ToWholesale Head OfficesFromHEINEKEN UKDate2<sup>nd</sup> June 2020

Dear Customer,

We have written previously to let you know that we are working on a solution for your un-broached (unopened) stock that is approaching, or has past, its best before date.

We are pleased to confirm that the British Beer & Pub Association, the leading trade association representing brewers and pubs, has today launched a cross-industry platform to enable spoilt draught beer and cider to be safely destroyed in pubs and millions of pounds in excise duty to be reclaimed.

Pubs and bars with spoilt beer and cider in their cellars can access the platform by visiting <u>www.ReturnYourBeer.co.uk</u> via mobile, tablet or computer and creating a profile. Once their profile has been created they can follow guidance and instructions on the platform to seek the necessary permission from each brand owner whose products they stock to destroy their products and to confirm the route(s) to market. Using this platform to record destruction will enable duty to be claimed back by brewers and the correct credit to be issued to customers via the relevant wholesaler.

Brewers who have signed-up to the platform along with Heineken include Budweiser Brewing Group UK&I, Molson Coors, Carlsberg, Asahi and Marston's and more brewers are expected to join. The platform is intended to simplify and speed up the process of destruction, and excise duty reclaim, whilst freeing up space for new deliveries of fresh beer and cider, enabling outlets to restock and get cellars ready for re-opening.

The platform is free to use for any on-trade business that needs to destroy its spoilt beer and cider.

As many as 70 million pints of beer and cider from UK pubs will have to be destroyed after they were forced to shut due to COVID-19. Being able to reclaim excise duty on beer and cider will be worth tens of millions of pounds to the on-trade.

We recognise both communicating <u>www.ReturnYourBeer.co.uk</u> and ultimately ensuring the appropriate credits reach your customers will be a task for us all to administer together. Given the commercial relationship is between you, the wholesaler and the free trade customer, we will need you to consider how you want to communicate this process to your customers

Our plan is to:

- provide full credit for <u>un-broached</u> kegs and casks of beer and kegs of cider past their best before dates or with a best before date prior to the end of July, at the price which you purchased the beer or cider from us; and
- (ii) for <u>broached</u> kegs of beer and cider (<u>but not cask</u>), provide credit in respect of the excise duty element only of the price which you purchased the beer or cider from us, based on the volume remaining in the relevant broached keg.

We will make this credit directly to you as our wholesale customer, and in turn you will need to make the credit to the customer, taking into account the price which your customer paid you for our products. To assist in validating requests from your customers we would strongly advise providing Heineken UK with your sales out data. Without valid data we will be unable to provide authorisation for customer destruction. If you have not done so already, we ask you at the earliest opportunity to provide sales out data by outlet by month for February & March 2020 as a minimum. Email using the attached template to <u>DataInbox@heineken.co.uk</u>

It is vitally important that your customers <u>do not dispose of any HEINEKEN draught beer and cider</u> <u>without the permission of HEINEKEN</u>. We cannot give any credit for, or replace, beer or cider that has been disposed of without permission.

In order to ensure that you comply with HMRC guidelines regarding duty claims you must ensure that you destroy beer and cider in a safe and environmentally friendly manner in compliance with your local water authorities' requirements.

## Request not to collect full kegs from customers.

We recognise there will be a desire for some customers to ask you to resolve. To ensure we can fulfil where credits are due, we strongly advise customers to destroy on site once authorisation has been provided and only use <u>www.ReturnYourBeer.co.uk</u>

As a wholesale customer of Heineken we ask you not to collect full kegs from your customer's cellars and guide them to use <u>www.ReturnYourBeer.co.uk</u>

## Full kegs in their depot

As per our previous communications we commit to collect and credit in full any unbroached kegs that have gone past their use by date that are currently in your depot. If you are awaiting a collection of un-broached kegs we will begin to arrange collection once government guidelines allow in the coming weeks.

Any information which is provided to Heineken by you specifically in relation to this exercise; or by your customers via the BBPA platform will (i) only be used by Heineken in order to administer the stock destruction and duty reclaim process and for no other purpose; and (ii) only be accessible by those parties who require access within Heineken in order to administer that process.

Any personal data provided to Heineken will be processed in accordance with the Heineken UK Privacy Policy, which is available at: <u>https://www.heineken.co.uk/legal-hub/privacy-policy.</u>

We are closely monitoring the Government advice for the Hospitality sector, and are preparing for reopening. We will be in touch shortly to confirm our start up plans in more detail including further advice on technical services and the advice on commencing ordering.

Thank you for your assistance.

Yours sincerely, **STEPHEN WATT** On Trade Director, HEINEKEN UK