

Signatory Name: Lion Limited

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

1	Yes
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5.	Industry	/ sector	(please	select 1	only):
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- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. **Industry type** (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Momewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2014 30 June 2015
- Calendar Year: 1 January 2015 31 December 2015

KPI 1: % of signatories with	documented policies and p	procedures for evaluati	ng and procuring pa	ackaging using the
SPGs or equivalent.				

9.	Does your company have documented policies and processes or equivalent?	edures for evaluating and procuring packaging using the
	Yes	No
	Provide details of policies and procedures	
	Lion maintains an Environmental Procurement Policy and Impacts of New and Existing Packaging Materials.	d Guidelines For Evaluation of the Environmental
10.	. Of the types of packaging existing at the beginning of the using the Sustainable Packaging Guidelines (SPG) by the	
	37 %	
11.	. Have any new types of packaging been introduced durin	g the reporting period?
	Yes	No
12.	. If yes, of the new types of packaging introduced during reviewed using the Sustainable Packaging Guidelines (SI	
	0 %	
13.	. Please indicate your progress this year towards achieving	g your annual targets and milestones for KPI 1
	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Continue to embed and streamline packaging materia data collection, warehousing and assessment in Lion's Packaging Development Process and report highlights annually in APC report. Year on Year Improvement % target for existing packaging formats assessed: - Baseline: 26% (end of 13/14 reporting period) - Target: 100% (end of 16/17 reporting period)	As a signatory to the APC, Lion is committed to adopting the Sustainable Packaging Guidelines (SPG). Full implementation requires us to assess and, where practical, optimise our packaging to ensure we use resources efficiently and reduce environmental impact, while ensuring that product quality and safety remain uncompromised. The ability to accurately quantify the environmental impacts of our packaging allows us to identify how specific formats, transport arrangements and materials perform from an environmental perspective. During the reporting period Lion used the PIQET Life Cycle Analysis tool to calculate environmental impacts of our existing packaging configurations. In the months prior to the end of the reporting period, we assessed the major packaging configurations across Lion's Beer, Spirits & Wine division. This project included representative assessments of beer, cider and wine packaging configurations across Lion Australia. As part of a major environmental reporting software change initiated during the 14/15 period and to be implemented in the 15/16 period, Lion is transitioning away from two separate tools used for environmental data collection, reporting and analysis, including LCA, to a single platform, integrated with Lion's ERP systems. Included in the design of the software change are provision for data capture from Lion's ERP systems, supplier data, data validation and warehousing, semi-automated LCA calculation, warehousing and aggregation of output data and internal reporting capability.

 Continue to deliver projects that target reduced weight to volume ratio where practical.
 Key projects and estimated impact to be outlined in annual APC report.

During the reporting period, a number of projects to reduce packaging material use and impact have been implemented across Lion.

Glass Bottle Light weighting:

As reported in the FY13/14 reporting period Lion initiated a project to achieve an overall glass reduction of 10g per individual glass container for bottle types distributed nationally.

This was a complex change involving three separate glass suppliers across four different sites, supplying twelve warespec changes to nine different Lion sites. Implementation required substantial capital investment and trialling by Lion to enable the change. During the FY 14/15 reporting period extensive trials and validation occurred. Equipment changes at Lion sites and sign off of supplier moulds also occurred. Implementation phase started in July 2015 and will roll out across affected Lion manufacturing sites over the Lion APC FY 15/16 reporting period.

Total calculated amount of glass saved as a result of this change was 3,476 tonnes p.a.

Paperboard down-gauging

We introduced a thickness change for 30-can-block paperboard. This will result in a 35g weight reduction per pack. This project has been scoped and machine trialled during the reporting period. Lion is currently engaged in extensive transport trials to validate pack integrity within our internal and external supply chain. Details of implementation will be updated in the LIOn APC report for FY 15/16.

Morwell Dairy Production facility- B flute to I flute carton thickness reduction

In addition to the already rolled out I-flute transition for our BSWA business unit a 21% reduction in board thickness resulted in pallet utilisation of 127% vs the B flute. The improved pallet utilisation resulted in a significant reduction in vehicle movement, which has both safety and environmental benefits.

Morwell Dairy Production Facility- Glue reduction:

During the reporting period Lion changed glue suppliers at the Morwell production facility. As a result of this change Lion reduced the total number of kilograms of adhesives used on site.

Lion Yogurt Pouch-weight reduction

FFS pre-form 70g yogurt pouch weight reduced by 75%. This change, multiplied across annual sales volume, resulted in a reduction of approximately 59 tonnes of material saving.

