COMMUNIQUÉ OF THE ARGENTINE NATIONAL CONTACT POINT FOR RESPONSIBLE BUSINESS CONDUCT
as closing of the specific instance "*Liliana Alejandra Zabala v. Telefónica de Argentina S.A. and Telecom Argentina S.A.*".

Buenos Aires, Argentina, November 16, 2020

1.- The Argentine National Contact Point for Responsible Business Conduct (hereinafter referred to as ANCP) hereby makes the statement provided for in point C.3.c) of the "Procedural Guide" included in the Guidelines for Multinational Enterprises (hereinafter referred to as Guidelines) of the Organization for Economic Cooperation and Development (hereinafter referred to as OECD), which corresponds to "when no agreement has been reached or when a party is not willing to participate in the proceedings".

2.- The specific instance called "*Liliana Alejandra Zabala v. Telefónica de Argentina S.A. and Telecom Argentina S.A.*", whose description is published on the OECD website, at http://mneguidelines.oecd.org/database/instances/ar0013.htm, is thus concluded.

Background of the claim:

3.- On October 11, 2018, Liliana Alejandra Zabala, attorney-at-law, appearing as attorney-in-fact for 2,228 male and female employees of Telefónica de Argentina S.A and Telecom Argentina S.A, with the legal counsel of Dr. Enrique Fernández Sáenz, made a filing before the Argentine National Contact Point (ANCP) in which she alleges non-compliance by the companies Telefónica de Argentina S.A and Telecom Argentina S.A. with the OECD Guidelines. According to the claimant in the specific instance, the companies have allegedly violated the following sections of the Guidelines:

a. - Foreword: for not complying with Argentine domestic law.

b. - Preface: points 5 and 6, for seeking an undue competitive advantage, which affects the reputation of multinational companies and generates concern among citizens.

c.- Chapter II (General Principles), points 2, 5 and 7: for not respecting the internationally recognized human rights of the people affected by their activities, for using exemptions not contemplated in the legal or regulatory framework and for not having developed effective management systems that promote a relationship of reciprocal trust between companies and the societies in which they operate.

d.- Chapter V (Employment and Labor Relations), items 2 b) and c), 3 and 4 a): For not providing the workers' representatives with the information they need to reach constructive negotiations on employment conditions and not communicating to the workers and their representatives the information that would allow them to have an accurate and correct idea of the activity and results of the entity, nor promoting

consultations and cooperation between the companies and the workers and their representatives.

4.- According to the presentation, it was requested to prove the legal capacity of the claimant with the Powers of Attorney for Administrative and Special Judicial Proceedings granted by 2,228 persons who are or were employees of the companies Telefónica de Argentina S.A. (hereinafter Telefónica) and Telecom Argentina S.A. (hereinafter Telecom).

5. - According to the presentation, the aforementioned employees of Telefónica and Telecom are beneficiaries of the Participated Ownership Program (hereinafter the "PPP") within the framework of Law No. 23696.

6. - Regarding the background of the presentation, the claimant refers that in 1991 the companies acquired the companies "Sociedad Licenciataria Norte S.A." and "Sociedad Licenciataria Sur S.A." (both continuators of ENTEL) within the framework of Law 23696 of Administrative Emergency. Chapter III of the above mentioned Law regulates PPPs as a specific way for the acquisition by employees of a percentage of the capital stock of privatized companies through an adhesion contract and on a voluntary basis. Article 29 of Law No. 23696 establishes that the privatized company must issue Profit Participation Bonds (hereinafter the "BPG") to its personnel.

7. - According to the presentation, Telecom and Telefónica requested the National Executive Power ("PEN") an exemption to the terms and conditions set forth in the regulatory framework of PPPs. Such request led to the issuance of Decree No. 395/92, Article 4 of which provides that national telecommunications service licensees "are not obliged to issue profit sharing bonds for personnel".

8. - The presentation states that according to the administrative file that led to the issuance of Decree No. 395/92, Telefónica's representatives requested the Presidency of the Nation, on December 4, 1991, the modification of Decree No. 2423/91, which implemented the PPP in the companies, on the grounds that it was not entitled to issue the profit sharing bonus. Telecom did the same on December 3, 1991. The administrative proceedings were forwarded to the pertinent areas, which ruled in favor of the companies, and the Minister of Labor and Social Security was given intervention, which on February 25, 1992, in a note, stated that it did not consider it inconvenient to implement by Executive Power decree the exemptions requested by the companies.

