



LION

Modern Slavery Statement

2020





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Introduction

This statement is a joint statement covering the following Reporting Entities:

- Lion Pty Ltd (the ultimate parent company for Oceania);
- Lion Global Craft Beverages Pty Ltd (the ultimate parent company for UK and USA);
- Lion-Beer, Spirits & Wine Pty Ltd (Australian operations)
- Lion NZ Limited (New Zealand operations)

Consistent with our values that there is no place for modern slavery within any of the operations or supply chains of the Lion Group, this statement voluntarily covers the following additional Reporting Entities:

- Lion Nathan USA Inc (US wine operations)
- New Belgium Brewing Company (US beer operations)
- Fourpure Limited and Magic Rock Brewing (UK operations)

References to “we” and “our” are references to each of those entities unless otherwise specified. This statement is made pursuant to sections 13 to 16 of the Commonwealth

Modern Slavery Act 2018 and section 54 (1) of the UK Modern Slavery Act 2015 and with respect to the financial year ending 31 December 2020 (the ‘Reporting Period’). An index has been provided to guide readers to information related to each mandatory reporting criteria (see Appendix 2). This statement sets out the steps that we have taken to reduce the risk of modern slavery practices taking place within our operations or our supply chains during the Reporting Period.

About Modern Slavery

The Australian and UK Modern Slavery Acts (Commonwealth Modern Slavery Act 2018 and UK Modern Slavery Act 2015) defines modern slavery as including eight types of serious exploitation covering: trafficking in persons; forced marriage; forced labour; servitude; slavery; debt bondage; deceptive recruiting for labour or services; and all forms of child labour. Lion understands that practices like substandard working conditions and other human rights abuses not defined as modern slavery may escalate or contribute to instances of modern slavery.

Message from Lion’s Modern Slavery Working Group Chair

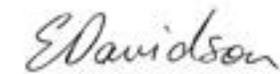
At Lion, our core purpose is to champion sociability and live well. Our sustainability approach aims to strengthen the resilience of the communities in which we operate, champion responsible use of our products, and ensures our environmental legacy has a positive impact now and for future generations.

We recognise human rights as a fundamental principle underpinning all our business activities and understand the potential human rights impacts of our own operations and supply chain. We commit to taking appropriate action to uphold respect for human rights.

In 2020 we undertook an Ethical Sourcing and Modern Slavery Review with the key objective of identifying areas for improvement and change, and as we prepare for our 2021 Modern Slavery Statement, we will focus on training and internal awareness of modern slavery.

Lion has now established a Modern Slavery Working Group with representation from right across the business. This Working Group, which I will Chair, will monitor progress and support the implementation of any changes recommended through the review process.

We are pleased to share our first Modern Slavery Statement under the Commonwealth Modern Slavery Act 2018, which will provide further transparency about actions we are taking to identify and remedy any modern slavery risks in our supply chain.



Libby Davidson

Group General Counsel
External Relations + Sustainability Director
Modern Slavery Working Group Chair

Our business

Lion, headquartered in Sydney, is a leading beverages company in Australasia, with a fast-growing global footprint including operations in the United States and United Kingdom. Lion's manufacturing footprint extends beyond 30 sites and employs over 3,900 people in Australia and New Zealand.

We produce, market, sell and distribute alcoholic and non-alcoholic beverages and operate microbreweries and hospitality venues worldwide.

From humble Aussie and Kiwi beginnings, our ambitions are increasingly global, with a portfolio of beloved brands and venues in markets across the world.

Lion's history extends back to the 1800's and is proud to manage Australia's leading beer portfolio, including a broad range of brands, several popular ciders and sparkling alcoholic seltzers. In New Zealand, Lion is New Zealand's largest alcohol beverage company and we produce, market, sell and distribute many of the region's favourite drinks.

Our Lion Australia, Lion New Zealand and Lion Little World Beverages brands span beer, cider, wine, spirits, coffee and kombucha. Alongside our own brands, we're joining forces with like-minded souls who share our passion for brewing the best, not being the biggest.

Lion Little World Beverages is the parent company for our entities operating in the United States and the United Kingdom. Within the UK this includes Lion Beer Spirits and Wine UK, Fourpure and Magic Rock Brewing Company, which employ over 150 people.

Within the US, this includes Lion Nathan USA Inc, trading as Distinguished Vineyards & Wine Partners (DVWP), our US fine wine business which produces wine and proudly farms more than 1,000 acres of sustainably certified estate vineyards across California and Oregon.

New Belgium Brewing, a nationally distributed beer brand, is recognised as a leader in sustainability and social responsibility. Founded in 1991 in Fort Collins, Colorado, the company expanded to Asheville, North Carolina in 2016, and to its Denver Pilot Brewery in 2018. New Belgium is now the fourth largest craft brewery in the US.

