



MODERN SLAVERY

STATEMENT 2021

Contents

Acknowledgement of Country

Lion respectfully acknowledges the Traditional Owners of the lands across Australia as the continuing custodians of country and culture. We recognise the continuing connection that Aboriginal and Torres Strait Islander people have to the lands and waters and acknowledge their continuing cultural, and spiritual customs and practices.

Lion acknowledges and celebrates the intrinsic strengths and resilience of Aboriginal and Torres Strait Islander peoples and communities past and present. This proud heritage inspires Lion and is a reminder of the opportunity to celebrate the contributions and learnings about the rich histories and culture of Aboriginal and Torres Strait Islander peoples and communities.

We pay our respects to Indigenous peoples and their Elders past, present and emerging.

Todd Phillips

Indigenous Partnerships and
Reconciliation Manager

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Letter from Libby Davidson

Lion's Core Purpose of championing sociability and helping people live well drives us to consider how we can help build pathways to tackle social and environmental challenges. This includes doing what we can to identify and address Modern Slavery risk, both in our own operations and in our broader supply chain.

Modern Slavery is a crime and a violation of human rights. It describes serious exploitation and takes various forms including human trafficking, forced marriage, forced labour, servitude, slavery, debt bondage and the worst forms of child labour. Although practices like substandard working conditions are not considered Modern Slavery, Lion recognises that such practices are also harmful and may be present in some situations of modern slavery.

At the beginning of 2021 and influenced by the unprecedented challenges faced by the business in 2020 with the outbreak of the COVID-19 pandemic, Lion embarked on a journey to reshape its corporate strategy, underpinned by a new vision and purpose.

A key pillar of our strategy is our desire to be a force for good for people and our planet, thinking beyond the short-term and prioritising the needs of future generations. We realise that as a large business with thousands of team members across the globe, and as the custodian of brands that hold a special place in the lives of millions more, our commitment to long-term sustainability matters.

For Lion, acting as a force for good means:

- Demonstrating brave and enduring Environmental leadership
- Creating long-term positive Social impact
- Strengthening and safeguarding our Governance

Lion is proud to share our third Modern Slavery Statement outlining the work we have undertaken to identify and address Modern Slavery risk, increase transparency across our own operations and our broader supply chain to ensure that Lion is a fair, safe and inclusive workplace and business partner.

We have made significant progress in the following areas:

- we have articulated a three-year plan to take Lion towards best practice in our Modern Slavery approach
- we have developed a new supplier risk segmentation and the subsequent establishment of a new supplier management framework
- 100% of in-scope suppliers have completed their SAQs via the Sedex platform
- 33% of Lion employees have completed Modern Slavery training
- we have strengthened our sourcing and contracting processes to include a Modern Slavery pre-screening questionnaire
- we have enhanced our Mergers and Acquisitions due diligence processes to include a Modern Slavery lens
- we have re-launched our Whistleblower Hotline which includes communications to contractors through the induction process

Our new three-year plan will see further continuous improvements including:

- enhanced transparency of Modern Slavery risk in our supply chain beyond tier one suppliers

- increased collaboration with our suppliers, specifically those suppliers with an identified higher risk profile
- use of industry-leading technology to assist in the identification of Modern Slavery risk in our supply chain
- increasing awareness of Modern Slavery risk across our organisation
- continuing to provide accessible and trustworthy channels for people to report breaches of human rights
- commencing social audits on suppliers with an identified higher risk profile.



Libby Davidson

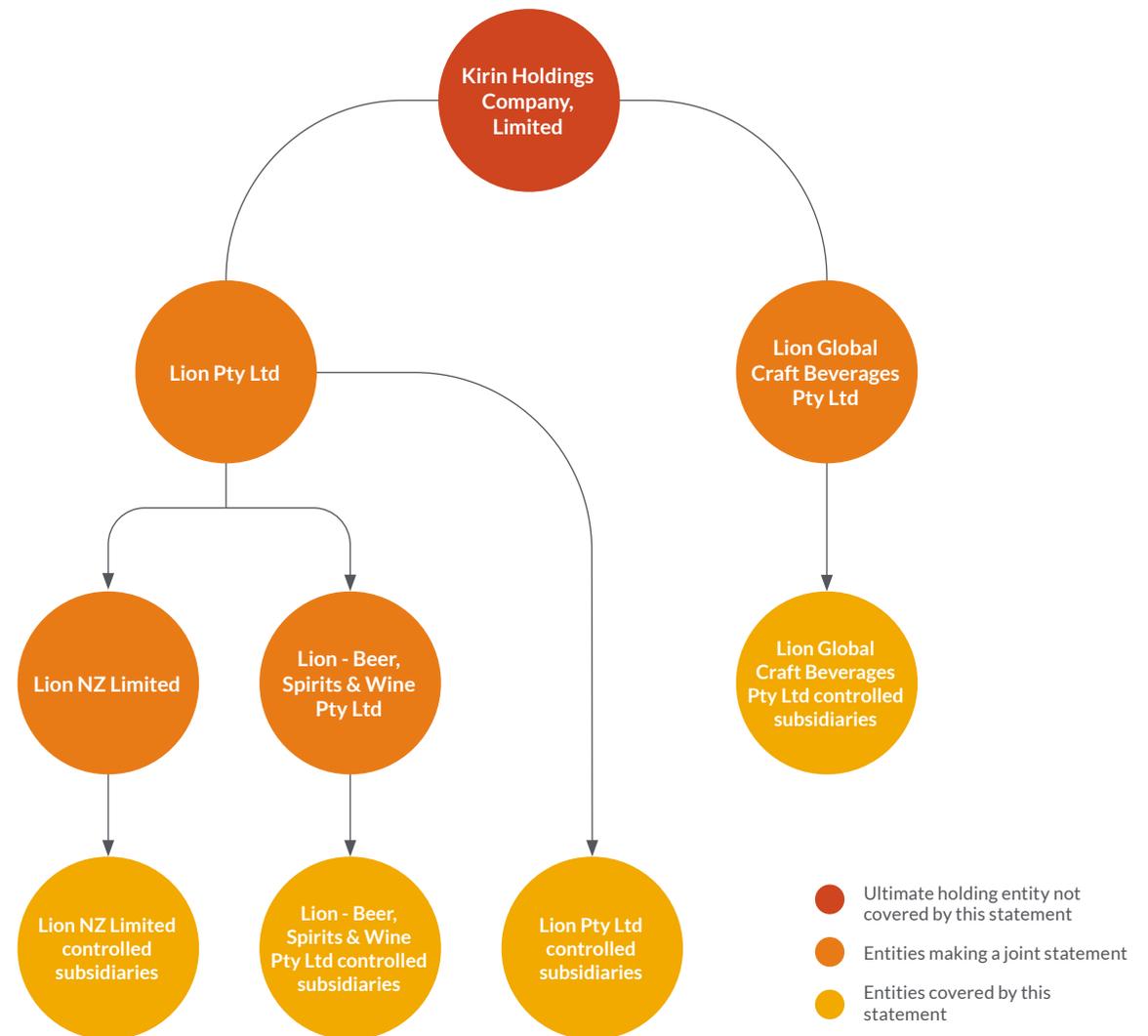
Group General Counsel,
Sustainability and External
Relations Director

Lion Group Structure

This statement is a joint statement made by Lion Pty Ltd (the ultimate parent company for Oceania), Lion Global Craft Beverages Pty Ltd (the ultimate parent company for the UK and USA), Lion-Beer, Spirits & Wine Pty Ltd (the head operating Australian entity) and Lion NZ Limited (the head operating New Zealand entity). Other than these entities, no other Lion Group entity meets the reporting entity criteria under the Modern Slavery Act (Cth) 2018 or the Modern Slavery Act (UK) 2015.