9. - Based on the same presentation, Dr. Zabala indicates that she filed a legal complaint against the legality of the decree that exempted the companies from issuing the BPGs and on August 12, 2008, the Supreme Court of Justice of the Nation (hereinafter CSJN), in the proceedings "Gentini, Jorge Mario y otros c/ Estado Nacional Ministerio de Trabajo y Seguridad s/ part. accionariado obrero", established the unconstitutionality of Article 4 of Decree No. 395/92 ("Gentini Judgment"). Thus, the defendant company in these proceedings, Telefónica, had to compensate the damages suffered by the plaintiff employees.

10. -According to the presentation, accordingly, and subsequent to the Gentini Judgment, the courts and the Courts of Appeals have upheld the claims filed by the

thousands of employees of the companies, recognizing compensation for the damages suffered due to the failure to issue the BPGs.

11. - The presentation cites what was stated by the CSJN in the Gentini Judgment: "On the other hand, it should be considered that the obligation that weighed on the awardee was clearly established in the regulatory framework that governed the call for the public bidding in which it was the winner, as well as the challenging activity carried out in the administrative venue to obtain its exemption. This beyond the fact that, in any case, the detriment suffered by the employees shows as a counterpart and as an unavoidable corollary the benefit obtained by the privatized company. Moreover, it should be noted that, as admitted by the representative of the National State in the public hearing held before the Court, the exemption obtained placed the privatized companies in the telecommunications sector in a privileged situation with respect to the other companies which, in line with the joint ownership program, had to issue profit-sharing bonds and respond accordingly".

12.- However, according to the presentation, the companies have not taken any action to comply with the regulations and give full effect to the provisions of the Supreme Court of Justice of the Nation.

13. - The claimant states that the conduct of the companies has caused great harm to thousands of its workers, since they have been forced to resort to the courts in order to claim their rights, as well as that the companies have neglected and failed to comply with Argentine regulations in search of an undue competitive advantage.

14. - Based on the foregoing, the complainant requests the ANCP to:

i. Declare the formal admissibility of the submission,
ii. Order the opening of a Specific Instance in order to offer its good offices for the purpose of examining the non-compliance of the Companies with the Guidelines
iii. Facilitate the process of dialogue and search for understandings with the Companies in order to resolve the substantive issues raised.

Procedure:

15. - The ANCP ruled, on November 8, 2018, the Formal Admissibility of the specific instance with respect to the Foreword; Preface, points 5 and 6; Chapter II ("General Principles"), points 2,5 and 7; Chapter V ("Employment and Labor Relations"), points 2 b) and c), 3 and 4 a), considering that, prima facie, the complaint filed by Dr. Liliana Alejandra Zabala and Dr. Enrique Fernández Sáenz had been made in compliance with the formal requirements stipulated in the OECD Guidelines for Multinational Enterprises.

16.- Likewise, in the Formal Admissibility, it was stated for the record that such Admissibility does not prejudge the substantive issues that are open for consideration at the Instance, as well as that the facts invoked in the presentation have been and/or continue to be the subject of legal proceedings.

17. - In this context, the ANCP held meetings with the legal representatives of the companies, in which they were informed of the submission and the Formal

Admissibility Opinion, as well as the nature and scope of the procedure of specific instances stipulated in the OECD Guidelines for Multinational Enterprises.

Disclaimer of Telefónica de Argentina S.A.

18. - On February 29, 2019, the legal representative of Telefónica submitted to the ANCP a brief ("Ref.: *Denuncia contra Telefónica de Argentina S.A. por supuestos incumplimientos a líneas directrices de la OCDE*"), in which it requests the rejection of the complaint filed, based on the following considerations:

Personality of the claimant

19. - Absence of justification by Dr. Liliana Alejandra Zabala of the representation she intends to exercise, since she does not name or identify any of the 2228 persons she claims to represent, nor does she attach the respective powers of attorney that, in case they exist, would empower her to file the complaint.

