



2022

Modern Slavery Statement



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Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands across Australia. We honour the long history and celebrate the strength and resilience of Aboriginal and Torres Strait Islander peoples and communities past and present. This proud heritage inspires our ambition to foster a shared sense of belonging for all Australians. We recognise and respect Aboriginal and Torres Strait Islander peoples' historical and ongoing connection to land and waters and pay our respect to Elders past and present.

Todd Phillips

Indigenous Partnerships and Reconciliation Manager

A message from our CEO



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

Our 2022 Modern Slavery Statement, the third under the Commonwealth Modern Slavery Act, reflects our continued commitment to uphold respect for human rights both in our own operations and our broader supply chain and to ensure Lion does not cause or contribute to Modern Slavery in any way.

Championing sociability and living well drives us to create positive change and build pathways to tackle some of the biggest social and environmental challenges we collectively face. 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. 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 are determined to use that force for good to produce immediate and lasting benefits for society and our environment which includes protecting Human Rights and mitigating the risk of Modern Slavery.

This Statement outlines the work we have undertaken during 2022 to identify and address Modern Slavery, while increasing transparency across our own operations and our broader supply chain, to ensure that Lion continues to be a fair, safe and inclusive place to work. We have continued to make steady progress in how we identify and address Modern Slavery risk at Lion.

This year we focussed on collaboration and engagement as we believe that Modern Slavery can only be eradicated through working with others – in particular our suppliers, peers and advocacy groups,

including Anti-Slavery Australia. We also sought an independent review of our Modern Slavery approach which pleasingly recognised many leading aspects of the program supporting Lion to identify, address and mitigate or remedy Modern Slavery risk across our own operations and our supply chain. We also started to take a broader view of Human Rights impacts, commissioning a saliency assessment which will underpin our new Human Rights Policy coming in 2023.

We recognise we still have more work to do, particularly in improving transparency and identification of modern slavery risk in our supply chain beyond tier one suppliers. We will continue to collaborate with those suppliers that pose the highest risk to people and investigate the use of technology to assist in the identification of risk in our supply chain. We will continue to improve awareness of human rights and modern slavery risk across our organisation and provide accessible and trustworthy channels for people to report breaches of human rights.

A handwritten signature in black ink that reads "Sam Fischer".

