LUXNCP STAKEHOLDER CONSULTATION MEETING

04/10/2023 - MEETING MINUTES

Date: 4 October, 2023

Time: 10:00 AM

Location: Hybrid (Ministry of the Economy & Webex)

Attendees: Basak BAGLAYAN (NCP), Nadine HAAS (ASTM), Anne-Marie LOESCH (CC & HoS), Max MOUSEL (CCDH), Mandy NOESEN (LCGB), Alena SCHLÜNZ (ALFI), Nicolas SIMONS (UEL), Ana-Luisa TEIXEIRA (Caritas).

Apologies: Pitt BACH(OGBL), Sara BOUCHON (Luxinnovation), Nancy THOMAS (IMS), Jean-Louis ZEIEN (IDV).

AGENDA

I. Welcome.

II. Updates and information exchange.

III. Presentation of the Peer Review Report.

IV. Discussion: What is Next?

V. Closing.

DISCUSSIONS

WELCOME AND INTRODUCTIONS

- BB (NCP) opened the meeting and welcomed the attendees, requesting permission to voice record the meeting for the purpose of accurately drafting the meeting minutes.
- Quick round of introductions, welcoming new attendees [NH (ASTM) &MN (LCGB)]
- The agenda was presented and the attendees were informed that the meeting minutes will be shared before publication on the NCP website.

UPDATES AND INFORMATION EXCHANGE

OVERVIEW OF EVENTS AND DEVELOPMENTS SINCE THE LAST MEETING (27 JANUARY)

- BB (NCP) recalled that the last meeting was on 27 January, mentioning that a number of events and developments had taken place since then, Including;
    - Participating in various **promotional events** (events organized by CARITAS, ALFI and HoS, among others and some academic events).

- Completing online **training** organized by the International Labour Organization (ILO) on key workplace topics and attending (together with other NCPs) in-person training on "International Labour Standards" at the ILO Training Centre in Turin/Italy (26-28 June).
- Engaging in **peer events**, including;
  - Meetings with "BeNeLux + France Regional NCP Network", and the intention to organize a promotional event together.
  - Participation in the peer review of the Czech NCP, and the planned participation in the upcoming peer review of the Turkish NCP (Nov 21-23).
- BB (NCP) noted the benefit of peer review events for all participating NCPs, highlighting the opportunity to share experiences given the varied structures and experiences of each NCP.

- BB (NCP) recalled that the **updated Guidelines were released on 8 June**, and the stakeholders were informed with a news release. Recalled that a seminar was held with the stakeholders to present the updates in the Guidelines (5 July).
- BB (NCP) mentioned that she presented the Guidelines at the **BeNeLux Parliament** on 16 June and mentioned that the BeNeLux Parliament had adopted a recommendation on corporate social responsibility/due diligence.

PRESENTATION OF THE PEER REVIEW REPORT

- BB (NCP) reminded the participants that the peer review report was officially released on August 30th and shared with stakeholders on the same day. Minister Franz Fayot hosted a press conference on September 6th, presenting an overview of LuxNCP and highlighting the key recommendations from the peer review report. Notably, there was limited press participation (Tageblatt, Reporter, and RTL).
- BB (NCP) informed attendees that J-LZ (IDV) expressed interest in the peer review report's presentation but could not attend today's meeting. A separate presentation meeting is set for October 10th, and invitations will be extended to the stakeholders to ensure those unable to attend today have the opportunity to participate.
- BB (NCP) presented the slides, which are attached to these minutes and will also be made available on the NCP's website.
  - Going through the timeline, noting that as per the updated Guidelines, the peer review process has become compulsory for all NCPs,
  - Explaining the structure of the report, noting that all peer review reports are structured similarly, focusing on "institutional arrangements (I)", "promotional activities (II)", and "specific instances (III)".
  - Presenting the attached slides.
  - The attendees raised the following questions during the course of the presentation:
    - A-LT (Caritas) inquired about the structure of other NCPs. BB (NCP) clarified that NCP structures vary. The majority are "mono-agencies", similar to LuxNCP. However, there are also inter-agency structures involving two or more ministries, multipartite structures (tripartite: government, business, trade unions; quadripartite: tripartite plus civil society), and independent structures, which are less common.
    - MM (CCDH) asked about the staff composition of the NCP. BB (NCP) clarified that it is 2,5 people: Christian Schuller is the president of the NCP, and Basak Baglayan runs the day-to-day tasks of the NCP as the Secretary-General. The third member, Tom Theves, is the institutional memory of the NCP and is consulted in the decision-making, but is not actively involved in the day-to-day activities of the NCP.
    - MM (CCDH) raised a question regarding the reference in the peer review report to the limited interaction of the NCP staff with other Ministry staff and activities, specifically, in the context of

trade and investment promotion. BB (NCP) mentioned that contact was initiated with colleagues in the Department of Trade and Investment Promotion to discuss ways of promoting the Guidelines through economic diplomacy channels. While there was interest, it was also noted that this would require careful planning and time. BB (NCP) acknowledged the need to proactively reach out to other relevant departments to promote the Guidelines.