References to “we”, “our” and “Lion” are references to each of those entities unless otherwise specified and “Lion Group” is a reference to each controlled Lion entity.

As at 31 December 2021, the Lion Group comprised 47 controlled entities spanning across Australia, New Zealand, the UK, USA and Singapore. A complete list of Lion Group entities as at 31 December 2021 is set out in Appendix 1. The Lion Group is part of the Kirin family of companies.



Simplified structure of the Lion Group reporting entities covered by this statement.

Our Business

Lion's history extends back to the 1800's, starting life in New Zealand. Today we are proud to manage a leading portfolio of beer, seltzer, spirits, wine, coffee and kombucha brands. We produce, market, sell and distribute these products across Australia, New Zealand, United Kingdom and the United States and operate microbreweries and hospitality venues worldwide.



Alongside our own Australian brands, we are joining forces with like-minded souls who share our passion for brewing the best and keeping pace with evolving consumer tastes, including significant shareholdings in the Four Pillars gin and Remedy Drinks kombucha businesses and the purchase of the Fermentum family of brands in December 2021.

Lion is New Zealand's largest alcohol beverage company, and we produce, market, sell and distribute many of our Kiwi friends' favourite drinks.

Lion Global Craft Beverages is the parent company for most of the entities through which we operate 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. As announced in January 2022, we are undertaking a strategic review of the Lion Group UK businesses to determine how to best set Magic Rock and Fourpure up for the future.

Within the US, this includes New Belgium Brewing, which manufactures and sells nationally distributed beer and seltzer brands and, as a B Corp, 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. Additionally, New Belgium Brewing operate two brewpubs in San Francisco.

Although not covered in this Statement, it is worth noting that Lion acquired Michigan's Bell's Brewery, owner of another great portfolio of craft beer brands in November 2021. The Bell's business has come together with New Belgium in the United States, placing the expanded company at the top of the US craft beer market with an extraordinary line up of brands including the #1 IPA brand in the US, Voodoo Ranger, along with Fat Tire, Two Hearted Ale and Oberon Ale. This acquisition was subject to our new Mergers & Acquisitions process which incorporates Modern Slavery due diligence.

Key Brands



Australia



New Zealand

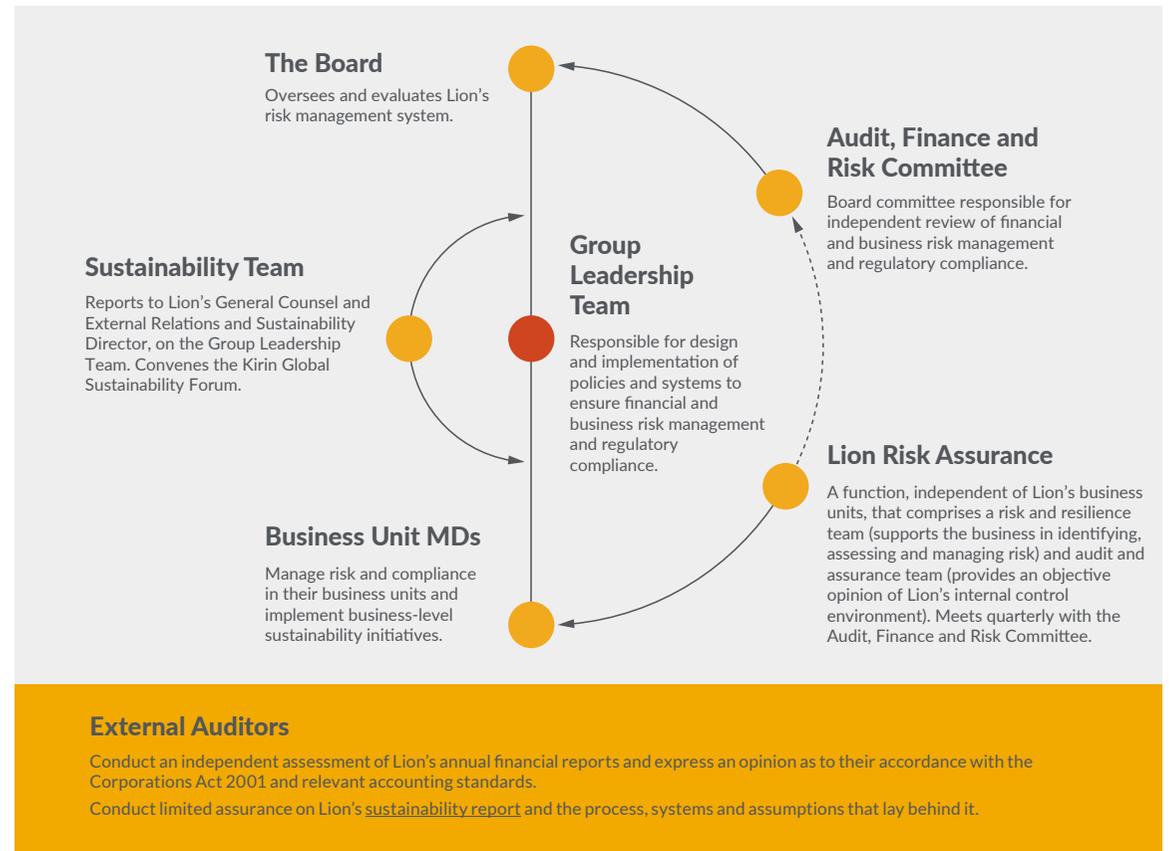


Lion Global Craft Beers

More information regarding our Australian, New Zealand, UK and US brands is provided on our website www.lionco.com.

Modern Slavery Governance at Lion

At the heart of our governance framework is the cross-functional corporate governance structure we have established to support Lion to identify, address and mitigate risk, including Modern Slavery risk, across our own operations and our 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 Audit, Finance 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 and 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. |

Modern Slavery Governance at Lion continued

In addition to our overarching corporate governance structure, our Modern Slavery Management Framework provides rigor and focus for our Modern Slavery approach to identify and address Modern Slavery risks at Lion.



