back, and hearing how others have overcome tough times, might just provide the inspiration you need to stay strong, to stay positive and to stay resilient."
– The Hon Scott Morrison MP, Prime Minister, Australia.



Cheers! New Zealand

Cheers! New Zealand is a social change initiative to create a healthier, safer and more responsible drinking culture in New Zealand.



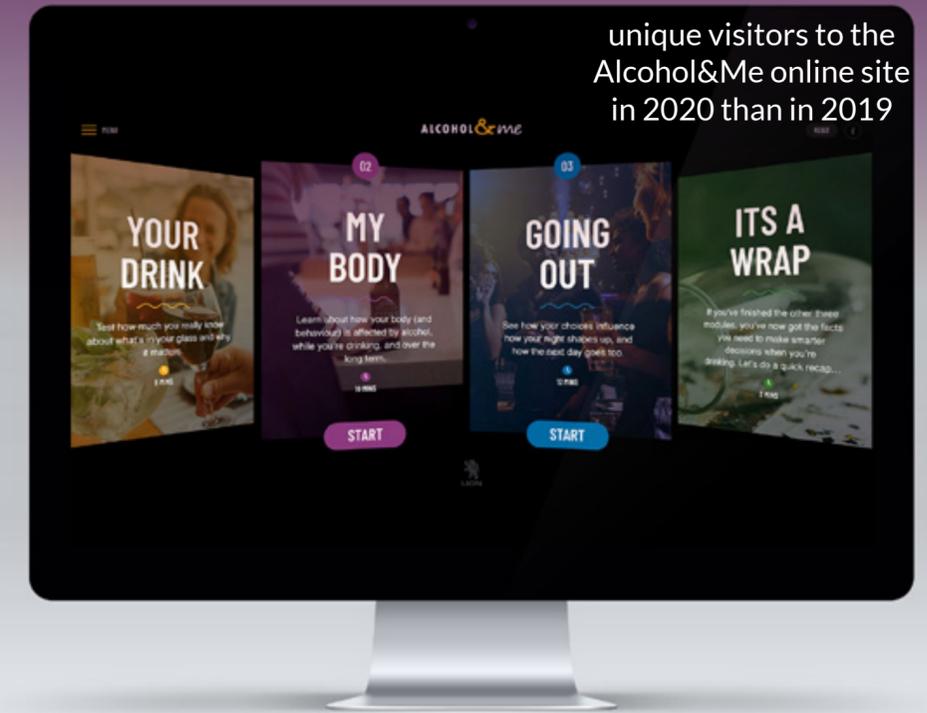
DrinkWise

Established in 2005 by Lion and its industry partners, DrinkWise Australia is an independent not-for-profit organisation aiming to bring about a healthier and safer drinking culture in Australia.



↑ 30%

unique visitors to the Alcohol&Me online site in 2020 than in 2019



Making smarter choices with Alcohol&Me

How can people make smarter choices while still enjoying the beverages they love? This is the aim of Lion's Alcohol education programme, www.alcoholandme.org.nz, which gives New Zealanders the tools and information they need to stay safe and sociable when they drink.

The online programme is presented as a collection of self-guided learning experiences, from interactive demonstrations and quizzes to articles containing practical advice. The entire platform is free and designed to be readily accessible to the public.

It is clear people want to know more. The Alcohol&Me online site had 106,714 unique users, a significant jump from 61,851 the previous year. We had 38,651 people complete the modules in FY20 – 2.5 times more than in 2019.

Despite COVID-19 restrictions, we also delivered seven face-to-face facilitated workshops with six different paying organisations during the year. With outreach restricted, we reinvested allocated funding to innovation and developed a new blog as part of the website to encourage repeat visitors through new and engaging content.





Responsibility

Sustainable procurement & human rights

Lion seeks to do the right thing for the long term. This commitment relies on building an ethical, diverse and transparent supply chain to act as a foundation for our operations. To do this, we engage with our suppliers to minimise their environmental footprint and protect human rights.



Why is it important to Lion?

As a leading beverage company, we rely on thousands of suppliers to provide us with raw materials, packaging and other goods and services to keep our global businesses operating. We believe the scale of our operations provides both an obligation and an opportunity to help drive positive change in our supply chain.

This is accelerated by a number of regulatory and industry trends. Consumers and our major customers are demanding increased transparency around where Lion products come from and how they are made. They want to know we have the systems and processes in place to ensure the products they buy have not caused the exploitation of vulnerable workers and the environment.

Our industry is responding quickly to maintain supply continuity and an ethical supply chain. Many global FMCG companies, including our parent company Kirin Group, are signatories to the Consumer Goods Forum Resolution on eradication of forced labour and slavery.

How we manage sustainable procurement and human rights

We set clear expectations for our suppliers' sourcing practices and reporting – including their human rights performance, the environment and business ethics. Lion's Procurement Policy has three core principles:

1. Building strong commercial outcomes and productive partnerships.
2. Promoting human rights and ethical sourcing.
3. Promoting sustainable (environmental, social and inclusive) sourcing practices.

Our Responsible Sourcing Code, publicly launched at the end of 2019, supports the implementation of Lion's Procurement Policy. Our Responsible Sourcing programme seeks to mitigate ethical, environmental, labour and human rights risks, such as instances of forced and child labour and modern slavery in our supply chain. We produce a Modern Slavery Statement to meet our legislative requirements under the Modern Slavery Act 2015 (UK) and the Commonwealth Modern Slavery Act 2018.

