



**NUMSA MAKES SUBMISSIONS TO THE COMPETITION TRIBUNAL REGARDING THE
TAKEOVER OF DISTELL BY HEINEKEN
23 January 2023
Press statement**

The National Union of Metalworkers of South Africa (NUMSA) has made submissions to the Competition Tribunal regarding the takeover of Distell by Heineken. In June 2021, it became public information that Heineken International entered into talks with, and to acquire, Distell Group Limited through a Special Purpose Vehicle called Sunside Acquisitions Pty Ltd.

Heineken, the world's second largest beer maker, wishes to take over the Distell group in a move that will cost R23.8 billion (or 1.3 billion Euro's). We have members at Distell and we have been making submissions to the Competition Tribunal which is overseeing the transaction.

The competition authorities are enjoined by the Competition Act to also evaluate public interest considerations on the transaction. As unions, we have participation rights, in matters of mergers and acquisitions before the competition authorities. In addition, unions have the right to raise the competition concerns and to elaborate on the public interest consideration.

Included in our submission are the following points:

1. We have stated that we want job security. There should be no retrenchments as a result of this merger in perpetuity and should there be retrenchments of any kind within five years. If the merged entity were to contemplate retrenchments after five years, they must prove that these retrenchments are not related to the merger.
2. The entire workforce must be absorbed and their terms and conditions of employment including service must be maintained, and a process of harmonizing these to the highest standard per grade be made a condition to the approval.
3. Any employee whose position may be made redundant as a result of the merger must be re-skilled and placed in an alternative position.
4. That workers must benefit through an Employee Share Ownership Plan (ESOP) scheme, which will be governed by an ESOP Trust that is workers controlled. The trustees must be appointed by workers themselves and the ESOP Trust must enter into an Articles of Association with other shareholders.
5. The ESOP equity stake must be to the value of not less than 10% and that the process must be fully funded by the merging parties, and must be at no cost to workers.

The Heineken Group is also acquiring Namibia Breweries Limited, which will be combined with Heineken South Africa into a new Heineken majority-owned business called Newco.

The hearings continues tomorrow (Tuesday), and NUMSA would be making closing statements on its submission. We expect that it will take approximately 30 days for the Competition Tribunal to give its findings.

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