The key elements of the Modern Slavery Management Framework include:

The Modern Slavery Working Group

Comprises representatives from Lion functional teams and from the territories in which Lion operates. This Group oversees the identification, monitoring, and management of Modern Slavery risk at Lion as well as continuous improvement opportunities to ensure we are improving the effectiveness of our program over time. The Group includes representation from Human Resources, Procurement, Risk, Sales and Marketing, Hospitality, Quality, and our UK and US operations. More detail found on page 17.

Lion Policies

Policies which support human rights and promote ethical business and environmental practices are essential to prevent Modern Slavery across our own business and in our supply chain.

| 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 / NBB Code of Conduct / UK People Handbook | These documents outline 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 provides 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 and productive partnerships 2. Promoting Human Rights and Ethical Sourcing 3. 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 its compliance is required and enshrined within suppliers' contractual terms. |
| *NEW Little World Beverages Ethical Trading Policy | Outlines minimum expectations of suppliers in our international markets in promoting decent working conditions in their supply chain. |
| *NEW LWB UK Modern Slavery Policy | Outlines commitment to ethical trading principles and to acquiring goods and services without harm to others. This Policy sits alongside Lion Group's Supplier Responsible Sourcing Code, and Lion Group's Procurement Policy. |

Modern Slavery Governance at Lion continued

Lion's Grievance Mechanism

Lion understands that one of the most effective ways to identify Modern Slavery both within our own operations and our supply base is having an accessible grievance mechanism where employees and people who work for related parties, including suppliers, can report breaches of human rights. The ability to do so anonymously if desired, with the protections available and the transparency of the investigation process contribute to this being a trusted channel for disclosures, and we have expanded the service to better cater to our employees and stakeholders globally. The available channels include:

- 24/7 phone service with dedicated local numbers for AU, NZ, US and UK
- Web portal
- Email
- Mail
- Whistleblower Committee
- Group Leadership Team members
- Audit, Finance and Risk Committee Chair

The program is communicated internally via emails from our CEO, posters at all sites, desktop wallpapers and is promoted in the mandatory Modern Slavery training module. It is featured both on the internal intranet home page and on all pages of our Lion Corporate website.

Access to the Lion Grievance Mechanism is extended to all contractors who are inducted and onboarded to perform work at Lion sites. This occurs via our online induction system whereby contractors complete a site induction module which includes relevant safety information as well as details on how to access the Whistleblower process, support and resources.

In 2021 there were no Modern Slavery related grievances raised via our Whistleblower Hotline across all Lion entities. The re-launch of the Whistleblower Policy and hotline created an increase in the number of disclosures on other matters reflecting a successful awareness and communications campaign.

When a grievance is raised and substantiated through the investigation, we aim to remediate any impacts we may have caused or contributed to. We are in the process of reviewing the opportunity to develop a remediation framework to provide transparency over the approach to achieving this.

Training and awareness

Lion is committed to increasing awareness and building the capability of Lion employees and external parties, including suppliers, to recognise Modern Slavery and other breaches of human rights. We understand that it is through increasing awareness and understanding that employees will be able to identify breaches of human rights and know what to do about it.

The initial roll out of Modern Slavery training included virtual sessions with all global leaders (GLT-2) which numbered 250 people in total. This also included an update to the Lion Pty Ltd Board.

In October we launched our Modern Slavery training module which is mandatory for all Lion Australia and New Zealand employees to complete every two years. The training module includes what Modern Slavery is, how we identify Modern Slavery, how it is relevant to Lion and what we are doing about it.

It was launched in October 2021 and within three months, at the end of 2021, 33% of employees had already completed the training. The training will be available for our US and UK employees in 2022.

From 2022 onwards, the completion of mandatory Modern Slavery training will be linked to performance and remuneration outcomes via a mandatory Force for Good achievement goal. By linking the completion of training to performance or bonus goals, Lion is establishing this as a key priority for the whole business.



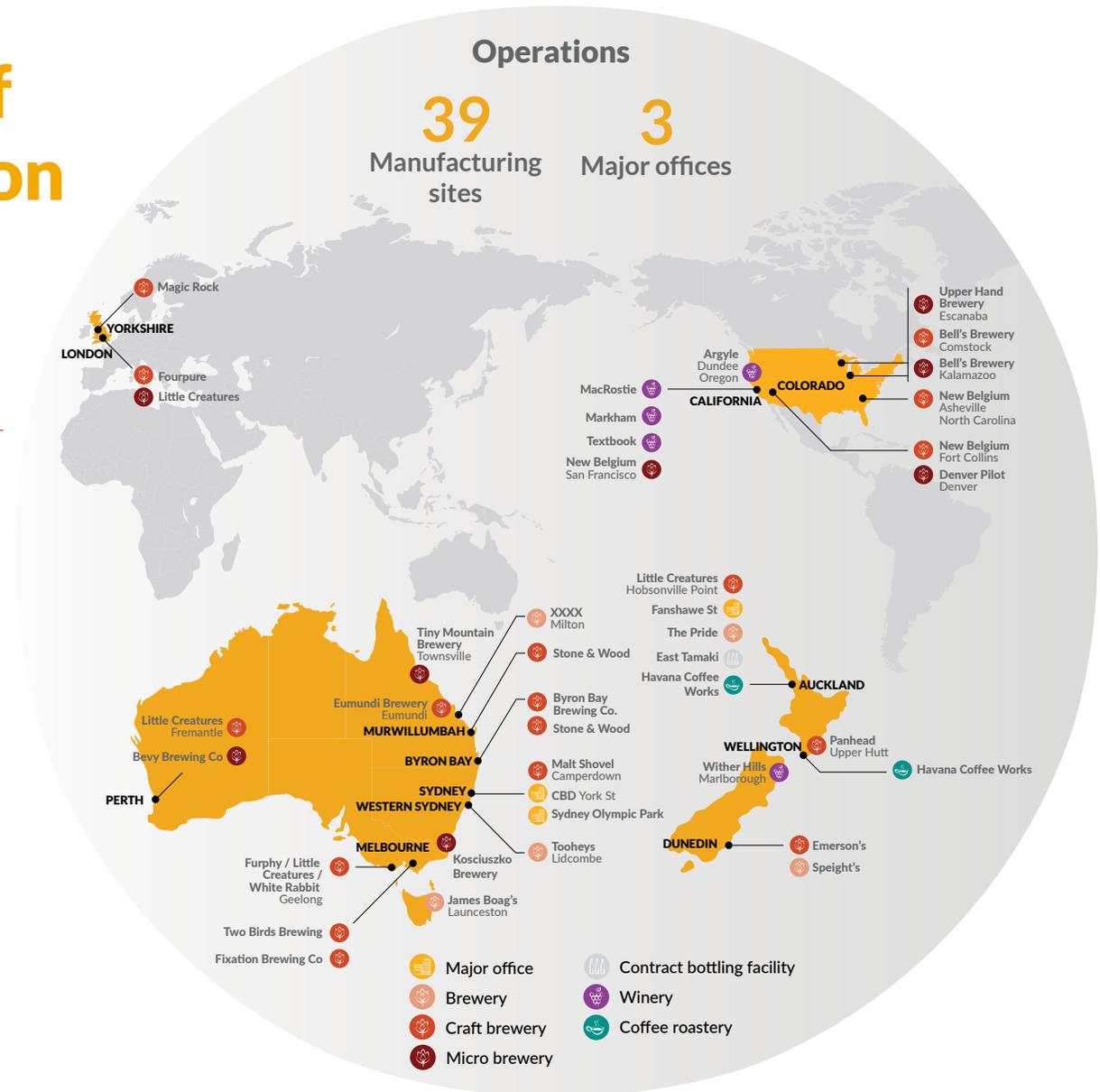
¹ Anti-slavery Australia <https://antislavery.org.au>

