



LION

2023

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



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Message from Sam Fischer, CEO



Our 2023 Modern Slavery Statement, the fourth under the Commonwealth Modern Slavery Act, reflects our continued commitment to respect human rights both in our own operations and our broader supply chain and to ensure Lion does not cause or contribute to Modern Slavery.

At Lion, we aspire to do one thing above all, elevate and enrich the moments in our consumers' lives by *Making The Moment Mean More*. This vision extends to Lion being 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 employees 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 addressing Modern Slavery and respecting Human Rights more broadly.

This Statement outlines the work we have undertaken during 2023 to identify and address Modern Slavery in our own operations and our supply chain. A key milestone was the publication of Lion's first Human Rights Policy. This Policy sets out our Human Rights commitments across our international organisations.

We continue to challenge ourselves to improve transparency across our operations and our supply chain with a focus on increasing awareness of human rights and Modern Slavery risk across our organisation and providing accessible channels for people to report breaches of human rights.

Sam Fischer
Chief Executive Officer



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.

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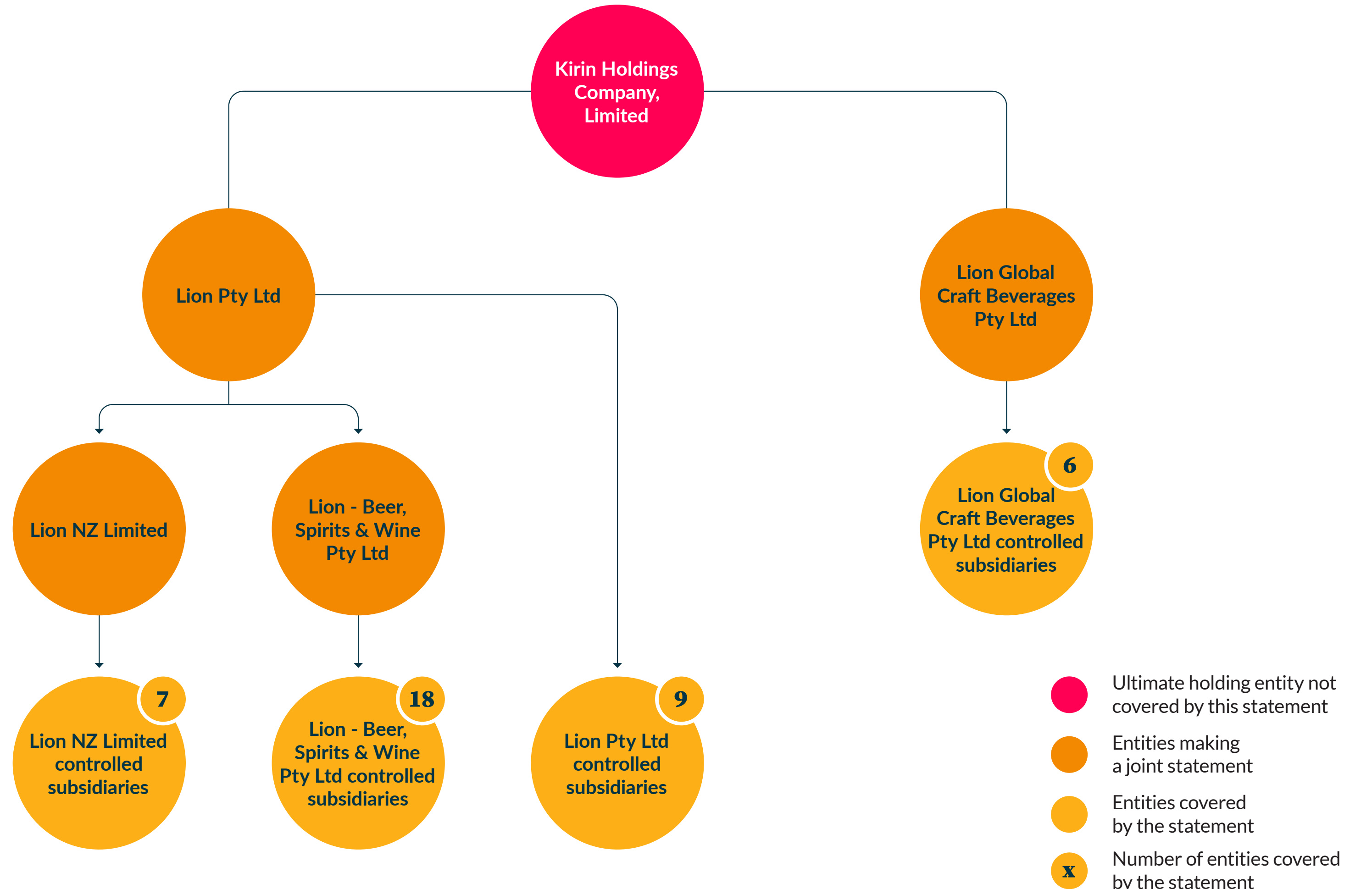
Lion Group Structure