Burnie Cheese Production facility- corrugated fibreboard downgauge

~35% thickness reduction through improved pallet utilisation resulted in a significant reduction in vehicle movement, which has both safety and environmental benefits.

14. Describe any constraints or opportunities that affected performance under this KPI

The trend for food and beverage packaging in a number of our markets is heading towards smaller pack size and additional packaging, including shelf-ready packaging. These technical requirements by customers often result in packaging weight and complexity increasing for both manufacturing, warehousing and distribution.

KPI 3: % signatories applying on-site recovery systems for used packaging.

- 15. Do you have on-site recovery systems for recycling used packaging?
 - Yes at all facilities/ sites
 - Yes at some, but not all facilities/ sites
 - No

out to do?

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

Continue to deliver projects that improve our environmental footprint through diversion of waste from landfill or improvement of waste handling practises on our operations sites.

Key projects and estimated impact to be outlined in annual APC report.

Target: According to your Action Plan, what did you set

Actual: What did you achieve?

Lion is committed to minimising waste generation and maximising landfill diversion. This commitment forms part of Lion's wider commitment to protect the environment as outlined in our Environment Policy which can be found on Lion's website here: http://www.lionco.com/sustainability/environmental-performance/environmental-policies

A survey into the solid waste management practices occurring at our sites was conducted across all Lion manufacturing sites that operated during the reporting period.

The survey included questions on current practice, improvements in practices that occurred during the reporting period and constraints that limit potential improvement in solid waste reduction and diversion from landfill.

Key findings:

Based on calculations from the previous reporting period, approximately 80% of Lion's overall packaging material usage by weight is accounted for by glass. Glass, along with cardboard, aluminium, HDPE and HWS board account for just under 95% of Lion's overall packaging material usage, therefore availability of recycling streams to our sites for these materials is of high importance to minimising Lion's overall contribution to Landfill volumes.

Glass

100% (N/C vs13/14) of Lion sites that use this material have a facility to recycle.

Cardboard

92% (N/C vs13/14) of Lion sites that use this material have a facility to recycle. Two sites are unable to recycle this material (Locations in King Island, TAS and Leeton, NSW). Both are constrained by lack of recycling services in the area. Despite this lack of local waste management capability, the Lion site in Leeton actively engages in solid waste separation practices.

Aluminium

87% (2% from 13/14 due to manufacturing footprint changes) of Lion sites that use this material have a facility to recycle. Only a single Lion site using this material is unable to recycle. In this case the item is a foil, which is not accepted by local recyclers due to functional recyclability of material. Overall aluminium in this form accounts for a tiny fraction by weight of Lion's aluminium use.

HDPE

82% (-7% from 13/14) of Lion sites that use this material have a facility to recycle. Three Lion sites do not. Of the sites that do not have a mechanism to

recycle this material, two are breweries in regional locations (Geelong, and Fremantle) producing a small amount of this waste stream (reject keg caps only). Due to lack of local recycling facility for these materials and small volume, there has been limited interest from recyclers to collect this material. The remaining site (Lenah Valley, TAS) is constrained by current local sorting practices, however, the site is actively investigating avenues to ensure this material is consistently recycled. An update will be included in the FY 15/16 report.

In FY14, two other sites reported waste stream disposed to landfill. One site has ceased production, and the other has found a recycler for the material.

HWS Board

Though technically limited by recyclability of the material itself in Australia and New Zealand, 100% (N/C vs13/14) of Lion sites that use this material send waste generated on site to recyclers.

Specific case studies from the 14/15 period
Through Lion's heavy investment in its people and
systems, most notably investment in 'Lean
Manufacturing' (MEX); a large number of
improvement projects have occurred during the
reporting period, targeted at improving recycling rates
overall as well diverting waste steam previously sent
to landfill. Specific highlights include:

Lion IT

E-Waste Management Process:

Toner cartridges are collected across all major sites. Approximately 1400 empty toners are recycled annually Australia wide.

End of Life IT Hardware ie. laptops, PC's, monitors, cables etc, are recycled approx. twice a year depending on demand

Last calendar year Lion diverted 377 devices from landfill

Penrith, NSW

During the last reporting period this site reported that all solid waste produced from the site was directed to landfill. In Early 2015 a solid waste improvement strategy was developed at the site, this identified main waste streams (primarily plastic packaging) and diverted these to recyclers. This change resulted in a reduction in solid waste to landfill by 50%.