Own Operations: minimising the risk of Modern Slavery in Lion operations

Lion sites

Lion's manufacturing footprint extends beyond 39 sites and employs over 4,000 people across its markets.

We acknowledge that our business activities could cause, contribute, or be directly linked to Modern Slavery but we deem the risk of Modern Slavery within our own operations in Australia, New Zealand, the United Kingdom and the United States to be low according to the Global Slavery Index². As per the Global Slavery Index, these countries have a lower estimated prevalence of modern slavery by country. However, we do not take this for granted and continue to perform due diligence on our sites to ensure Modern Slavery in any form does not exist.



2 The Global Slavery Index <https://www.globalslaveryindex.org/>

Own Operations: minimising the risk of Modern Slavery in Lion operations continued

Employee considerations

Most Lion Group employees in Australia and New Zealand are employed directly through individual employment contracts, enterprise/collective agreements or under relevant industry award-based instruments. These instruments are underpinned by Australian and New Zealand employment laws.

Aligned with the ETI Base Code, Lion recognises the rights of employees to negotiate collectively with or without the involvement of third parties (including industrial associations/unions).³ Our Respect and Conduct Policy specifically references individual's freedom to be a member of a trade union (or other freedom of association rights) across our worksites. Lion enjoys a collaborative and positive relationship with the union stakeholders represented across our breweries. Codes of conduct and expectations regarding respectful treatment of all participants are established at the commencement of enterprise agreement negotiations and agreed to by all parties.

Our New Belgium Brewing business and UK businesses also have relevant codes of conduct establishing expectations regarding the respectful treatment of workers.

In our Australia/New Zealand hospitality business, team members who are engaged under a casual contract of employment where the hours are fluctuating depending upon the seasonality and needs of the business, are engaged directly by Lion rather than through a third-party labour provider. Team members under these arrangements are paid in accordance with the industrial instrument relevant to that business, for example, the Hospitality Award in Australia and in New Zealand under the minimum wage provisions.

In our UK operations, all workers, including casual hospitality or operations team members, receive the living wage which is over and above the minimum wage. Across New Belgium, we pay a living wage as defined by the [MIT Living Wage Calculator](https://livingwage.mit.edu/)⁴.

Contractor considerations

In addition to its own employees, Lion also uses indirect labour services including labour hire and operations services. Lion engages third party labour at our breweries to help manage peak volume periods and to supplement labour in times of unplanned leave or to backfill when unexpected events necessitate a short-term increase in labour resources (e.g. floods, coverage during pandemic).

Across our enterprise agreements, workers from third party labour providers who undertake the same job requirements at Lion sites as Lion employees are paid the same base rate of pay as Lion employees with the same skill level. It is contractually the responsibility of the labour hire agency to manage all pay and employment related matters of their employees engaged at Lion sites and Lion takes the following steps to ensure that contractual responsibility is complied with:

- Our contractual agreements with labour hire agencies and operations services providers include clauses related to Modern Slavery and our expectation is that they will adhere to the minimum standards established by legislation and outlined in Lion's Responsible Sourcing Code.
- Similarly, in the UK we work closely with third parties that support the UK business to ensure they meet the standards we set with candidates they introduce to us. This includes ensuring they receive the correct pay for the work they undertake, training and skills to be successful in their respective role and, where applicable, meeting other legislative requirements (e.g. IR35 checks).

Operations services include the outsourcing of various operational tasks performed at the Lion sites including cleaning and security. The service provider is responsible for delivering the service and pays workers either directly or through subcontractors. Lion recognises that operations services is an area of higher risk for Modern Slavery since the workforce is characterized by a higher portion of migrant or unskilled workers who may be less familiar with their rights and available protections. To mitigate this risk Lion conducts a rigorous pre-screening, supplier evaluation and onboarding process to ensure that all relevant policies and procedures are in place to protect workers responsible for delivering the services at our sites. As with temporary labour, all contractual agreements include clauses related to Modern Slavery and our expectation is that they will adhere to the minimum standards established by legislation and outlined in Lion's Responsible Sourcing Code.

For all contractors that come onto Lion sites, their induction includes information on the availability of the Lion Whistleblower Hotline where they can report any breaches of labour relations or human rights, including underpayment or other forms of mistreatment.

Annual self-assessment process

To further enhance the transparency of our own operations, Lion sites complete an annual self-assessment questionnaire (SAQ) in Sedex. This allows Lion to share with its customers and supplier's the policies and processes related to business ethics, health and safety, human rights and labour standards and the environment. By openly sharing this information Lion seeks to increase transparency in our end-to-end supply chain.