This statement is a joint statement made by Lion Pty Ltd (the ultimate parent company for Oceania and Lion’s US wine business), Lion Global Craft Beverages Pty Ltd (the ultimate parent company for Lion’s US craft business), 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 2023, the Lion Group comprised of 40 controlled entities spanning across Australia, New Zealand, the USA. A complete list of Lion Group entities as at 31 December 2023 is set out in Appendix 1. The Lion Group is part of the Kirin family of companies.

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



Our Business

Lion is a beverage company headquartered in Sydney, Australia that produces, markets, sells, and distributes alcoholic and non-alcoholic beverages and operates hospitality venues in Australia, New Zealand and the United States of America.

With a history of over 180 years, our Lion businesses span beer, cider, wine, seltzers, spirits and other drink categories including coffee.

We're one of the largest brewers in Australia with brands including XXXX, Hahn and Tooheys as well as craft brands such as Stone & Wood and Little Creatures. In 2023 Lion acquired Vanguard Luxury Brands, importer, marketer, and distributor of premium spirits. Lion also moved to 100% ownership of Four Pillars Gin, a craft spirit brand. Lion has a growing portfolio of Ready To Drink (RTD) products that it makes and sells.

Lion is New Zealand's largest alcoholic beverage company which includes brands like Steinlager, Speights, Mac's, Emerson's and Panhead. Lion also has a portfolio of wine brands, including still and sparkling wines from our own Wither Hills vineyard.

Lion Global Craft Beverages is the parent company for most of our entities operating in the United States including New Belgium Brewing and Bell's Brewery. Together, New Belgium Brewing & Bell's Brewery's portfolio of brands includes Voodoo Ranger, Fat Tire, Two Hearted Ale and Oberon Ale. Lion also has a premium fine wine business in North America.



Australia



New Zealand



Global Craft Beverages

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



1. Risk Management at Lion

During the Reporting Period there have been no significant changes in the risk management framework at Lion. The basis of our risk management framework is the cross functional governance structure to identify, prioritise and manage strategic and operational risk, including Modern Slavery.

Governance at Lion

The Board

Oversees and evaluates Lion's risk management system.

Sustainability Team

Leads the ESG Strategy for Lion, managing various climate related and social risks on behalf of Lion.

Operating Unit MD's

Manage risk and compliance in their business units and implement business-level sustainability initiatives.

Group Leadership Team

Responsible for design and implementation of policies and systems to ensure financial and business risk management and regulatory compliance.

Audit, Finance and Risk Committee

Board committee responsible for independent review of financial and business risk management and regulatory compliance.

Lion Risk Assurance

A function, independent of Lion's operating units, that comprises a risk and resilience team (supports the business in identifying, assessing and managing risk) and audit and assurance team (provides an objective opinion of Lion's internal control environment). Meets quarterly with the Audit, Finance and Risk Committee.

External audit

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

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



Risk Management at Lion (continued)

Modern Slavery Risk Management Framework

In addition to our overarching corporate governance structure, our Modern Slavery Risk Management Framework provides a systematic approach to identify and address Modern Slavery risks at Lion.



Risk Management at Lion (continued)

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 including Australia, New Zealand and the United States. This Group oversees the identification, monitoring, and management of Modern Slavery risk at Lion as well as continuous improvement opportunities. The Group meets bi-yearly 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 mitigate the risk of Modern Slavery across our business and our supply chain.

In 2023 we developed a formal Human Rights Policy. This Policy outlines our commitment to respect the human rights of people in our business operations and our value chain. Underpinning the policy is a Human Rights Saliency Assessment which was conducted in Q1 2023. This process enabled us to identify the most significant areas of human rights risk in our operations and broader value chain.

