

Lion Sustainability Report 2021

FORCE FOR





CONTENTS



9 Environmental

- 10 Climate change
- 13 Circular economy
- 15 Water stewardship



17 Social

- 18 Responsible consumption and transparent labelling
- 22 Social procurement, human rights and responsible sourcing
- 24 Inclusion and diversity
- 27 Mental health and wellbeing
- 30 Community engagement and Indigenous strategy



34 Governance

- 35 Strengthen and safeguard our Governance
- 36 Safety
- 37 Business ethics and compliance

38 Contact us

- 2 About this report
- 2 Highlights
- 3 A message from our Chief Executive Officer
- 4 A message from our Group General Counsel and External Relations Director
- 5 Our business
- 6 Force For Good
- 6 Our material topics
- 7 Our sustainability strategy
- 8 Our sustainability performance





About this report

We are proud to present the **Lion Sustainability Report 2021: Force for Good** which is based on the ESG framework. This allows us to assess the impact of the sustainability and ethical practices of our company.

This report primarily covers Lion's operations in Australasia. Unless otherwise stated, performance data is limited to Australia and New Zealand for the financial year beginning 1 January 2021 through to 31 December 2021 (Lion's financial year is a calendar year and all references to financial year or FY21 in this report cover that period).

Geographical coverage

Our global operations, strategic approach, key categories and key brands are detailed in the infographic on [page 5](#). The report does not cover the operations of our parent company Kirin Holdings Company, Limited (Kirin Group). All dollar amounts mentioned in this report are in Australian dollars, unless otherwise indicated.

To give a broader picture of the sustainability efforts across our growing business we have also featured some data, case studies and brand insights from our Lion Global Craft Beverages operations in the United States.

Report parameters

This report is produced with reference to the GRI Universal Standards 2021 and applicable Topic Standards 2016-2020. Lion Pty Ltd (Lion) engaged KPMG to perform a whole of report limited assurance engagement in relation to the Lion 2021 Sustainability Report. KPMG's scope of work comprised limited assurance over all material text and data claims in the Lion Sustainability Report.

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](#).

Materiality - Reporting on what matters

We seek to constantly improve the relevance of our sustainability reporting. To enhance the materiality of our sustainability reporting this year, Lion engaged KPMG to run a materiality review workshop in February 2022.

Drawing on that independent view and the input of a wide cross-section of internal stakeholders, the workshop sought to identify the environmental, social and governance issues most likely to affect the success of our business.

To update our materiality approach, we took the material topics identified in our previous sustainability report and assessed how they were influenced by factors including:

- sustainability megatrends
- regulatory change
- capital market shifts
- societal expectations in our core markets
- the changing nature of our own business models.

We also tested our thinking about material topics against those of our customers and competitors to validate our views. We then ranked our material topics by relevance and by how much control Lion has over each issue.

The result of this workshop and strategic thinking across the business saw our list of material topics updated to reflect both the nature of our business today and the impact of global sustainability trends.

Our top ten material topics as defined by this process are:

- Climate change
- Circular economy
- Water stewardship
- Responsible consumption and transparent labelling
- Sustainable procurement, human rights and responsible sourcing
- Inclusion and diversity
- Mental health and wellbeing
- Community engagement and Indigenous strategy
- Safety
- Business ethics and compliance

These material topics are aligned with the Lion ESG pillars outlined in our sustainability strategy on [page 6](#).

Note: For a list of entities covered by the report [click here](#).

Highlights

\$2.026bn
Net Sales Revenue
(NZ & AU)

\$246m
Earnings before Interest
and Tax (EBIT) (NZ & AU)

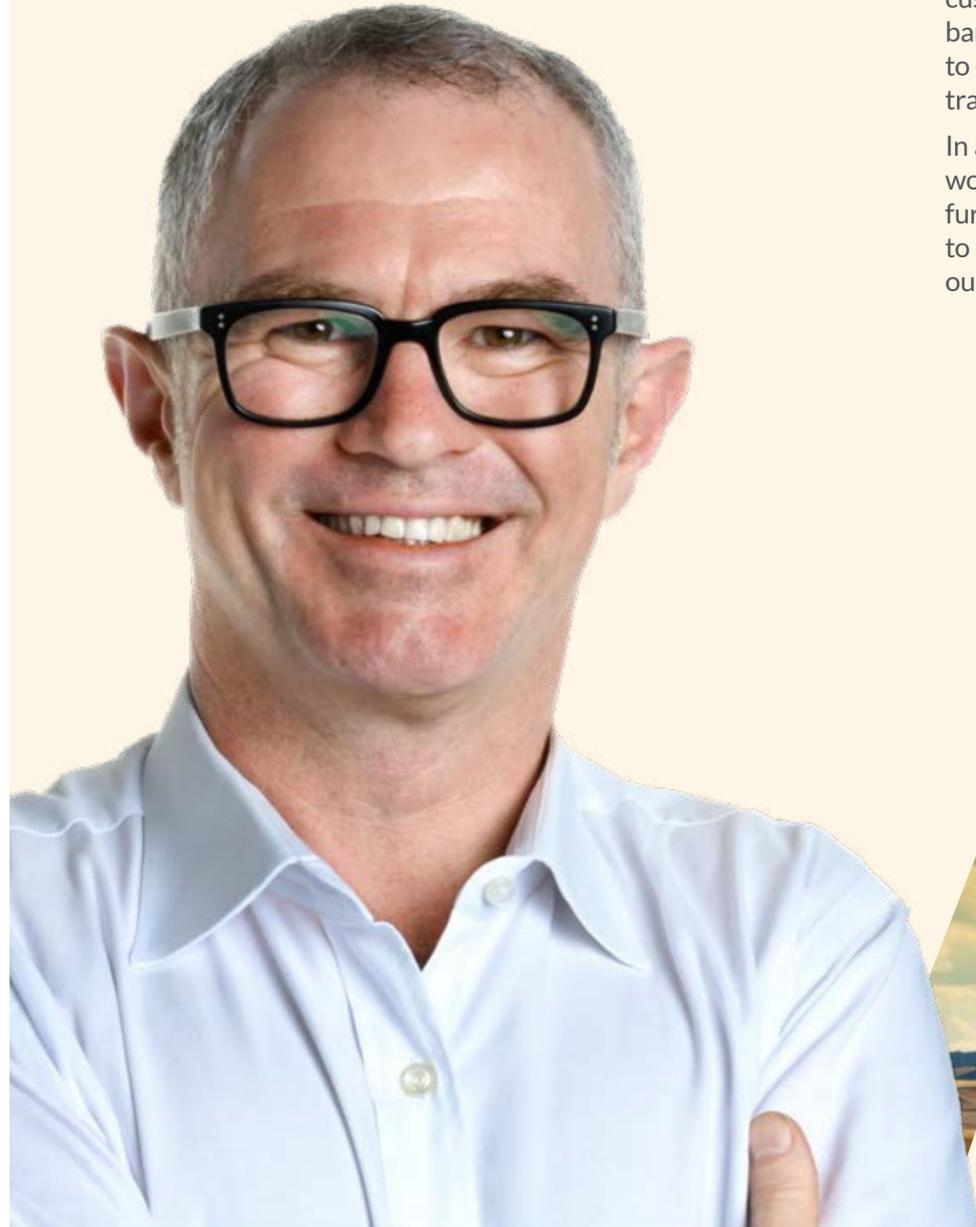
3,490
People Employed Globally

39
Manufacturing Sites Globally

Note: To view our share capital structure, please [click here](#).
To view our total capitalisation, please [click here](#) and [here](#).



A message from our Chief Executive Officer



In 2021 COVID-19 once again disrupted our business and tested our people. I would like to acknowledge and pay tribute to the incredible effort and agility demonstrated by our team – across every corner of Lion in an almost continuously disrupted year.

Our core purpose of championing sociability and helping people to live well was on full display as restrictions were lifted and our customers – pubs, clubs, hotels, bars and restaurants - were able to operate under more normal trading conditions.

In an ever-changing and uncertain world, at Lion we saw the need to further embed our commitment to being a sustainable business in our strategy.

I am proud to say that being a 'Force For Good' now holds a prominent position as one of Lion's five key strategic pillars, committing us to champion a series of ambitious environmental, social and governance initiatives. This report details how we're making it a reality.

In response to the devastating impact of lockdowns on our on-premise customers in Australia in 2021, Lion refunded \$1.9M for 11,680 unused kegs, on top of the \$30M refunded in 2020. As they did in 2020, our people pivoted brilliantly and continued to deliver for our customers through challenging times. I couldn't be prouder of their efforts.

As restrictions eased, our brands were there to welcome people back together and to celebrate the invaluable role our customers play in their communities.

Heineken's Celebrations campaign captured the joy of reunions as the world moved towards the 2021 festive season. **Furphy** marked the reopening of pubs and clubs by making the 'first beer free' for fully vaccinated consumers. We worked with Sydney craft brewer, **Batch Brewing**, to produce a limited-edition Freedom Day Beer to support Clubs across NSW. In New Zealand, we continued our focus on responsible consumption, exceeding our **Alcohol&Me target** by over 10,000, with **47,101** modules completed online. Also, in New Zealand we continued to support the hospitality industry as it swung back into action after lockdown through the **Speights Run Club**, getting hospitality staff outside and exercising.

All these moments reflect both the difficulties our customers and partners faced and the joy of in-person sociability returning once again.

So did National Local Day - 23 March 2021 - which marked the one year since the day COVID-19 forced 12,000 pubs, clubs and bars to shut down across Australia, and a reminder of just how deep the valley was, and how far we have come. This is why sharing a beer face-to-face means so much to us now.

Force for Good as a strategic imperative

Despite the adversity we faced in 2021, we still managed to launch some amazing new beers. We've been challenged by the idea of making great-tasting beers that make responsible consumption easier. Enter James Squire Zero, Steinlager Zero, Speight's Summit 0.0% Lager and XXXX ZERO. What makes these launches even more exciting – and aligned to our Force for Good goal - is that XXXX ZERO and Steinlager beer are certified carbon neutral products – the first of their kind in Australia and New Zealand respectively.

And in the United States, New Belgium brewed a new beer (Biere de Queer) and sent beer boxes containing coming-out story cards to 300 members of the US Congress to support the Equality Act.

This is yet another example of New Belgium's unwavering commitment to doing the right thing for its communities, and using the power of its brand and voice as one of the US's largest brewers for good.

In closing, I would just like to acknowledge this is my last sustainability report as CEO. It has been a privilege to lead such a purpose-led organisation – and such great people – through some of the most challenging times and to see us come out stronger, closer to our customers and working together to make the world a better place, for the long term.

Stuart Irvine
Chief Executive Officer





A message from our Group General Counsel, External Relations Director and Sustainability Director



Championing sociability and helping people to live well is what drives us to create positive change and builds a pathway to tackle some of the biggest social and environmental challenges we collectively face.

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. We want to be a force for good for people and our planet; thinking beyond the short-term and prioritising the needs of future generations.

In other words, 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, what we say and do matters. We're determined to use that power to produce immediate and lasting benefits for society and our environment.

Collectively, we will look back on 2021 as a watershed year for Lion's sustainability culture. We made several large practical steps forward, but just as importantly, made great progress in further embedding sustainability and ESG in our way of thinking, and our business activities

We have redefined our sustainability strategy under an Environmental, Social, Governance (ESG) framework. For us that means becoming a **Force for Good** by:

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

Through our ESG agenda, we are embedding sustainability across all parts of our business including re-thinking our governance structures through the lens of positive impact and doing the right thing for the long term. Orienting around an ESG framework also means we can benchmark ourselves more rigorously. That means we can drive continuous improvement and never settle.

Through our 2022-2025 ESG framework we have set ambitious goals to 2025 and beyond. All these measures will reshape our business for the better and set us up for a sustainable future.

In 2021, we launched our first Reflect Reconciliation Action Plan (RAP), rolled out cultural training and appointed an Indigenous Advisory Council.

We notched up a fourth successive year as an Employer of Choice for Gender Equality (EOCGE) by the Australian Workplace Gender Equality Agency (WGEA) and extended paid parental leave to all our people, regardless of their gender or caring role. In recognition of the lingering effects of lockdowns, particularly isolation and loneliness in regional areas, we partnered with Gotcha4Life to improve mental fitness and encourage conversations around mental health within our communities in which we operate, and amongst our people.

