



Private and Confidential

18th December 2024

Dear Alan

As a follow up to the recent discussion with your Budweiser Brewing Group account manager, I am writing to confirm changes to your invoice pricing, applicable to deliveries made from 1st February 2025.

The changes in your invoice price are considering the following:

1) **BBG Annual Price Increase**

We are increasing our SPTT Listing Prices for our draught and packaged products as per the percentage rates below:

Product	Price Increase %
BBG Draught (excluding San Miguel & Kopparberg Crisp Apple)	3.8%
BBG Packaged (excluding San Miguel & Kopparberg Crisp Apple)	1.9%
San Miguel Draught	0.0%
San Miguel Packaged	0.0%
Kopparberg Crisp Apple Draught	0.0%
Kopparberg Crisp Apple Packaged	0.0%

2) **New Duty 2025**

As per the Autumn Budget 2024 announcement, the UK government has cascaded the new duty rates for 2025 which will take effect on February 2025.

While Alcohol Duty rates for draught products will reduce by 1.7%, Alcohol packaged duty rates will experience a duty increase in line with Retail Price Index inflation.

3) **Packaging Recover Notes (PRN) fees**

Under 'The Producer Responsibility Obligations (Packaging Waste) Regulations 2007', obligated producers are required by law to buy PRNs to prove that packaging materials they have placed on the market have been recycled or recovered. Under these regulations, the amount of the PRNs is calculated in accordance with a percentage depending on the class of a producer, i.e. 37% is to be paid by a packer/filler (i.e. BBG) and 48% by a seller.

Under the new 'Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024', that are currently going through Parliament, the above percentage split will no longer apply. The liability for the PRNs falls in its entirety on, amongst other categories, the brand owner (i.e. BBG). Therefore, with regards to the SKUs sold by BBG to Deckers, the related cost of PRNs would be payable solely by BBG, which will be reflected by an increase in our invoice prices.

Your account manager will be sharing on a separate file your updated pricing schedule with the detailed visibility. Upon receiving this and reviewing it, please provide confirmation that you have updated your systems.

If you have any queries, please contact your Budweiser Brewing Group account manager who will be able to support.

Yours sincerely,

Sunny Mirpuri
On Trade Director
Budweiser Brewing Group UK&I