This work will enable us to strengthen 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
Human Rights Policy	The Lion Human Rights Policy sets out Lion's commitment to respecting human rights across all our business activities.
Lion Respect and Conduct Policy / New Belgium Code of Conduct	These policies outline 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 a Reportable Conduct. Concerns relating to Modern Slavery or other adverse human rights impacts are considered Reportable Conduct.
Lion Procurement Policy	The Lion Procurement Policy provides key principles and guidance for anyone buying goods and services on behalf of Lion. Lion's Procurement Policy captures our commitment through three core principles: <ol style="list-style-type: none"> 1. Building strong commercial outcomes and productive partnerships 2. Promoting Human Rights and Ethical Sourcing 3. Promoting sustainable (environmental, social and inclusive) sourcing practices
Lion Supplier Responsible Sourcing Code	Lion's Supplier Responsible Sourcing Code outlines expectations of all our suppliers when it comes to sustainable sourcing practices spanning human rights, the environment and business ethics. It outlines the guiding principles for our suppliers, assists Procurement in supplier selection and its compliance is required within Lions' contractual terms.
New Belgium Supplier Responsible Sourcing Code	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.

Risk Management at Lion (continued)

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 a trusted and 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.

Our grievance mechanism, designed in collaboration with legal, external consultants, and our auditor is operated by an independent, third party.

The available channels include:

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

The program is communicated internally via emails from our CEO, posters at all sites, desktop wallpaper and is promoted in the Modern Slavery training module. It is featured both on the internal intranet home page and on 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 2023 there were no Modern Slavery related grievances raised via our Whistleblower Hotline across all Lion entities.

Training and awareness

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

In 2022 a training module was developed that describes 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 2023, 78% of full-time Lion employees had completed the training.

In November we conducted an internal refresher training course for over 80 procurement, capital projects, supply chain and promotional merchandise team members.

The Lion Board received its annual Modern Slavery briefing in January 2023 which covered topics including local and global trends related to Modern Slavery in an organisational context and the strengths and opportunities of the Lion approach.



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

Lion, headquartered in Sydney, is a beverages company in Australasia, with a global footprint including operations in the United States. Lion's manufacturing footprint extends beyond 30 sites and employs over 3,000 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.

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.

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](#).



- Major office
- Brewery
- Craft brewery
- Micro brewery
- Craft distillery
- Micro distillery
- Winery
- Coffee roastery
- Hospitality venue

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

Our employees in Australia and 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.

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 [Lion Code of Conduct](#) and associated policies specifically reference an 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.

During the Reporting Period, Lion integrated several new business acquisitions. During pre-integration audits, some casual team members were identified as being entitled to additional compensation in accordance with the applicable modern award.

As a result, those casuals were remediated with values ranging between \$10.00-\$500.00. To ensure future proofing for compliance, all casuals are paid strictly in accordance with the terms of the modern award including but not limited to applicable minimum hourly rates of pay, loadings, penalties and allowances.

Lion does not tolerate sexual harassment, discrimination, and bullying. To support this commitment, in 2023 Lion expanded the channels for employees to report inappropriate behaviour or related concerns through the Respect the Line portal. This can include reporting on bullying, discrimination, harassment, or any other conduct that doesn't adhere to Lion's standards of respect and inclusion. Reports can be anonymous. This is an additional channel to the confidential Whistleblower Hotline, Draw the Line, which includes full statutory protections for the whistleblower. Lion understands the importance of these channels as a primary way of respecting the human rights of people in our organisation and our supply chain.

In 2023 Lion implemented a new Code of Conduct for all ANZ employees. Lion team members work in a range of different settings – from breweries, distilleries and vineyards, to pubs, restaurants and corporate offices. This Code applies to all Lion team members and sets the tone for lawful and collaborative business relationships with customers and suppliers.

A current copy of the Code of Conduct is available [here](#).

Our employees in the US

In our US operations (New Belgium), we provide an internal minimum wage for all entry level, non-tipped coworkers. Our internal minimum wage is determined by an annual minimum living wage assessment. Internal minimum wage recommendations are established through the review and analysis of data provided by external resources such as, [MIT Living Wage Calculator](#), [Living Wage for US](#), and [US Department of Housing and Urban Development Fair Market Value Rent \(40th percentile\)](#). MIT living wage calculator is widely recognised in the US and by [B Lab](#) as the preferred living wage calculator as it's based on basic needs in food, childcare, healthcare, housing, transportation and other necessities.

All coworkers are eligible for paid time off including sick, paid caregiver, bereavement, and voting leave. All coworkers are also eligible to plan for their retirement through contributions to their 401(k) account that is set up automatically upon hire and will receive matching contributions as outlined in the company plan.