Sam Fischer
Chief Executive Officer

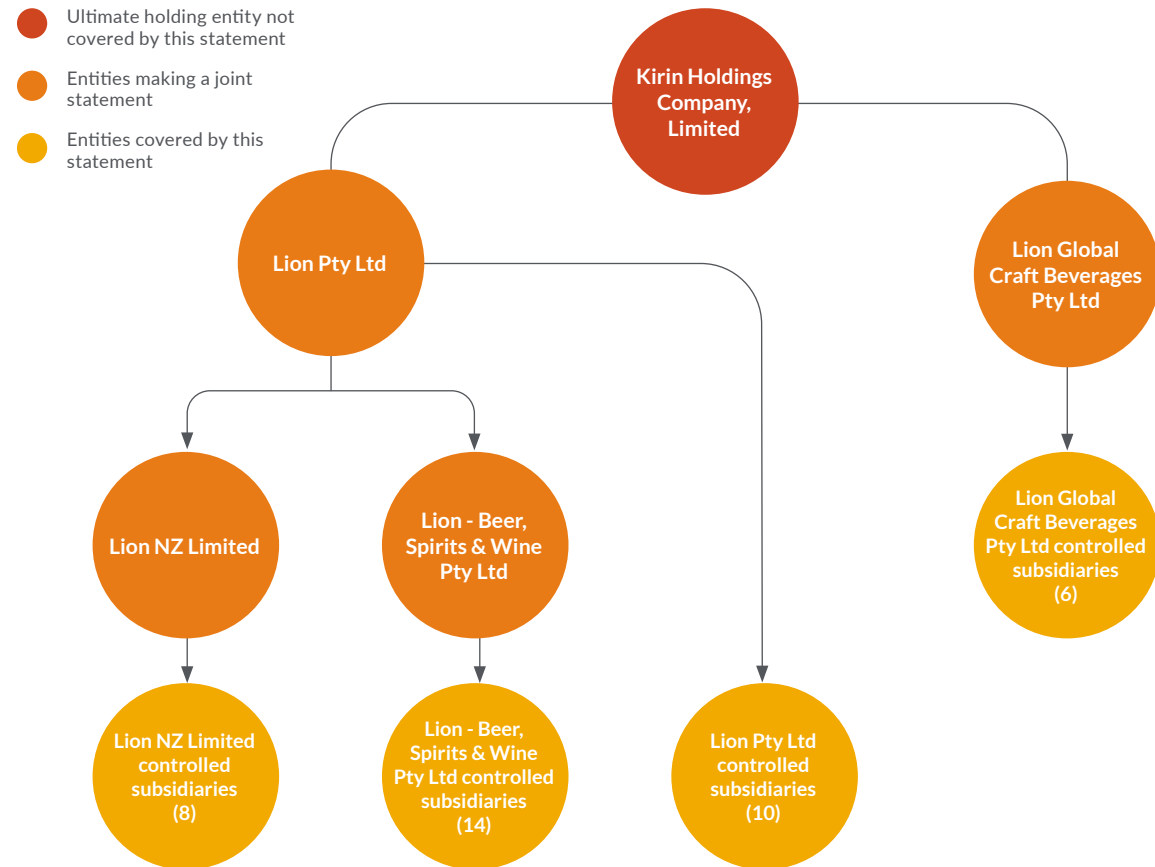
1. Lion Group Structure

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

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

As at 31 December 2022, the Lion Group comprised of 40 controlled entities spanning across Australia, New Zealand, the USA and Singapore. A complete list of Lion Group entities as at 31 December 2022 is set out in Appendix 1. The Lion Group is part of the Kirin family of companies.

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





2. Our Business

Lion produces, markets, sells, and distributes alcoholic and non-alcoholic beverages and operate microbreweries and hospitality venues worldwide.

With a proud history extending back to the 1800's, our Lion Australia, Lion New Zealand and Lion Little World Beverages brands span beer, cider, wine, seltzers, spirits and coffee.

We're one of the largest brewers in Australia with iconic brands including XXXX and Tooheys as well as craft brands such as Stone & Wood, Little Creatures and Furphy.

Lion is New Zealand's largest and most iconic alcoholic beverage company which includes brands like Steinlager, Speights, Mac's, Emerson's and Panhead.

Lion Global Craft Beverages is the parent company for most of our entities operating in the United States including New Belgium Brewing and Bells' Brewery. Together, New Belgium Brewing & Bells is at the top of the US craft beer market in sales volume and growth, with an extraordinary line up of brands including the #1 IPA brand in the US, Voodoo Ranger, along with Fat Tire, Two Hearted Ale and Oberon Ale.

In August 2022 Lion announced the sale of its domestic UK-based operations, including the Magic Rock and Fourpure brands to Odyssey Inns Ltd.

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



Australia



New Zealand

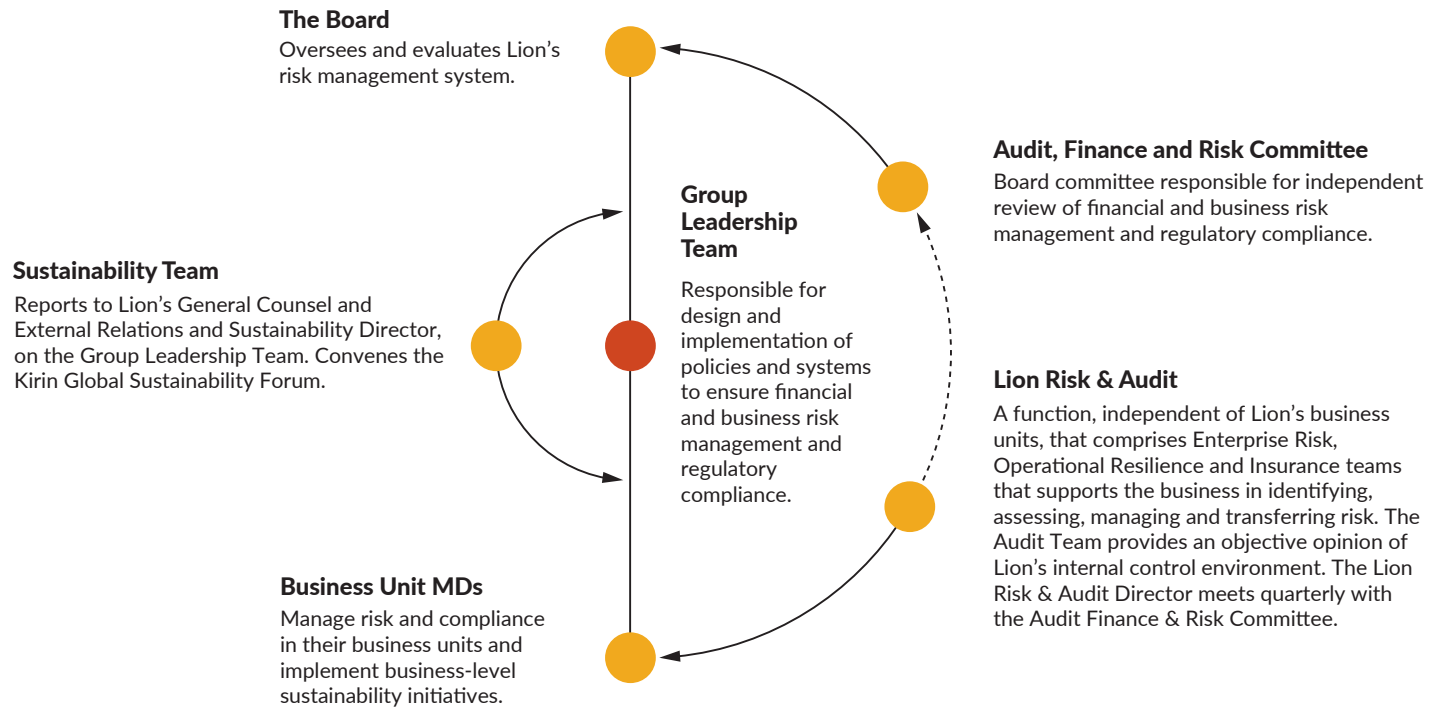


Lion Global Craft Beverages

3. Risk Management at Lion

At the heart of our governance framework is the cross operational governance structure to support Lion to identify, address and mitigate or remedy Modern Slavery risk across our own operations and our supply chain.