- A-LT (Caritas) inquired about the initial placement of the NCP under the Committee de Conjoncture (CdC). BB (NCP) mentioned that the decision was made during the NCP's establishment due to the CdC's tripartite structure and the potential for stakeholder input. However, practical interaction between the CdC and the NCP has been limited. During the peer review, stakeholders highlighted that this placement misrepresented the NCP and also reduced its visibility. Consequently, a decision was made to relocate the NCP outside the CdC in the organizational chart.
- MM (CCDH) asked whether it is foreseen to include stakeholders in the assessments of specific instances. BB (NCP) responded that this consideration is not on the table for the time being.
- NH (ASTM) inquired about the specific challenges when addressing complaints against holding companies compared to regular companies. BB (NCP) mentioned that Luxembourg, like some other jurisdictions, has many holding companies, some with no physical presence in the country. Cases against such holding companies can be complicated due to identification and jurisdictional issues. While past cases involving holding companies were accepted, the decision would depend on various factors within the complaint. NH (ASTM) sought further clarification, asking if the main challenge is primarily in identifying the correct contact within the company and concerns about an increase in complaints. BB (NCP) responded, stating that personally it's not the fear of too many complaints. Instead, many holding companies have their headquarters and operations based in other countries, often with their own designated NCPs. According to OECD rules, the NCP leading the case should be based on where the actions took place. LuxNCP might still be involved, typically in a supporting or even leading role, depending on case-specific agreements among NCPs. Decisions will be made on a case-by-case basis.
- A-M L (CC & HoS) thanked for the presentation and expressed willingness to continue working with the Ministry of Economy and the NCP on [responsible business conduct] related issues.
- MM (CCDH) inquired about the INAP training reference in the peer review report, asking about the trainer and the content. BB (NCP) explained that the training will focus on responsible business conduct, particularly due diligence, and would be conducted by BB (NCP). However, they are still in development and not yet finalized.
- MM (CCDH) inquired whether additional resources or funding is foreseen for the NCP. BB (NCP) mentioned that she has been dedicating her time to the work of the NCP and the current resources seem sufficient. She noted, however, that the upcoming EU Directive [on Corporate Sustainability Due Diligence] may expand the role of the NCPs located in EU member states which may necessitate additional resources.
- The peer review report presentation concluded without any additional questions on the presentation.

ANNOUNCEMENT OF UPCOMING EVENTS

– BB (NCP) announced the following upcoming events/activities:

- OECD webinar on "Recoding our understanding of RBC in Science, Tech and Innovation, scheduled for 5 October, at 17h00.
- OECD webinar on the Environment chapter, "Scaling up credible business action on climate", scheduled for 19th of October at 14.00 [registration possible in the following link].
- OECD Working Party and Network of NCPs meetings scheduled for the week of November 6th in Paris.
- Peer review of Turkish NCP, onsite visit scheduled for November 21-23.
- 12th UN Forum on Business and Human Rights, scheduled for November 27-29 (Hybrid).

NEXT STEPS

- BB (NCP) mentioned that she will follow up to coordinate the workshops on "digitalization and RBC" and "finance and RBC" with OECD experts.
- Participants discussed the timing for the next stakeholder meeting, with a consensus not to schedule it before January or February. MN (LCGB) preferred January due to upcoming social elections in March. It was agreed that the next meeting would be held in the second half of January, covering various topics, including the next promotional plan.
- BB (NCP) stated that in the meantime, the NCP can be reached anytime concerning the questions regarding RBC.

THE MEETING WAS ADJOURNED AT 11.00 AM.

ACTION POINTS

- Follow-up planned workshops with the OECD experts.

ADDENDUM

A separate meeting on October 10th was convened to present the peer review report, attended by Pitt BACH (OGBL), Hannah LAM (Caritas), and Jean-Louis ZEIEN (IDV), where the same slides were presented.

J-L Z (IDV) requested adding the following points to the meeting minutes:

- Expressing a desire for a formal "multistakeholder guidance body" for the NCP, extending beyond attending consultation meetings, with a formal consultative role in decisions made by the NCP. This pertains to decisions such as the revision of rules of procedure, the promotional plan, etc., excluding decisions related to specific instances.
- Noting that different ministries working on responsible business conduct should collaborate and leverage the expertise of the NCP on the topic.

RELEVANT LINKS AND DOCUMENTS

- Updated OECD Guidelines
- LuxNCP Peer Review Report