To support financial wellness and education, New Belgium offers complimentary appointments with 3rd party financial advisors.

Fulltime coworkers are eligible for health insurance and wellness plans to support physical and mental health along with generous paid disability leave benefits to support coworkers when they are required to be away from work due to serious illness or injury.

Tipped hospitality coworkers are guaranteed a state minimum wage in locations where base rate for tipped coworker is lower than state minimum wage for all hours worked.

Our New Belgium businesses also has 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](#).

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

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 and safety, human rights and labour standards and the environment. By sharing this information, Lion seeks to increase transparency in our end-to-end supply chain. In 2023, Lion completed SAQs for 16 sites in Australia, New Zealand and the US.

Indirect Labour and 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. 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.

The Responsible Sourcing Code forms part of all Supply Agreements and associated Terms and Conditions and is available on our Corporate website [here](#).

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.

Lion recognises that operations services is an area of higher risk for Modern Slavery since the workforce is characterised 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 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.

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3. 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 year round. In turn, our suppliers may 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 supply chain.

Supply Chain overview

Our global supply chain arrangements remained largely the same to the previous Reporting Period. In 2023:



Countries we source goods and services from



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

Lion spend by category

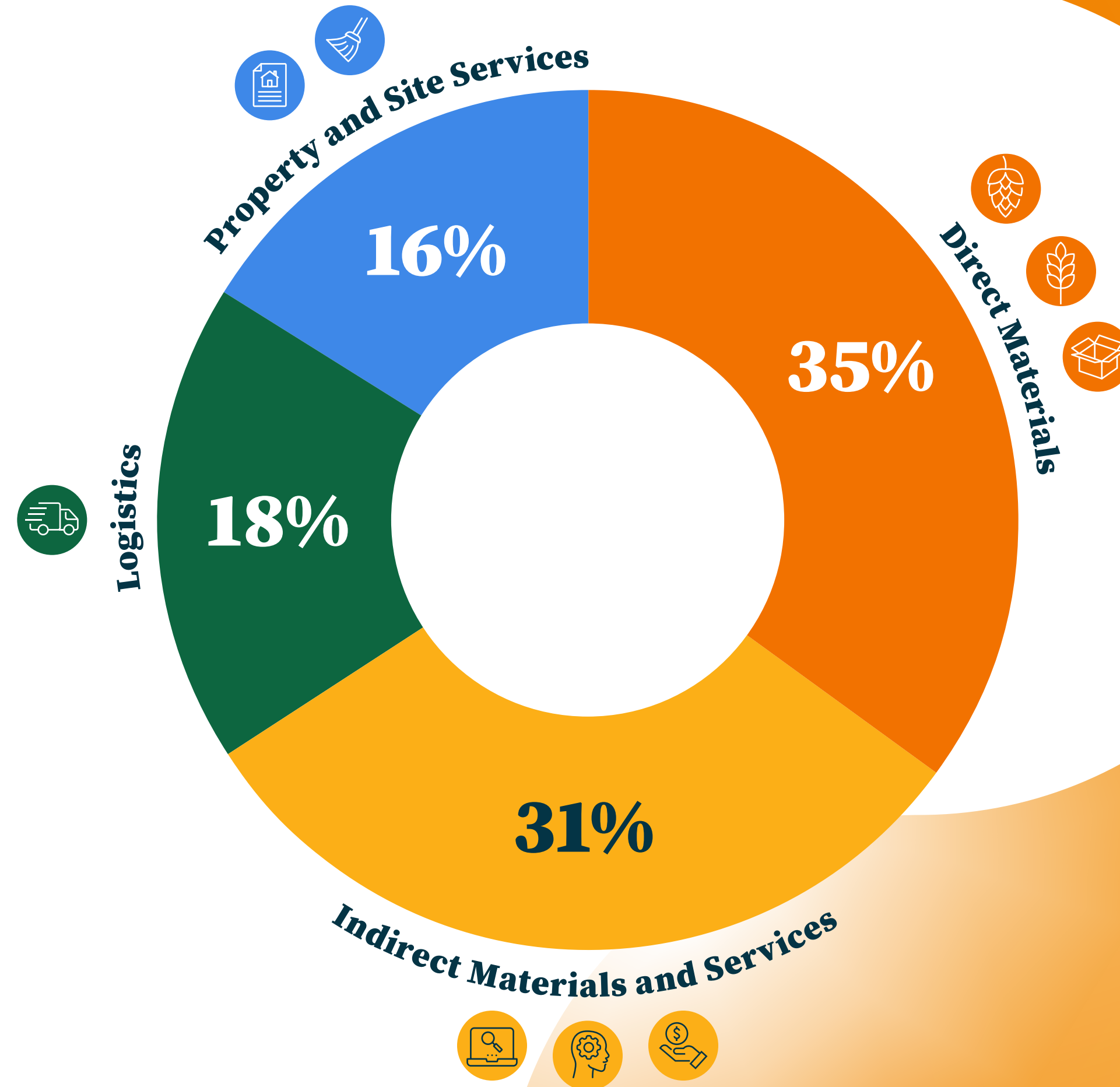
Lion's largest global category of spend is **Direct Materials**. Direct Materials are those which are incorporated into the production of our final product and include ingredients such as hops and malted barley as well as packaging materials including glass bottles, aluminium cans, corrugate and paperboard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