There are several other initiatives outlined in this report, many of which have been driven by our consumer brands. They reflect the passion of our people and their connection to places and customers. Our brands are now responding to concerns around environmental and social issues as our consumers make more conscious decisions when they get to the tap bank or bottle shop.

When it comes to ESG, doing the right thing is a reward in itself however independent, external recognition is always great for morale and reaffirms that we, as a company, truly are leaders when it comes to sustainability! Being joint winner of the Sustainability Award in the Net Zero Action category at the 33rd National Banksia Sustainability Awards was a great full stop to a year focused on climate action.

In closing, I would like to pay tribute to our departing CEO Stuart Irvine. With his deep passion for environmental issues, Stuart has been instrumental in embedding an ESG culture at Lion. On his watch we became Australasia's first large scale carbon neutral brewer, closed our gender pay gap and put sustainability and doing the right thing for the long-term at the heart of our decision-making as a business.

Libby Davidson
Group General Counsel and External Relations Director

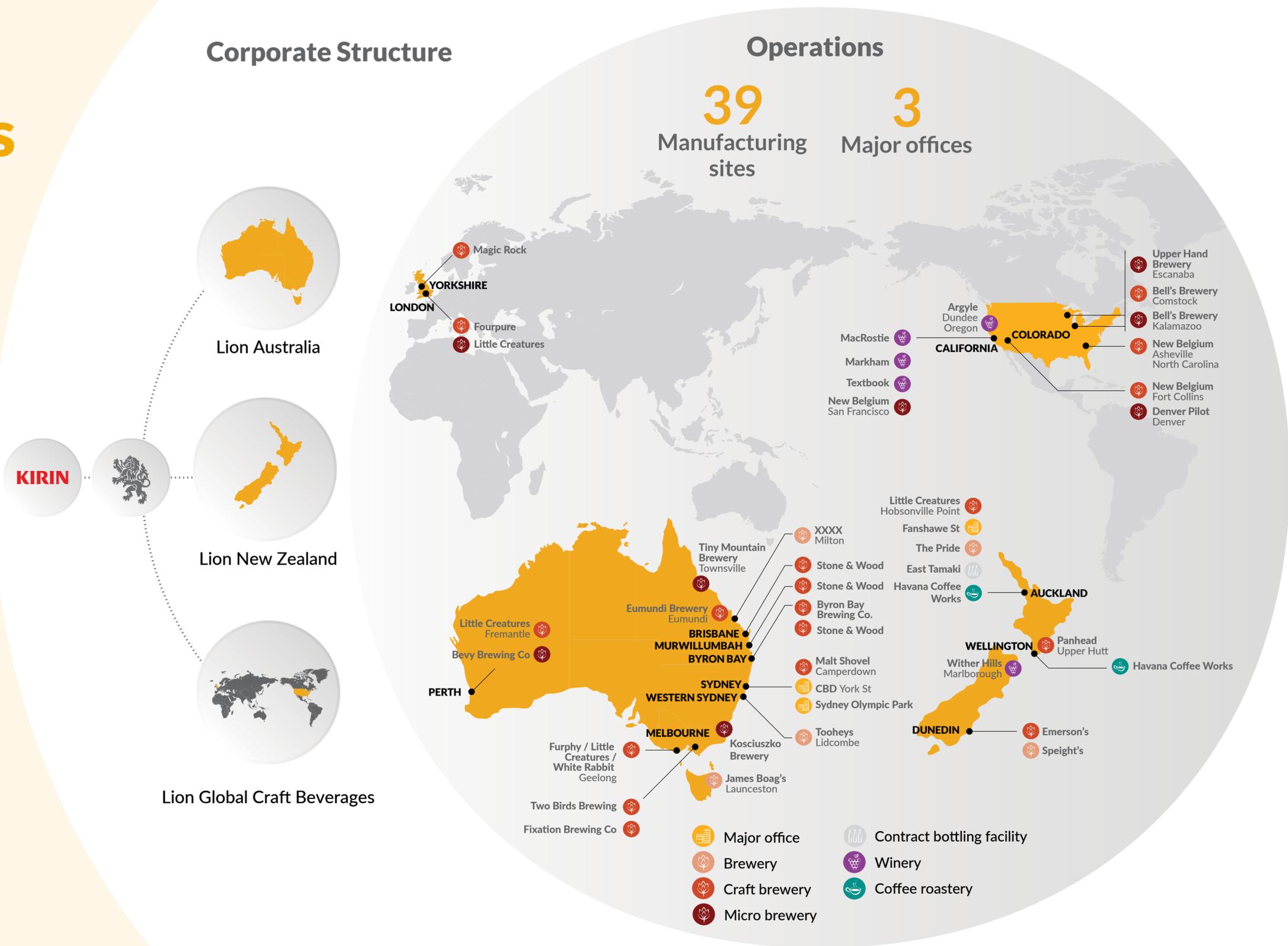




Our business

About Lion

Lion is a leading beverage company and a member of the Kirin Group headquartered in Sydney, Australia. With origins dating back more than 180 years, Lion is known for its commitment to quality, craftsmanship, community and sustainability, and recently became Australasia's first large-scale carbon neutral brewer. Lion is a pioneer in brewing and continues to innovate across a range of adult beverages. Its core beer portfolio includes many locally loved brands in Australia and New Zealand such as XXXX, Little Creatures, James Squire, the Fermentum family of brands including Stone & Wood and Two Birds, Emerson's, Speight's, Steinlager and Panhead, and a growing craft beer presence in the US, having brought New Belgium and Bell's Brewery into the fold. Lion also has an enviable portfolio of wine brands including Wither Hills in New Zealand, Distinguished Vineyards & Wine Partners in North America, a craft spirits distribution arm in Australia in Vanguard Luxury Brands, and a shareholding in Four Pillars Gin. Lion employs close to 4,000 people across its markets.



Key brands



Australia

New Zealand

Lion Global Craft Beverages



Force for Good

Core Purpose:

Be Sociable. Live Well.

Making the world a better place by championing sociability and helping people to live well.

Our Vision:

Our brands bring joy to every adult social occasion.

We will create crafted adult beverage brands and products that consumers love and that brings them and their communities together for sociability and positive human connection.

Being a Force for Good

Our ambition is to be a *Force for Good* by:

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



Environmental

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.



Social

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.



Governance

Governance as an alcohol producer is foundational to our business. This pillar ensures we operate safely, transparently, with integrity and in line with our values and business standards.



Our sustainability strategy



Zero Carbon

Moving towards a zero footprint across our entire value chain.

Water Stewardship

Continuing our efforts to be world-class in water efficiency.

Circular Economy

Reducing the impact of our packaging, and increasing recycled content in our bottles and cans.

Plastics Pledge

Eliminate shrink wrap by 2025 and transition plastic labels to sustainable alternatives by 2030.

Responsible Consumption

Championing the responsible consumption of alcohol through culture-changing products, programs and partnerships.

Inclusive and Diverse Workplace

We are committed to creating a diverse and inclusive workplace, where everyone can be their best authentic selves.

Mental Health in the Community

Growing resilience in our communities, helping to enhance root cause, preventative and treatment solutions.

Indigenous Strategy

Working respectfully and meaningfully with Indigenous communities to drive opportunity and broader cultural change.

Diverse & Ethical Supply Chain

Investing in a responsible and thriving supply chain that positively impacts its people and maximises opportunity.

Everyone Safe Everyday

Ensuring best practice management of everyday risk and building a positive, proactive safety culture.

Policy and Capability

Stewarding leading and evolving policies and capabilities across our business for all our people.

Strategic Accreditation

Achieving meaningful and directive accreditation to help continue to guide our ESG progress.

Best Practice & Reputation

Building ESG communities and embedding commitments into our everyday operations, for everyone, everywhere in our business.



Our sustainability performance

Pillar	Material topic	Indicator	FY21 target (unless stated)	FY21 result	FY22 target (unless stated)	FY25 target (unless stated)
Environmental	Climate change	Scope 1 and 2 emissions (kgCO ₂ e)	55% reduction in carbon emissions by 2030 ¹	28% reduction	55% reduction in carbon emissions by 2030 ¹	55% reduction in carbon emissions by 2030 ¹
	Circular economy	% of recycled content in packaging	At least 50% recycled content by 2025	52%	At least 50% recycled content by 2025	At least 50% recycled content
	Water stewardship ²	Water usage intensity (Water/Production)	<2.4 L/L by 2025	3.5L/L	<2.4 L/L by 2025	<2.4 L/L
Social	Responsible consumption and transparent labelling	Alcohol&Me online modules completed	36,000	47,101	>30,000	FY24: >100,000 ³
	Sustainable procurement, human rights and responsible sourcing	% of high priority suppliers with a risk assessment	>95%	100%	>65% ⁴	FY24: >95% ⁴
	Inclusive & diverse workplace	% of teams meeting gender diversity target ⁵	26.1%	26.5%	34.7%	59.2%
		Gender Pay Gap	+/- 1%	0.7%	+/- 1%	+/- 1%
	Mental health and wellbeing	Number of people reached through key ANZ community partnerships	300	321	>1,300	FY24: > 8,000 ⁶
	Indigenous strategy	Reconciliation Action Plan	Launch Reflect RAP	Reflect RAP launched	Innovate RAP launched	Innovate RAP commitments delivered
Governance	Safety	LTIFR	3.08	1.03	0.83	0.62
		TRIFR	3.38	2.48	2.27	1.49
	Business ethics and compliance	Adverse regulatory findings	No adverse regulatory findings	No adverse regulatory findings	No adverse regulatory findings	No adverse regulatory findings
		Anti bribery and corruption training module completion rate	>90%	96%	>90%	>90%
		Competition law compliance training module completion rate	>90%	93%	>90%	>90%

1 Reduction in carbon emissions from FY19 baseline.

2 The water target and performance data relate to our four major manufacturing sites in Australia and New Zealand (Tooheys, XXXX, Boags and The Pride NZ) plus the West End brewery which closed during reporting period. West End will no longer be included in reporting going forward.

3 >100,000 modules completed in total across 2022-2024.

4 Movement in target due to update of supplier segmentation process in FY21, resulting in new subset of priority suppliers to complete a risk assessment.

5 Minimum of 40% men and 40% women at team* level by 2030 (*team defined as having 5 people or more).

6 >8,000 people reached in total across 2022-2024.

All targets are based on current organisational structure and are subject to change if that structure changes.

Raw data can be found [here](#).



[Climate change](#)
[Circular economy](#)
[Water stewardship](#)

ENVIRONMENTAL

Demonstrate brave and enduring environmental leadership

Across our global business we're working hard and investing to reduce our impact on the environment. Our three-year focus is on carbon reduction in our value chain, water stewardship, driving the circular economy, waste reduction and eliminating single use plastic.

97%

More than 97% of Lion's packaging is recyclable.

52%

Achieved 2025 APCO target of at least 52% recycled content in our packaging materials on average.

28%

reduction in scope 1 and 2 emissions from a 2019 baseline in Australia and NZ.



Climate change

[Circular economy](#)

[Water stewardship](#)



Climate change

Climate change is the biggest threat facing humanity. Lion recognises the effects of climate change in our supply chain, through crop failures and water scarcity and understands the mounting expectations of consumers for action.

There is a very small window of time in which to act, and Lion is leading.

Sustainable Development Goals



Why it's important

Scientific bodies ranging from the IPCC to Australia's own CSIRO have highlighted the impact of climate change on our environment and on communities, businesses and individuals. As an organisation that wants to be a Force for Good, we want to lead our industry in reducing our impact. We also know that our consumers want climate action, and that environmental regulation is constantly tightening.

Unchecked climate change also harms our ability to serve our customers whether through crop failure or water scarcity and increasingly frequent natural disasters. For all these reasons we are acting – and acting fast.



Management approach

We measure, manage and reduce our emissions to align with the global efforts to limit global warming to <1.5°C. To achieve this goal, we have set the following medium and long term targets:

- A science-based target of a 55% reduction in Scope 1 and 2 emissions by 2030 (from a 2019 baseline).
- A science-based target of a 30% reduction in Scope 3 emissions by 2030 (2019 baseline).
- 100% renewable electricity use in Australian and New Zealand operations by 2025
- The remainder of our emissions will be offset to maintain certified carbon neutral status in Australia and New Zealand.
- Net-zero across the value chain by 2050

Energy productivity is a core focus of our management efforts. In 2021 we created a new senior role, the Sustainable Technologies Manager, tasked with driving the use of new low carbon technology and improved practices across our operations to reduce the carbon intensity of our products. Our Lion Energy Champions network meets monthly with the aim of optimising energy efficiency at each brewery. Energy efficiency is amongst the top 10 KPIs used to calculate performance bonuses at our larger breweries.