20. - With regard to the violation of Chapter V of the Guidelines ("Employment and Labor Relations"), the complainant is in no way a "representative of the workers", since only trade union entities and their members are authorized to represent the collective interests of the workers. In this sense, she cites Decree 742/18, which establishes that "it is necessary to distinguish between the represented parties who granted a mandate by public deed in favor of Dr. Zabala and the invocation of an alleged collective representation assumed by the lawyer to the universe of Telefónica and Telecom workers".

21. - Regarding the two previous points, since the plaintiff's legal standing was not proven, the formal admissibility of the complaint should not have been decreed.

Parallel legal proceedings

22.- The same facts that give rise to the complaint are being debated in the National Judicial Branch, in numerous court cases, many of which have been initiated with the legal representation of the complainant herself.

23. - Not only is there a duplicity of claims, but also, since the judicial proceedings are fully in force, the complaint intends to interfere with the activity carried out by the different national and provincial judicial powers. The aforementioned duplicity makes it advisable that the processing and decision of the disputes be resolved by the same jurisdictional sphere, regardless of any intervention by the PEN.

Substance of the claim

24. - Telefónica has not breached any regulation related to the OECD Guidelines since it was not and is not obliged to issue and/or deliver BPG, since Decree 395/92 expressly exempted and exempts it from that obligation.

25. - The complaint filed against Telefónica should have been directed exclusively against the National State for the following reasons:

a.- The National State, in Article 9 of Decree 731/89, provided that up to 10% of the capital of the companies to be incorporated be reserved for employees. It also provided that such participation "could" be channeled through a PPP. Decree 731/89 did not make any reference to the fact that such companies should contemplate the issuance of BPGs.

b. - The National State issued Decree 59/90, which amended Article 9 of Decree 731/89 regarding the PPP, since it maintained the reservation of 10% of the capital stock for employees, but eliminated any reference that such participation would be channeled through a PPP. Likewise, Decree 50/90 -as well as Decree 731/89- did not make any reference to the fact that the companies should provide for the issuance of BPGs.

c. - The National State issued Decree 60/90 which provided for the creation of Sociedad Licenciataria Sur S.A. (which would later become Telefónica de Argentina S.A.). In that decree, the PEN delegated to the Minister of Public Works and Services and ENTEL the drafting of the bylaws of that company, which do not make any reference to the PPP or the BGP. The Commercial Companies Law requires that the BPGs must be included in the bylaws under penalty of nullity. The bylaws were submitted to the General Inspection of Justice, under the Ministry of Justice, which made observations to the bylaws but none of them were linked to the BGPs. Consequently, the National State, in its role of executor of Law 23696 and in exercise of the functions delegated by Decree 60/90 and of comptroller of the legality of the incorporation of legal entities, decided not to include the BGPs in the bylaws of the company, without making any type of subsequent objection or observation.

d. - The National State issued Decree 62/90 which approved the Bidding Terms and Conditions for the International Public Bidding for the Privatization of the Public Telecommunications Service (hereinafter "Bidding Terms and Conditions"), whose Chapter XIV described the labor regime to which the employees would be subject, in which it does not say anything about the fact that the employees would be entitled to receive BPGs. The National State did not establish anything about BPG in the Bidding Terms and Conditions despite the fact that it was the document that should have established this obligation of the company whose shares were sold.

e. - The National State, ENTEL, the Compañía de Inversiones en Telecomunicaciones S.A. (which was the company formed by the members of the winning consortium) and each of the members of the consortium signed the Transfer Agreement, which provided that the bylaws of the company should be amended in certain aspects, however, nothing was established in the amendments regarding the inclusion of the BPGs.

f. - After the signing of the Transfer Agreement and the takeover of the company, the National State issued Decree 2423/91 which regulated the participation of the employees in the capital of the company. For the first time, it provided for the constitution of a PPP (up to that moment no regulation in force foresaw that a PPP would be constituted in the company), but it did not make any reference to the BGP. Three agencies of the National State -the Department of Legal Affairs of the Ministry of Economy, the Secretariat of Public Works and the Ministry of Labor and Social Security, the latter being the PPP enforcement authority- supported the company's position that Decree 2423/91 constituted a modification to the privatization conditions

by establishing a PPP because it was an obligation not foreseen during the bidding process.

