

AB Inbev Feedback to 2018 Appeals Process

Thank you for taking part in the CHRB Appeals Process and for your patience throughout. Of the 7 appeals submitted to CHRB, 2 were rejected on technicalities (asking for half-points in indicators where this was not an option), 4 were accepted by the CHRB and research team and one remaining indicator was submitted for a third review to our panel (led by Margaret Wachenfeld and supported by Lise Smit and Nadia Bernaz¹). A summary of the appeal verdicts is set out below:

Company	Indicator code	Indicator title	CHRB Score (pre-appeal)	Final Score (post-appeal)	Full Appeal Committee involved? (Yes or No)	Change in score? (Yes or No)
AB InBev	B.1.1	Responsibility and resources for day-to-day human rights functions	0	2	N	Y
AB InBev	B.1.2	Incentives and performance management	0	1	N	Y
AB InBev	B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	1.5	N	Y
AB InBev	B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	0	N	N
AB InBev	B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	1	N	Y
AB InBev	B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	0	N	N
AB InBev	C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	0	Y	N

The one remaining indicator related to Grievance Mechanisms (C.4) was subsequently rejected and a summary is included below:

¹ Margaret Wachenfeld is an independent consultant, a director of CHRB and the co-chair of CHRB's Methodology Committee but was not involved in the actual research process. Lise Smit is a Senior Research Fellow in Business and Human Rights at the British Institute of International and Comparative Law. Nadia Bernaz is a specialist in international human rights law at the Wageningen University Netherlands.

APPEAL NUMBER: 003		COMPANY: AB Inbev	
Indicator: C.4		Indicator Title: Procedures related to the mechanism(s)/channel(s) are publicly available and explained	
Excerpt from Methodology			
Score 1		The Company describes the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant.	
Score 2		The Company also describes how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent parties	
Scorecard Text:			2018 Scorecard Score:
<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales: The Company states that 'the reports and investigations are treated and conducted confidentially; EthicsPoint captures the reports and directs them to the Global Compliance and Internal Audit teams who oversee the treatment of reports and conduct investigations; If necessary, follow- up communications can be facilitated anonymously by EthicsPoint via the website.' However, there is no further information available regarding the timeframes. [Global Code of Business Conduct, December 2016] • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level 			0
Requested Score:	Justification from Company:		
2	<p>"There are multiple ways to submit a human rights grievance as an employee or other stakeholder. We work with an independent provider to administer a hotline and website that provides for local language operators and web-interfaces to conduct intakes on reports. The system is managed by our Global Ethics & Compliance team who oversee the treatment of reports and conduct investigations. The VP of Ethics & Compliance has real time access to the system and can track and monitor reports. In addition, our Code of Business Conduct available on our website provides contact details for the General Counsel, VP of Ethics & Compliance and VP of Risk through which reports can also be submitted. Employees also have access to a phone-based App which provides details of Company Policies (including the Global Human Rights Policy). Our Global Human Rights Policy highlights that senior leadership are immediately notified of any grievance filed, specifically the VP of Ethics & Compliance, and the VP of Risk. Should an affected stakeholder have concerns regarding their grievance, they have the right to anonymously file another case to appeal and a new investigator will be assigned to their case. Any feedback or complaints about the grievance mechanism from stakeholders are integrated into the ongoing process for updating and improving the tool. In addition, Global Ethics & Compliance employs an award-winning⁵ data analytics platform that</p>		

allows for the tracking and monitoring of human rights grievances, and runs metrics related to patterns and trends within the reports as well as the response and remedial measures generated out of any ensuing investigations. The information on accessing our grievance mechanisms is listed in our Global Human Rights Policy, Responsible Sourcing Policy and Code of Business Conduct (available here). In 2017, concerns were publicly raised regarding labour rights at our sugar mill Azunosa in Honduras. When such grievances are raised AB InBev and our local companies have sought to understand the concerns and respond – see here for response. See Global Human Rights Policy and Responsible Sourcing Policy here and commentary in C.1 and C.2."	
Sources from Company: https://www.business-humanrights.org/sites/default/files/webform/CHRB%2010%20August%202018.pdf	
Panel Decision?	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Partially Accepted <input type="checkbox"/> Rejected
Commentary from CHRB While the response goes into significant detail of the sophisticated system behind the scenes, it was not thought to meet the criteria for Score 1 (and therefore could not be considered for Score 2). The key gaps include descriptions of the timescales for addressing the complaints and for informing the complainant.	
Indicator: C.4	Final Score: 0 Date: 11 Mar 2019

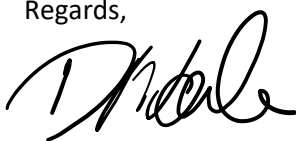
As a result of the accepted appeals, AB Inbev’s overall score has increased by 6%, but the company stays in the same band:

AB Inbev	Theme A	Theme B	Theme C	Theme D	Theme E	Theme F	Total	Change Band?
2018 Score	3.9	3.9	2.9	5.3	4.5	2.1	22.5	No
After Appeal	3.9	8.4	2.9	5.3	5.7	2.4	28.5	
Change	0	4.5	0	0	1.2	0.3	6%	

This results in a ‘move up’ past several companies including Wal-Mart, Carrefour, Mondelez International, Associated British Foods, Wesfarmers and Fast Retailing. A fully revised table will be published shortly.

Once CHRB has completed a review of all appeals and replied in detail to all companies, we will update the table online, as well as the downloadable data sheets, plus publish a short report on the Appeals Process.

Regards,



Dan Neale, CHRB Programme Director