Governance at Lion



External Auditors

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

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

Risk Management at Lion continued

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

Modern Slavery Management Framework



In 2022 Lion commissioned an independent review of our Modern Slavery approach and when measured against Monash Centre for Financial Studies best practice analysis, Lion demonstrates leading practice. The key elements of Lion's Modern Slavery Management Framework include:

The Modern Slavery Working Group

Comprises representatives from Lion core functions and from the territories in which Lion operates. This Group oversees the identification, monitoring, and management of Modern Slavery risk at Lion as well as continuous improvement opportunities. The Group meets quarterly and includes representation from Human Resources, Procurement, Risk, Sales and Marketing, Hospitality, Quality, and our US operations.



Lion Policies

We understand policies which support the human rights, freedom, and health and wellbeing of our employees, promote ethical business and environmental practices are essential to prevent Modern Slavery practices across our business and in our supply chain.

In 2022 we made the decision to develop a formal Human Rights Policy. This Policy will outline our commitment to uphold the human rights of people in our business operations and our wider value chain. Underpinning the policy will be a Human Rights Saliency assessment which is being conducted in early 2023. This process will enable us to identify the most significant areas of human rights risk in our operations and broader value chain. This work will help us to continue strengthening our human rights risk management approach and inform how we report on human rights.



Below is a full list of current relevant policies:

| Policy | Purpose |
|--|--|
| Lion Position on Human Rights | The Lion Position on Human Rights sets out Lion's commitment to respecting human rights across all our business activities |
| Lion Respect and Conduct Policy / NBB Code of Conduct | Respect and Conduct Policy outlines our expectations in relation to the fair treatment of people at work, including the prohibition of discrimination, harassment, and bullying. |
| Lion Sexual Harassment Policy | The Lion Sexual Harassment Policy is a standalone policy outlining Lion's commitment to proactively preventing sexual harassment in the workplace. |
| Lion Whistleblower Policy | The Lion Whistleblower Policy provides a mechanism for the reporting of conduct involving the Lion Group's business which the reporting individual or individuals reasonably believe to be Reportable Conduct. Concerns relating to modern slavery or other adverse human rights impacts are considered Reportable Conduct. |
| Lion Procurement Policy | The Lion Procurement Policy provide key principles and guidance for anyone buying goods and services on behalf of Lion. Lion's Procurement Policy captures our commitment through three core principles: 1. Building strong commercial outcomes & productive partnerships 2. Promoting Human Rights and Ethical Sourcing 3. Promoting sustainable (environmental, social and inclusive) sourcing practices |
| Lion Supplier Responsible Sourcing Code | Lion's Supplier Responsible Sourcing Code outlines expectations of all our suppliers when it comes to sustainable sourcing practices spanning human rights, the environment and business ethics. It outlines the guiding principles for our suppliers, assists Procurement in supplier selection and its compliance is required and enshrined within suppliers' contractual terms. |
| Little World Beverages Ethical Trading Policy | Outlines minimum expectations of suppliers in promoting decent working conditions in their supply chain |
| Lion Risk Management Framework | Our Risk Management Framework establishes strong governance systems that support effective risk processes and ensure we are using our resources efficiently. Risks surrounding ethical sourcing and human rights are owned by senior executives at Lion. We manage these risks through the continual review, assessment and implementation of leading practices that provides greater visibility and accountability in our supplier network. |

Lion's Grievance Mechanism

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

The available channels include:

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

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

When a grievance is raised and substantiated through the investigation, we aim to remediate any impacts we may have caused or contributed to. In 2022 there were no Modern Slavery related grievances raised via our Whistleblower Hotline across all Lion entities. The refresh of the Whistleblower Policy and hotline created an increase in the number of disclosures on other matters reflecting a successful awareness and communications campaign.

Training and awareness

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

From 2022, the completion of mandatory Modern Slavery training forms part of Lion Australia & New Zealand's force for good goal. By linking the completion of training to performance or bonus goals, Lion is establishing this as a key priority for the whole business.

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. At the end of 2022, >90% of full-time employees had completed the training from Australia, New Zealand and the US.

The Lion Board receives an annual update on Modern Slavery. For the 2022 update we focussed on:

- The important signals, both local and global, that the Lion Board needs to be aware of when it comes to Modern Slavery specifically today.
- The strength of Lion's approach.
- The opportunities and strategic implications for the Board and more broadly for Lion as a business in the short and medium term.