How we stay on track

To meet our Science Based Targets and carbon neutral certification (through Climate Active in Australia and Toitū in New Zealand respectively) we measure annual emissions reduction and implement an ongoing emissions reduction strategy. Crucially, we aim to meet our net-zero by 2050 target via a mix of measures including direct emission reductions. We are not using carbon offsets alone to achieve this target.

In 2021 Lion Australia continued to reduce scope 2 carbon emissions in NSW thanks to a 100% renewable Power Purchase Agreement implemented in January 2020. This has eliminated almost all scope 2 carbon emissions in NSW, with most coal generated grid electricity used only for our York Street office. Our target of 100% renewable electricity use in Australia and New Zealand by 2025 will also ensure we stay on track towards our 2030 Science Based Target for scope 1 and 2.



Earth Hour 2021 – lights off, minds on the climate

With the damage done by the 2019 and 2020 bushfires still being felt in communities across Australia, March 2021 saw four Lion hospitality sites – Little Creatures (Geelong & Fremantle), White Rabbit (Geelong) and Tiny Mountain (Townsville) – switch off the lights to support the push for more climate action.

Lion – collaborating for impact

Lion is part of the Climate Leaders Coalition Scope 3 Deep Dive project, a collaboration by leading companies in Australia across a wide range of industries that explores ways to reduce emissions aligned to 1.5 degrees. Lion invited key companies from our beer value chain - Visy, Bevchain, Boortmalt and Coles (also a CLC member) – to participate in this project to improve our scope 3 measurement and identify opportunities to reduce the carbon footprint of our products. Lion is also a signatory to the Climate Leaders Coalition in New Zealand.

Electric Truck, electrifying beer

Tooheys has been delivering beer to pubs in Sydney for over 150 years. In the late 1800s, the sight of a horse-drawn brewery cart making its way on the road would have brought joy to the hearts of hard-working Sydneysiders.

Today consumers can look forward to getting their beer in sustainable ways, with the state's first electric beer truck driven onto the road in a partnership between Tooheys New and BevChain. The new, fully carbon neutral electric truck will deliver kegs from the carbon neutral Tooheys Brewery in Lidcombe to pubs, clubs and bars across metropolitan Sydney.



Climate change
 Circular economy
 Water stewardship

Highlights

Lion Australia achieved Climate Active Carbon Neutral certification for a second year.

Lion New Zealand certified Net Carbon Zero in 2021.

Steinlager continued to be certified a Net Carbon Zero product.

1,775 MWh

solar electricity generated on-site at Castlemaine Brewery and Little Creatures Geelong combined, negating 1,538 tonnes of carbon emissions.



Performance

28%

reduction of scope 1 and 2 emissions from 2019 baseline in AU and NZ.

105,826 tonnes CO₂-e

offset through Climate Active and Toitū organisation and product certifications.

23%

renewable electricity achieved across Australian and New Zealand network.

Brewing in NSW with 100% Renewable Electricity

Lion Australia achieved a significant reduction in Scope 2 carbon emissions for NSW due to the 100% renewable Power Purchase Agreement commenced in January 2020.



Emerson's – getting behind endangered species

Orokonui Ecosanctuary is a predator-free sanctuary on the outskirts of Dunedin City which plays an important role protecting vulnerable species.

In 2017 Lion were approached by Orokonui to become a corporate sponsor and we have donated funds annually to help out with the hatching program of the Haast Tokoeka Kiwi. Our efforts in the community broadened in 2020 when we began to support the Dunedin Wildlife Hospital – an important partner for Orokonui located across the road from the Emerson's brewery.

To power up our contribution – and leverage our skills – we launched an Endangered series of beers, with all profits split between the two organisations. The four small-run beers sold very well, underpinning more support for Orokonui and the Wildlife Hospital.



New Belgium Brewery and the story of unchecked climate change

As an organisation and as people, at Lion, we love beer. We know our water supplies and traditional brewing ingredients like barley and hops are already being affected by extreme weather patterns in a changing climate. So our Fat Tire team at the New Belgium Brewery in the US brewed a beer that reminds us what beer might taste like if we don't act on climate now.

We used shelf-stable ingredients like malt syrup as well as substitutes like dandelion root

instead of the especially delicate, just-harvested and climate-dependent hops that are at the heart of our beers. To highlight the damage wildfires cause to our watershed, we used smoke-tainted water.

How does it taste? Terrible. It's a stark reminder of what climate change is doing to our planet and what it could do to our business. And of how important leadership and accountability are if we want to avoid a climate-ravaged future.



Environmental Feature: Climate change

We give a XXXX

XXXX has been about championing the Good Life for Australians – mateship, laughter, connection – in the great outdoors under the Australian sun. Part of that ethos is the belief that life’s good when you give a XXXX.

With our long history of supporting Australians and celebrating this connection to the land, the XXXX sustainability story is not just about the environment, but about everything we do, from our relationships with our customers, our local communities and suppliers, to the planet we all call home. After all, this is the only planet with beer, and that’s something worth fighting for.

This wide-ranging view of sustainability is reflected in the XXXX brand story in a host of ways:

- The launch of our XXXX ZERO beer as a certified carbon neutral product with a sustainability approach that ties to the local community – a carbon offset project in regional Queensland.

- The XXXX brewery itself is now carbon neutral and by 2025 will be powered by 100% renewable electricity.
- XXXX has removed all plastic packaging from cans and is in the process of doing the same for bottles.
- In early 2022, XXXX announced a partnership with the Great Barrier Reef Foundation (GBRF), committing to invest one million dollars to restore the Reef’s regions waterways in Queensland. One GBRF target XXXX is supporting is cutting the amount of sediment flowing onto the Reef every year. The aim is to cut that sediment volume by 463 kilotonnes – the equivalent of 37 million beer cases a year. The overall partnership will help protect the Reef environment for generations to come - and support communities in the Lower Burdekin region in Queensland in the process.



For over 144 years, XXXX has celebrated the best of the great Australian outdoors. In late 2021 we took this mission one step further, creating what may be the purest beer we have ever made – XXXX ZERO, Australia’s first certified carbon neutral zero-alcohol beer.

The carbon neutral certification will build awareness of climate change and help ensure the next generation of Australians – and visitors to our continent – share the pure joy of Australia’s climate.

XXXX ZERO will be certified carbon neutral through Climate Active and use 100% Australian Carbon Credit Units to ensure investment in local projects to safeguard biodiversity and support local communities in Queensland.

In crafting a full flavoured, easy drinking, alcohol free lager, XXXX ZERO, is a beer that matches both the spirit and the lifestyle of modern Australia.

XXXX ZERO – alcohol free, 100% carbon neutral.



[Climate change](#)

[Circular economy](#)

[Water stewardship](#)



Circular economy

Lion is committed to being part of the circular economy – an economy that is ‘restorative and regenerative’. In 2021 we continued our work to bring our packaging into the circular economy in a way that meets our environment targets, aligns with our customers’ expectations and delivers our product to consumers safely and conveniently.

Sustainable Development Goals



Why it’s important

Product packaging is a crucial environmental issue for our organisation. It can be resource-intensive, create high levels of waste and can contribute to the concentration of plastics in the environment (particularly the oceans) and create microplastics that pose a threat to human health as they enter the food chain.

Where practical, Lion is eliminating these materials altogether to prevent pollution. Improving the circularity of our product packaging is also a key environmental issue for Lion and our customers and we work closely with relevant government bodies and our supply chain partners to minimise resource consumption and landfilling.

Lion plays an active role in Australia’s Container Deposit Schemes, working directly with the individual state and territory schemes and collaborating with packaging suppliers, waste collectors and governments to maximise efficiencies, reduce litter and promote use of recycled content.

Highlights

52%

Achieved 2025 APCO target of at least 50% recycled content in our packaging materials on average.

Elimination

of plastic shrink wrap on all six-pack cans.

Management approach

Prior to the establishment of the National Packaging Targets in Australia, Lion had set some key connected but distinct packaging targets:

- A commitment to zero avoidable waste to landfill by 2025
- 100% recyclable, reusable or compostable packaging by 2025
- On average, greater than 50% recycled content used in our packaging by 2025

In 2021, extensive use of glass bottles and aluminium cans and a mature collection network helped ensure 97% of Lion packaging is recyclable. The wet strength board which wraps six-packs is not fully recyclable but we are working with suppliers to increase that recyclability and bring us even closer to the 100% recyclable packaging target.

Adjusting our Plastics Pledge

Lion remains committed to phasing out shrink wrap in its secondary packaging in Australia (no shrink wrap is used in New Zealand), however due to global supply chain disruptions and an increase in demand for paper board, we are shifting our target date for this initiative from the end of 2023 to the end of 2025. Like other businesses right across Australia, Lion is experiencing rising input costs, and while we are focused on ensuring

In 2021 we exceeded our 50% recycled content target for the first time. Using recycled content is a key part of contributing to a circular economy and we are proud of this achievement and the work we’ve done with our packaging supplier partners and via procurement contracts to reach that target.

Another key plank of our packaging waste reduction efforts is the Plastics Pledge. In September 2021, Lion announced a commitment to dramatically reduce plastic use in its packaging, specifically in plastic shrink-wrap and plastic bottle labelling. Ending the use of plastic shrink-wrap in consumer beer packaging is a key first step towards that target and we are working with suppliers to identify alternatives to shrink wrap. Further efforts in this space include work to find sustainable alternative to plastic bottle labelling and replacements for plastic keg caps.

How we stay on track

Our comprehensive packaging strategy is driven by the Sustainable Packaging Steering Group which has representation from Marketing, External Relations, Procurement, New Product Development, Research & Development and Supply Chain teams and covers all dimensions of packaging including regulatory labelling, responsible sourcing, new materials and packaging technology.

Performance

97%

More than 97% of Lion’s packaging is recyclable.

52%

of recycled content in our packaging materials on average.



Environmental Feature: Circular economy

Bringing it back – Lion and Container Deposit and Collection Schemes

By 2023, it's expected that all Australian states and territories will have Container Deposit Schemes (CDS).

Lion already plays an active role in all of Australia's current Container Deposit Schemes and is committed to playing an ongoing leadership role in the development and operation of schemes due to the scale of recycling outcomes they generate, and our strong commitment to Product Stewardship.

Lion supports efficient, well-run schemes which not only deliver high rates of container collection and recycling, but also maximise community involvement and benefit. This includes community involvement in scheme operations themselves and utilising donations of refund amounts to support community groups, charities and social enterprises.

Lion holds majority ownership of Marine Stores, a Super Collector in South Australia and the Northern Territory. Lion is a founding 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. Lion is also a joint venture partner in Exchange for Change, the scheme coordinator of the NSW and ACT schemes.

Lion is involved in a range of ways in the various schemes across Australia.

- Lion has a long and proud history of involvement in CDS, having played a major role in the South Australian scheme that has been operating for 45 years and is the most successful scheme in the country with current average return rates for beverage containers of over 76%.¹ For the glass and aluminium containers produced by Lion and collected by Marine Stores, the collection rates are higher than average with nearly 9 out of 10 containers collected and recycled.² In 2022, Lion will work with the SA Government to raise this number even higher through their planned scheme modernisation program.
- The Queensland Container Refund Scheme has been operating for just over 3 years with nearly 5.2 billion containers returned and 337 return points currently in operation.³ The Western Australian container deposit scheme commenced on 1 October 2020 and has enjoyed the most successful scheme launch with over one billion containers returned to date, with some 40% of the refund point network operated by community groups, not-for-profits and Indigenous organisations.

- NSW's CDS is the largest in the country and has returned almost 9 billion bottles and cans via 628 return points operating across the state in over 4 years of operation.⁴
- Whilst relatively small in size, the Australian Capital Territory has returned and recycled via 18 return points more than 320 million containers through the CDS since 2018 and the Northern Territory scheme operates with a total return rate of 72%.⁵
- Lion is a foundation member of the not-for-profit entities VicRecycle and TasRecycle and we intend to submit proposals to act as the coordinators of the Victorian and Tasmanian Container Deposit Schemes, which are due to commence in 2023.

In New Zealand, Lion is a founding member of the Glass Packaging Forum, a voluntary government-accredited glass return scheme (non-CDS) that reported a NZ recovery rate for glass of 75% for the year ended 30 June 2021. Lion has recently contributed to working group and consultation processes on a proposed CDS, planned to commence in 2025.

