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|  | MEDIA STATEMENT |

**November 18, 2024**

**NEED FOR STRUCTURED CONSULTATION AROUND THE GOVERNMENT’S PROPOSED TAXATION POLICY ON ALCOHOLIC BEVERAGES**

HEINEKEN Beverages has recently reviewed the government’s policy paper on alcohol taxation. While we acknowledge the need for policy updates, we have serious concerns about the document in its current form and the limited timeframe allocated for public consultation.

The document lacks clarity on several critical details, creating significant uncertainty for both industry stakeholders and consumers.

Moreover, the timing of the document's release aligns with the industry’s peak production and sales period yet allows only a 30-day window for technical submissions by 13 December 2024. This period overlaps with the festive season and the typical December holiday break, limiting opportunities for meaningful engagement and input.

Given the potentially wide-reaching impact of this policy on the country’s agricultural sector, we urge the government to extend the consultation period. A longer timeframe would enable constructive input and thorough engagement from stakeholders across the industry value chain.

We are also concerned about how these tax changes may affect consumers, especially given the alarming growth of the illicit alcohol trade. The proposals, albeit vague, are expected to drive up the cost of legal alcohol, pushing more consumers towards unregulated products - a lesson underscored by the COVID-19 pandemic and associated alcohol bans. These illicit alternatives often pose very serious health risks. Notably, sales of low-cost plastic sachets and 100ml bottles containing spirits have surged, with some being sold for as little as R14, and “spirit sachets” for even less.

HEINEKEN Beverages is fully committed to engaging constructively with the government. We believe that South Africa's public health, consumer access, and industry stability must be safeguarded to support broader economic growth. To achieve this, we urge the government to allow a more extended consultation period outside of the peak season, enabling meaningful dialogue with all stakeholders to find a balanced, fair, and transparent solution that meets these critical needs.

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**About HEINEKEN Beverages:**

HEINEKEN Beverages is a South African drinks producer built on the legacy of three great companies – HEINEKEN South Africa, Distell and Namibia Breweries Limited. We are the company behind a host of iconic brands that include Heineken®, Savanna, Windhoek, Amarula, Nederburg, Klipdrift and many more. We pride ourselves in the diversity and commitment of our more than 5000 employees who are behind our success and brew the joy of true togetherness to inspire a better world. Through "Brew a Better World", sustainability is embedded in the business. Most recent information is available on our Company's [website](https://www.heinekenbeverages.co.za/) and follow us on [LinkedIn](https://www.linkedin.com/company/heineken-beverages/).

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