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

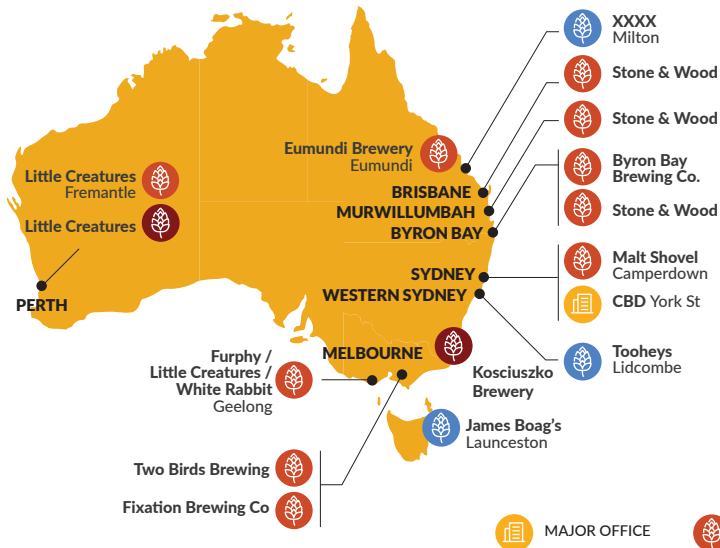
Lion, headquartered in Sydney, is a leading beverages company in Australasia, with a fast-growing global footprint including operations in the United States. Lion's manufacturing footprint extends beyond 35 sites and employs over 4,000 people globally.

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

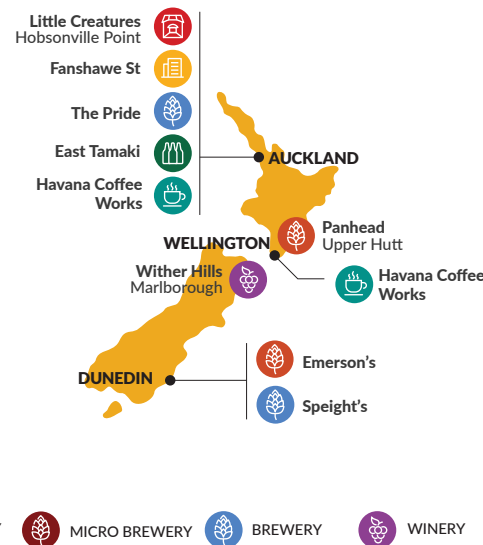
The inherent risk of Modern Slavery within our own operations in Australia, New Zealand and the United States is low according to the [Global Slavery Index](#).

Despite the inherent risk of modern slavery existing in our operations being low, we have control mechanisms in place to mitigate potential risk and ensure Lion is a fair, safe and inclusive place to work.

Australia



New Zealand



US



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

Our employees in Australia & New Zealand

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

Overlaying these agreements, Lion has a number of workplace policies which set out the expectations and obligations of Lion and its employees. Some of these policies also extend to agents, contractors, interns, volunteers, job applicants, leaders, managers, and Board members of Lion. In 2022, Lion made the decision to implement a stand-alone Sexual Harassment Policy to specifically outline Lion's commitment to proactively preventing sexual harassment in the workplace.

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

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

Our employees in the US

In our US operations, our employees are paid a "living wage" as calculated by the [MIT living wage calculator](#). Tipped hospitality workers are ensured a living wage where New Belgium makes up any gaps in their hourly rate including tips. In addition to the living wage, employees are also entitled to a robust benefits program including caregiver leave, sick leave, bereavement leave and leave for coworkers to get to the polls and vote. There is also a generous health insurance plan for coworkers and numerous wellness programs to support coworker physical and mental health.

Our New Belgium Brewing businesses also have relevant codes of conduct establishing expectations regarding the respectful treatment of workers as well as mandatory Sexual Harassment and Diversity Equity and Inclusion (DEI) training. New Belgium completes an annual audit program for equity and inclusion and has scored a 100% rating with the [Human Rights Campaign Corporate Equality Index](#).



Increasing transparency of operations

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

Indirect Labour & Operations Services

In addition to its own employees, Lion also uses indirect labour services including labour hire and operations services. Lion engages third party labour at our breweries to help manage peak volume periods and to supplement labour in times of unplanned leave or to backfill when unexpected events necessitate a short-term increase in labour resources (e.g. floods, coverage during pandemic). Across our enterprise agreements, workers from third party labour providers who undertake the same job requirements at Lion sites as Lion employees are generally paid the same base rate of pay as Lion employees with the same skill level. It is contractually the responsibility of the labour hire agency to manage all pay and employment related matters of their employees engaged at Lion sites. Our contractual agreements with labour hire agencies and operations services providers include clauses related to Modern Slavery and our expectation is that they will adhere to the minimum standards established by legislation and outlined in Lion's Responsible Sourcing Code.

Despite the inherent risk of modern slavery existing in our operations being low, we have identified an area of heightened risk to certain groups of people in our operations services. Operations services include the outsourcing of various operational tasks performed at the Lion sites including cleaning and security. The service provider is responsible for delivering the service and pays workers either directly or through subcontractors. Lion recognizes that operations services is an area of higher risk for Modern Slavery since the workforce is characterized by a higher portion of migrant or unskilled workers who may be less familiar with their rights and available protections. They may also be subjected to less regulation of labour standards including excessive work hours and an absence of a complaints and escalation process.