In 2020, New Belgium Brewing took its market leading IPA Voodoo Ranger global, launching in the UK, and launching in Australia in 2021.

Lion is a wholly-owned subsidiary of Kirin Holdings Company Limited. More information regarding the history and structure of Lion is provided on our website www.lionco.com.

We acknowledge that our business activities, including our operations and our extended supply chain could cause, contribute, or be directly linked to modern slavery.

More information regarding our Australian, New Zealand, and International Brands is provided on our website www.lionco.com.



Our operations

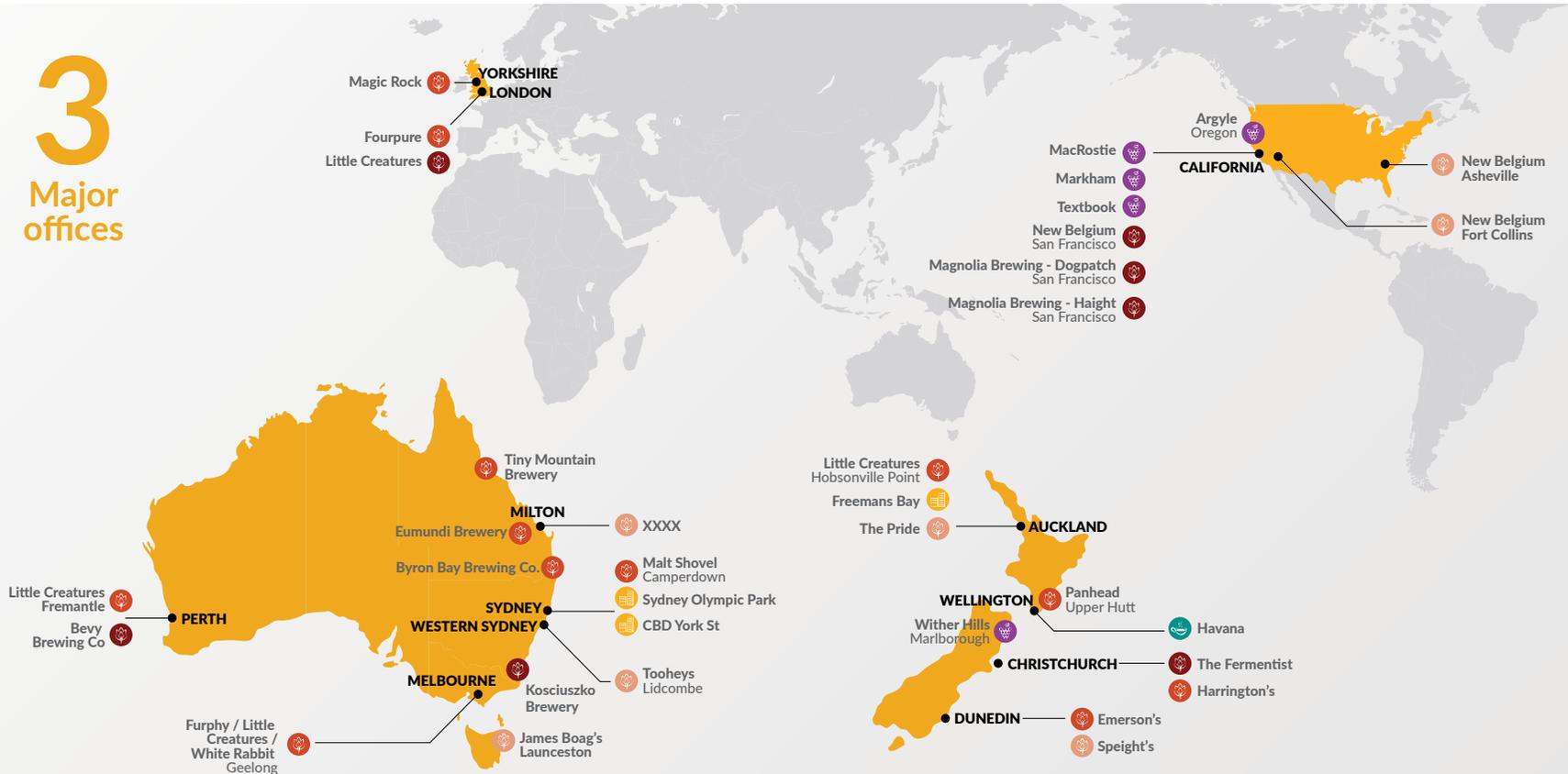
30

Manufacturing sites

3

Major offices

-  Major office
-  Major brewery
-  Craft brewery
-  Micro brewery
-  Winery
-  Coffee