We also have strict policies on anti-bribery and corruption, conflicts of interest and protecting privacy, as well as a whistleblower policy.

How we stay on track

The principal way we assess Lion's supply chain risk is by requiring our high-priority suppliers to complete a SEDEX self-assessment questionnaire (SAQ) for all sites that supply products and/or services to us. High-priority suppliers are determined based on our financial exposure to them (i.e. spend), the type of transactions we engage them for, their country of origin and their sectorial rating.

We measure our performance through the percentage of these high-priority suppliers who complete their self-assessment (SAQ). We were proud to meet our target, which was for more than 95% of selected suppliers to submit their self-assessment.

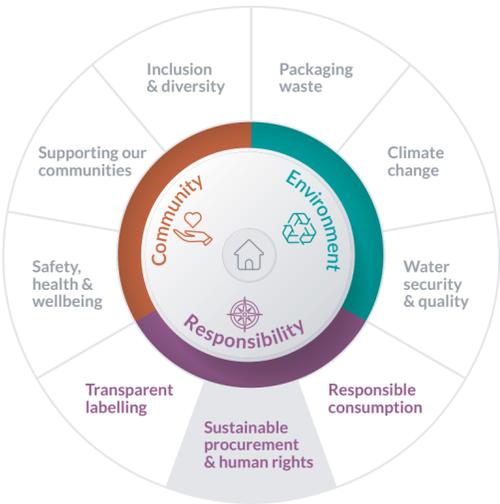
To support this evaluation, Lion reserves the right to request or conduct independent audits (SAAS accredited or BSCI authorised) to verify compliance with our Responsible Sourcing Code.





Responsibility

Sustainable procurement & human rights (continued)



Highlights

Member of Supply Nation, WEConnect, Social Traders to **establish sustainable relationships with diverse suppliers.**

2019 Modern Slavery Statement published in the UK on behalf of Lion's Australian and New Zealand adult beverage businesses. 2020 Modern Slavery Statement published in line with Modern Slavery Act UK (2015) and Commonwealth Modern Slavery Act (2018) requirements.

75 high-priority suppliers requested to enrol in SEDEX based on spend, industry and location, representing over 100 supplier sites.

Performance

98% of our high-priority (i.e., linked) suppliers risk rated in SEDEX, representing 100+ sites against a target of 100%.



Bringing social procurement to life

As well as preventing risks like potential human rights abuses, our procurement process is an opportunity to support the outcomes delivered in environment and community strategic pillars. To realise this opportunity, we are implementing an inclusive procurement process to create a level playing field for diverse suppliers.

This includes businesses that are driven by a social or environmental mission, or that support people who have traditionally been financially marginalised. Under-represented suppliers, such as the Indigenous business sector (roughly 0.06% of the overall business sector) represent a missed opportunity for Lion. As a large organisation focused on championing sociability and helping people live well, it is our responsibility to address this imbalance.

WV Technologies, a company supporting Lion to securely and safely dispose of our e-waste (computers, phones, and other hardware), is one example of how this programme is being brought to life. WV Technologies employs Indigenous people – both in Australia and New Zealand – and is a Supply Nation registered and Social Enterprise certified company.





Responsibility

Transparent labelling

Transparent labelling underpins our commitment to building a positive drinking culture. Lion focuses on providing consumers with accurate and easy-to-understand information, including nutritional values, calorie intake, alcohol content, pregnancy labelling, guidance on daily intakes, environmental labelling; and when legally required, key ingredients.



Highlights

No objections to product packaging raised by regulators in either New Zealand or Australia in FY20.

Performance

Compliance with mandatory labelling and relevant voluntary advertising codes:

Lion Australia and New Zealand did not have any mandatory labelling matters successfully prosecuted, nor any mandatory labelling matters that resulted in withdrawal of any products from the market.



Why is it important to Lion?

As a company that produces many of the alcoholic beverages people know and love, we have a responsibility to provide accurate information about our products to support responsible drinking. By making it clear what's inside our products, where they come from and how they are produced, we can help consumers make informed decisions.

Changing preferences also emphasise the importance of transparent labelling – consumers increasingly want ethically sourced as well as low-carb, low-alcohol and non-alcoholic beverages.

How we manage transparent labelling

In 2020, we continued to focus on providing transparent, easy-to-understand labelling on all of our packaging. Our global and in-market codes set the standards for this, and ensure we meet existing mandatory and industry standards. Beyond regulatory requirements, our transparent labelling initiatives are guided by voluntary labelling measures, including the 'Cheers! Logo' (NZ) and 'DrinkWise Logo' (AUS), and responsible producer and marketing commitments, such as voluntary pregnancy warnings.

Our efforts around transparent labelling not only encourage consumers to drink responsibly, but also educate them about the environmental impact of our products. For instance, in New Zealand we launched the first Toitū certified carbon zero beer and cider products with Steinlager and The Fermentist. The certification logo on these products signals to consumers that the carbon footprint has been addressed by either avoiding emissions or mitigating them so that the products are carbon neutral.

How we stay on track

Lion complies with all mandatory labelling requirements and relevant industry codes of practice in Australia and New Zealand that we are a signatory to. Full details of these codes can be found on [our website](#).

To monitor labelling, we have established an internal dashboard to review and approve artwork on products, as well as store approved artwork documents. Our legal team works with the business to ensure that any claims made on our products are carefully reviewed and substantiated.



Contact us

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