g. - In 1992, the National State sold the remaining shares through a public offering mechanism. The Prospectus of the Public Offering of Sale (the "Prospectus"), issued in December 1991, when describing the company, states that the Class C shares (at that time still held by the National State) would be transferred through a PPP in accordance with the provisions of Decree 2423/91. The Prospectus devotes an entire chapter to describe the rights and obligations of the shareholders, including those of the Class C shareholders, and in describing their economic rights and obligations it makes no reference to the BPGs.

h. - The National State issued Decree 395/92 through which it implemented the PPP in Telefónica and Telecom. In its Article 4, it expressly stated that these companies are not obliged to issue BPG.

26. - Telefónica has not had any intervention in the design of the PPP nor has it participated in any way in the acts that the plaintiff claims as unconstitutional, which have been exclusively the work of the PEN, which was the one that implemented and regulated the PPP and provided for the percentage of the capital stock that it reserved for such purposes, releasing the telephone service providers from the obligation to issue the BPG.

27. - Like the rest of the participants in the bidding process, the consortium that would finally be awarded the contract valued the price of the tendered shares and made the offer that was awarded by the National State. The price offered took into consideration that no regulation in force at that time required the issuance of BPG (nor did it foresee that there would be a PPP). If the process had had the characteristics described by the complainant in its presentation, the negative impact of the PPP and the BGPs on the cash flow of the bidder would have been discounted from the bid price. It can be concluded, then, that it was the National State, and not Telefónica, who benefited then with a higher price, which it would not have enjoyed in case the BPGs were mandatory, which -if they had been foreseen- would have been discounted from the price of the tendered shares.

28. - The winning consortium did not have any advantage over other interested parties in the bidding. All of them bid on the same assumptions given by the regulatory framework applicable to the bid issued by the National State.

29. - The situation of other privatizations is not necessarily comparable since each one of them presented particularities that do not allow an economic or mathematical comparison between them. These differences were recognized by the National State itself, which defined the most appropriate detail for each privatization through dozens of regulatory norms of Law 23696. And while for some privatizations it set aside a percentage of shares for the employees, for others it set aside a different percentage, for others it did not set aside any shares for the employees and, in the case of ENTEL, it did not provide for the obligation to issue BPGs.

30. - The Company disagrees with the arguments regarding the Gentini Ruling, arguing that at all times it adjusted its conduct to the law, complying with the administrative acts

issued by the National State in execution of the provisions of Law 23696, none of which obliged the Company to issue the BPGs. In this sense, if the CSJN recognizes that Decree 395/92 was the one that hindered the right of the complainants, the company wonders what responsibility it has for having adjusted its conduct to all the rules that governed the privatization process.

31.- The company argues that it has been the minority of the CSJN ruling -conclusions of Drs. Enrique Petracchi and Carmen Argibay- that has adequately interpreted the scope of the rules in force at the date of the call for bidding and the role of both the National State and Telefónica in the privatization process, indicating that "Decree 395/92 is valid and constitutional since it was issued in accordance with the legal and regulatory rules that governed the privatization process of the telecommunications service".

32. - Decree No. 742/18 resolved to reject as inadmissible the filing made by Dr. Zabala requesting the repeal of Article 4 of Decree 395/92, arguing that the declaration of constitutional invalidity does not imply the repeal of a rule but only the impossibility of applying it to the case that has been the subject of judgment as well as that the judicial proceeding was made on a personal, individual basis and, therefore, the "Gentini" judgment has effects only for that universe of workers.

Position of the company with respect to the claimant's assertions

33. - Regarding the submission, Telefónica, in the aforementioned brief filed, expressly denies:

i. That it has failed to comply with any aspect of the Guidelines of the Organization for Economic Cooperation and Development (OECD) for multinational companies.
ii. That the employees allegedly represented in the complaint are beneficiaries of the Participated Ownership Program.
iii. That it does not comply with the regulations of the Argentine Republic.
iv. Seeking and accepting exemptions not contemplated in the regulatory framework.
v. Benefiting from undue competitive advantages.
vi. Requesting from the Executive Branch an exemption to the terms and conditions set forth in the regulatory framework of PPPs.
vii. That after the "Gentini" ruling was issued, the courts have upheld the claims filed by thousands of employees of the companies.
viii. That practically all of the lawsuits have been favorable to the employees.
ix. That it has not complied with the Guidelines mentioned by the plaintiff.
x. That the complainant is a representative of the employees.
xi. It is obliged to pay the profit sharing bonuses.