Tooheys brewery, NSW:

During the reporting period a plastic baler was installed to bale the plastic collected on site. This resulted in a reduction in the number of pickups for transport to the recycler by 75%..

Lenah Valley, TAS:

As mentioned under the LDPE section of the report, this site is constrained by local recycling capability. To deliver best possible outcomes environmentally, the site works with the local community to find use for as many of the site waste streams as possible. Actions taken by the site include:

- Providing cardboard boxes for food packs for the homeless as part of the Second Bite programme.
- Establishing a designated area for recyclable plastic bags and cardboard boxes so that local community organisations and schools can collect at their own leisure,. These recycled bags are also used as bin liners at local schools.
- Supplying broken plastic milk crates for local community gardening projects.

	Morwell dairy factory, VIC Our Morwell site implemented several projects targeted at waste reduction: • Improvement to waste segregation. The project included the installation of dedicated bins for general waste, organic waste, plastics and cardboards. • Implementation of dedicated recycling equipment which separates the product from plastic materials. Plastics are separated from liquid waste washed and shredded for recycling. Previously these plastics were compacted and sent to landfill. • Rationalisation of product sampling and product purging reduced packaged product and liquid wastage from the site. • As mentioned under the packaging design KPI, a number of packaging redesigns and lightweight projects were implemented during the period. As a result of these activities, solid waste to landfill figures for the site indicate a drop of approximately 39% between the start and end of the reporting period.
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17. Describe any constraints or opportunities th	at affected performance under this KPI

- 1. For all waste streams, the greatest areas of opportunity for improving Lion's solid waste performance through waste diversion lies in providing recycling facilities in regional locations.
- 2. Opportunities to recycle composite plastics, liquid paperboard (lined and unlined), Cork and LDPE nationally would also support Lion's goal to continually improve solid waste diversion from landfill.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your com	ipany nave a formal policy of	r buying product	s made from recycled packaging?
•	Yes	0	No

Provide details of policies and procedures (including names of policies/ procedures)

Lion's Environmental Purchasing Policy is available on Lion's external website at the following location: www.lionco.com/sustainability/environmental-performance/environmental-policies

19. Is this policy actively used?

YesNo

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Continue to deliver projects that improve our environmental footprint where practical through: - Substituting for lower impact materials; - Designing packaging to be more readily separated for recycling; - Working with suppliers to increase recycled content of current materials. Key projects and estimated impact to be outlined in annual APC report.	Burnie Cheese Production facility- Lower impact printed cartons, locally sourced We replaced clay coated paper (printed in Melbourne) with locally sourced post print cartons. The amount calculated is 120 tonnes of paper. Resource use in manufacturing and transport distance were also reduced.

21.	Describe any constraints or opportunities that affected performance under this KPI

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes	0	No
Yes	0	1

Provide details of policies and procedures (including names of policies/ procedures)

Lion works closely with our suppliers and waste management companies, and we undertake regular reviews with key suppliers.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Membership and annual funding of the Australian Packaging Covenant and associated activities to improve national and state recycling and litter targets as agreed with each jurisdiction.	Lion continues to work in partnership with the APC to achieve aligned objectives. This includes consumer communication and industry-wide behavioural change programs. Further information can be found in the APC Annual Report: www.packagingcovenant.org.au/pages/apc-annualreports.html.

 Continue to work collaboratively with suppliers to improve our environmental footprint through substituting for lower impact materials, lower impact design and improved recyclable content where practical. Key projects delivered and estimated impact to be outlined in annual APC report.

Amber glass initiative

As reported in the 13/14 reporting period, Lion revised our amber redness ratio specification to enable our glass suppliers to increase the amount of green cullet and fine grind they can use in the manufacture of amber bottles. These changes in specification allow increased cullet utilisation and decrease the volume of excess green cullet in the local market.

These changes have now been implemented across all of Lion's amber bottle specifications.

Morwell Dairy Production Facility- Glue reduction:

During the reporting period Lion initiated a glue supplier change at the Morwell production facility to Henkel. As a result of the change in adhesives, Lion reduced the total kilograms of adhesives used on site by approximately 42% (2015 vs 2013 usage figures).

Juice bottle light weighting initiative

During the reporting period Lion initiated a bottle supplier change to Visy that enabled weight savings across a number of high production volume bottle types

The change was implemented in the 1st half of the 15/16 reporting period. It is estimated, based on annual production of these pack types, that a total of 70 tonnes of PET will be saved annually as a result. Confirmation of this saving will be included in the 15/16 report.