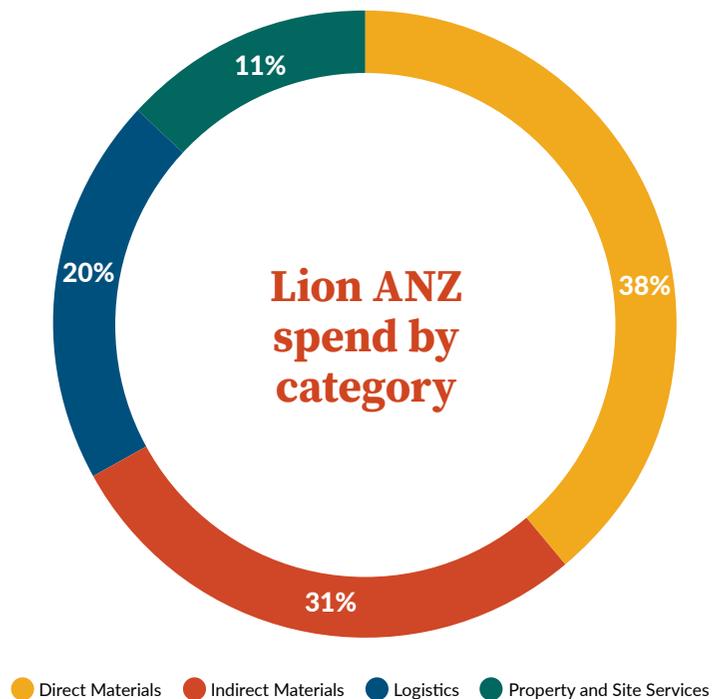
Additional due diligence performed during the Mergers and Acquisitions process

Lion's mergers and acquisition process was updated in 2021 to respond to Lion's increased focus on Modern Slavery. Specific Modern Slavery questions have been included in the precedent due diligence process. Doing this ensures that all aspects of Modern Slavery, including risk, are considered during the M&A process or where there are changes in the levels of control.

³ ETI Base Code <https://www.ethicaltrade.org/eti-base-code>

⁴ MIT Living Wage Calculator <https://livingwage.mit.edu/>

Supply Chain: minimising the risk of Modern Slavery in our supply chain



Lion's Supply Chain

Globally, 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.

In 2021, Lion Australia and New Zealand engaged with more than 3000 suppliers from 22 countries where 98% of our suppliers are Australia and New Zealand based.

Lion's largest global category of spend is Direct Materials. Direct Materials are those which are incorporated into the production of our final product and include ingredients such as hops and barley as well as packaging materials including glass bottles, aluminium cans, corrugate and paperboard cartons.

Our second largest global category of spend is Indirect materials and services which are those that do not feature in the final product but are necessary to carry out the production, marketing, sales and support functions, including Information Technology (IT), Human Resources and Finance. Examples include media buying, creative agencies, consulting, contingent labour, IT hardware and software/licenses.

The Logistics category includes all freight and distribution services required to get product to the end customer.

The Property and Site Services category includes all property leases, maintenance repair and operations, engineering services and site related services like cleaning and security services.

Globally, Lion mainly purchases from established and trusted suppliers with advanced systems and processes to reduce the risk of Modern Slavery and human rights violations. 98% of Australian and New Zealand spend is with well-established suppliers based in Australia and New Zealand.

Even though the risk of Modern Slavery is low, we continue to identify and manage Modern Slavery risk in our supply chain through our Responsible Sourcing program and robust Procurement processes.

Supply Chain: minimising the risk of Modern Slavery in our supply chain continued

Lion's Responsible Sourcing Program

The basis for Lion's Responsible Sourcing program is our [Procurement Policy](#) and our [Supplier Responsible Sourcing Code](#) (the Code).

At a minimum, all suppliers to the Lion Group in Australia & New Zealand must accept the Lion Responsible Sourcing Code and will be subject to ongoing monitoring (media, NGO, government scrutiny). Although globally applicable, we continue to work with our US and UK businesses to increase the acceptance of these standards by our suppliers.

If a supplier is deemed as having a higher risk for Modern Slavery, they will be required to be more transparent through sharing Self-Assessment Questionnaire (SAQ) data and may need to undergo a social audit. From 2022 forward, a key part of our Responsible Sourcing program will include social audits on selected suppliers where a higher risk of Modern Slavery has been identified. We have targeted 5-10 suppliers in our pilot program.

If a supplier fails to comply with any aspect of the Code or has been found in breach (through regulator enforcement action or media reports), Lion will seek to understand the cause and actions taken to remedy the breach. Lion reserves the right to terminate a relationship with any supplier that repeatedly fails to comply with our Code or does not provide adequate remedy to any breach. We have not been required to terminate any relationships to date.

Supplier risk segmentation

During 2021 we carried out an updated supplier risk segmentation across our tier one supplier base of 3000+ Australian, New Zealand and US suppliers. Tier one suppliers are those we have direct contractual relationships with.

This new segmentation utilized several external data sources to plot suppliers into the relevant risk segment. This is a significant improvement on the previous segmentation which was largely based on spend versus actual risk.

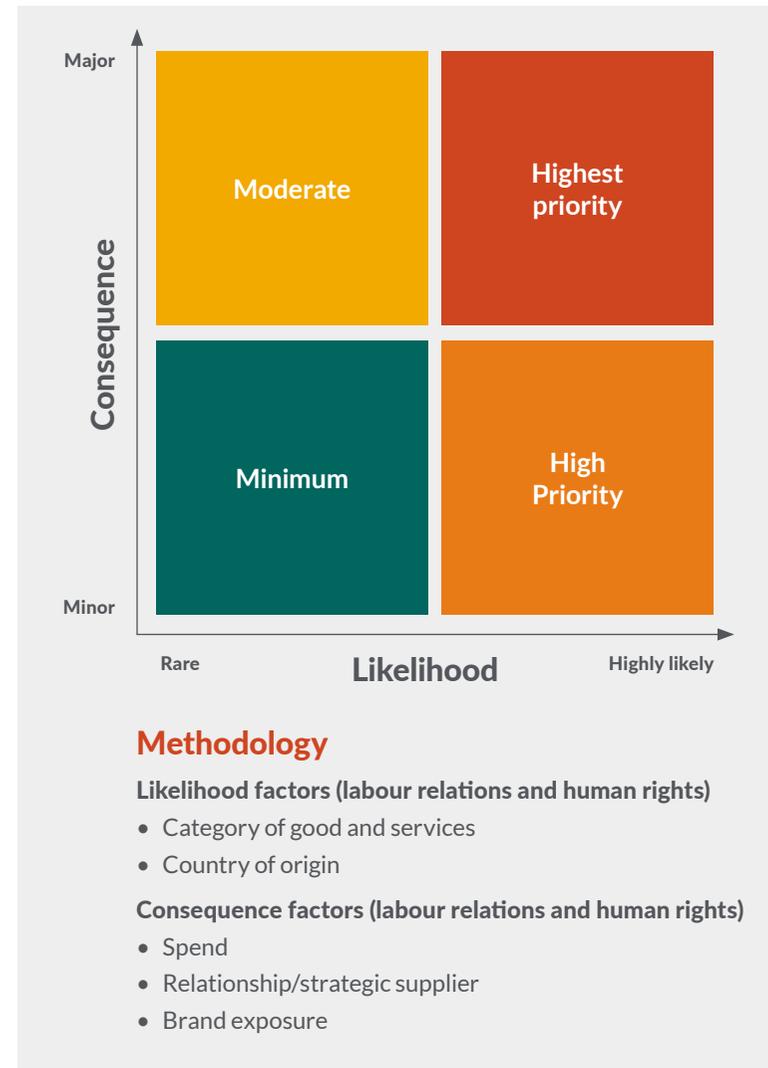
The risk assessment consisted of:

- **Likelihood** factors including category of goods and services and country of origin
- **Consequence** including spend/impact, brand exposure and type of relationship

The new model utilises external benchmarking data to assess the level of Modern Slavery risk associated with each supplier. Sources of data used in segmentation included:

- List of Goods Produced using Child Labour or Forced Labour⁵ (TVPR),
- Trafficking in Persons Report⁶ (TIPR),
- Research in 43 Commodities Worldwide⁷,
- Global Slavery Index⁸,
- Global Estimates of Modern Slavery⁹ (ILO),
- Atlas Method Rankings¹⁰ (LSE and LMIE),
- ITUC Global Rights Index¹¹.