To mitigate this risk, Lion conducts a rigorous supplier evaluation and onboarding process to ensure that all relevant policies and procedures are in place to protect workers responsible for delivering the services at our sites. As with temporary labour, all contractual agreements include clauses related to Modern Slavery and our expectation is that they will adhere to the minimum standards established by legislation and outlined in Lion's Responsible Sourcing Code. In addition to these contractual arrangements, all contractors have access to the Whistleblower Hotline where they can report any breaches of labour relations or human rights, including underpayment or other forms of mistreatment. Details of the Whistleblower Hotline and how to access are included in the onsite induction process.





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

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

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

Supply Chain overview

Our global supply chain arrangements remained largely the same to the previous reporting period.

In 2022 Lion Australia & New Zealand engaged with more than 3000 suppliers from 33 countries where 94% of our suppliers are Australia and New Zealand based.

Countries we source goods from

- Lion Pty Ltd - Head Office



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



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



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



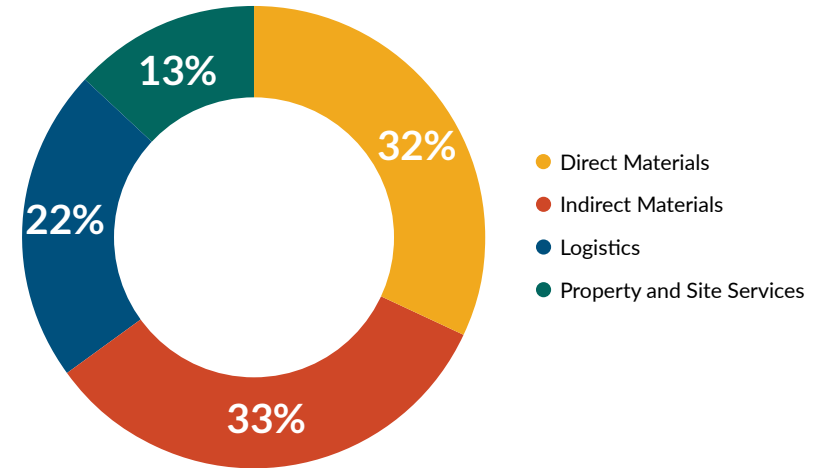
The Logistics category includes all freight and distribution services required to get product to the end customer.



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








Globally, Lion mostly purchases from established and trusted suppliers with advanced systems and processes to reduce the risk of Modern Slavery and human rights violations. For example, 94% of Australian and New Zealand spend is with well-established suppliers based in Australia and New Zealand. Our Lion Group Entities within the United States leverage our global core raw materials and packaging deals with suppliers similarly based in low-risk countries.

Lion spend by category:



Mitigating risk in our supply chain

Although the inherent risk for modern slavery in our supply is deemed to be low, we have identified the following commodities to be of higher risk for Lion globally:

| High risk commodity/service | Modern Slavery Risk factors (not exhaustive) |
|---|---|
|  Coffee | <ul style="list-style-type: none"> • Links to high-risk geographies (jurisdictions with insufficient/weak legal protections for workers) • Reliance on low-skilled and/or migrant labour • Use of child-labour • Excessive work hours • Absence of complaints and escalation process |
|  Fruit/grape picking | <ul style="list-style-type: none"> • Reliance on low-skilled and/or migrant labour • Use of child-labour • Excessive work hours |
|  Contracted labour hire services including horticultural labour, cleaners & security | <ul style="list-style-type: none"> • Reliance on low-skilled and/or migrant labour • High levels of sub-contracting • Excessive work hours • Absence of complaints and escalation process |
|  Branded Apparel/Uniforms | <ul style="list-style-type: none"> • Links to high-risk geographies (jurisdictions with insufficient/weak legal protections for workers) • Use of child-labour in the production of raw materials such as cotton or minerals |
|  Promotional Items | <ul style="list-style-type: none"> • Links to high-risk geographies (jurisdictions with insufficient/weak legal protections for workers) • Use of child-labour in the production of raw materials such as cotton or minerals |
|  Personal Protective Equipment (PPE) | <ul style="list-style-type: none"> • Links to high-risk geographies (jurisdictions with insufficient/weak legal protections for workers) • Use of child-labour in the production of raw materials such as cotton or minerals |
|  ICT equipment (eg. laptops, phones, accessories) | <ul style="list-style-type: none"> • Links to high-risk geographies (jurisdictions with insufficient/weak legal protections for workers) • Use of child-labour in the production of raw materials such as minerals used in production of components |



We continue to identify and manage Modern Slavery risk in our supply chain through our Responsible Sourcing program, robust contracting and procurement processes and ongoing supplier training.



Responsible Sourcing Program

The basis for Lion's Responsible Sourcing program is our Procurement Policy and our Supplier Responsible Sourcing Code (the Code). The expectation is that our suppliers and their suppliers will comply to the minimum standards outlined in the Code to protect the human rights of all people participating in our supply chain.