Lion Yogurt packaging downgauge

During the reporting period, Lion worked in partnership with Amcor to successfully implement several changes to thermoformed yogurt tubs:

- Down gauge of the Polystyrene base 18%
- Down gauge of the label 10%
- · Down gauge of the label wax 23%.

3. Continue to work collaboratively with solid waste contractors to improve our environmental footprint through the diversion of waste from landfill or improvement of waste handling practices on our operations sites.

Key projects and estimated impact to be outlined in annual APC report.

In partnership with Lion's solid waste management providers, a number of Focused Improvement 5S activities were undertaken at Lion sites during the reporting period, including: waste education and capital investments in the form of compactors, balers and product destruction resource recovery units. This activity aims to support the improvement of recycling rates and minimise waste stream contamination to maximise commodity value.

Bentley dairy factory, WA

In March 2015 our Bentley site changed waste management suppliers, and has since installed a soft plastics baler and commingled recyclables compactor. Prior to this change commingled waste was sent to landfill

As part of the change, the site conducted training to ensure all employees develop greater understanding of what can be recycled and what comingled waste is. We also installed improved signage in waste handling areas.

Petaluma winery, SA

During the reporting period Petaluma winery established a partnership with local farmers to send grape marc (stems, seeds and pulps left after the grapes have been processed for wine) off site as animal feed. Grape marc produced by the site varies between approximately 400 and 1000 tonnes per year.

Lion IT

During the reporting period Lion IT in partnership with Ricoh, implemented 'Follow You Printing' as part of a strategy to help us accomplish our goals by targeting less waste, less cost and less complexity within our workplace

Follow You Printing' software has been implemented across Lion corporate offices at York St and Olympic Park Sydney.

The software allows print and scan by swiping existing security pass, ensuring secure printing of every print job and no wasted paper or toner. This software helps to eliminate unnecessary printing.

Based on usage changes so far across the two sites, the projected annual impact reduction is estimated to be approximately:

Deleted Pages: 132600 **Expired Pages:** 137676 **Forced Mono Pages:** 21468

Sheets: 162084 **Trees:** 15.24

Water (Gallons): 6256.56 CO2 (Pounds): 14247.12

24. Describe any constraints or opportunities that affected performance under this KPI

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	ISO 14001certification maintained in compliant sites and rolled our further throughout Lion's site network, with outcomes and progress reported annually. ISO 14001 certification: - Baseline: 42% of manufacturing sites ISO14001 accredited at the end of 13/14 - Target: 100% of all current operations sites by end 2019	Lion has maintained certification at all manufacturing sites that were certified at the end of the 13/14 reporting period. As described in the previous report, one site was certified in November 2014 (planned for the previous reporting period). During this reporting period, a further two sites continued their implementation of the ISO 14001:2004 standard. One has been certified but in August of 2015. The other site planned to be certified in the 14/15 reporting period has continued their implementation of their environmental management system but due to changes occurring on site their certification has been delayed until April 2016. The percentage of manufacturing sites certified to ISO 14001 at the close of the 14/15 period was 50% up from 42% at the end of the 13/14 period, with the certification gained in August 2015 our percentage currently is 54% (as at February 2016). Improvements to the structures and processes involved in implementing environmental management systems have been made, specifically document templates and tools. Over the 15/16 and 16/17 reporting periods, Lion will update document templates and tools currently scoped to the requirements of ISO14001:2004 to meet the requirements of the updated ISO14001 standard (ISO14001:2015), as well as adapt site environmental management systems currently certified. These changes will support the organisation to maintain compliance and continually improve environmental performance.

2. Continue to deliver projects that improve our environmental footprint through major capital projects. Key projects and estimated impact to be outlined in annual APC report.

Burnie WWTP

Lion has invested in the latest technology Anaerobic Waste Water Treatment Plant (WWTP) to support our consolidation into the expanded Burnie Cheese Plant. During the reporting period 14/15, we finalised the installation of the WWTP. We are in the final stages of testing and commissioning and are on track to bring the facility online early in 2016.

Tooheys WWTP

This year Lion completed a new anaerobic WWTP at Tooheys, not only does this mean wastewater discharged to sewer from the site has a much reduced biological oxygen demand, the biogas generated by the natural breakdown of our wastewater is captured and used in the boiler on site to generate heat. This eliminates the direct emission of methane and at the same time reduces the amount of natural gas required to supply the boiler. Lion now has three anaerobic WWTPs in our network.