An overview of the new segmentation and methodology is found right.



5 <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

6 <https://www.state.gov/reports/2021-trafficking-in-persons-report/>

7 <https://www.verite.org/wp-content/uploads/2017/04/EO-and-Commodity-Reports-Combined-FINAL-2017.pdf>

8 <https://www.globalslaveryindex.org/>

9 https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

10 <https://databank.worldbank.org/data/download/GNIPC.pdf>

11 <https://www.ituc-csi.org/2021-global-rights-index>

Supply Chain: minimising the risk of Modern Slavery in our supply chain continued

From the updated risk segmentation, commodities of high risk identified for Lion globally include:

- Agricultural products, particularly wine growers and fruit juice
- Coffee
- Labour hire providers, particularly related to operations services for example cleaners and security
- Pallet suppliers
- Promotional items, uniforms and PPE suppliers

To operationalise the segmentation, a new supplier management framework was developed which dictates associated supplier treatments based on risk to the Lion business. The greater the risk, the more transparency is required.

| | All | Minimum | Moderate | High Priority | Highest Priority |
|---|-----|---------|----------|---------------|------------------|
| Conduct Social Audits with associated Corrective Action Plans OR Mutual Recognition Audit Schemes / sharing of existing audit reports | | | | | ✓ |
| Onboard to Sedex and complete annual SAQ | | | | ✓ | ✓ |
| Complete Lion-SAQ annually | | | ✓ | | |
| Training and Education | | | ✓ | ✓ | ✓ |
| Ongoing monitoring of suppliers via monitoring tool | ✓ | ✓ | ✓ | ✓ | ✓ |
| Accept Supplier Responsible Sourcing Code | ✓ | ✓ | ✓ | ✓ | ✓ |

Robust Procurement Processes

Our Procurement processes, tools, and templates (sourcing and contracting) were also further enhanced to support the procurement team to identify Modern Slavery risk. We strengthened our sourcing and contracting processes by including pre-screening questionnaire included in tender documentation which will enable category managers to identify potential risk prior to contracting a supplier. If required, subsequent mitigation plans can be built into the contract to ensure compliance to our Responsible Sourcing Code.

Supplier Training

It is important that our suppliers understand their responsibilities under the Code. Following the establishment of our new Responsible Sourcing framework in 2022, we intend to roll out supplier training starting with 20-30 of our highest priority suppliers. The training will include an overview of modern slavery generally and specifically how Lion is tackling the issue of modern slavery and other human rights issues in our own operations and our broader supply chain. Importantly we will share the minimum expectations of our suppliers in terms of business ethics, health and safety or workers, human rights and labour relations and the environment.

Increased global supply chain transparency

Over the Reporting Period we have increased transparency in our global supply chains, particularly New Belgium and Havana Coffee Works. This increased transparency was achieved through an in-depth risk assessment of tier one suppliers to identify if and where Modern Slavery risk exists. The risk assessment used the same methodology as that used for Australia and New Zealand.

The review of New Belgium's supply chain revealed low risk for Modern Slavery, per the Global Slavery Index, with >95% of goods and services sourced from US based suppliers. New Belgium is currently in the process of rolling out the Supplier Responsible Sourcing Code to their supply base.

A review of Havana Coffee Works' supply chain revealed high inherent risk for Modern Slavery. This is due to coffee being a high-risk commodity, being sourced from high risk geographies such as Mexico, Honduras, Columbia and Guatemala. However, Havana prides itself on sourcing the highest quality beautiful coffees ethically grown and directly traded from countries of origin. Havana choose to buy from producers who farm sustainably and in turn contribute to their communities through economic and social return. Havana pays premium prices in recognition

of the coffee farmers and the importance of the industry to the many struggling regions where coffee is grown. They pay over and above Fairtrade benchmarks. As part of our REALTRADE relationships, frequent visits are typically made to origin where we see for ourselves how life can be for the farmers and their families, and how vital it is that they get remunerated fairly.

Over the past two years COVID has drastically reduced the ability of our Havana team to meet with farmers face to face. Over the course of the pandemic, we have maintained all our supplier relationships and continued to pay above Fairtrade benchmarks. As restrictions are lifted, the Havana team will be prioritising visiting the coffee farms to see how the farmers and their families are faring.

Promoting best practice

Lion participates in the Sedex ANZ Advisory Group designed to share responsible sourcing best practice, tools and templates across Sedex users. This group meets periodically to consider and discuss a wide range of topic, including for example the challenges for responsible sourcing, and the application of successful grievance mechanisms. Such collaboration and sharing of information aims to increase understanding, capability and awareness of Modern Slavery in our relevant industries.

Lion's response to COVID-19

Lion recognises that COVID-19 may have increased the vulnerability of some workers to Modern Slavery in our operations and supply chains through factory shutdowns, order cancellations, workforce reductions and sudden changes to supply chain structures.



Pub closures affected many aspects of the Lion business

A key focus for Lion during 2020 and 2021 was protecting the health and safety of our workforce, particularly those unable to work from home. Apart from the standard regulatory requirements, Lion provided additional support to all employees including paid personal (sick) leave for those who contracted COVID-19, and paid special leave for those impacted by COVID-19 as close contacts, caring for others or to meet self-isolation requirements. Lion provided all employees two days paid vaccination leave to support the vaccination process which ultimately reduced ongoing disruptions and constrained working conditions.

Throughout the pandemic, Lion maintained its supplier relationships and fostered open communications to understand key challenges faced by our suppliers. We held two webinars with our key suppliers to share key learnings from our experience with relevant health authorities and best COVID related practices.

We also recognised that COVID-19 amplified the risk with certain suppliers such as cleaning services which have been in high demand during the pandemic. We worked very closely with our cleaning suppliers, communicating our requirements to enable them to respond accordingly. Open, regular communication and collaboration was key to ensuring our cleaning suppliers could respond in adequate time.

Our cleaning contractor recently received the Site Services Supplier of the Year Award for their outstanding contribution to the Lion business during 2021.