Our supply chain

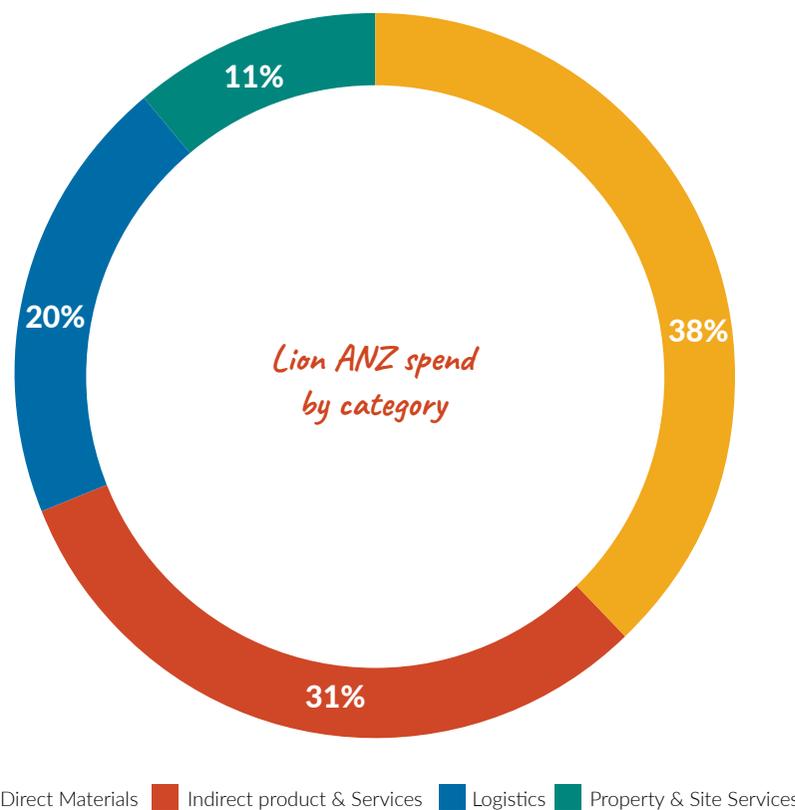
Lion relies on thousands of suppliers providing us with raw materials and other goods and services to keep our business operating all year round. In turn, our suppliers engage other suppliers to support the delivery of these products and services to Lion.

We seek to promote responsible sourcing practices across our global organisation and to build long-term productive relationships with our suppliers and encourage our suppliers to do the same across their own supply chain.

As an example of our typical supply chain profile, in 2020, Lion Australia and New Zealand engaged with more than 3,700 suppliers from 23 countries and approximately 80% of our spend was with 99 suppliers.

The graph shows that the largest category of spend was in Direct Materials which includes ingredients such as hops and barley as well as packaging materials including glass bottles, aluminium cans, corrugate and paperboard cartons.

Other spend categories include Logistics; Indirect products and services such as IT, corporate services, consulting and temporary labour; and Property & Site Services, all required to keep our business operating all year round.

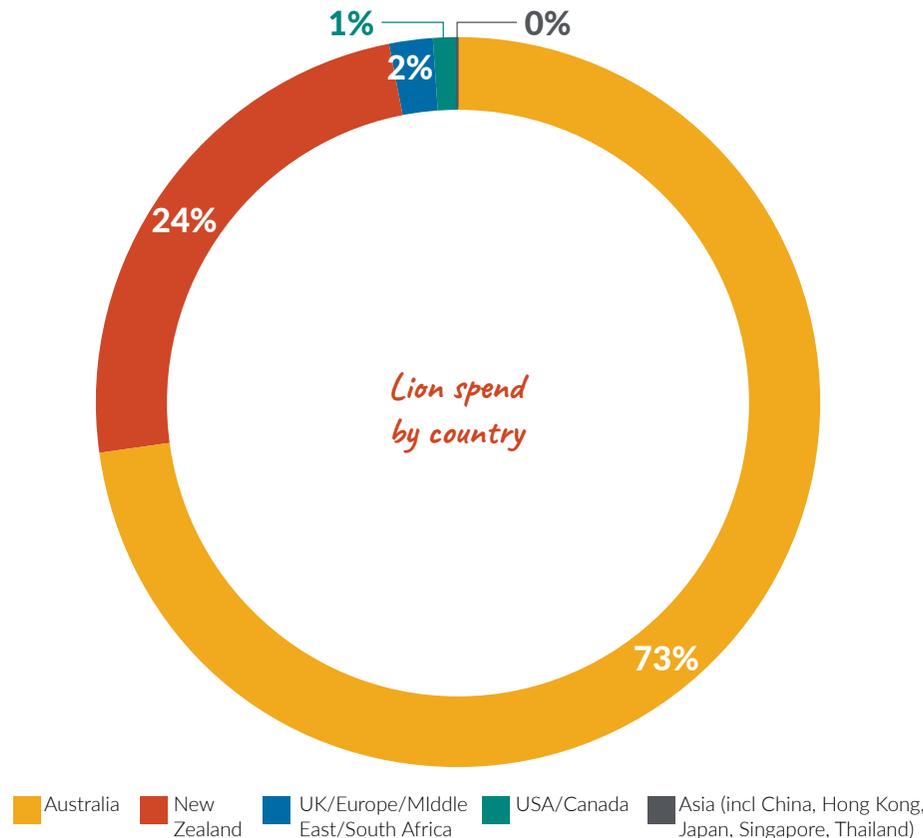


The risks of modern slavery practices

Lion's operations are primarily based in countries with highly developed systems and processes in place in relation to maintaining high standards of labour practices and human rights. Australia, New Zealand, the United Kingdom and the United States are all considered low risk geographies according to Global Slavery Index.¹