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

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

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








Globally, Lion primarily purchases from established and trusted suppliers with advanced systems and processes to reduce the risk of Modern Slavery and human rights violations. For example, 97% 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.



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

Mitigating risk in our supply chain

Although the inherent risk for Modern Slavery in our supply is deemed to be low (refer to the [Global Slavery Index](#)), we have identified the following commodities to be of higher inherent risk for Lion globally:

High risk commodity	Modern Slavery inherent risk factors (indicative, not exhaustive)
 Coffee	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 and grape picking (for wineries)	Reliance on low-skilled and/or migrant labour High levels of sub-contracting Excessive work hours
 Contracted labour hire services including horticultural labour, cleaners and security	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	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	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)	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)	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

These inherent risk factors represent the commodity based risks determined using external benchmarking data outlined in page 17. These risks have been identified through a thorough risk assessment process outlined on page 17. The residual risk is low due to various controls in place as outlined on p16-21.

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

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

Responsible Sourcing Program

The basis for Lion's Responsible Sourcing program is our [Procurement Policy](#), our [Human Rights 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.

Underpinning 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 and is conducted annually. In 2023 it incorporated approximately 3,000 Australian, New Zealand and US suppliers across our tier one supply base. Tier one suppliers are those we have direct contractual relationships with.



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

How we undertake the risk assessment of our suppliers

The Supplier Risk Segmentation Methodology enables Lion to prioritise suppliers for further action by identifying which suppliers have a high likelihood of the given supply chain risk being present within their business/extended supply chain and the impact of the given risk.

The Risk Segmentation methodology and associated heat map (right) classifies suppliers according to priority - Highest, High, Moderate and Minimum based on:

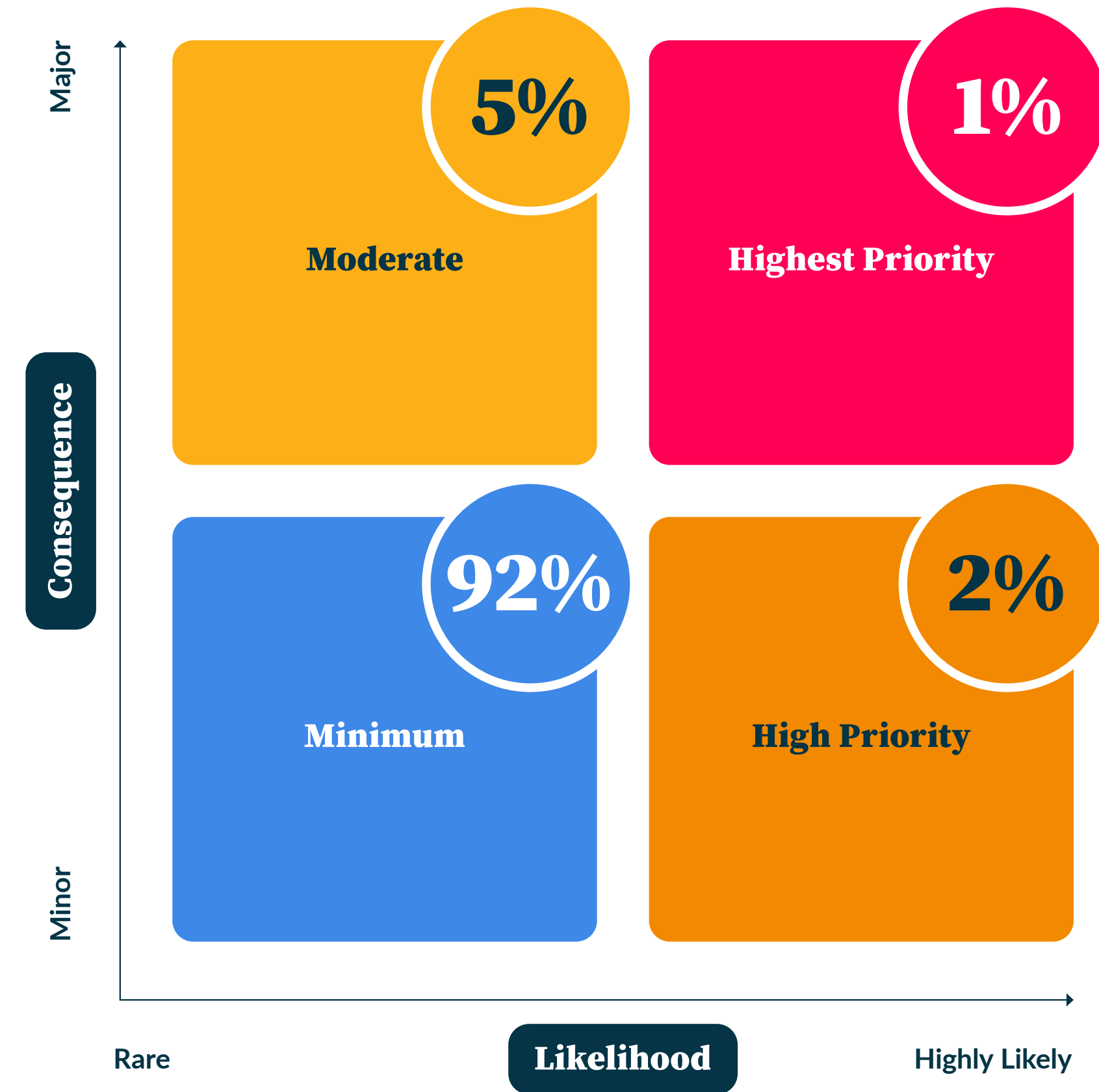
Our model utilises external benchmarking data to assess the level of Modern Slavery risk associated with each supplier. Sources of data used in segmentation included:

- List of Goods Produced using Child Labour or Forced 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.

Likelihood

Consequence

Supplier Segmentation resulting from risk assessment



Methodology

Likelihood factors (labour relations and human rights)

- Category of goods and 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 operationalise the segmentation, the supplier management framework dictates associated supplier treatments based on risk identified in the assessment process. The greater the risk, the more transparency is required.

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

Unable to verify working hours and wages due to missing/ incomplete/ inconsistent records and right to work could not be verified due to lack of documentation. All non-compliances were closed within the given timeframes and there have been no major human rights violations identified to date through these disclosures made on the Sedex platform.

In 2023 we reviewed 11 supplier audits, in the Sedex database conducted by other parties, which revealed 33 non-compliances across all audits. Common non-compliance issues included safety issues such as first aid box available, but contents are missing / contents out of date or otherwise inadequate; fire drills not being conducted on every shift.

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) and complete annual SAQ				✓	✓
Training and Education			✓	✓	✓
Accept Supplier Responsible Sourcing Code	✓	✓	✓	✓	✓

Where a supplier is assessed to have a greater Modern Slavery risk, the more transparent they are required to be. This may include additional training, the completion of a self assessment questionnaire or a social audit.

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

Procurement Processes

Our Procurement processes, tools, and sourcing and contracting templates support the procurement team to identify Modern Slavery risk. This includes a pre-screening questionnaire in our 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 Supplier Responsible Sourcing Code.

Supplier Training and Collaboration

We recognise that collaborating with our suppliers can advance the eradication of Modern Slavery in our supply chain.

In 2023 we continued our supplier training program targeted at our highest priority suppliers and strategic suppliers. The training material covers Lion's minimum expectations in terms of business ethics, health and safety of workers, human rights and labour relations and provides details on Lion's Whistleblower Hotline. The training material also re-emphasises Lion's requirement for the suppliers to comply with our Responsible Sourcing Code. The training material was sent to over 130 suppliers (high risk and strategic suppliers).

We also shared the publicly available UN Global Compact [Modern Slavery Risk Management – A Playbook for Australian SMEs](#) which has five practical steps to identify, manage and mitigate Modern Slavery risk.