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

At the heart of the program is our supplier risk segmentation. The segmentation determines the level of modern slavery risk attributed to each supplier in tier one of our supply chain. This was updated in November 2022 and incorporated 3000+ Australian, New Zealand and US suppliers across our tier one supply base. Tier one suppliers are those we have direct contractual relationships with.

Accordingly, we saw an increase in the number of suppliers categorised as high priority, predominately due to an increased risk rating for promotional goods. The increased risk rating was reflective of known risks in the manufacturing sector (according to ILO estimates) and the likelihood of textiles being categorised under the promotional merchandise category. This risk rating now more accurately reflects textiles risk already considered with our uniform risk ratings.

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

Our risk assessment methodology

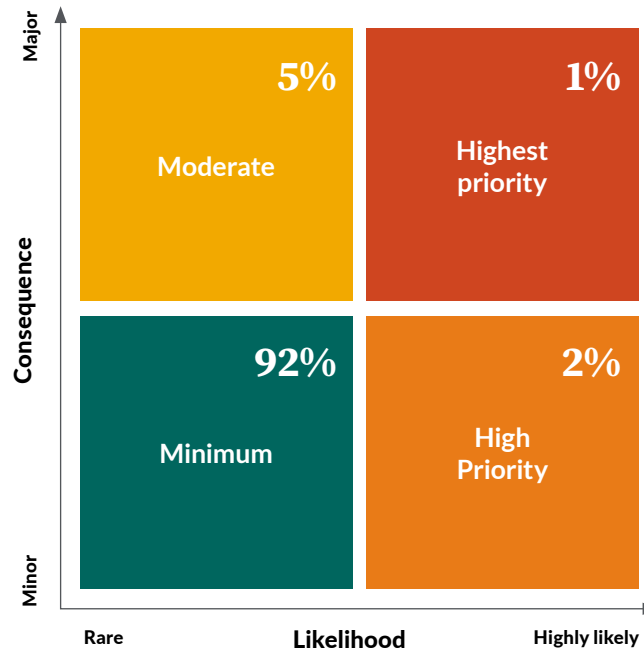
The risk assessment consisted of:

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

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

- List of Goods Produced using Child Labour or Forced Labour (TVPR),
- Trafficking in Persons Report (TIPR),
- Research in 43 Commodities Worldwide,
- Global Slavery Index,
- Global Estimates of Modern Slavery (ILO),
- Atlas Method Rankings (LSE and LMIE),
- ITUC Global Rights Index.

An overview of the new segmentation and methodology is found below. The percentage of total suppliers in each quadrant are also highlighted.



- Methodology**
- Likelihood factors (labour relations and human rights)**
- Category of goods & services
 - Country of origin
- Consequence factors (impact to Lion's Supply Chain)**
- Spend
 - Relationship/strategic supplier
 - Brand exposure

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

To operationalize the segmentation, the supplier management framework dictates associated supplier treatments based on risk to the Lion business. The greater the risk, the more transparency is required.

Supplier Management Framework

| | All | Minimum | Moderate | High Priority | Highest Priority |
|---|-----|---------|----------|---------------|------------------|
| Conduct Social Audits with associated Corrective Action Plans OR Mutual Recognition Audit Schemes / sharing of existing audit reports | | | | | ✓ |
| Onboard to Sedex (or equivalent) & complete annual SAQ | | | | ✓ | ✓ |
| Training & Education | | | ✓ | ✓ | ✓ |
| Accept Supplier Responsible Sourcing Code | ✓ | ✓ | ✓ | ✓ | ✓ |

As a minimum, all new suppliers to the Lion Group must accept the Lion Responsible Sourcing Code and will be subject to ongoing monitoring (media, NGO, government scrutiny). As the potential for risk increases, the supplier will be required to be more transparent through sharing Self-Assessment Questionnaire (SAQ) data and may need to undergo a social audit.

In 2022 we commenced a social audit program. We evaluated seven audit reports for some of our highest risk suppliers and commissioned one SMETA audit with our agricultural labour hire provider in New Zealand. There was a total of 15 non-compliances found across all audits with a trend for safety issues being raised such as exit sign lights not working, fire drills not being conducted, fire training not being conducted, occurrences of blocked fire exits and inadequate training on how to use Personal Protective Equipment (PPE). All non-compliances were closed within the given timeframes and there have been no major human rights violations to date.



Robust Procurement Processes

In 2021 our Procurement processes, tools, and templates (sourcing and contracting) were enhanced to support the procurement team to identify Modern Slavery risk. This included strengthening our sourcing & contracting processes by including pre-screening questionnaire included in tender documentation which enables category managers to identify risk prior to contracting a supplier. If required, subsequent mitigation plans can be built into the contract to ensure compliance to our Responsible Sourcing Code. Key learnings from the year will be incorporated in a review of policies and processes in 2023.