Lion's major breweries including Tooheys, West End, The Pride and XXXX completed their SEDEX self-assessment questionnaire and as a result were identified as having inherently low labour rights risk. However, Lion understands that by having global agricultural operations and hospitality services, which are considered industries with high risk of modern slavery practices, it is vital to have strong protections in place for workers across Lion's own operations and supply chain.²

In relation to our supply chain, Lion predominately purchases from established and trusted suppliers with well-developed systems and processes to reduce the risk of modern slavery and human rights violations within our supply chain. For example, during the Reporting Period, 97% of Australian and New Zealand spend was with well-established suppliers, based in low-risk countries as



defined by OECD. Many of our suppliers are Trans-Tasman or have Australian/New Zealand based subsidiaries and as a result most of our direct spend is within our regional proximity.

Suppliers assessed as having an elevated modern slavery risk by nature of geographic location (high risk country as defined by OECD) or category of spend would include raw materials (for example sugar³), contract labour hire, corporate clothing sales merchandise and stationery and IT hardware and equipment. For these particular suppliers, Lion have an established process to identify incidences of modern slavery or human rights violations within these supplier sites.

1 According to the Global Slavery Index the prevalence index rate of the following countries are: Australia 163/167; New Zealand 164/167; The United Kingdom 132/167; Singapore 97/167, The United States 158/167. The vulnerability to modern slavery is highlighted as: Australia 4.27/100; New Zealand 1.91/100; The United Kingdom 11.33/100; Singapore 13.41/100, The United States 15.88/100.

2 Agriculture and hospitality are considered high risk industries according to Anti-Slavery Australia and the International Labour Organisation.

3 A list of products with identified risk of forced labour is found at Global Slavery Index.

Assessing risks and policies

Our policies

We have multiple policies that support the human rights of people in our own operations and our supply chain. This includes policies that cover our commitments and approach to identifying, addressing, and mitigating modern slavery risk. During the reporting period, Lion has ensured the consistent application of core policies and procedures across the global business. This is set to be complete by the next Reporting Period.

Policy	Purpose
Lion Position on Human Rights	The Lion Position on Human Rights sets out Lion's commitment to respecting human rights across all our business activities.
Lion Respect and Conduct Policy	Lion's Respect and Conduct Policy outlines our expectations in relation to the fair treatment of people at work, including the prohibition of discrimination, harassment, and bullying.
Lion Whistleblower Policy	The Lion Whistleblower Policy provides a mechanism for the reporting of conduct involving the Lion Group's business which the reporting individual or individuals reasonably believe to be a Reportable Conduct. Concerns relating to modern slavery or other adverse human rights impacts are considered Reportable Conduct.
Lion Procurement Policy	The Lion Procurement Policy provide key principles and guidance for anyone buying goods and services on behalf of Lion. Lion's Procurement Policy captures our commitment through three core principles: <ol style="list-style-type: none">1. Building strong commercial outcomes & productive partnerships2. Promoting Human Rights and Ethical Sourcing3. Promoting sustainable (environmental, social and inclusive) sourcing practices
Lion Supplier Responsible Sourcing Code	Lion's Supplier Responsible Sourcing Code outlines expectations of all our suppliers when it comes to sustainable sourcing practices spanning human rights, the environment and business ethics. It outlines the guiding principles for our suppliers, assists Procurement in supplier selection and is included in suppliers' legal terms.
Lion Risk Management Framework	Our Risk Management Framework establishes strong governance systems that support effective risk processes and ensure we are using our resources efficiently. Risks surrounding ethical sourcing and human rights are owned by senior executives at Lion. We manage these risks through the continual review, assessment and implementation of leading practices that provides greater visibility and accountability in our supplier network.

Assessing risks and policies (continued)

Our governance

We have set in place the following cross-operational governance structures to support Lion to identify, address and mitigate or remedy modern slavery risk across our own operations and supply chain.