Additionally, our Whistleblower Hotline was available to any employee or supplier of Lion who wished to report any human rights or labour relations violations, but no incidences were reported during the Reporting Period through this mechanism.



Keeping up communication during COVID

Assessing the effectiveness of our actions and future plans

Much of the focus during 2021 has been on developing and embedding the key elements of the Modern Slavery Management Framework. The emphasis has been on building a sustainable foundation for identifying and addressing Modern Slavery risk so that it becomes part of BAU (business as usual) versus being a tick box exercise.

Key Performance Indicators

Below are the key performance indicators used to measure how successful our Modern Slavery approach is in minimising risk to people within our own operations and our broader supply chain.

| Measures | F22 target |
|--|------------|
| Number of modern slavery related grievances raised | 0 |
| Number of modern slavery cases confirmed | 0 |
| Number of (Lion) sites completed due diligence (Sedex SAQ) | 20 |
| In scope suppliers* completed due diligence (Sedex SAQ) | >65% |
| Number of (supplier) sites completed due diligence (social audit or equivalent) | 5 |
| Number of ANZ employees having completed Modern Slavery training | >95% |
| Number of senior leaders (including Board) annually briefed on modern slavery risk at Lion | 100% |

* Based on new segmentation performed in 2021

Measuring effectiveness

To measure effectiveness, we need to measure change over time, and this is a focus in 2022 and beyond. For example, anecdotally we know that 35% of our people are more aware of Modern Slavery and how it shows up at Lion having completed the training. What we want to be able to measure is what impact has this knowledge had over time.

One of the key ways we seek to measure the effectiveness of our Modern Slavery approach is through periodic reviews / gap analyses conducted by the Lion Risk Assurance (LRA) team. These periodic reviews conducted in tandem with expert management consultants will assess the Modern Slavery Management Framework in alignment with the obligations under the Commonwealth Modern Slavery Act 2018 as well as other best-practice international standards, and human rights benchmarking exercises.

In March 2021, the Lion Risk Assurance team published the Internal Audit Report on Ethical and Responsible Sourcing. The objective of the review was to identify recommendations that could support Lion to uplift the current state of its approach to Modern Slavery and responsible sourcing practices in line with its strategic priorities.

The review did not identify any clear instances of non-compliance. However, consistent with a continuous improvement approach, Management Action Plans (MAPs) were identified and used to establish a three-year continuous improvement plan on our Modern Slavery approach.

Accordingly, the table below highlights the continuous improvement focus areas for Lion, key improvements from 2021 and future plans to enhance the effectiveness of our program in 2022 and beyond.

| Continuous Improvement focus area | Key Improvements in 2021 | Future Plans |
|---|---|--|
| Enhancing Governance and Reporting | | |
| Ensure responsibilities for progressing the various initiatives aimed at addressing Modern Slavery requirements and managing risks and issues are assigned | <ul style="list-style-type: none"> Established the Modern Slavery Working group with Group Leadership Team (GLT) oversight, Board endorsement and cross-functional, cross-company, cross-country representation. | <ul style="list-style-type: none"> Continue to develop meaningful KPIs for measuring the effectiveness of our program |
| Measurement of progress and performance should be enhanced to enable a culture of continuous improvement in responsible sourcing across Lion | <ul style="list-style-type: none"> The group meets quarterly to review all continuous improvement opportunities and report back to the Board. | |

Assessing the effectiveness of our actions and future plans continued

| Continuous Improvement focus area | Key Improvements in 2021 | Future Plans |
|--|---|---|
| Uplift in Capability and Training | | |
| Building capability and knowledge in our own operations not only ensures our employees are educated on their own rights, but also ensures that team members in supplier-facing roles are alert to the risks in our supply chain, and know when and how to escalate concerns | <ul style="list-style-type: none"> Launched mandatory Modern Slavery training to all Lion employees in AU and NZ | <ul style="list-style-type: none"> Launch Modern Slavery training to non-ANZ based employees |
| External Stakeholder Engagement | | |
| Ensure suppliers are aware of and have accepted commitments in the Supplier Responsible Sourcing Code and that Procurement related processes (sourcing and contracting) are robust | <ul style="list-style-type: none"> Established a process that requires positive confirmation from key suppliers acknowledging that they have read and accepted the terms of the Supplier Responsible Sourcing Code, to ensure that the code is consistently communicated across the business Updated the rules and guidance on sustainable procurement related procedures for the contract management and tendering processes to ensure that high environmental, social and governance risks in supplier categories are consistently considered | <ul style="list-style-type: none"> Training for suppliers on the Lion Responsible Sourcing Code Continuous monitoring of procurement process to ensure correct application of Modern Slavery contract requirements Further development of external stakeholder engagement with industry groups to amplify the effectiveness of our program Identify opportunities to work with external stakeholders (eg. suppliers) on positive impact projects such as traceability of products from "grain to glass" |
| Global application of policies | | |
| Ensure all policies and site-specific codes of conduct address Modern Slavery requirements and human rights commitments and are applied globally | <ul style="list-style-type: none"> Conducted a gap analysis on country specific codes of conduct to ensure they addressed Lion's Modern Slavery requirements and supported our Human Rights commitments. All were found to be compliant | <ul style="list-style-type: none"> Ensure relevant policies are reviewed and updated on a periodic basis to continue to be relevant |

| Continuous Improvement focus area | Key Improvements in 2021 | Future Plans |
|--|--|--|
| Risk Identification and Management | | |
| Having a robust process for identifying and addressing Modern Slavery risk within own operations and the broader supply chain is key to managing Modern Slavery risk | <ul style="list-style-type: none"> The approach for identifying Modern Slavery and responsible sourcing risks was enhanced through the new risk segmentation for tier one suppliers The approach for managing and mitigating identified Modern Slavery and responsible sourcing issues and risks was enhanced by the development of the new supplier management framework Conducted a risk assessment to identify higher-risk own-operated sites globally Ensuring human rights risks are identified /considered as part of the merger and acquisition process | <ul style="list-style-type: none"> Establish training sessions for high risk suppliers Increase transparency beyond tier one suppliers starting with high risk suppliers Explore the use of technology to monitor the risk of suppliers |
| Grievance Mechanism | | |
| We have a zero-tolerance approach to human rights violations in our own operations and our supply chain. It is good to note that during the Reporting Period, as per the previous Reporting Period, we had zero human rights related grievances raised. We believe this is predominately since Lion operates in countries with substantive legislative requirements protecting workers and their rights. However, we do not take this as a given and will continue to increase the availability and trustworthiness of our Whistleblower Hotline. | <ul style="list-style-type: none"> Zero human rights related issues raised during the Reporting Period Whistleblower Policy was relaunched globally in February 2021. The communication plan was widespread including an email from our CEO, posters at all sites, desktop wallpapers, and the Policy is called out the internal intranet and promoted externally on the Lion Corporate website. Communicated grievance mechanisms to suppliers and workers in the supply chain through the induction process. | <ul style="list-style-type: none"> Continue to promote the Whistleblower Policy across Lion Group entities and availability of the associated grievance mechanism. |

Consultation

The formal consultation process with Entities relevant to this statement is embedded through the operation of the Modern Slavery working group. This cross-functional, cross-company, global working group ensures specific representatives of the reporting entities covered by this statement are directly consulted during the writing and approval of this statement, including those reported voluntarily.