Supplier Training

We recognise that collaborating with our suppliers is key to the eradication of Modern Slavery in our supply chain. In 2022 we embarked on a supplier training program, starting with our highest priority suppliers and strategic suppliers. The training material covered Lion's minimum expectations in terms of business ethics, health and safety of workers, human rights and labour relations and provided Lions whistle blower hotline details. The training material also re-emphasised Lion's requirement for the suppliers to comply with our Responsible Sourcing Code. The training material was sent to over 200 suppliers (high risk and strategic suppliers) and included an invitation to virtual training sessions. Lion hosted three live Modern Slavery training sessions with attendees from businesses across our key industries such as IT, Promotional material, agricultural, logistics and packaging.



Case Studies

Mitigating risk in our coffee supply chain

Havana Coffee Works' supply chain has a high inherent risk for Modern Slavery due to coffee being a high-risk commodity, sourced from high-risk geographies such as Mexico, Honduras, Columbia & Guatemala.

Havana Coffee Works has always prided itself on sourcing the highest quality coffee ethically grown and directly traded from countries of origin. Havana choose to buy from producers who farm sustainably & in turn contribute to their communities through economic & social return.

Prior to COVID-19, frequent visits were made to origin farms where we could see for ourselves how life can be for the farmers and their families, and how vital it is that they get remunerated fairly. In visiting the farms, we are able to see the positive impact and importance of our trading relationship in changing lives and how it allows the farmers to make future plans for their communities. We will recommence travel to these farms from 2023. We will also have the Supplier Responsible Sourcing Code translated into Spanish to support the local farmers understanding all expectations.

Additionally, Havana continues to pay premium prices, over and above Fairtrade, in recognition of the coffee farmers and the importance of the industry to the many struggling regions where coffee is grown.

Mitigating risk in labour hire services in NZ

Lion engages a third-party labour hire service provider in NZ who sources migrant labour through the New Zealand Recognised Seasonal Employer (RSE) scheme.

In a recent social audit, despite being fully compliant with all legal requirements as set out in the RSE scheme, and meeting and/or exceeding industry standards with regards to accommodation, living conditions, training, and wellness programs provided to RSE employees, a non-conformance was raised on the basis that certain recruitment practices were not aligned with the current ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs.

This specifically related to the chargeback of initial cost of recruitment, including visa fees, police checks, and medical examinations for the visa and the indirect costs including airfare and transportation upon arrival to New Zealand to RSE employees. It is noted that the labour hire company provides the return tickets to RSE employees. There was no evidence of modern slavery or debt bondage or that the labour hire provider exploited their employees in any way.

The gap in legal and ethical compliance is a larger industry related issue. While we acknowledge that our supplier is not exploiting this scheme, we cannot be sure that all businesses do the right thing by their employees. Given the inherent risk of exploitation in the agricultural industry, and in the spirit of continuous improvement, we will seek to address this with our government and industry counterparts to close the gap between what is legal and what is ethical under the RSE scheme.



6. Assessing the effectiveness of our actions and future

In 2022 we commissioned an independent review of our Modern Slavery approach by an expert management consultant, The Growth Activists, using the Monash Centre for Financial Studies best practice analysis.

“Vigilant, and always evolving in the context of broader human rights, Lion’s is a high-quality approach to managing the risk of modern-day slavery in its business.

Lion scrutinises its operations and supply chain for signs of modern-day slavery, under the governance of a team of leaders from across the business.

Lion educates teams about what to look for and how to report something, aware that at the centre of any discovery would be a victim who needs support.”

*Kirsty Simmonds
ESG Practice Principal, The Growth Activists*

According to the review, Lion demonstrates **leading practice** in the following areas:

- Robust governance underpinning reporting
- Comprehensive. Looks at Operations and Supply Chain
- Shared accountability. Cross-business and supplier engagement
- Visible to the highest levels in the organisation – Executives and Board
- Impact and risk based. Incorporates risk identification, management, and remediation model
- Education based. A strong focus on educating the organisation
- It is always on, constant vigilance and humble acceptance that while nothing has been found it is always a possibility
- Avenues for victims. Offers grievance mechanisms for people to report likely or actual incidences of exploitation
- Not static. Includes a current and future view. Always evolving.

Despite this encouraging review, we will not settle. In line with our three-year continuous improvement plan launched in 2021, the below are the key action areas for Lion and the future plans to enhance the effectiveness of our program in 2023 and beyond.

Governance & Reporting

Responsibilities for progressing the various initiatives aimed at addressing Modern Slavery requirements and managing risks and issues are assigned to the Modern Slavery working group. The group met quarterly during 2022 with an emphasis on building broader human rights awareness.

The key KPIs underpinning the effectiveness of our program include Sedex SAQ completion rates (# suppliers onboarded), social audit results (no outstanding non-conformances) and employee training numbers (>90%). We are on track against our established targets.

Capability & Training

Building capability and knowledge in our own operations not only ensures our employees are educated on their own rights, but also ensures that team members in supplier-facing roles are alert to the risks in our supply chain, and to know when and how to escalate concerns.

At the end of 2022 >90% of all AU & NZ full-time employees had undergone mandatory Modern Slavery training.