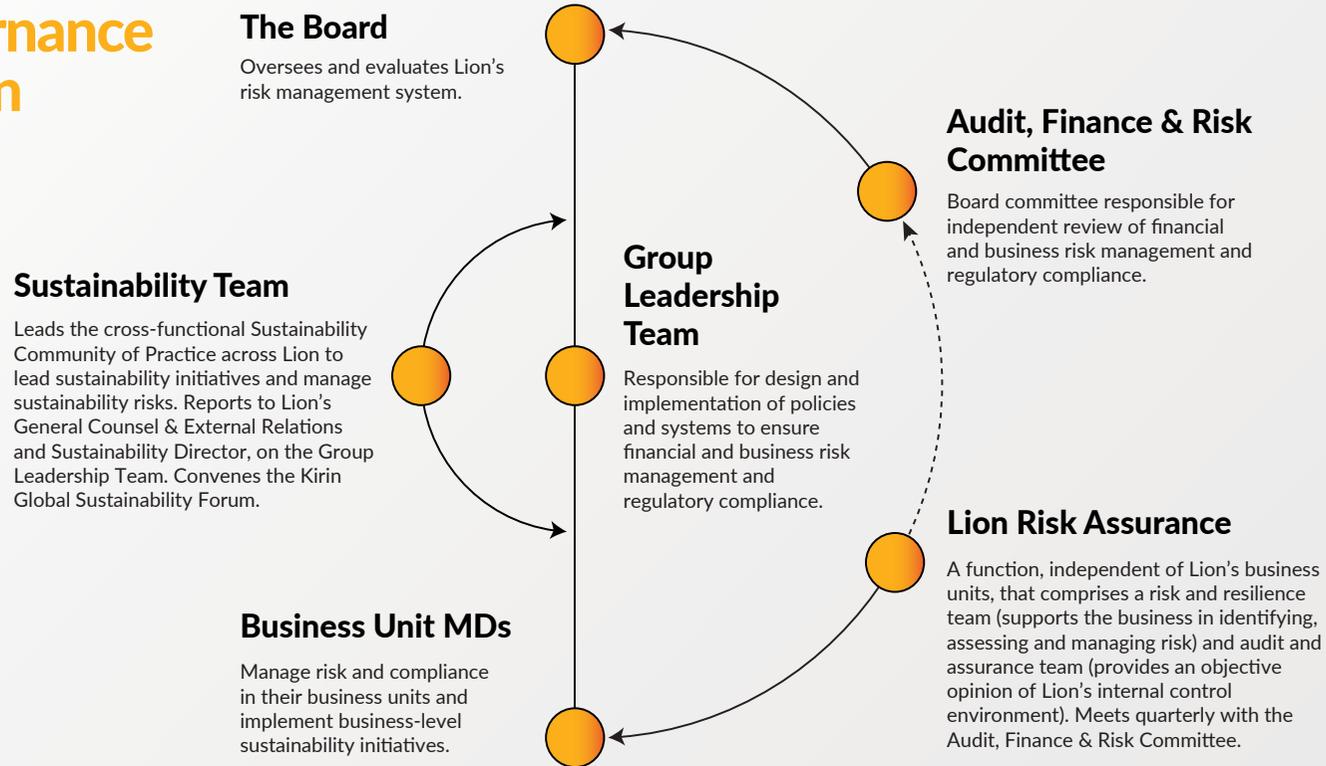
Governance Body	Responsibilities
Lion Board	The Lion Board is responsible for approving our annual Modern Slavery Statement. The Board is also responsible for the approval of our policies to identify and address modern slavery and broader human rights risks.
Lion Finance, Audit and Risk Committee	The role of the AF&RC is to assist the Board in fulfilling its duties by providing an independent and objective review of Lion's audit function and internal compliance and control systems to ensure appropriate and effective management of key business risks, including those linked to modern slavery, and compliance with legal and regulatory requirements, including compliance with the Commonwealth Modern Slavery Act (2018) and the UK Modern Slavery Act (2015).
Group General Counsel, External Relations & Sustainability Director	The Group General Counsel and Sustainability Director is accountable for the overall sustainability strategy and is also the Modern Slavery Working Group Chair. The Group Supply Chain Director is accountable for the environmental and responsible sourcing strategies.
Modern Slavery Working Group	A cross-functional committee responsible for developing Lion's approach to addressing Modern Slavery. The Modern Slavery Working Group also guides the implementation of modern slavery due diligence across Lion's own operations and supply chain.

About B-Corps

Certified B Corporations achieve a minimum verified score on the B Impact Assessment—a rigorous assessment of a company's impact on its workers, customers, community, and environment. Certified B Corporations also amend their legal governing documents to require their board of directors to balance profit and purpose. New Belgium Brewing is a certified B Corp.

Assessing risks and policies (continued)

Governance at Lion



External audit

External Auditors

Conduct an independent assessment of Lion's annual financial reports and express an opinion as to their accordance with the Corporations Act 2001 and relevant accounting standards.