Below is a stakeholder map and associated roles and responsibilities of those on the working group.

| Board/GLT | WG Lead | Legal/ External Relations | People and Culture | Procurement | Supply Chain | Health and Safety | Sustainability | Risk | Sales/ Hospitality | Marketing | NZ Rep | UK Rep | US Rep |
|--|---|---|--|--|--|--|------------------------------------|--|---|--|---|---|---|
| Overall accountability for Modern Slavery at Lion | Responsibility for establishing Terms of Reference and project managing actions through to completion | Ensures legal compliance; protects against litigation / Protects brand and reputation | Develops hiring practices; codes of conduct; trains employees; identifies and manages risk to people | Seeks out new suppliers; manages suppliers day-to-day; develops relevant policies and codes of conduct (supplier expectations) | Manufactures product; engages with suppliers | Identifies health and safety risk; develops policies and process to protect workers safety | Identifies and manages social risk | Integrate Modern Slavery risk into broader risk management framework; responsible for development of independent Grievance mechanism | Manages customer relationships; provides customer insight | Manages brand; provides industry insight | Provides NZ perspective in identifying and addressing Modern Slavery risk | Provides UK perspective in identifying and addressing Modern Slavery risk | Provides US perspective in identifying and addressing Modern Slavery risk |

Review and approval

This statement is made pursuant to the Modern Slavery Act (Cth) 2018 and Modern Slavery Act (UK) 2015 and with respect to the calendar year ending 31 December 2021 (the 'Reporting Period').

The statement was reviewed and approved by the Lion Pty Ltd Board on 27 June 2022

An index has been provided to guide readers to information related to each mandatory reporting criteria (see Appendix 2).

Signed by



Stuart Irvine

Chief Executive Officer

Date: 27th June 2022



Appendix 1: Subsidiaries and Investments

| Name of Subsidiary | ACN/Company Number/file number/ Entity ID | Lion % Shareholding (direct or indirect) |
|---|---|--|
| Lion Pty Ltd (128 004 268) | | |
| Kirin Foods Australia Holdings Pty Ltd | 112 596 370 | 100% |
| Lion - Beer, Spirits & Wine Pty Ltd | 008 596 370 | 100% |
| Lion Liquor Retail Ltd | 102294 | 100% |
| Lion Nathan Finance (New Zealand) Ltd | 527808 | 100% |
| Lion Nathan Insurance (Singapore) Pte. Ltd. | 199306327W | 100% |
| Lion Nathan USA (Holdings), Inc | 760139-87 | 100% |
| Lion Nathan USA, Inc. | 740078-82 | 100% |
| Lion NZ Ltd | 33986 | 100% |
| Marine Stores Pty Ltd | 007 512 647 | 75% |
| Markham Vineyards | C0814490 | 100% |
| Morelli Vineyards LLC | 201405910192 | 100% |

| Name of Subsidiary | ACN/Company Number/file number/ Entity ID | Lion % Shareholding (direct or indirect) |
|--|---|--|
| Lion - Beer, Spirits & Wine's Pty Ltd's Investments (direct and indirect) | | |
| Brewlife People Pty Ltd | 607 143 153 | 100% |
| Community Investment Collective Pty Ltd | 629 302 067 | 100% |
| Fermentum Pty Ltd | 124 373 324 | 100% |
| Fixation Brewing Pty Ltd | 608 981 960 | 100% |
| Forest for the Trees Pty Ltd | 622 553 815 | 100% |
| Ingrained Foundation Pty Ltd | 623 241 529 | 100% |
| Kombucha Brewing Co Pty Ltd | 608 314 889 | 100% |
| Square Keg Pty Ltd | 606 414 304 | 100% |
| Stone & Wood Brewing Company Pty Ltd | 124 487 510 | 100% |
| Stone & Wood Brewing Co UK Ltd | 10176108 | 100% |
| Stone & Wood Bricks and Mortar Pty Ltd | 608 239 998 | 100% |
| Sunrise Drinks Company Pty Ltd | 638 637 251 | 100% |
| Tuns Tanks & Trucks Brewing Company Pty Ltd | 641 464 173 | 100% |
| Two Birds Brewing Company Pty Ltd | 607 327 944 | 100% |
| Vanguard Luxury Brands Pty Ltd | 128 867 176 | 100% |

Appendix 1: Subsidiaries and Investments continued

| Name of Subsidiary | ACN/Company Number/file number/ Entity ID | Lion % Shareholding (direct or indirect) |
|--|---|--|
| Lion NZ Ltd's Investments (direct and indirect) | | |
| Coffee Imports Ltd | 1266090 | 100% |
| Coffee U Feel Ltd | 5780067 | 100% |
| Deluxe Coffee Roasters Ltd | 2321109 | 100% |
| Havana Coffee Works Ltd | 1256288 | 100% |
| Lion NZ Remote Sales Ltd | 8191925 | 100% |
| LLR Remote Sales Ltd | 8191940 | 100% |
| Panhead Custom Ales Ltd | 5983429 | 100% |
| The Emerson Brewing Company Ltd | 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) | | |
| Bell's Brewery, Inc | 38-2467659 | 100% |
| Bell's Properties, LLC | 26-2368027 | 100% |
| Fourpure Holdco Ltd | 07779626 | 100% |
| Fourpure Ltd | 07777184 | 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 | 84-1225570 | 100% |
| Oxbow Properties, LLC | 45-2628524 | 100% |
| Ripple by the Bay, LLC | 82-2540685 | 100% |

Appendix 2: Index

| Mandatory Criteria | Australian MSA | UK MSA | Location of Information |
|---|----------------|--------|-------------------------|
| Identify the reporting entity | X | | p4 |
| The reporting entity's structure, operations and supply chains | X | | p4, p9, p11 |
| 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 | p9-10, p11-13 |
| 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 | p6-8, p10, p12-13 |
| How the reporting entity assesses the effectiveness of these actions | X | X | p15-16 |
| The process of consultation with any entities the reporting entity owns or controls | X | | p17 |
| Lion's response to COVID-19 | | | p14 |
| The training about slavery and human trafficking available to its staff | | X | p8 |
| The policies in relation to slavery and human trafficking | | X | p7 |
| Approval and signature of the statement | X | X | p18 |