



PROCUREMENT POLICY

1. PURPOSE AND SCOPE

The purpose of this policy is to ensure Lion manages its procurement of goods and services to maximize value, quality, and prevent risk whilst maintaining high standards of corporate responsibility.

This Policy provides key principles and guidance for anyone buying goods and services on behalf of Lion. It is the responsibility of any person purchasing on behalf of Lion, including contractors to Lion, to be familiar with the requirements set out in this Policy.

This Policy applies to all team members of Lion Pty Ltd, Lion NZ Limited, and Havana Coffee Works Ltd.

If you have any questions about this Policy, please contact the Head of Procurement. This policy may be updated over time, as such you are required to regularly refamiliarise yourself with this policy to ensure you remain compliant.

2. POLICY REQUIREMENTS

Lion is committed to doing the right thing for the long term. To deliver sustainable commercial outcomes and corporate responsibility in the procuring of goods and services, we will promote our practices across the organisation and build productive relationships with our suppliers.

Implementing this policy will help us to reduce our environmental impact, improve the efficiency of our business, reduce costs, assist the development of new products and markets, foster stronger working relationships with our suppliers, and provide leadership in the community.

At all times Lion will:

- Develop strong and productive relationships with supply partners to deliver value for money, quality goods and services and sustainable benefits;
- Act fairly and ethically in its relationships with both potential and established suppliers;
- Encourage innovation and continuous improvement with its suppliers;
- Support economic development, social impact, and inclusion and diversity through responsible purchasing choices;
- Promote the protection of the environment and collaborate with its suppliers to build a climate resilient supply chain and manage risks to nature;
- Reduce risk in our supplier relationships through supplier monitoring and management as well as adherence to financial and purchasing policies.

Lion's Procurement Policy captures our commitment through 4 core principles:

- a) Building strong commercial outcomes & productive partnerships*
- b) Promoting Human Rights and Ethical Sourcing*
- c) Promoting sustainable (environmental, social and inclusive) sourcing practices*
- d) Managing risk in our supplier relationships in line with adherence to financial and purchasing policies*

a. Build strong commercial outcomes and productive partnerships through:

- Ensuring we conduct our procurement processes in a manner that is ethical, fair and open, whilst respecting the confidential information of suppliers;
- Working with our suppliers in accordance with our core values to improve our working relationships;
- Seeking feedback from suppliers on Lions' own performance and procurement practices;
- Providing constructive feedback to our own suppliers to maintain relationships and build capability;
- Evaluating purchases with consideration for total lifetime cost and impact of ownership;



- Ensuring our suppliers have in place accredited food safety and quality management systems, ensuring its products meet or exceed customer expectations and regulatory requirement of the markets in which products are sold;
- Ensuring our suppliers have robust and transparent systems in place to manage business continuity and compliance requirements as well as reducing the risk of non-supply;
- Encouraging our suppliers to bring innovation to Lion and to continuously improve all aspects of the supply relationship.

b. Promoting Human Rights and Ethical Sourcing

Outlined in our Lion Supplier Responsible Sourcing Code, Lion is committed to sustainable sourcing practices spanning human rights, the environment and business ethics. We will work with our suppliers to promote decent working conditions for employees and ensure there are no instances of forced and child labour and modern slavery in the supply chain within and beyond our first-tier suppliers.

Suppliers and their suppliers must observe the rights of workers in accordance with relevant national laws, International Labour Organisation (ILO) conventions and be aligned with the Ethical Trading Initiative (ETI) base code.

In the promotion of human rights and ethical sourcing practices, Lion will seek to:

- Purchase goods and services that are made in such a way to ensure human rights are respected, social and sustainability responsible guidelines are fulfilled;
- Consult with our suppliers and other stakeholders to raise their awareness and understanding of social responsibility issues;
- Through tools such as SEDEX, understand how our goods and services are being supplied;
- Ensure our suppliers have a formal safety management system that demonstrates commitment to the health, safety and wellbeing of their people, contractors and visitors, as a minimum meeting all relevant legal requirements and industry standards.

c. Promote sustainable (environmental & social) sourcing through:

- Ensure relevant sourcing processes are considering diverse suppliers (first nation, women-owned, social enterprise etc.) providing a social impact from our spend;
- Evaluating purchases with consideration for their total lifetime cost of ownership, environmental, inclusive & social impact;
- Our suppliers having in place a robust environmental management system;
- The responsible sourcing of products that contain Palm Oil (or its derivatives) that meet the requirements in [Kirin Group's Environmental Policy](#). These requirements can be found in the Palm Oil section of the [Kirin Group Action Plan for the Sustainable Use of Biological Resources](#);
- Giving preference to suppliers who:
 - Have in place sustainable farming & regenerative agricultural practices;
 - Have in place systems and practices to reduce consumption of natural resources such as water, and programs that regenerate natural capital;
 - Have in place carbon reduction targets and supporting programs across their operations;
 - Have a commitment to stewardship programs that minimize impact on the environment & promote better social outcomes for traditionally underrepresented sectors of our economy. For example, Indigenous business, Women-owned business and Social Enterprise;
 - Provide appropriate documentation to support scope 3 emission disclosures and assurance, and any claims made e.g. recycled content, energy efficient, water efficient, quality, sourcing origins, minority certification, Certified Sustainable etc;
 - Can demonstrate an ongoing increase in the recycled content of products and materials we purchase;
 - Are compliant with the Workplace Gender Equality Act 2012 (Australia only);



- Have an Inclusion and Diversity Policy including gender, cultural/ethnic, sexual orientation and minority communities.

d. **Managing risk in our supplier relationships in line with adherence to financial and purchasing policies:**

- Establishment and communication of Lion's financial and purchasing policies;
- Ensure Procurement is made aware of all sourcing processes (involvement will be determined by DOA) and preferred suppliers are considered first;
- Purchasing processes adhere to Lion Way for Procurement (LWfP) and spend is not committed to any supplier without a Purchase Order (PO). PO raised after the fact is a breach of this policy.

3. CONSEQUENCES OF BREACH

Team members must comply with this policy at all times. Failure to comply may result in disciplinary action, including termination of employment (or services, in the case of agents or contractors).

Where this policy is inconsistent with a relevant industrial instrument or legislation, the relevant industrial instrument or legislation will prevail to the extent of any inconsistency. For more information, speak to your Leader or People & Culture.

This policy does not form part of a team member's employment contract / contract for service and is not binding on Lion's companies.