Conduct limited assurance on Lion's sustainability report and the process, systems and assumptions that lay behind it.

Assessing risks and policies (continued)

Own operations due diligence

The primary tool that Lion currently uses to identify risk in its own operations and supply chain is SEDEX. The SEDEX self-assessment questionnaire (SAQ) includes looking at inherent risk, for labour standards as well as business ethics, environment, supplier management and health and safety. This includes a combined risk score, inherent risk score, site risk score, and management control risk score for the site.

At our Australian & New Zealand operations, in the Reporting Year Tooheys, XXXX, West End and The Pride sites are members sites of SEDEX and completed the Self-Assessment Questionnaire.

In the United Kingdom, Magic Rock and Fourpure are members of SEDEX and during the Reporting Year were in the process of completing the Self-Assessment Questionnaire.

In the United States, New Belgium Brewery are members of SEDEX and are in the process of finalising their Self-Assessment Questionnaire. As a certified B Corp, New Belgium Brewery uses the power of business to solve social and environmental problems, bringing benefit to co-workers, beer drinkers, suppliers, community, and the planet. B Corps are certified by the non-profit B Lab to meet the highest verified standards of social and environmental performance, transparency, and accountability. The social standards cover protections for workers across New Belgium's own operations. In 2019 New Belgium Brewery was honoured for prioritising its workers and awarded a "[Best For The World: Workers](#)" title.

Our supply chain due diligence

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.

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. 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 Responsible Sourcing Code, publicly launched in Australia & New Zealand at the end of 2019, sets clear expectations of our suppliers to mitigate ethical, environmental, labour and human rights risks, such as instances of forced and child labour and modern slavery in their operations. Suppliers subscribe to the commitments outlined in the Responsible Sourcing Code via the signing of contractual Terms and Conditions and during the supplier onboarding process through our Supplier Lifecycle Performance onboarding tool.

In the United Kingdom, new suppliers are required to complete a self-assessment called a "New Supplier Form" whereby they provide key information related to Quality, working conditions, environmental impact and modern slavery risk. The results are evaluated for any high risks flags of modern slavery. During the Reporting Period they also implemented a supplier review process to better understand what measures, metrics and targets suppliers currently have in place (for example carbon reduction plans), as well as any plans for

Assessing risks and policies (continued)

external accreditation regarding Sustainability (for example Cradle to Cradle™ or Certified B Corp). By Q3 2021, this program will cover the top 75% of supplier spend - namely cans, malt, hops and paperboard/cardboard.

In Australia & New Zealand, 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. In the Reporting Period, our high priority suppliers included raw materials and packaging, IT hardware, promotional apparel & merchandise, agriculturally based suppliers (including NZ wine) and labour hire service providers.

We measure our performance through the percentage of these high-priority suppliers who complete their self-assessment (SAQ). In 2020 we identified 75 high priority suppliers with 100+ sites to onboard onto SEDEX for monitoring. At the end of the reporting period, for those suppliers that had onboarded onto the SEDEX platform, 98% of had completed their SAQ (against a target of >95%). 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.

In the Reporting Period, we did not identify any incidences of modern slavery or human rights violations in our supply base. However, we do not take this as a given. If an allegation is recorded in relation to our extended supply chain, our first priority would be to engage with the supplier's senior management to investigate and develop a remediation and/or mitigation plan. In cases where adequate rectification in a timely manner is not possible, we may suspend the contract.

Remediation processes

Lion has a dedicated Whistleblower Hotline which is available to all Lion personnel globally as well as personnel within our extended supply chain. Using an independently operated Whistleblower Hotline, individuals can confidentially report concerns relating to modern slavery or other adverse human rights concerns.

The Whistleblower Hotline is operated by Deloitte. The details of the complaint are provided to Lion's Whistleblower Committee, chaired by the Risk & Audit Director, for triage and investigation. If required we may engage an independent third party to conduct investigations. Summaries of whistleblower disclosures and actions taken are reported to the Audit, Finance & Risk Committee on a quarterly basis.



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Other locations can call any of these numbers by including the international prefix.

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VICTORIA 3006

Alternatively, you are welcome to directly contact any C&T member or Lion's Audit, Finance & Risk Committee Chair. Their contact details are provided at the website above.

Lion is committed to a culture of integrity and ethical behaviour. We aim to provide a safe, inclusive workplace for everyone, every day. Misconduct, in any form, should not be tolerated.

drawtheLine is a confidential service, offered by Deloitte, for Lion team members and related parties to raise concerns of suspected or actual misconduct in the workplace. Examples include fraud, theft, harassment, modern slavery issues or any other unethical behaviour.

Don't ignore your instincts. If you sense something is not quite right, raise your concerns through this confidential channel. You can choose to do so anonymously. We are all collectively responsible for keeping Lion a safe, fair and inclusive place to work.