¹ https://www.epa.sa.gov.au/environmental_info/waste_recycling/container_deposit

² https://www.epa.sa.gov.au/files/15078_cds_discussion_paper_sep2021.pdf

³ <https://containerechange.com.au/about-us/>

⁴ <https://returnandearn.org.au/>

⁵ <https://actcds.com.au/return-points/>





[Climate change](#)
[Circular economy](#)
[Water stewardship](#)



Water stewardship

Water is essential to life and essential for Lion. We see it as the most precious natural resource and clean, fresh water is the essence of all the refreshing, reinvigorating and life-enhancing beers we brew for our customers. In 2021 we broadened our efforts to reduce our water use and promote measures that protect the water supply for our business and our communities.

Sustainable Development Goals



Why it's important

With climate change driving more frequent and severe droughts our focus on managing water sources, supplies and quality has sharpened. Brewing is water-intensive, and Lion is constantly working to help protect water supplies and reduce our usage, thus ensuring the sustainability of our business into the future.

Management approach

Water Stewardship is one of the pillars in Lion's sustainable supply chain strategy. We target best practice usage levels within our own breweries, manage the quality of wastewater we discharge, and extend our efforts to reduce – where possible - the water used in growing and sourcing raw materials such as grains.

How we stay on track

All our water efficiency targets are tracked monthly, quarterly and annually by our breweries and senior leadership and by the Lion Board. Water efficiency forms a core element of our overall sustainability and supply chain strategies.

Highlights

Completed in-depth study at our largest water user in our network, Tooheys.

Performance

By 2025, we want to achieve a water efficiency target of 2.4L/L (water to product). With two years to go, **our water usage intensity result for FY21 was 3.5L/L** across the four largest sites mentioned above (being Tooheys, XXXX, Boags and The Pride) in addition to West End up until its mid-year closure.

This performance was affected by lower production runs across the brewery network, meaning more frequent cleaning and rinsing of equipment between SKUs. Despite these challenges, The Pride Brewery in NZ was able to maintain the same water efficiency they achieved in 2020 with a steadfast focus on water conservation.

Speight's helps to protect New Zealand's waterways

Over the past three years, Speight's has partnered with Million Metres and the Sustainable Business Network to protect New Zealand's precious waterways. An initiative of the Sustainable Business Network (SBN), Million Metres is an online fundraising platform focused on restoring the banks of New Zealand waterways. The partnership has been an exciting opportunity to make a positive, lasting impact on the health of Otago's waterways through a number of different projects, including the Long Bay-Awaruku Stream project which is part of the wider Restore Hibiscus & Bays Stream Restoration Program. This program aims to restore waterways throughout the 34 catchments within the area and to support native biodiversity across some significant ecological areas and fragmented native ecosystems to contribute to the overall protection of the Hauraki Gulf Marine Park. In addition, Speight's has proudly supported the Sinclair Wetland Project over several years. The Otago region is known across New Zealand, and indeed around the world, for its beautiful lakes and rivers. Alongside Speight's funding, there have been planting days for anyone who wants to roll up their sleeves and get their hands dirty alongside the Speight's team.





Environmental Feature: Water stewardship

Our Green Beer

After seven months and 300 hours of research and development, the Malt Shovel Brewery in Camperdown NSW, launched Our Green Beer. It was a signature project designed to highlight our sustainability credentials to our consumers, harness all the work done over the past few years in both packaging and climate strategy and, most importantly, see just how far we could go on the journey to creating a great tasting, completely sustainable and commercially viable beer.

Crucially, Our Green Beer was a deep-learning process where we innovated around a whole range of elements including the use of sustainable malt, of upcycled breakfast cereals and deep frozen cryohops. We used recycled water to cool the wort and biogas to heat the malt.

The project had multiple outcomes all of which are permeating across the business. It established or built on relationships with sustainability-focused suppliers. It drove a wide range of sustainability innovations around ingredients, production processes and technologies. And it enabled us to dive deeply into elements of the brewing process that could contribute to the development of truly sustainable and profitable beers that would work for our consumers across our whole product range.

Perhaps most importantly, we've shared all we've learned from this project with our craft beer industry counterparts, ensuring the forward leaps we've made can be incorporated across the industry in the search for better, more sustainable craft beers – for everyone.





- [Responsible consumption and transparent labelling](#)
- [Sustainable procurement, human rights and responsible sourcing](#)
- [Inclusion and diversity](#)
- [Mental health and wellbeing](#)
- [Community engagement and Indigenous strategy](#)



SOCIAL

Creating Long term social Impact

At Lion, we care deeply about the Social element of ESG. The pandemic highlighted how important social issues are to our customers, communities and people. It isolated individuals, families and communities – and we’re committed to helping bring them back together. Across a whole range of areas – mental health and wellbeing, inclusion and diversity, safety, workplace flexibility and ethical supply chains – we’re doing our bit to make our workplaces and our society safer, fairer and more connected.

47,101

Alcohol&Me modules completed online.

\$2.8m

our total global community investment.

\$1.5m

spent with diverse suppliers (Indigenous-owned; Maori & Pasifika owned; women-owned; Social Enterprises; Disability enterprises).





Responsible consumption and transparent labelling

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Responsible consumption

At Lion, we continue to drive responsible consumption with a special focus on eliminating the marketing, advertising, and sale of alcohol products to minors. We partner with industry colleagues around tackling alcohol misuse including the International Alliance for Responsible Drinking (IARD) through our parent company Kirin. In line with our commitments in this space, we are voluntarily rolling out ‘not for minors’ labelling across our product portfolio.

Sustainable Development Goals



Why it’s important

When enjoyed responsibly, our products can be part of the social connections and interactions that are essential to wellbeing. But we are open about the potential for misuse.

We want to be part of a changing drinking culture which includes a drive to moderation and believe we have a responsibility to ensure our products aren’t consumed in ways that foster anti-social behaviour or result in negative health outcomes for those who enjoy them.

Building our portfolio of low and non-alcohol options is a core element of this. We have made a significant commitment to the growing non-alcohol beer category having invested \$6 million on a de-alcoholising plant at our Tooheys Brewery in NSW to support our growing range of non-alcohol options which now includes James Squire Zero, Steinlager Zero, Speights Summit Zero and XXXX ZERO. Lion is also proud to distribute Heineken 0.0 in Australia.

As with so much of our work, innovation is key to making sure we meet the needs of our customers, fulfill our social responsibilities and build a business that works for our stakeholders, people, customers and communities.

Management approach

We know that we can’t solve the problem of excessive and irresponsible consumption by ourselves. It’s why we take a ‘whole of industry’ approach to tackling alcohol misuse. We build partnerships within the industry and with community organisations that share our goals.

Our membership of DrinkWise has been an important element of our approach. Launched in 2005, DrinkWise Australia is an independent not-for-profit and works to bring about a healthier and safer drinking culture in Australia.

Much of this work is about behavioural change. To drive that change, DrinkWise develops proactive and innovative campaigns to educate consumers and provide them with information and practical tools to help make responsible choices when drinking.

In New Zealand, we work with the Tomorrow Project, an industry-funded organisation whose social change initiative Cheers! aims to strengthen safe and sociable drinking behaviours through evidence based, targeted interventions.

Cheers! supports the SMASHED Program which highlights the importance of behaviour change. SMASHED uses live theatre to educate students and teachers on the dangers of underage drinking and – more importantly – how to address issues like peer pressure and the physical and emotional risks involved in excessive drinking. After taking part in SMASHED, 84% of students felt equipped to make the right choices about drinking.



How we stay on track

One of our key Lion-run programs is Alcohol&Me in New Zealand (see the Case Study on [page 20](#)). It’s a highly interactive, informative education program that has run for nearly seven years. To date, Alcohol&Me has helped nearly 300,000 New Zealanders to drink smarter via engagement with both the online modules and face-to-face workshops.

Our Alcohol&Me behaviour change surveys in New Zealand tell us 96.5% of respondents would recommend Alcohol&Me to others and 92% of respondents have reported making a change to their drinking since completing Alcohol&Me.

In 2021 we exceeded our Alcohol&Me NZ target for ‘online modules completed’ with 47,101 modules completed against our target of 36,000.

In 2022, completion of the Alcohol&Me module will be mandatory for all Lion employees on both sides of the Tasman as part of the Short-Term Incentive program.



James Squire Zero – full flavour, alcohol free.

James Squire has been making high quality, great tasting beers for over 20 years. In 2021, it brought its heritage in craft beer and brewing expertise to the alcohol-free market with the launch of James Squire Zero.

Brewed in Sydney, James Squire Zero is designed for those moderating their alcohol consumption but seeking the full, refreshing flavour of a full-strength beer. It is expertly crafted and flavoursome with a balance of malt and hop notes for a clean, crisp finish. James Squire Zero is designed to disrupt the non-alcoholic market and end forever the idea that non-alcoholic beers lack depth and flavour.



Responsible consumption and transparent labelling

Sustainable procurement, human rights and responsible sourcing

Inclusion and diversity

Mental health and wellbeing

Community engagement and Indigenous strategy

Highlights

47,101

In 2021, we exceeded the Alcohol&Me NZ target for 'online modules completed' with 47,101 modules completed against our target of 36,000.

In 2021, the team at Speight's created a full flavoured lager, with 0.0%* alcohol. Speight's Summit Zero balances crisp refreshment with great taste, but without the alcohol.



Doubling the Zero - Steinlager Zero

Demand for no & low alcohol beers has been growing rapidly and Lion is committed to having a portfolio to meet changing consumer needs. Steinlager Zero is a double zero beer – meaning Kiwis can now enjoy a great tasting beer and not worry about the alcohol content or carbon footprint. It's a win for drinkers, the community and the environment.



Speight's Zero – healthy appetites

Around the world, Zero alcohol beer sales are expected to be worth \$25 billion by 2024.¹ Further, independent research suggests health and wellness are now the number one drivers of consumers' alcohol choice.² In 2021 we launched a Zero alcohol version of Kiwis' favourite beer brand³, which is great news for Lion and for consumers.

1 <https://www.globenewswire.com/news-release/2018/03/20/1442488/0/en/Worldwide-Non-alcoholic-Beer-Market-worth-over-25-billion-by-2024-Global-Market-Insights-Inc.html>

2 Consumer Research source: Lion Usage and Attitude Study, 3000 interviews, NZ representative. Kantar 2019

3 June MAT Scan Nielsen 2021

FASD

In recognition of International Fetal Alcohol Spectrum Disorder (FASD) Awareness Day on the 9 September 2021, DrinkWise produced a campaign to promote the importance of abstaining from alcohol when planning a pregnancy, while pregnant and during breastfeeding. Partners, family and friends of those pregnant were encouraged to play their part to support and encourage abstinence. DrinkWise partnered with Dr Vicki Woodward (Acting Head, Maternity Team, Royal Women's Hospital Melbourne) and Zoe Marshall (media personality and mother of two) to help amplify the FASD message across news media (television, radio and press) and social channels, achieving critical exposure to over 3.8 million people. The DrinkWise activity also included a special FASD-themed episode on the nationally broadcast Indigenous-focused Jam Pakt radio show, which has a weekly rural and remote audience of over 155,000. Wanta Aboriginal Corporation also used DrinkWise resources to deliver alcohol education sessions in schools in remote communities in the Northern Territory.



DrinkWise launches *Never Have I Ever* to support young adults with their mental health

This new initiative, which launched in the Macquarie electorate, is a non-drinking take on the 'never have I ever' concept and was developed in conjunction with the Macquarie Youth Advisory Council and supported by Federal Member for Macquarie - Susan Templeman MP. The messaging is designed to prompt young adults to think about their mental health and to remind them that alcohol is not the answer to coping with stress, anxiety or challenges - and encourages them to seek professional help from ReachOut and other mental health support services if needed. Appearing in hotels (thanks to Australian Hotels Association NSW) and on social media, the initiative reinforces that asking for help is a sign of strength. DrinkWise Never Have I Ever themed posters, coasters, bathroom stalls and bar mats are displayed in 28 pubs throughout the region, with the potential for the trial to be expanded around the country.



At Lion, we encourage the responsible sale, marketing service and consumption of alcohol. Over the last 15 years we have seen great improvement in the statistics and trends around Australian alcohol consumption⁴. We are proud to work with DrinkWise to provide critical ongoing education to address issues relating to alcohol harms and misuse. DrinkWise continues to develop proactive and innovative campaigns to educate consumers and provide them with information and practical tools to help make responsible choices when drinking.