Lion's Responsible Sourcing Code

All Lion suppliers are required to abide to Lion's Responsible Sourcing code. The Code can be found [here](#).



Deep dive into tier 2 suppliers –Promotional material and Personal protective equipment (PPE)

As part of Lion's increased supply chain due diligence and supply chain transparency, we focussed on increasing collaboration with our high-risk suppliers including promotional materials and PPE to gain a better understanding of our supply chain risks, how we can minimise our risk exposure and continue to be a force for good in eliminating Modern Slavery.

We worked directly with promotional suppliers to share information and training to their suppliers to increase awareness of potential risks within their industry and how they can manage or mitigate these risks. We explicitly asked them to share with their suppliers the [UN Global Compact Guide – Modern Slavery Risk Management](#) on how to identify, manage and mitigate Modern Slavery. Lion's promotional materials supplier received positive feedback from their supplying factories after sharing the guide and had increased confidence that their suppliers are committed to combating Modern Slavery risks in their supply chain.

We also worked closely with our PPE suppliers to better understand how they identify and manage risk in their supply chains. We reviewed their Modern Slavery education and awareness program they provide for their supply base and the risk assessment detail used to determine risks across the supply chain. They use the resulting risk segmentation to manage their supplier risk accordingly which is very similar to the approach Lion takes.

This work will continue into 2024 as we strengthen our partnerships with our higher risk suppliers to improve transparency throughout our global supply chain and amplify the positive effects of training and awareness programs.

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

Human Rights Policy development

In 2022 the Lion Board determined that Lion required a Modern Slavery Policy to affirm compliance with the Modern Slavery Act (Cth). Given Modern Slavery is but one human rights risk, it was deemed appropriate to develop a broader, standalone Human Rights Policy which would inherently encompass Modern Slavery.

In creating a Human Rights Policy, Lion needed to understand it's salient human rights risks. A salient human rights issue assessment identifies the areas of most severe human rights risk across a company's whole value chain, from the perspective of people who could be impacted, in line with international human rights frameworks. The assessment was carried out by a management consultant Q1 2023.

The salient human rights issue assessment will help Lion to:

- Build on its Modern Slavery work to date to mature its human rights approach, ensuring it is addressing all key human rights risks.
- Prioritise its human rights issues for additional due diligence and action.
- Focus and frame public human rights disclosures.

- Understand areas of risk from a human rights perspective in line with how external stakeholders are considering these risk areas and communicate with external stakeholders through this lens.
- Align with leading peers that have undertaken saliency assessments.

The assessment resulted in the identification of eight salient human rights which form the basis of the Lion Human Rights Policy. The Policy was drafted and through a series of stakeholder workshops refined and edited over a period of six months. A wide variety of stakeholders from across the business, including Kirin and external to the business including Anti-Slavery Australia was consulted in the process.

The Lion Human Rights Policy was published in December 2023.

Publishing the Policy does not mean we set and forget. Rather this is the starting point for our ongoing due diligence which includes a commitment to track the effectiveness of our human rights policies and processes; engaging with relevant stakeholders to continuously improve our approach to human rights; communicating the policy to employees and business partners; and providing appropriate training to employees to build their understanding and support the implementation of the Policy.

Importantly, understanding risks through a human rights lens can provide a different perspective to help strengthen relevant risk management activities. It does not ask that existing work or risk management activities need to be replaced or duplicated. Rather, human rights risk management is generally most effective when integrated into existing risk management frameworks and activities.

Human rights due diligence progress



4. Assessing the effectiveness of our actions

In our 2022 Statement we reported that according to 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, 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 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.

This was an encouraging review, but we continue to be diligent in identifying, addressing, and mitigating Modern Slavery risk in our operations and our broader supply chain particularly in these areas:

Governance and 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 twice during 2023 with an emphasis on building broader human rights awareness.

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

Capability and Training

Building capability and knowledge in our own operations not only ensures our employees are educated on their own rights, but also ensures that team members in supplier-facing roles are alert to the risks in our supply chain, and to know when and how to escalate concerns. We conduct regular training, virtual and face to face, with leaders and employees in those areas of the business that are at a higher risk of encountering Modern Slavery.

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 2023 briefing included an overview of the Modern Slavery landscape, the strengths of Lion's approach, global progress, emerging signals and the opportunities for Lion.

