

1st Follow-up statement from the Belgian National Contact Point on the specific instance the IUF / AB-InBev - 28 June 2021

The OECD Guidelines for Multinational Enterprises are recommendations by governments to their companies, regardless of where they operate.

These recommendations focus on several areas such as disclosure, human rights, employment and industrial relations, the environment, the fight against corruption, consumer interests, science and technology, competition and taxation. In addition, the concepts of responsible supply chains and due diligence have been introduced.

The various National Contact Points are responsible for monitoring the implementation of these Guidelines.

In Belgium, the National Contact Point (NCP) is chaired by a representative of the Federal Public Service Economy. It has a tripartite structure composed of social partners, representatives from the various federal public services and regional governments.

The NCP's role is, particularly, to contribute to the resolution of the issues raised in specific instances. The NCP will facilitate access to consensual and non-adversarial means such as mediation or conciliation.

Following its final statement published on 19 November 2020, the Belgian NCP invited the parties to report in writing on the status of implementation of the agreement within six months.

Due to recent developments of the pandemic of Covid-19 in India, the parties requested an additional timeframe to fully implement the agreement. Both parties renewed to the Belgian NCP their strong commitment to work together in a spirit of cooperation and relationship building.

The Belgian NCP acknowledges the progress achieved by the parties since November 2019 and welcome their continuous very positive and constructive dialogue demonstrating that they are on the right track. The NCP will continue to support the parties in the implementation of the agreement and will publish a 2nd follow-up statement in early 2022.

1. Status of the specific instance

Following on the agreement reached between the IUF and AB-Inbev India under the auspices of its mediator, the Belgian NCP published its final statement on 19 November 2020 closing the case and putting an end to its offer of good offices and the mediation.

According to its rules of procedures and also as a good practice within the NCP network, the Belgian NCP decided to follow-up on its recommendations. This process is flexible in its form, the parties can agree to report orally during an ad-hoc meeting to the NCP or through a common or individual written report. The timeframe for following up can vary depending on a range of parameters such as the type of recommendations made by the NCP, the willingness of the parties to engage in such a process, etc.

In this specific instance, the parties initially agreed to do a common written report to the NCP in a timeframe of six months.

Given the terrible and devastating impact of the pandemic in India during the first semester of 2021 some of the commitments were not possible to achieve within the initial timeframe despite the best willingness of both parties to move ahead. Indeed, several States of India have experienced severe and long lockdown requesting the company to reduce production across different sites in the country.

Despite of the situation, parties have made significant progress in the period of six months in their good faith engagement consistent with the spirit of the mediation. The reintegration process of the Four Mediation Participants subject to mutual agreement between the parties was finalised by 28 June 2021. The reintegration process will be still monitored by an independent third party over the next six months. This would ensure that good faith engagement is taking place at local level and validate the progress made.

In due consideration of the very complex situation, both parties requested an additional timeframe to the NCP in order to achieve in its best way the work initiated. The Belgian NCP accepted this request and in a spirit of supporting the parties, agreed to have a second follow-up within an additional timeframe of six months.

2. Addendum to the Terms of Reference

In order to acknowledge this new situation, the parties signed an addendum to the initial Terms of Reference. Both parties recognised that *“such amendments are necessary to ensure the implementation of the ToR within a reasonable timeframe and do not in any way change the commitments or desired outcome expressed in the ToR.”* The Addendum includes provisions that the independent Third Party shall be engaged for a shorter period of time of maximum six months to undertake its agreed monitoring role. This is coherent with the objectives of the initial timeframe.

Finally, the parties agreed to inform the NCP of their progress in order to allow the NCP to monitor the situation in an upcoming 2nd follow-up statement.