Measuring effectiveness

The policies set out above are subject to planned internal audit review to assess effectiveness and identify areas of development and improvement.

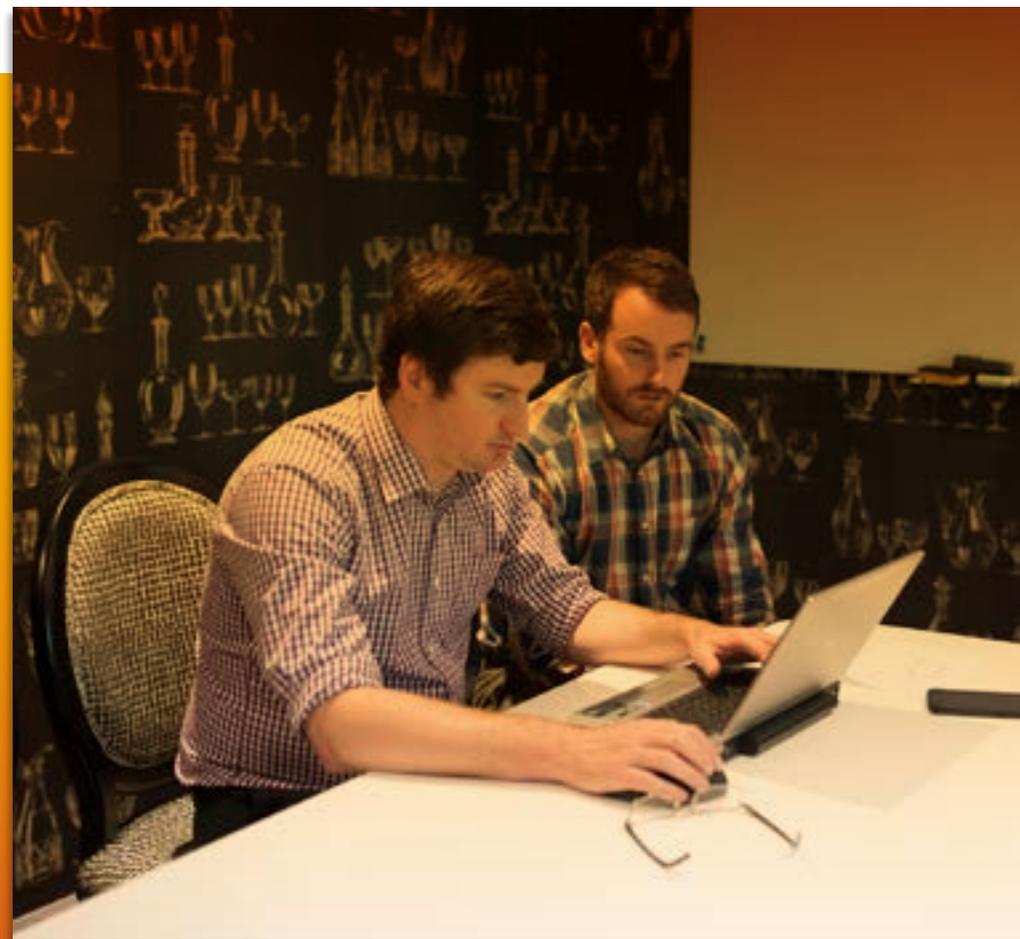
During the reporting period, the Lion Risk and Audit team conducted three reviews, assisted by an external third-party consultant, on the Responsible Sourcing Program. This included:

- **A Modern Slavery Gap Analysis** to help us improve practices to identify, address and mitigate risks of modern slavery in our own operations and supply chains. The objective of this review to assess Lion's business operations and supply chain for the purposes of understanding its Ethical Sourcing & Modern Slavery obligations. The Modern Slavery Gap Analysis drew on the guidance provided in the Modern Slavery Act 2018 Guidance for Reporting Entities. Best-practice international standards, and human rights benchmarking exercises were also referenced in the assessment.

- **A Responsible Sourcing Gap Analysis** which assessed Lion's current state activities using the [ISO 20400:2017](#). ISO 20400:2017 is an International Organisation for Standardization (ISO) standard that provides guidance to organisations on integrating sustainability within procurement.

- **A Responsible Sourcing Readiness Assessment** which assessed implementation of Lion's Responsible Procurement program against existing policy and processes, and industry best practice. The assessment enabled Lion to understand where improvements can be made in the program itself to enable sustainability outcomes, and where actual practice differs from expected practice.

The reviews were conducted based on a desktop review of Lion policies and procedures, and internal interviews conducted with key stakeholders across the business. Recommendations were provided based on the review, and a 3 Year Action Plan was created to bring Lion's activities and compliance processes closer to best practice. Progress against the Action Plan will be reported to the Modern Slavery Working Group and the Board.