Tooheys Cogeneration plant- recommissioning
This year also saw the recommissioning of the cogeneration plant at Tooheys. This plant uses natural
gas to generate electricity and heat for use on site,
reducing the overall carbon impact of the site by
significantly reducing the amount of electricity
required by the site from the network.

3. As part of Lion drive for continuous improvement we are committed to improving plant utilisation and reducing packaging material wastage through investment in lean manufacturing and capital improvements.

Overall incremental efficiency gains will be demonstrated by Year on Year improvement Overall: OEE % and Packaging wastage %

Across the group during the reporting period OEE reduced slightly to 52.9% vs 54.3% at the end of the last reporting period.

Several specific sites including Burnie, Wetherill Park and Bentley, reported a reduction in line efficiency and are currently undertaking major capital improvements at the sites, indicating a temporary reduction in plant utilisation during the implementation phase of capital projects- e.g. machine replacement, site utility shutdown, commissioning etc. Factoring out these production facilities from the calculation- OEE% remains relatively static vs. previous reporting period 54.7% and 54.84% respectively.

	ergy Reporting
In 2	2016 Lion will be launching a new environmental reporting tool to improve the way environmental data is
car	otured, reported and used throughout the business. With a largely automated data input from key supplier
info	ormation, integration with core ERP systems, and a broader scope of metrics including associated financial
	ormation for resources, people will have on hand access to accurate and up-to-date data, with high frequency
	uts for key metrics such as electricity, and greater granularity for reporting at multiple levels. This tool will be a
	renabler in achieving Lion's strategic energy initiatives and measuring the environmental and financial
lmb	pacts achieved through current initiatives.
Rei	newable Energy
	are currently investigating and investing in technologies where appropriate to improve our renewables mix,
	luding solar and biogas and alternative energy sources.
IIIC	duling solar and biogas and alternative energy sources.
En	vironmental Incidents, Complaints and near misses
	ring the last year Lion increased its focus on proactive measures to highlight and contain environmental risks.
	a result of this increased diligence:
7.0	 The near miss and minor incident reporting rate has almost doubled vs the previous year.
	 The number of significant or notifiable incidents has decreased by more than 60%.
	 The number of significant of notifiable incidents has decreased by more than 60 %. There were no prosecutions or fines handed down due to an environmental incident.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product

No

KPI 8: Reductions in packaging items in the litter stream.

stewardship?

Yes

If yes, please give examples of other product stewardship outcomes

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

27. Describe any constraints or opportunities that affected performance under this KPI

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Lion commits to maintaining the inclusion of relevant litter and recycling communications on packaging. Further consumer communications on recycling and litter reduction will be achieved through the Australian Packaging Covenant and industry-wide behavioural change programs, which will be reported on annually in the APC report.	The Lion packaging artwork approval process requires the inclusion of the recyclable 'mobius' diagram on all recyclable materials.

2.	Lion commits to reporting on progress against our packaging stewardship targets and initiatives, including our 'Adopt a Patch' program run in conjunction with Keep Australia Beautiful, in our annual Sustainability Report. This report is prepared in line with the Global Reporting Index and material issues are audited by an independent third party. The report can be found on our website www.lionco.com	In the last 12 months, our teams at the Tooheys Brewery in Lidcombe, NSW and Boag's in Launceston, Tasmania continued Lion's involvement in Keep Australia Beautiful's Adopt a Patch program. Adopt a Patch harnesses volunteers from Lion manufacturing sites to help adopt and transform litterstrewn public places into areas of natural beauty for the whole community to enjoy. The Tooheys team has adopted a patch of land previously overgrown with weeds and litter and transformed it into a space for the community to enjoy. Thanks to the efforts of 150 volunteers, a roster for ongoing work at the site is in place, with additional public seating added in FY15. Team members at Boag's have adopted a plot alongside a popular walking track on the North Esk Riverbank and continue to maintain the site through their regular community days. A new patch was also established adjacent to our St Hallett winery in the Barossa Valley at the end of FY15. Works will be undertaken by a team of Lion volunteers to remove non-native plant species and restore the riverbank's natural ecology using native species in FY16.		
29 . De	escribe any constraints or opportunities that affected per	formance under this KPI		
Your	Experiences			
your p	ection lets you share with us any achievements, good news solan and the Covenant goals and KPIs. ey achievements or good news stories	stories and areas of difficulties in making progress against		
31 . Ar	31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs			