

Dear Customer,

Wholesale selling prices for HEINEKEN UK beer and cider brands

I am writing to inform you of changes to the wholesale selling prices of our beer and cider brands, effective on all deliveries from Saturday 1st February 2025.

In 2024, we have made considerable efforts across our business to deliver cost savings and drive efficiencies to reduce the impact of inflation on our customers. We will be increasing our draught wholesale selling prices by an average of 2.97% and wholesale packaged products by 2.5%. The exact percentage per product is set out in the [schedule](#). This increase will be duty exclusive.

We recognise that consumer trends are moving towards lower-strength products and, in line with our strong commitment to promote responsible consumption, our SOL brand will be reformulated to a new ABV (Alcoholic Strength by Volume) of 3.4%. This will be in production from 25th February and will result in a net price reduction from this date.

As you may already be aware, there are significant changes to government legislation around Extended Producer Responsibility (EPR) which come into effect in 2025. The first stage of this is the changing approach to Packaging Recovery Notes (PRN) – the existing compliance system that funds the reprocessing of materials such as glass and aluminium. As a producer of packaged goods, HEINEKEN UK moves from being responsible for 37% of these fees (with the rest being spread throughout the supply chain and with the retailer) to being 100% responsible for the PRN cost. This comes with a significant cost increase to HEINEKEN UK, the retail element of which is included in the packaged price increase.

Please note that the increase in our prices does not include any pass through of the Extended Producer Responsibility household waste fees which are scheduled to come into effect in April 2025. We will continue to engage Government on the scope and impact of EPR, the detail of which remains unclear. We believe that the on trade should be excluded from the impact of these additional costs, but, as it stands, the on trade is included in current regulations. We are not yet in a position to confirm the precise impact on prices, but we will communicate in due course regarding how we will manage this going forward.

We introduced surcharges on kegs in 2009, however, the rates of these surcharges have not changed since 2015, as we aimed to mitigate the impact of cost increases. Having reviewed these rates, we can confirm that our new keg surcharge rates are £1.00 on 30 litre kegs and £1.50 on 50 litre kegs. The keg surcharges only apply to 30 litre and 50 litre kegs where there is a larger container available of the same product. These changes will be applicable to all deliveries from Saturday 1st February 2025.

The contents of this letter are confidential between HEINEKEN UK and you, and it is not for onward distribution.

I want to take this opportunity to thank you for your continued support. We appreciate your business and look forward to working together with you in 2025. If you have any queries, please do not hesitate to speak to your usual HEINEKEN UK sales contact.

Yours sincerely,