The consultation process

To monitor and report holistically on the Lion Group operations, Lion has created a cross-business function Modern Slavery Working Group lead by our Group General Counsel, to ensure all functions and areas of the business were properly consulted and represented in this statement.

In addition, specific representatives of the reporting entities covered by this statement were directly consulted during the writing and approval of this statement.

This statement was reviewed and approved by the boards of the Reporting Entities during June 2021.



Review and approval

This statement was reviewed and approved by the Lion Board on 17 June 2021 and will be reviewed annually.



Stuart Irvine
Chief Executive
(Director of Lion Pty Ltd)

Date
17 June 2021

Appendix 1: Subsidiaries and investments

Name of Subsidiary	ACN/Company Number/ file number/Entity ID	Lion % Shareholding (direct or indirect)
Lion Pty Ltd's (128 004 268)		
Bevcon Recycling Pty Ltd	606 092 111	75%
Container Exchange (QLD) Limited	622 570 209	Company Limited by Guarantee
Container Exchange (Services) Pty Ltd	623 565 471	50%
Cooper Creek LLC	201401410481	50%
Exchange for Change (ACT) Pty Ltd	625 238 799	20%
Exchange for Change (Australia) Pty Ltd	625 238 851	20%
Exchange for Change (NSW) Pty Ltd	620 512 469	20%
Kirin Foods Australia Holdings Pty Ltd	112 009 917	100%
Lion - Beer, Spirits & Wine Pty Ltd	008 596 370	100%
Lion Liquor Retail Limited	102294	100%
Lion Nathan Insurance (Singapore) Pte. Ltd.	199306327W	100%
Lion Nathan USA (Holdings), Inc.	760139-87	100%

Name of Subsidiary	ACN/Company Number/ file number/Entity ID	Lion % Shareholding (direct or indirect)
Lion Nathan USA, Inc.	740078-82	100%
Lion NZ Limited	33986	100%
Marine Stores Pty. Limited	007 512 647	75%
Markham Vineyards	C0814490	100%
Morelli Vineyards LLC	201405910192	50%
National Foods (S) Pte Ltd	200605463H	100%
Schibello Coffee Pty Ltd	622 956 692	49%
TASRECYCLE Limited	643 014 868	Company limited by Guarantee
The Associated Bottlers Co Limited	41377	50%
VICRECYCLE Limited	643014895	Company limited by Guarantee
WA Return Recycle Renew Ltd	629 983 615	Company limited by Guarantee

Appendix 1: Subsidiaries and investments (continued)

Name of Subsidiary	ACN/Company Number/ file number/Entity ID	Lion % Shareholding (direct or indirect)
Lion - Beer, Spirits & Wine Pty Ltd's investments (direct and indirect)		
Barcats Pty Ltd	618 094 349	13.5%
Drive Yello Pty Ltd	604 424 839	0.19%
Healesville NewCo Pty Ltd	631 810 430	25%
Ordermentum Pty Limited	600 457 412	29%
Remedy Drinks Pty Ltd	57 609 783 066	49%
Vanguard Luxury Brands Pty Ltd	128 867 176	49%
Lion NZ Limited's investments (direct and indirect)		
Coffee Imports Limited	1266090	100%
Coffee U Feel Limited	5780067	100%
Deluxe Coffee Roasters Limited	2321109	100%
Foley Wines Limited	307139	3.08%
GoodBuzz Beverage Co. Limited	5290782	24.79%
Havana Coffee Works Limited	1256288	100%
Lion Nathan Finance (New Zealand) Limited	527808	100%
Panhead Custom Ales Limited	5983429	100%
Ripple by the Bay LLC	20171520622	100%
The Emerson Brewing Company Limited	558187	100%

Name of Subsidiary	ACN/Company Number/ file number/Entity ID	Lion % Shareholding (direct or indirect)
Lion Global Craft Beverages Pty Ltd (631 805 402)		
Fourpure Holdco Limited	7776926	100%
Fourpure Limited	7777184	100%
Lion - Beer, Spirits & Wine (UK) Ltd	11065849	100%
Little World Beverages, Inc	7371231	100%
Magic Rock Brewing Company Ltd	7371022	100%
New Belgium Brewing Company, Inc.	19931026399	100%
Oxbow Properties, LLC	20041355103	100%
W-N Belgium LLC	E0813442006-5	100%

Appendix 2: Index

Mandatory Criteria	Australian MSA	UK MSA	Location of Information
Identify the reporting entity	X		p3
The reporting entity's structure, operations and supply chains	X		p4-6
The risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	X	X	p7
The actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	X	X	p8-12
How the reporting entity assesses the effectiveness of these actions.	X	X	p13
The process of consultation with any entities the reporting entity owns or controls	X		p14
The training about slavery and human trafficking available to its staff.		X	p3
The policies in relation to slavery and human trafficking.		X	p8-12
Approval and signature of the statement	X	X	p15