In August 2022, Anti-Slavery Australia attended our Q3 Modern Slavery Working Group meeting to share a victim's perspective of modern slavery in Australia. This is part of the ongoing commitment to broaden human rights understanding across the business, particularly seeing business and human rights through the lens of the victims.

Ensuring our Lion Board is kept up to date on global trends and relevant legislation is also an important component of an effective training program. The 2022 Board briefing included an overview of the Modern Slavery landscape, the strengths of Lion's approach, global progress, emerging signals and the opportunities for Lion.

Supplier Engagement

We know that collaboration with our suppliers is key to an effective Modern Slavery risk mitigation strategy. In 2022 Lion provided training to 200+ high risk or strategic suppliers on Modern Slavery – what it is and how it is likely to show up.

Ensuring our suppliers are aware of the requirements set out in the Supplier Responsible Sourcing Code is also important. In 2023 we will translate our Supplier Responsible Sourcing Code and Modern Slavery training into Spanish for our Spanish speaking coffee suppliers. We will also continue to provide training sessions for our suppliers and start to include modern slavery discussions in our top-to-top meetings.

Global application of policies

During 2022 we continued to ensure all policies and site-specific codes of conduct address Modern Slavery requirements and human rights commitments are applied globally. Where a policy is not global, we ensure that a local equivalent is in place.

Risk Identification & Management

Having a robust process for identifying and addressing Modern Slavery risk within our own operations and the broader supply chain is key to effectively managing Modern Slavery risk.

In 2021 we developed a risk segmentation tool to identify potential modern slavery risk across our 3000+ suppliers and this was updated again in 2022. Identified risks are managed through our supplier management framework. This will continue to be updated annually so to include all relevant external benchmarks and data sets.

Transparency beyond tier one suppliers continues to be a challenge and we are working with our highest risk suppliers to get better visibility to the suppliers beyond tier one. We are also continuing to explore the use of technology to monitor the risk of suppliers beyond tier one.

Grievance Mechanism

Lion has a zero-tolerance approach to human rights violations in our own operations and our supply chain. Having a trusted, accessible grievance mechanism is one of the most effective tools to eliminate modern slavery.

During the Reporting Period, as per the previous Reporting Period, we had zero human rights related grievances raised. We believe this is predominately since Lion operates in countries with substantive legislative requirements protecting workers and their rights. However, we do not take this as a given and will continue to promote the Whistleblower Policy across Lion Group entities and availability of the associated grievance mechanism.



7. Consultation

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

The working group meets quarterly to oversee the identification, monitoring and management of Modern Slavery risk at Lion. It also reviews the ongoing status of continuous improvement opportunities to ensure we are improving the effectiveness of our program over time.

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

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



8. Review and approval _____

This statement is made pursuant the Modern Slavery Act (Cth) 2018 and with respect to the calendar year ending 31 December 2022 (the 'Reporting Period').

The statement was reviewed and endorsed by the Lion Board on 25th January 2023.

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

Signed by

Sam Fischer

Chief Executive Officer

Date: 10th May 2023

Appendix 1: Subsidiaries and Investments

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

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

Appendix 1: Subsidiaries and Investments continued

| Name of Subsidiary | ACN/Company Number/file number/ Entity ID | Lion % Shareholding (direct or indirect) |
|--|---|--|
| Lion NZ Ltd's Investments (direct and indirect) | | |
| Coffee Imports Ltd | 1266090 | 100% |
| Coffee U Feel Ltd | 5780067 | 100% |
| Deluxe Coffee Roasters Ltd | 2321109 | 100% |
| Havana Coffee Works Ltd | 1256288 | 100% |
| Lion NZ Remote Sales Ltd | 8191925 | 100% |
| LLR Remote Sales Ltd | 8191940 | 100% |
| Panhead Custom Ales Ltd | 5983429 | 100% |
| The Emerson Brewing Company Ltd | 558187 | 100% |

| Name of Subsidiary | ACN/Company Number/file number/ Entity ID | Lion % Shareholding (direct or indirect) |
|--|---|--|
| Lion Global Craft Beverages Pty Ltd (631 805 402) | | |
| Bell's Brewery, Inc | 38-2467659 | 100% |
| Bell's Properties, LLC | 26-2368027 | 100% |
| Little World Beverages, Inc | 7371231 | 100% |
| New Belgium Brewing Company, Inc | 84-1225570 | 100% |
| Oxbow Properties, LLC | 45-2628524 | 100% |
| Ripple by the Bay, LLC | 82-2540685 | 100% |

Appendix 2: Index _____

| Mandatory Criteria | Australian MSA | Location of Information |
|---|----------------|-------------------------|
| Identify the reporting entity | X | p4 |
| The reporting entity's structure, operations and supply chains | X | p4-5, p10, p13-14 |
| The risks of Modern Slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls | X | p11-12, p15-18 |
| The actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes | X | p6-9, p11-12, p16-20 |
| How the reporting entity assesses the effectiveness of these actions | X | p21-22 |
| The process of consultation with any entities the reporting entity owns or controls | X | p23 |
| Approval and signature of the statement | X | p24 |