4 <https://www.aihw.gov.au/getmedia/77d8ea6e-f071-495c-b71e-3a632237269d/aihw-phe-270.pdf.aspx?inline=true>



Social Feature: Responsible consumption

Alcohol&Me

For nearly seven years, Lion has been proudly running its Alcohol&Me program which aims to support New Zealanders to make smarter, more informed choices about alcohol.

The program draws on both local and international expert information to help drinkers understand more about alcohol and its effects on the body and mind. One of the insights that drove the program was research that showed that 47%¹ of New Zealanders wanted to change their drinking habits – but alcohol education was largely absent in the marketplace and alcohol doesn't come with an 'instruction manual'.

Delivered via online modules or workplaces workshops and promoted on social media with additional promotional support from various Lion brands such as Steinlager and Wither Hills, the highly informative program uses a mix of videos, quizzes, interactive demonstrations and personal reflection time to educate consumers on how to stay safe and sociable when they drink. Nearly 300,000 New Zealanders have engaged with Alcohol&Me to date which equates to approximately 120 people a day who are now empowered to make the choices that are right for them when it comes to alcohol.

In October 2021, we ran our second Alcohol&Me Behaviour Change Survey to assess the behavioural change the program was making in New Zealand. Some of the results have been truly striking.

- 92% of respondents had changed their drinking habits since completing Alcohol&Me
- Over half now ensure they have alcohol-free nights each week
- One third of respondents say they are now better at tracking their drinking, have slowed their drinking and offer food and low-alcohol options when hosting social events.
- One of the areas that achieved limited change was “planning the drinking on a night out.”

The success of the program – measured both by behaviour change and participant feedback - means it will continue to grow in 2022 and beyond launch Alcohol&Me to Australian drinkers too.

47,101

modules completed
in New Zealand
across 2021

¹ The preliminary research we did with our Lion people and consumers for the wider Cheers/Tomorrow Project Initiative in New Zealand in 2012 showed poor knowledge of standard drinks, and limited proactivity for seeking out information around drinking. 47% of people we surveyed were interested in making a change to the way they drank. 1 out of 3 people feel well informed, but only ¼ have ever sought information about drinking. 79% were quite confident or stated they knew absolutely what a standard drink is, yet only 26% had actually ever heard the correct explanation.





Responsible consumption and transparent labelling

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Transparent labelling

We are committed to providing consumers with transparent information about our products. Our product labels often include voluntary information regarding the nutrition content and environmental impacts, and always include mandatory information like alcohol content. We want our consumers to know what they're drinking as well as enjoy what they're drinking.

Highlights

No objections to product packaging raised by regulators in either New Zealand or Australia in FY21.

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 it's important

We're proud of the beverages we produce and how we produce them. It's why we ensure our labelling is transparent and informative. It ensures our consumers are informed about the product they're drinking, the environmental impacts and how our products are made. And as consumers' interest in ESG issues grows, providing that information strengthens our relationship with them.

Management approach

We have marketing codes that set labelling standards and ensure we meet industry and regulatory standards. Where appropriate we seek to move beyond regulatory requirements, using voluntary standards developed with industry bodies like **Cheers!** (NZ) and **DrinkWise**. (AU). Beyond responsible drinking measures like pregnancy and alcohol warnings, our transparent labelling keeps consumers informed about the environmental impact of some of our products. In New Zealand for example, our labelling informs consumers that our Steinlager product is the first Toitū certified net carbon zero beer in the market. In Australia, labels made locally inform consumers that the beer is made in a carbon neutral brewery.

How we stay on track

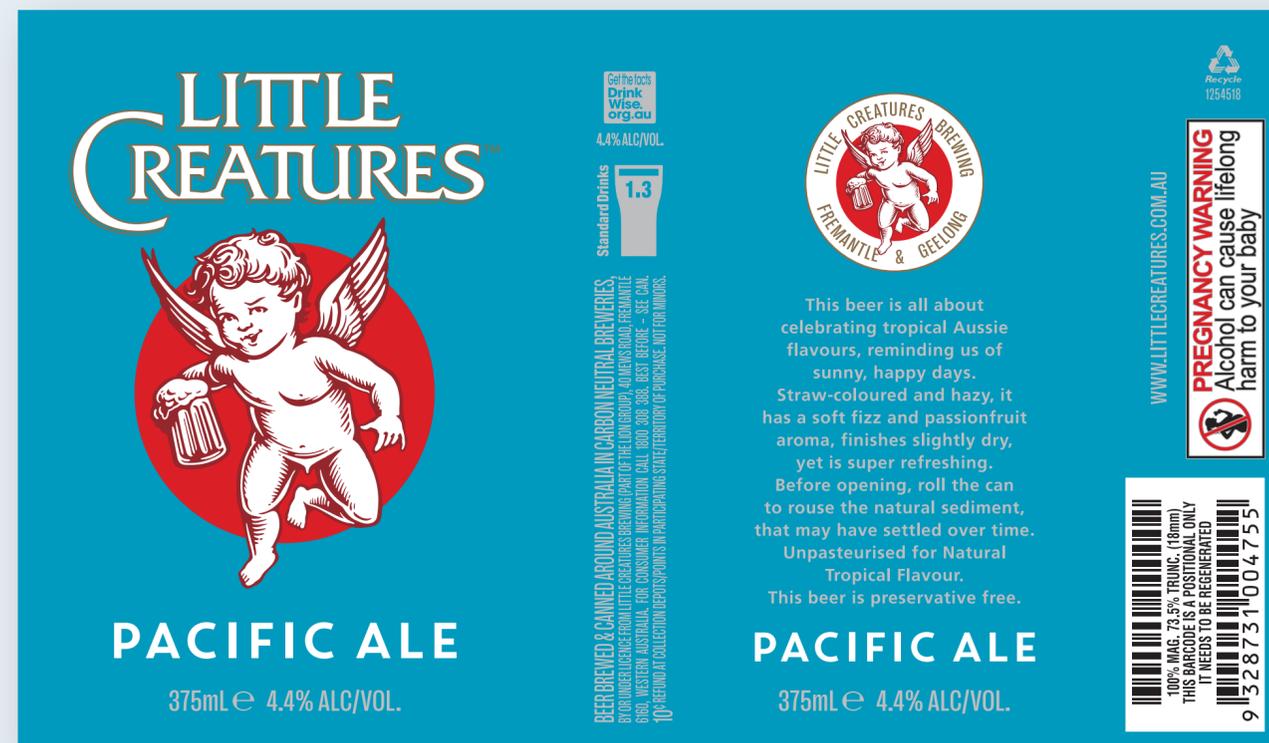
As with so many areas, we use a mix of external co-operation and internal standards. That means meeting all the relevant mandatory industry codes of practice when it comes to labelling requirements. Information on all these codes is published on our website.

Internally, we have developed a dashboard that allows us to efficiently review and approve both product and store artwork. Our internal compliance teams (Legal and Technical) are tasked with ensuring all product claims in our labelling have been substantiated.



Lion's Responsible Marketing Policy

Lion has now launched its updated Responsible Marketing policy for Australia and New Zealand which can be found [here](#). The code is designed to ensure that our people and partners carry the principles of responsibility throughout all our actions. It commits all our businesses to consistently high standards, driving activity in the marketplace that is ethical, aligned with community standards, and which promotes both positive social norms and responsible consumption.





[Responsible consumption and transparent labelling](#)

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Sustainable procurement, human rights and responsible sourcing

Lion relies on thousands of partners and suppliers to do what we do. In making our products we are deeply conscious of the source of our raw materials and our social responsibilities on human and labour rights and our environmental and social impacts. We are working constructively with our partners to increase transparency in how our goods and services are sourced and to be a force for good through inclusive procurement practices.

Sustainable Development Goals



Why it's important

At Lion, we believe our scale, our global footprint and the human connection we have with our customers enable us to be a force for good when it comes to responsible and inclusive procurement and human rights.

Our Responsible Sourcing program seeks to mitigate ethical, environmental, labour and human rights risks in our supply chain. It also helps us protect our business by taking risks out of our supply chain and by helping us meet our stakeholders' ESG criteria. We are working ever more closely with our partners to increase transparency in how our goods and services are sourced and to be a force for good through inclusive procurement practices.

Working with independent organisations is an important way of ensuring we are up to date on the latest policies and can amplify our impact. In New Zealand we have joined a working group formed by the Ministry for Business Innovation and Employment to tackle worker exploitation in the retail liquor industry.

Lion is also part of the SEDEX ANZ Advisory Group, a group which meets regularly to address key challenges around responsible sourcing and increase awareness of modern slavery in our industries.

Management approach

Our [Procurement Policy](#) and our [Supplier Responsible Sourcing Code](#) underpin all our procurement practices. We expect our suppliers - and their suppliers - to meet the minimum standards in the Supplier Responsible Sourcing Code that protect the human rights of the people who are part of our supply chain. To ensure our higher risk suppliers are complying with the Code, we ask that they complete a self-assessment questionnaire in SEDEX. In 2021, 71 suppliers across 107 sites completed the self-assessment questionnaire.

In 2021, we worked with sustainability and human rights consultancy, Point Advisory, to assess the effectiveness of Lion's Responsible Sourcing & Modern Slavery approach against International Standards such as ISO20400:2017 and the obligations set out in the Australian Commonwealth Modern Slavery Act (2018). The outcome was a continuous improvement plan designed to move our program from compliance towards best practice.

Practical examples of continuous improvements include the strengthening of our sourcing and contracting processes to include a new pre-screening questionnaire that will ensure that environmental, social and governance risks in supplier categories are consistently considered during the tendering and contracting process. Lion also implemented a new externally validated supplier risk segmentation tool with an associated supplier management framework. These tools are designed to identify and manage social risk within our supply base to ensure labour and human rights are upheld in our supply chain.

How we stay on track

In FY22 we will continue to improve transparency and diversity across our supply chain. One example is by piloting the use of social audits on suppliers we have identified as higher risk in areas such as human rights and labour relations. Across all our supply chain interactions we will be working to influence partners to achieve best practice across the whole range of procurement, human rights and responsible sourcing issues. Where possible we will form relationships with external and independent experts to keep us on track, validate our initiatives and ensure we stay in touch with the latest developments in the space.

To read the 2021 Modern Slavery Statement, please [click here](#).



XXXX merchandise lives again

Minimising avoidable waste is a key sustainability focus for Lion.

Following a recent brand refresh for XXXX, we found ourselves with nearly 4.5 tonnes of surplus merchandise and outdated promotional materials. Keen to avoid adding to landfill, our procurement team sought an alternative for the branded apparel. By partnering with Textile Recyclers Australia, we were able to recycle 100% of this material at a cost only slightly higher than sending it to landfill. The fibre/yarn is used for tote bags, blankets, insulation, carpet underlay, and more.

This recycling was a short-term win for the environment. Longer-term, Lion is enhancing its procurement and marketing planning practices to reduce the amount of promotional waste.



Responsible consumption and transparent labelling

Sustainable procurement, human rights and responsible sourcing

Inclusion and diversity

Mental health and wellbeing

Community engagement and Indigenous strategy

Highlights

Carried out an updated risk segmentation of our tier one supply base (~3125 suppliers) for modern slavery risk.

New Modern Slavery Management Framework launched.

Launched Modern Slavery training module to all Lion Australia and New Zealand employees.

Performance

100%

of high priority suppliers risk rated in SEDEX.

33%

Lion Australia and New Zealand employees trained in Modern Slavery.

\$1.5M

spent with diverse suppliers (Indigenous-owned; Maori & Pasifika owned; women-owned; Social Enterprises; Disability enterprises) – represents an 11% increase on previous year.

Inclusive Procurement with WV Technologies

WV Technologies, an organisation that is both Supply Nation Registered and a Certified Social Enterprise, is one of our inclusive partnerships.

WV Technologies help Lion manage our e-waste (computers, phones etc). They are the first company in Australia to obtain the highest security clearance for all data destruction and sanitisation services, (the NAID AAA certification).

WV Technologies are also a profit-for-purpose organisation that works to change the lives of people overcoming disadvantage. Our partnership with them helps us reduce our waste to landfill but also helps people overcoming disadvantage – specifically those who are facing barriers to employment.

The partnership now covers seven Lion sites in Australia/New Zealand and has helped create 50 days' employment for Aboriginal and Torres Strait Islanders.



Modern Slavery Working Group

Internal **policies** including Procurement Policy, Environment Policy, Anti-bribery & Corruption, Wellbeing, Health & Safety

Supplier Management through **Responsible Sourcing**

Ethical & Diverse Supply Chain

Grievance mechanism including **Whistleblower** Hotline

Risk assessment and ongoing due diligence performed on Lion sites

Internal & external training & awareness

Our fight against Modern Slavery

Modern Slavery includes human trafficking, forced marriage, forced labour, servitude, slavery, debt bondage and the worst forms of child labour. It is, in all its forms, a serious violation of human rights.

In 2021 our focus was on establishing our Modern Slavery risk management framework. That effort included the creation of a cross-functional Modern Slavery Working Group that oversees the identification, monitoring and management of Modern Slavery risk. This in turn included a robust Modern Slavery Management Framework to address modern slavery within our own operations and in our supply chain. At a corporate level, we enhanced our M&A due diligence to include modern slavery.

On the people front, over 1000 Lion employees have already completed Modern Slavery training. We have made online Modern Slavery online training mandatory for all employees as part of the Force For Good Goal. To highlight how seriously we are taking this issue, all employees must complete the Modern Slavery training (alongside other actions) to receive 5% of their bonus.



[Responsible consumption and transparent labelling](#)

[Sustainable procurement, human rights and responsible sourcing](#)

Inclusion and diversity

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Inclusion and diversity

We succeed as a business when we support our people to thrive. When we harness their passion, their teamwork and their most exciting ideas. That's why inclusion and diversity is good for our business – it helps us recruit the best, regardless of gender identity, disability, sexual orientation, age or gender diversity. It means we hear a wider range of viewpoints – and harvest better ideas. And, by creating an environment that is welcoming, psychologically safe and focused on team success, we get the best out of individuals and the best out of our teams.

Sustainable Development Goals



Why it's important

'Fairness for All' is a core Lion behaviour that came into sharper focus in 2021 through COVID-19 and its associated lockdowns. For many of our people this meant dealing with new pressures including family, health and financial concerns, plus dramatic changes to work patterns including extended periods of working from home. The crisis challenged us to live another core behaviour – Do the Right Thing for the Long Term – with its emphasis on acting with integrity and for the long-term.

We are committed to creating a diverse and inclusive workplace that is reflective of the society in which we operate. Where everyone can be their best authentic selves, where the contributions, presence and perspectives of all people are valued, enabling us to have more robust discussions, make smarter decisions and ultimately better respond to and serve our consumers' needs.

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. A culture that lives inclusion and diversity helps us attract and retain the best talent in all the roles and locations we recruit.

Management approach

In 2021 we enhanced our **Families at Lion** Policy to offer all parents – including same-sex parents – equal access to 12 weeks of paid leave regardless of their caring role. We also enhanced our superannuation arrangements, so a parent receives 18 weeks of paid super while on parental leave – including super paid (at minimum wage) on up to 6 weeks' unpaid leave. These two measures help us attract and retain great people because they fit the changing world of work – a world of two working parents and a wider variety of family types. They also foster a more equal division of unpaid care and paid work.

We continued to develop our **Respect at Lion** policy and associated activation. This included compulsory Respect at Lion training designed to ensure all employees feel part of a culture that is not just sociable but that recognises the importance of inclusion for our minority groups and addresses workplace bullying, harassment and discrimination.

In 2021 we continued to provide the **Women at Lion Program**, a 9-month self-discovery development program designed to help participants strengthen their career vision, grow peer networks and increase their confidence. There were 31 participants, and the program is expected to expand.

According to the 2021 Q4 People Pulse Survey 4.4% of respondents identified as gay/lesbian/bisexual. We continue to support our LGBTQI+ Community with a mission to drive visibility and equality for the LGBTQI+ community across our company and promote an inclusive working environment that allows individuals to be their best authentic selves. Some of the events designed to foster these objectives include Wear it Purple Day, World AIDS Day, Drag Bingo to raise money for the Bobby Goldsmith Foundation and a panel discussion on Trans awareness with representatives from ACON and the Bobby Goldsmith Foundation.

How we stay on track

The inclusion and diversity (I&D) function within Lion has its own small, expert team within People and Culture. Our I&D performance against scorecard is reported quarterly to the Group Leadership Team where I&D priorities and activities are overseen.

We use external and independent accreditation to ensure we measure and improve our performance across Diversity, Inclusion, Cultural Sensitivity and Capability. These accreditations include:

- Gender Tick (New Zealand)
- Flex Careers – FlexReady Certified
- Workplace Gender Equality Agency. In 2021, Lion received Employer of Choice Accreditation for the 4th year in succession.



Biere de Queer

In October 2021, our New Belgium Brewing team brewed a new beer (Biere de Queer) and sent beer boxes containing coming-out story cards to 300 members of the US Congress. Why? To support the Equality Act (an amendment to the legendary 1964 Civil Rights Act) which prohibits discrimination on the basis of sex, sexual orientation and gender identity in employment, housing, public accommodation, education, federally funded programs, credit and jury service. Without this protection, LGBTQI+ people can be denied a beer at a US bar. And a job, a home, childcare.



[Responsible consumption and transparent labelling](#)

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)

Highlights

0.7%

The ratio of the basic salary and remuneration of women to men for each employee category was 0.7% in 2021.

92%

completion of Respect at Lion training.

Performance

Lion first closed its like-for-like gender pay gap in 2017. In 2021 the gender pay gap for like for like roles was less than 1%. CEO Stuart Irvine is a WGEA Equal Pay Ambassador and joined the Champions of Change Coalition in March 2021.

In 2021 we revisited our gender targets. Previously, these targets were set at the organisation and leader level, which did not address gender skewing in specific teams. This was reset at a team level with a minimum of 40% men and women in each team by 2030. Focusing the target at a team level meant that we were able to aim for gender diversity, where it matters, with the goal of greater innovation and creativity.



Fat Tire – a perfect score for equality

In 2021, New Belgium Brewing became the first craft brewery recognised as one of the Best Places to Work for LGBTQIA+ Equality by the Human Rights Corporate Equality Index. The score - a perfect 100.

Equal Footy - Furphy and AFLW

In January 2022, Lion's Furphy beer brand announced a ramping up of its sponsorships of four AFLW teams – the Melbourne Demons, St Kilda Saints, Richmond Tigers and Sydney Swans – to match similar sponsorships of their AFL teams.

AFLW is the most watched female sporting competition in Australia and Furphy is proud to contribute to its further growth, to support the push for more pay equity in professional Aussie Rules and to promote a footy culture that is ever more inclusive and diverse.¹

¹ <https://www.mediaweek.com.au/fox-sports-research-shows-womens-sport-gaining-popularity-in-australia/>

Domestic and family abuse policy update

Domestic and family abuse affects our people, our teams and our businesses and in 2021, we made policy changes to provide additional help and protection for our people should they experience domestic and family violence.

Some of these changes are small and practical but make a big difference. For example, we make it easier for employees to change their bank details securely, provide financial flexibility around salary and leave arrangements and provide employees with a loan mobile phone to enable secure communication if their own device is compromised.

We now also provide emergency short-term accommodation for individuals and their families. We facilitate access to specialist domestic and family violence organisations for expert counselling and have trained our Respect at Lion Champions as First Responders so that victims can seek help from the Champions if they are uncomfortable going directly to their leader.

Backing up all these measures is a suite of support materials for leaders and team members. We also provide tailored online resources and guides for the LGBTQIA+ community, given the specific ways abuse is experienced in this community.





Social Feature: Inclusion and diversity

Little Creatures now the big beer partner for the Sydney Gay and Lesbian Mardi Gras and Sydney World Pride 2023

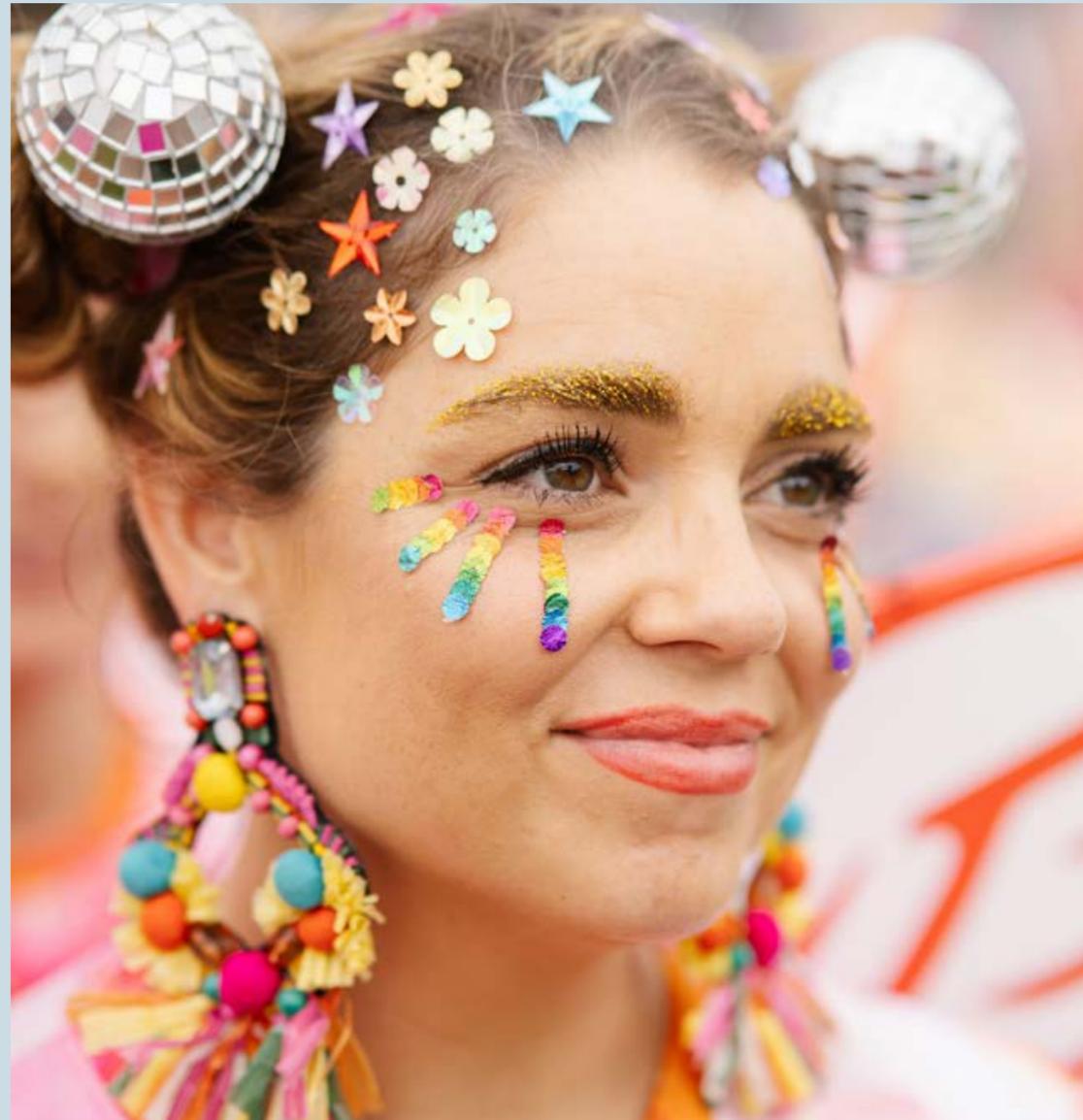
For over 40 years the Sydney Gay and Lesbian Mardi Gras has showcased the joy, flamboyance and love of a party in Australia's Gay and Lesbian community. Which is just one of many good reasons for Little Creatures – our fruitiest beer - to become a major partner of this landmark event and of SydneyWorldPride in 2023.¹

Little Creatures' partnering with Mardi Gras fit neatly into Lion's extensive work with the LGBTQIA+ community. That work includes a multi-year relationship with the Bobby Goldsmith Foundation via our special release Brooklyn Brewery Stonewall IPA, which raises money for Australia's longest-running HIV charity.

In announcing the Little Creatures/Mardi Gras partnership, Lion also doubled its funding commitment to the Bobby Goldsmith Foundation, donating \$40,000 and \$10,000 in in-kind contributions. Little Creatures also supports WA's PrideFEST in its hometown of Fremantle.