Assessing the effectiveness of our actions (continued)

Supplier Engagement

We know that collaboration with our suppliers is key to an effective Modern Slavery risk mitigation strategy. In 2023 Lion provided training to 130+ 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. To aid in the understanding of these requirements, particularly by our coffee suppliers, we will translate our Supplier Responsible Sourcing Code and Modern Slavery training into Spanish for our Spanish speaking coffee suppliers.

Beyond collaboration with our suppliers, we also continue to participate in industry forums to increase our knowledge and share best practice, for example Lion is part of the Sedex Member Forum – Food and Beverage Group who meet periodically throughout the year to discuss challenges and opportunities for organisations in identifying, addressing and mitigating Modern Slavery risk.

We are also a member of the UN Global Compact Network Australia Modern Slavery Community of Practice, a platform to allow UNGCNA participants to build common capacity to identify, assess and address Modern Slavery, report under Australia's Modern Slavery transparency legislation and to respond to global developments.

Global application of policies

During 2023 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. The launch of the Lion Human Rights Policy was a step forward in broadening the scope of our due diligence program beyond the narrow focus of Modern Slavery.

Risk Identification and Management

In 2021 we developed a risk segmentation tool to identify potential Modern Slavery risk across our 3,000+ suppliers and this is updated annually. In 2023 we added suppliers from Four Pillars and Fermentum into the risk assessment. Identified risks are managed through our supplier management framework.

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.

Grievance Mechanism

Lion will not tolerate human rights violations in our own operations or our supply chain. Having a trusted, accessible grievance mechanism is one of the most effective tools to reduce the risk of 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, we know that Modern Slavery still exists in these countries and will continue to promote the Whistleblower Policy across Lion Group entities and availability of the associated Grievance Mechanism.

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



6. Review and approval

This statement is made pursuant the Modern Slavery Act (Cth) 2018 and with respect to the calendar year ending 31 December 2023 (the 'Reporting Period').

The statement was reviewed and approved by the Lion Pty Ltd Board on 12th June 2024

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: 13th June 2024



7. Appendix 1: Subsidiaries and Investments

(as at 31st December 2023)

Name of Subsidiary	ACN/Company Number/ file number/entity ID	Lion % Shareholding (direct or indirect)
Lion Pty Ltd 128 004 268 (direct and indirect)		
Kirin Foods Australia Holdings Pty Ltd	112 009 917	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 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)		
A.C.N. 669 970 147 Pty Ltd	669 970 147	100%
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%
Healesville Distilling Pty Ltd	606 461 367	100%
Healesville NewCo Pty Ltd	631 810 430	100%
Ingrained Foundation Pty Ltd	623 241 529	100%
Kombucha Brewing Co Pty Ltd	608 314 889	100%
Square Keg Pty Ltd	606 414 304	100%
Stone & Wood Brewing Company Pty Ltd	124 487 510	100%
Stone & Wood Brewing Co UK Ltd	10176108	100%
Stone & Wood Bricks and Mortar Pty Ltd	608 239 998	100%
Sunrise Drinks Company Pty Ltd	638 637 251	100%
Tuns Tanks & Trucks Brewing Company Pty Ltd	641 464 173	100%
Two Birds Brewing Company	607 327 944	100%
Vanguard Luxury Brands Pty Ltd	128 867 176	100%

Appendix 1: Subsidiaries and Investments (continued)

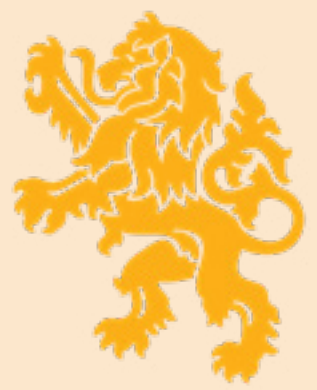
Name of Subsidiary	ACN/Company Number/ file number/entity ID	Lion % Shareholding (direct or indirect)
Lion NZ Ltd's Investments (direct and indirect)		
Coffee Imports Ltd	1266090	100%
Coffee U Feel Ltd	5780067	100%
Deluxe Coffee Roasters Ltd	2321109	100%
Havana Coffee Works Ltd	1256288	100%
Lion NZ Remote Sales Ltd	8191925	100%
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 in document
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, p15-19
The actions taken by the reporting entities and the entities it owns or controls to assess and address these risks, including due diligence and remediation processes	X	p6-9, p11-12, p16-21
How the reporting entities assesses the effectiveness of these actions	X	p22-23
The process of consultation with any entities the reporting entities owns or controls	X	p24
Approval and signature of the statement	X	p25



LION