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## **2<sup>nd</sup> and final follow-up statement from the Belgian National Contact Point on the specific instance the IUF / AB-InBev - 21 April 2022**

*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 first follow-up statement published on 28 June 2021, the Belgian NCP invited the parties to report in writing on the status of implementation of the agreement in early 2022.**

**Based on a written final report made by a neutral and independent third-party, the Belgian NCP states that all the actions have been taken by both parties in order to implement the agreement between them and the NCP's recommendations.**

**The NCP wishes to thank all the parties involved for their strong engagement all along the process of implementation.**

## **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. In due consideration of the very complex situation, the Belgian NCP accepted the request of both parties to get an additional timeframe and to have a second follow-up within an additional timeframe of six months.

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 order to acknowledge this new situation, the parties signed an addendum to the initial Terms of Reference. 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 2<sup>nd</sup> follow-up statement.

## **2. Follow-up given by the parties after the 1<sup>st</sup> follow-up statement**

Out of the 4 former workers, 2 workers have completed the reintegration process, 1 voluntarily withdrawn from the reintegration process and 1 resigned voluntarily after completing the induction process but before starting the first day at work. Several calls were organized between the neutral third-party, the former workers/union representative and IUF and AB InBev representatives in order to monitor the reintegration process. Throughout the process of monitoring, the third party concluded the following :

- The reintegration process was done in a transparent manner ;
- AB InBev Limited Mazdoor Union (registration number RTU/IR-I/1383) has been recognised by the management ;

- There has been no material disagreement between parties throughout the process;
- Both the parties, AB InBev HBL Management and AB InBev Limited Mazdoor Union (Formerly known as Haryana Breweries Limited Majdoor Union) underwent through collective bargaining process and have signed tripartite collective bargaining agreement in accordance to Union charter of demand ;
- Management and employees are content with the current work relationship situation and the process that has been done regarding the reintegration process.

### 3. Belgian NCP Conclusions

The company complied with the terms of the agreement reached between the parties and with the recommendations made by the NCP.

The NCP congratulates the parties for their good will and faith along the process and hopes for a long term constructive relationship between the parties with an active social dialogue at the local unit of AB-Inbev in full compliance with the OECD Guidelines.



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