PRIDE



¹ <https://www.mardigras.org.au/history-of-sydney-mardi-gras/>



[Responsible consumption and transparent labelling](#)

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Mental health and wellbeing

The last couple of years have exacerbated health concerns caused by social isolation and loneliness. There is a real need for mental health programs that build resilience and reach communities in need of connection and support.

Sustainable Development Goals



Why it's important

We know social connections and socialising are key contributors, if not essential, to our mental health. We also know that misuse of alcohol undermines these connections and causes serious social damage. We want an open conversation with our communities about this fine balance.

We also want to play our part in protecting and enhancing the mental health of our people and of the communities we work in and with.

Management approach

During the year we ran different programs with our people to build mental resilience and fitness. We recognised that our teams – like so many people across the world – were dealing with the mental health pressures of work, health and financial stress and with changing roles in the workplace and at home.

In partnership with Gotcha4Life we ran a number of programs for our people. The **Speak, Speak Up** sessions were experiential workshops designed to help Lion staff have more meaningful conversations in the workplace. The verbatim responses in the graphic below highlight how effective the sessions were in getting people to see they weren't alone.

We also ran a pilot workshop session called **Let's Talk, run by Man Anchor**, designed to break down the barriers that stop people reaching out to help others – or to ask for help. Crucially, the session was designed to help our people have mental health conversations with their own family and friends.

We also had two special guest webinars with Dr Jodie Lowinger, CEO and Founder of the Anxiety Clinic and Gus Worland, CEO and Founder of Gotcha4Life, that offered our team helpful tips on mindfulness and mental resilience. Former Australian cricket captain, Steve Smith, talked to Lion about how he manages mental health in the face of the highs and lows of international sport.

How we stay on track

Our commitment to mental health is a core part of our Social purpose and is measured and managed by both our People and Culture and Sustainability teams. We track attendance of our mental health initiatives against established targets.

86%

of attendees said they would be more likely to reach out to a friend or a colleague having attended the Speak, Speak Up session!

“That was incredibly powerful, I felt very respected and supported by my colleagues.”

“Having deeper conversations, look out for those around you. Don't make assumptions!”

“I need to reach out more, not just for my own benefit, but for others as well.”

“Important to acknowledge the people around you that are your biggest support.”

“We are all in the same storm, just in different boats. We need to reach out more, care more and share more.”

“I'm not the only one going through struggles in life. It's ok to speak up!”

“Be vulnerable and brave – share first.”

“Sharing is caring, we're all in this together!”

“Stay connected!”





Responsible consumption and transparent labelling

Sustainable procurement, human rights and responsible sourcing

Inclusion and diversity

Mental health and wellbeing

Community engagement and Indigenous strategy

Highlights

321

people reached internally through Gotcha4Life training in FY21.



Running toward mental health – Healthy Hospo

Long, late hours and a frenetic pace can make hospitality work tiring and stressful - this affects retention. Lion's Healthy Hospo team in New Zealand is helping to change that. Healthy Hospo is a health and well-being platform that started in the UK, and provides mental and physical health support to an industry that doesn't get it easily.

One of the highlights of the 2021 program was the Speight's Run Club. It's a running club that gets hospitality staff outside and exercising and it gives them something to aim for too – 10 weeks of coaching towards the Speight's West Coaster Run. But, the program is about much more than running – there's sleep classes, yoga, nutrition advice, bootcamps and much more. Even COVID-19 couldn't slow these guys down, with a clever switch to online support (via Zoom webinars, virtual coaching, Strava run tracking) to get people outdoors even when they couldn't physically get together. The program has now expanded to four regions around New Zealand, with opportunities for more expansion.

"This all came at a good time for me. I was getting into a bit of a motivational and mental health negative feedback loop. It's added some much-needed life to my work-life balance." Healthy Hospo participant.

Speight's long-term partnership with Movember

Speight's has partnered with Movember in New Zealand for over four years. Speight's plays an important role in the wider Movember campaign, expanding the crucial conversations about male mental health by speaking to large cohorts of men in a language they understand.

Speight's supports Movember's strategy to speak to men where they feel relaxed and are most likely to have important and in some cases life-changing conversations about their mental health – that could be in the cricket pavilion, at live sport, the golf course or the pub.

Like so many New Zealand charities, Movember is a small organisation with limited budgets. Our support for Movember through Speight's ensures we can amplify their message and ultimately reach far more men, encouraging them to open up and connect with each other in order to help improve NZ's mental health statistics.



Better mental health for our people and our communities

Social connection is at the heart of our business and culture at Lion. That makes us extra sensitive to times and situations where people are under pressure and disconnected from those around them. It's why we chose to partner with Gotcha4Life to do our bit for mental health in the community.

Gotcha4Life is Australia's leading mental fitness charity, working to end suicide through training programs that create meaningful mateship, build emotional muscle and strengthen social connection in local communities.

Our partnership with Gotcha4Life aims to bring Lion's core purpose to life through evidence-based programs proven to boost mental resilience, enhance personal wellbeing and strengthen social inclusion - a person's ability to enjoy the benefits of sociability.



Social Feature: Mental health and wellbeing

Mental health in central west NSW

Armatree is a small town in central west NSW. Over the past two years it's suffered an unfortunate aggregation of crises and disasters - a mouse plague, bushfires, COVID-19 and floods. People moved away, some took their own lives. It was clear that a community-wide mental health crisis was unfolding, and something needed to be done.

Working with Gotcha4Life and the local community and after months of planning, we launched a mental health program from the Armatree Hotel. It is part of our community investment strategy and one we will be rolling out to other communities through the country pubs and clubs that so often form the focal point in these towns.

The Gotcha4Life program builds 'mental fitness' by giving participants the skills they need to start meaningful conversations both when seeking help and when supporting others.

At the launch, a crowd of 180 embraced Gotcha4Life messages around mental health and were able to quiz the expert facilitators. They were encouraged to continue these open conversations after the event.

Armatree Hotel publican Ash Walker saw the impact firsthand. "The event brought a timely message around mental health to Armatree. For the nearly 15 years I've been here, I've said owning a pub is like being part of the community lounge room. It brings people together, in great times, in bad times. It's a place where they can take comfort in one another. And that's what happened, thanks to the help and the expertise of Lion and Gotcha4Life."

Gotcha4Life founder, media personality Gus Worland, said, "Life on the land is tough and the suicide rate in the bush is higher than in the cities. That's why it's so important to reconnect people with their local communities and the pub is the natural meeting place. In regional Australia we're very comfortable with banter, but we needed experts to encourage us to talk about how we're really feeling because we're not as comfortable with that. We want everyone to feel that now they've got a big arm around them."

In Armatree, the event came to life because of people who surprised themselves by opening up. One was a 16-year-old girl from a foster home. One, a grandfather who wanted some insights on how to be more available to his grandchildren. And a 95-year old who stormed the stage to tell the crowd the mental health message was spot on and we need more of it!

Social connection is at the heart of our business and culture at Lion, and we can't overstate the value of getting together with people in our communities, to have meaningful conversations and support each other. Armatree showed how those connections can be the catalyst for real change.





- [Responsible consumption and transparent labelling](#)
- [Sustainable procurement, human rights and responsible sourcing](#)
- [Inclusion and diversity](#)
- [Mental health and wellbeing](#)
- [Community engagement and Indigenous strategy](#)**



Community engagement

Community investment is much more than philanthropy. It's about driving social change and impact.

We launched a new community investment approach in 2021, focusing on strategic partnerships, brands and communities, workplace giving and volunteering and disaster relief in communities where we operate. An essential part of our approach is people involvement – our 20 workplace giving partners were selected through a people survey. Every dollar contributed by a Lion team member is matched and we offer two paid volunteer days each year for our people.

Through our brand and community partnerships we are part of important community conversations and engage our people and our communities with meaningful causes. The win-win from all these activities is the deeper bonds created with the communities we work in.

We believe it's important to measure our social impact and use the Business 4 Social Impact (B4SI) framework to assess the business benefits. This measurement will help us make even more impact in 2022 and beyond.



Lion recognises the impact of volunteering

We recognise that in person volunteering during COVID-19 was not always easy. That didn't stop us recognising the impact and value of volunteers in our community. In May 2021, we celebrated National Volunteer Week with the poignant theme of Recognise, Reconnect, Reimagine. We hosted a webinar with our key partners Volunteering Australia and Corporate Citizenship to raise awareness of both the financial and social impact of volunteers in our communities.



- [Responsible consumption and transparent labelling](#)
- [Sustainable procurement, human rights and responsible sourcing](#)
- [Inclusion and diversity](#)
- [Mental health and wellbeing](#)
- [Community engagement and Indigenous strategy](#)**

Wither Hills working with its communities

The Wither Hills team put 220 hours of work into weed eradication and pest management as part of the Rarangi Wetland Project. One highlight was a team day where 40 staff took a day off work to plant 500 native plants. The Wither Hills Senior Management team also donates its time and expertise to running Borough Wine, a Marlborough, New Zealand wine brand that donates all its profits to the Graeme Dingle Foundation. The Foundation is a key strategic community partnership in NZ, providing child and youth development services since 1995.



Ojo Brilloso – wineries doing good work

Each year, the Ojo Brilloso program at Argyle Winery in Oregon, USA, releases a trio of limited-production, single-vineyard Pinot Noirs from three renowned vineyards in the Willamette Valley. These releases support three leading non-profits whose work empowers wine industry workers. The partnerships involve significant contributions of time, resources and money to aid the important missions of each organisation. *¡Salud!*, a project of OHSU Health Hillsboro Medical Center provides healthcare to Oregon vineyard workers. AHIVOY’s delivers educational and professional development programs to Latinx and Hispanic vineyard workers in the Willamette Valley. The Roots Fund provides opportunities in the wine industry to people of colour through scholarships, wine education and job placement.



A sustainable, equitable food culture – the James Beard Foundation (JBF)

The JBF’s mission is to celebrate, support and elevate the people behind America’s food culture and champion a standard of good food anchored in talent, equity and sustainability. DVWP’s partnership with JBF flourished in 2021, with our new product dough Wines, the first-ever wine collaboration of the foundation, growing its business on and off premise and supporting restaurant recovery. DVWP is the exclusive wine partner of the Foundation’s Advocacy & Sustainability programs which work to create a more equitable and sustainable food and beverage future via programs like Chefs Boot Camp for Advocacy & Change, Women’s Entrepreneurial Leadership initiatives and Smart Catch – a program working to embed sustainable seafood use in America’s restaurants.



Engaging Youth – the Graeme Dingle Foundation

The Graeme Dingle Foundation in New Zealand is one of Lion’s long-standing community partnerships whose programs made a positive impact on young people across Aotearoa in 2021. Given the impacts of lockdown on child mental health, 2021 was a year where Lion’s support was even more important. Lion supports nearly 600 students to attend the Foundation’s Kiwi Can program each year. Kiwi Can is a values and life skills program that teachers attest has a tangible effect on children’s interactions and has seen significant decreases in truancy and bullying.

In 2021, Lion also funded a research project into MYND, the Graeme Dingle Foundation’s youth-offender program, evaluating outcomes and ensuring the program stays at the forefront of positive youth development. In addition Lion sponsored the Foundation’s 2021 National Excellence Awards, where young people from their programs across the country are recognised and celebrated for their achievements.



Social Feature: Community engagement

XXXX launches range of Budgy Smugglers to support Surf Life Saving Queensland

XXXX has a proud 144-year history of supporting Queenslanders, and the summer of 2021 was no exception.

The coast is part of XXXX's DNA, and XXXX played its bit to ensure this coastal lifestyle was a safer one over summer, dropping some new XXXX branded cossies – “Budgy Smugglers” and “Smugglettes” – on the market. 100% of XXXX's profits from the sale of the range were donated to Surf Life Saving Queensland to support its work keeping Queenslanders safe in the surf over summer.





[Responsible consumption and transparent labelling](#)

[Sustainable procurement, human rights and responsible sourcing](#)

[Inclusion and diversity](#)

[Mental health and wellbeing](#)

[Community engagement and Indigenous strategy](#)



Indigenous strategy

Highlights

Launched Lion's first Reflect Reconciliation Action Plan.

Launched face to face and online cultural capability training to Lion team members.

Appointed Lion's inaugural Indigenous Advisory Council.

Celebrated and recognised National Reconciliation Week and NAIDOC Week.

From left: Phil Duncan, Libby Davidson, Toni Janke, Boe Rambaldini, and Todd Phillips, Lion



Why it's important

Lion is committed to the cause of reconciliation, advancement and justice for our Aboriginal and Torres Strait Islander peoples. We're proud to join over 1,000 corporate, government and not-for-profit organisations that work with Reconciliation Australia to drive our nation towards reconciliation. Lion is proud to support the Uluru Statement from the Heart.



Management approach

Lion launched its inaugural Reflect RAP in 2021. Our RAP focused on actions under the three pillars of Relationships, Respect and Opportunities.

Under the Relationships pillar we seek to build meaningful relationships with Aboriginal and Torres Strait Islander peoples to gain a deeper understanding of the needs of these diverse communities. In 2021, this relationship focus began with Lion team members taking part in Indigenous walking tours and volunteering with Indigenous organisations.

The Respect pillar is focused on building recognition of Aboriginal and Torres Strait Islander cultures, histories, achievements and aspirations. In 2021 key initiatives in this area included a RAP Barometer survey for Reconciliation Australia. The survey measures attitudes and approaches to reconciliation in our workplaces. We launched an Indigenous Training module to the business when our RAP was first launched.

Lion also engaged Corporate Culcha to deliver cultural capability training within our business. As part of the Respect focus, we're increasing employees' knowledge of important cultural markers – Acknowledgment of Country protocols have now been added to all Lion Meeting sites. We also released Acknowledgment of Country protocols that can be accessed by all Lion via the Intranet along with an Indigenous Stakeholder Engagement Guide and held several informative Acknowledgment of Country workshops for our team members.

We also participated in community-wide initiatives aligned to our RAP's focus - including NAIDOC Week and National Reconciliation Week.

The Opportunities pillar encompasses employment policies to ensure Lion is a culturally safe place for Aboriginal and Torres Strait Islander peoples. One element of this is a Yarning Circle. We are also working to give Indigenous-owned businesses a greater role in our supply chain.

How we stay on track

Our Reflect RAP focused on listening and learning. Lion's RAP Working Group is accountable for delivering on planned activities and for our overall progress towards reconciliation. The Working Group meets quarterly, with clear timelines and allocation of responsibility. Our approach combines internal and external accountability. In April 2021 we appointed Lion's first Reconciliation and Indigenous Partnerships Manager and in November 2021 we established Lion's inaugural Indigenous Advisory Council (IAC). The IAC comprises three senior leaders from the Aboriginal and Torres Strait community, providing support, guidance and insight as Lion continues on its reconciliation journey.

Our progress through the RAP stages is guided by oversight and consultation from Reconciliation Australia.

Acknowledgment 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 peoples 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 and present.

Todd Phillips
Indigenous Partnerships and Reconciliation Manager



[Strengthen and safeguard our Governance](#)

[Safety](#)

[Business ethics and compliance](#)

GOVERNANCE

At Lion, we take sustainability and ESG principles seriously. That is why being a Force for Good is now one of our five strategic pillars. But rather than just talk about these goals, we want to deliver on them, through robust governance, clear policies and a solid foundation of training.

97%

of mandatory safety training completed on time.

96%

completion rate for Lion's online anti-bribery and corruption compliance module.

93%

completion rate for Lion's online competition law compliance module.



Strengthen and safeguard our Governance

Safety

Business ethics and compliance



Strengthen and safeguard our Governance

We have in place strong governance structures that set clear targets, ensure accountability and build in reporting processes that identify weaknesses and allow for rapid improvement and adaptation.



Why it's important

We are committed to championing environmental, social and governance ideals.

But while our values and goals define our intentions, it is our behaviours and how we manage them that create real change. Our governance practices help people across the business make choices that create a positive work environment, earn the trust of our customers and partners, build a business that is sustainable and profitable and contributes to a better world.

Management approach

We use several integrated levers to drive good governance at Lion.

Our Force for Good performance goal links to ESG performance (further details below). Our five Lion Behaviours are a combination of behaviours, actions, mindsets and values that enable us to accelerate the change in our culture to support consumer and customer focus, accountability, innovation and marketplace success.

We set and enforce a range of clearly defined policies, procedures and practices.

There are six compliance training modules and relevant teams receive regular training relating to key business and regulatory risks.

All roles come with clear guidelines on accountabilities and responsibilities.

How we stay on track

In addition to our Force for Good pay incentives, a range of policies and practices ensure strong governance.

Risk management within the business is a core leadership responsibility. The Lion Risk & Audit (LRA) team supports leaders to identify potential risks before they materialise, and embed plans to mitigate the likelihood of the risk eventuating or the impact should they occur. Our Crisis & Emergency Management Plan guides the response to disruptive incidents.

We run annual assessments of our **competition law** compliance program against the principles in the AS3806-2006 Compliance Programs Standard.

Our **whistleblower** procedures were updated in 2021. All whistleblower cases are notified to relevant members of the Group Leadership Team and a quarterly update is provided to the Board's Audit, Finance & Risk Committee.

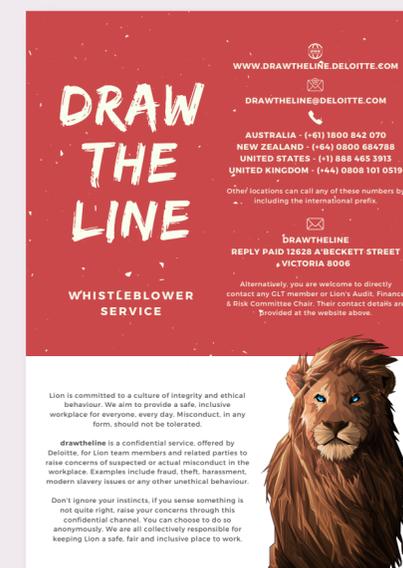
To ensure all our policies are relevant and embedded effectively, our cross functional **Policy Governance Committee** reviews new and updated policies, seeks to close policy gaps and works to raise ongoing awareness of key policies.

To drive the sustainability agenda within the business we established the **Global Sustainability Forum** in 2021. It includes sustainability leaders from Kirin, New Belgium Brewing, DVWP, and Lion. It meets quarterly to discuss sustainability risks, opportunities and collaboration. We provide quarterly scorecard updates on our Force For Good performance to our Group leadership team, Board and Kirin.

To ensure overarching governance, the Sustainability Team works with the business to manage sustainability risks and initiatives. The Team reports to Lion's Group General Counsel and External Relations Director who then reports on those risks and initiatives to the Lion and Kirin Boards, where appropriate. To view Lion's corporate governance structure [click here](#).

Our Force for Good performance goal

Our Force for Good performance goal links pay to ESG performance for all Lion team members. This approach recognises the essential link between business value and ESG performance. Two key Governance elements – Safety and Compliance Training – are mandatory goals within our Force for Good framework and our people choose an additional goal from our Environmental and Social framework to include in their overall goal.





Strengthen and safeguard our Governance

Safety

Business ethics and compliance



Safety

In every market we work in, in every vineyard, brewery and packing plant, the physical safety and mental and emotional wellbeing of our people is paramount and reflected in our safety vision: ‘Everyone Safe Everyday’. Our experience with COVID-19 and our strengthened focus on social good sharpened the focus on the mental and emotional wellbeing of our people.

Why it’s important

We believe keeping our people - our highly-trained, passionate, dedicated people - safe, is fundamental to our success and to the spirit of Lion.

Management approach

We focus on embedding a safety culture in our people, our processes and our partnerships. Lion’s Safety & Wellbeing Policy sets out our key safety commitments, which we use to develop a culture of **care, ownership and leadership** for safety and wellbeing.

Over the past two years we have extended our Safety & Wellbeing Policy to ensure we protected our people from the physical threat of COVID-19, and - just as importantly - the mental health effects of lockdowns and other restrictions. This included policy and communication work around the many complexities of vaccination and government requirements. We also adapted our support for R U OK? Day and Mental Health Month by repositioning our Stop for Safety days to support our people through lockdowns. Over the nearly two years of the pandemic so far, we have supported our people around the physical and mental safety elements in play as they transitioned to hybrid work and work from home (such as ergonomic settings, isolation).

In 2021 we completed an external review of our physical safety systems against best practice (standard ISO45001) and conducted virtual audits of our sites. We also completed a strategic review designed to further develop Lion’s future strategic approach to mental health and wellbeing.

How we stay on track

One of our key safety performance indicators is the Safety Index Score (SIS). The SIS covers six **leading** indicators (risk assessments, inspections, near misses, training, corrective actions and incident investigations). These are designed not just to measure safety performance but to enable adaptation so we can pro-actively reduce risks **before** they turn into danger to our people.

Our key lag performance indicator is the Total Recordable Incident Frequency Rate (TRIFR). In 2021, we recorded a sustained reduction in injuries.

Lion seeks to constantly grow our safety maturity (system, governance and culture) and to further improve critical and residual risk control. Across the business, we have clear functional plans in place to improve our systems and reduce our injuries.

Performance

2.48

Total Recordable Incident Frequency Rate (TRIFR) against a FY21 target of 3.38.

1.03

Lost Time Injury Frequency Rate (LTIFR) against an FY21 target of 3.08.

13,073

hours of safety training completed by employees through Success Factors.

97%

of mandatory safety training completed on time.





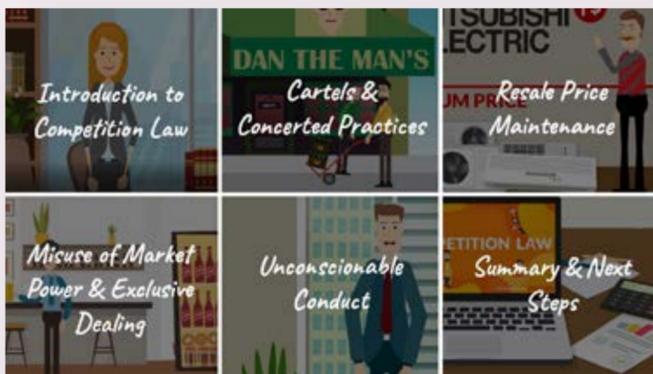
Strengthen and safeguard our Governance

Safety

Business ethics and compliance



Business ethics and compliance



Lion's online competition law compliance module.

Why it's important

As a large international business that has relationships with thousands of suppliers and partners, is regulated across multiple jurisdictions and has millions of customers, it is important we have a framework that ensures we act ethically and comply with relevant laws and regulations. This the right thing to do and it strengthens relationships that are crucial to our sustainable success.

Management approach

Lion's business ethics and compliance framework is well established and supported by senior management. The framework addresses anti bribery and corruption, competition law, and privacy among other areas.

Our Anti Bribery and Corruption (ABC) compliance program is managed across multiple levels. Our ABC Policy was updated in 2021 and is supported by mandatory compliance training for all Australian and NZ employees, with offline training and materials provided to employees in other business units. In addition, our Benefits Register reporting works to combat potential inappropriate influence of or by our people via the giving or receiving of gifts, entertainment or hospitality. In October 2021 we introduced mandatory Modern Slavery training for all Australia & New Zealand employees.

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.

To comply with privacy laws, we have implemented locally relevant Privacy Policies across our business, supported by online privacy compliance materials. A cross functional Privacy Community of Practice is responsible for key privacy decisions, maintaining privacy compliance and considering ethical issues in relation to the use of personal data. Face to face privacy training is provided for at-risk teams, such as IT, Enterprise Services, Digital/Marketing.

Lion's Legal team works with the business to integrate consideration of legal issues, risks and compliance into all governance processes.

How we stay on track

All compliance imperatives are assessed and managed cross-functionally with key input from Lion's Legal team, Lion Risk Assurance, People & Culture and external experts where appropriate. The Board receives regular reports of Lion's compliance with key regulatory governance policies and Lion's privacy compliance framework is assessed against the robust standards in Kirin's Privacy Data Protection Policy. Lion is also a signatory to BCA's Supplier Payment Code & Tax Transparency Code.

FY21 Performance

93%

completion rate for Lion's online competition law compliance module.

9

Number of whistleblower disclosures.

96%

completion rate for Lion's online anti-bribery and corruption compliance module.

9

Number of whistleblower disclosures investigated and closed.

No adverse anti bribery and corruption regulator investigations, proceedings or findings.

Lion's Australian, New Zealand, Distinguished Vineyards & Wine Partners and New Belgium businesses all considered 'compliant' with Kirin's Privacy Data Protection Policy.

No eligible (reportable) data breaches.

Lion was not the subject of any adverse regulatory investigations or proceedings.

No breaches of liquor licences / liquor licensing legislation.

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