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34. - On February 20, 2019, the legal representative of Telecom sent to the ANCP a brief ("*Se presenta - Contesta denuncia - Solicita*"), in which it rejects the complaint filed by Dr. Liliana Alejandra Zabala, based on the following considerations:

Substance of the complaint

35. - The basic telephone service licensees Telecom and Telefónica are not obliged to pay any BPG to their employees by virtue of the PPP established in Law 23696 since Decree 395/1992 established that such companies were not obliged to issue the mentioned Bond and that the mentioned Decree is in force in all its terms as of today since it has not been repealed by any regulation.

36. - On August 12, 2008, the CSJN resolved the unconstitutionality of Decree No. 395/1992 in the "Gentini" case, a case filed against Telefónica, but this is an individual case, a judicial response to a specific case, but it does not affect the validity of the Decree and such doctrine could be modified by the same Court as it has already happened in other cases.

37. - The company is currently being sued by approximately 11,000 plaintiffs, of which 4,221 are employees who joined the company after privatization, i.e., who were not part of the PPP. However, Dr. Zabala and other colleagues who also have claims for this concept against Telecom included them in the claim. Telecom has always questioned this segment of actors since they were not part of the PPP. In the case "Ramollino Silvana v. Telecom Argentina S.A. y otro", on June 9, 2015, the CSJN ruled that the BPG does not apply to employees who joined the company after November 8, 1990 (date of the privatization of ENTEL); however, Dr. Zabala continues to argue otherwise in all her court filings. In this way, the complainant contradicts her own actions since on the one hand she considers that the "Gentini" case should be applied to all claims, but not with respect to a ruling of identical jurisprudential hierarchy such as the "Ramollino" case.

38. - In all cases the National State appears as co-defendant, since the plaintiffs consider that it was the State that was obliged to regulate the implementation of the BPG, which the legislator did not do, since it was never intended to do so, something that was subsequently confirmed with the issuance of Decree 395/92.

39. - As regards the right claimed by the claimants, the company has based its position on the fact that the decision of the Executive Power to implement a PPP in the privatization of the fixed telephony service was made after the date on which the transfer -within the framework of the privatization process- of the controlling shares of Sociedad Licenciatario Norte (today Telecom) to Nortel took place.

40. - Without specific regulatory legislation on the BPG, the company is not only not obliged to implement it in a generic manner, but also has a practical and legal limitation derived from the jurisdictional recognition or disregard of the right with respect to certain agents.

41. - The complexity of the claims is based not only on the determination of whether or not the licensees are obliged to pay them, but in the event that it is concluded that they should be paid, it is necessary to determine the way in which their value or that of their substitute indemnity should be calculated and also at what time the action is barred in each case, whether the claimant is an active or former employee of the telephone companies. It is also a problem to determine on what percentage of the profit the bonus should be calculated.

42.- From the "Gentini" precedent it does not appear that the licensees are currently required to modify their bylaws to recognize the right to the BGP referred to in Article 29 of the State Reform Law. At most, Telecom has an obligation to compensate those who made similar claims to "Gentini" and that eventually, according to its own conclusions, could give rise to a reimbursement action against the National State.

43. - Beyond the liability for compensation that the company may be liable to the PPP employees, it was the State who, through its actions in the bidding process, has frustrated the right provided by the Law. The State's responsibility in the matter has its origin in the omission in the drafting of the Bidding Terms and Conditions approved by Decree 62/90, an instrument issued within the framework of the State Reform Law, in which the duty to implement the BPG was omitted from the economic conditions of the proposal. This lack of foresight was later ratified by Decree No. 395/92, according to which the licensees were not obliged to issue Bonds. Chapter XIV of the Bidding Terms and Conditions referring to the labor regime does not mention that the employees are entitled to the Bono nor that the companies were obliged to recognize it. It was the declarations and guarantees contained in the bidding documents and the possible omissions in the bylaws of the transferred company and in the bidding documents that provoked Telecom's actions, which could now be detrimental to it. Whether optional or mandatory, the decision to recognize Bonds was the State's own. The obligations of Telecom's shareholders (at least those of the controlling company, Nortel) arise from the bidding process and the transfer agreement, and Telecom's obligations arise from its bylaws and the terms imposed for the provision of the service; since neither the bylaws, nor the bidding or the transfer agreement imposed such obligation -on the contrary, rules were issued that gave the appearance of being exempted from the granting of such Bonds-, the imposition of the obligations claimed in the lawsuit would result in State liability for breach of its contractual obligations at the time of privatization.

44. - Law 23696, rather than fragmentarily, should have been assessed in its entirety, from which perspective it should be noted that it is not aimed at creating rights in favor of individuals, but rather it is aimed at conferring powers to another branch of the State so that, if necessary and in accordance with certain guidelines and modalities, in the development of an authorized legislative policy, it may eventually establish or generate such rights. As a consequence, it is clear that Decree 395/92 is valid and constitutional since it was issued in accordance with the legal and regulatory rules that governed the process of privatization of the telecommunications service.

45. - It can be concluded that the only beneficiaries of the BPG and eventually liable to be compensated will be the employees of the company that have the condition of having belonged to ENTEL's plant and that have adhered to the PPP. This right has so far only been recognized through a court ruling. Therefore, a comprehensive settlement would be impossible at this stage, given that many of the claimants do not have the aforementioned condition.

46. - Telecom considers that it is acting in accordance with the law in force, that the parties represented by Dr. Zabala have access to the national justice system and that Telecom submits to the law in each of its judicial proceedings, exercising its legitimate right to defense and in the appropriate cases, and once the sentences that were condemned are final and the corresponding settlements are final, it complies with the payment of the sentences. Therefore, the company does not consider that the provisions

of the OECD Guidelines are applicable to it, much less that its conduct is in collision with them.

Actions of the National Contact Point after the submission of the companies' disclaimers

47. - In view of Telefónica's request regarding the accreditation of the complainant's legal capacity, the complainant was asked to submit the powers of attorney that empower it to file the complaint before the ANCP on its behalf. Copies of such powers of attorney are at the ANCP and were made available to Telecom and Telefónica.

48. - The ANCP, taking into account that the complained companies requested the rejection of the complaint filed, and in the understanding that there was no agreement between the parties to get involved in the specific instance procedure, made a preliminary draft of the Final Statement which was sent for comments to the parties by note DNEMU 41/2019 on May 2, 2019.

49. - In response to the note mentioned in the preceding paragraph, the complainant requested this ANCP to keep the dialogue process open on the understanding that, despite the parallel legal proceedings with the syndicated companies, the good offices offered by the ANCP could provide a positive solution to the dispute.

50. - As a result, the ANCP consulted the complained companies through Note DNEMU 85/2019, addressed to Telefónica, and Note DNEMU 86/2019, addressed to the company Telecom, on the intention to initiate and advance in the dialogue process within the framework established by the OECD Guidelines, having received an affirmative response from the company Telefónica de Argentina on August 22, 2019. No response was received from Telecom.

51. - Subsequently, separate meetings were held between the ANCP and with the legal representatives of Telefónica de Argentina and with the claimants. However, to date, more than a year after Telefónica's affirmative response, despite the offer of good offices, the parties have not responded with alternative dates to initiate a process of dialogue, so it has not been possible to formalize a meeting between the parties in this instance.

52. - Due to the above, and in view of the time elapsed, which exceeds by far the time stipulated by the OECD regulations on the matter, e-mails were sent to Telefónica and Telecom on August 5 and 7, 2020 respectively, making available once again the space for dialogue of the National Contact Point, and requesting the parties to set a meeting date to formalize a meeting with the counterparty, but no response has been received to date.

Conclusion of the procedure:

53.- The ANCP has paid due attention to the considerations presented by the parties involved and has conducted itself within the framework of the attributions and functions assigned to it by the OECD Guidelines, seeking to serve as a forum for discussion among the interested parties.

54. - The ANCP, taking into account that the complained companies requested the rejection of the complaint filed and that subsequently, despite the NCP's repeated offers, it was not possible to bring the parties together to initiate a dialogue process within the framework of the mechanism provided for in the Guidelines, does not consider that the conditions exist for the parties to reach an agreement on the matter raised in this specific instance through a consensual and non-contentious mechanism, as provided for in the OECD Guidelines for Multinational Enterprises.

55. - In this regard, the ANCP takes into consideration point 29 of the section "Assistance to the parties" of the "Procedure for the Implementation" of the Guidelines, which states: "*As part of offering good offices, and where relevant to the issues that have arisen, NCPs shall offer access to, or facilitate access to, consensual and non-adversarial procedures, such as conciliation or mediation, in order to assist in the resolution of the issues to be resolved. In accordance with accepted practice with respect to conciliation and mediation procedures,* ***these procedures shall be resorted to only with the agreement of the parties involved and their commitment to participate in them in good faith***" (emphasis added).

56. - In addition, it should be noted that point 26 of the "Initial Assessment" section of the "Procedure for the Implementation of the Guidelines" states that: "*In assessing the relevance to the specific instance procedure of the specific issue of other local or international processes dealing with similar issues in parallel, NCPs shall not decide that the issues do not merit further consideration simply because parallel processes have already been carried out, or are ongoing or pending for the parties concerned.* ***NCPs should assess whether the offer of good offices will make a positive contribution to the resolution of the issues that have arisen and will not seriously prejudice any party involved in other proceedings or result in a situation of contempt of court....***" (emphasis added).

57. - In relation to the preceding paragraph, taking into account the background, the contacts made with the parties and the passage of time without even being able to reach a date on which a dialogue between the complainant and the companies could take place, the ANCP has assessed that the conditions are not in place to achieve a positive contribution to the resolution of the issues that have arisen.

58. - On the other hand, account was taken of point 40.2. of the "Procedural Guidance" included in the Guidelines, 2011 Revision, which states: "*Assisting the parties in their efforts to resolve the issues that have arisen: if an NCP decides to offer its good offices, it shall endeavour to facilitate the resolution of the issues in a timely manner. Understanding that the progress of the assistance offered, including through mediation and conciliation, ultimately depends on the parties involved, the NCP should, after appropriate consultation with the parties involved, establish a reasonable period of time for discussion between the parties involved to resolve the issues that have arisen. If the parties involved do not reach agreement within such period, the NCP shall consult with the parties involved as to the value of continuing to assist them; if the NCP concludes that further proceedings are not likely to be productive, it shall terminate the process and prepare a statement.*"

59. - In addition, taking into consideration the time elapsed since the initiation of this instance and the provisions of Article 18 of the Rules for the Submission of Specific

Instances of the ANCP, which provides for the conclusion of the proceedings within twelve (12) months after the receipt of the specific instance, Article 19 states that *"Having expired the maximum period indicated in Article 18, if the parties have not jointly requested an extension and if no settlement of the substantive claim has been reached, the ANCP shall declare the Specific Instance concluded"*; it is necessary to conclude the present proceedings.

60. - Likewise, it must be taken into account that the term provided for in article 20 of the Regulations for the Presentation of Specific Instances has elapsed for a long time, which establishes that *"The ANCP shall take all the steps it deems necessary to ensure that the company accepts its offer of Good Offices and agrees to enter into a dialogue with the complainant, whether or not the ANCP is present. If, despite the efforts made by the NCCP and after sixty (60) days from the "Formal Admission" of the complaint, the Company does not accept the Good Offices proposed by the ANCP, the ANCP will close the Specific Instance and will proceed to draft a communiqué, which will be reported to the corresponding subsidiary body of the OECD"*, in accordance with the aforementioned regulations, this NCP proceeded to draft this statement.

61. - In accordance with the principle of transparency that governs NCP functions, final statements are published on the NCP website and are reported and sent to the OECD Working Party on Responsible Business Conduct, which publishes them on the OECD website.

62. - Before issuing the final statement, the parties were given the opportunity to comment on the draft statement, as stated in point 36 of the "Procedural Guidance" included in the Guidelines, 2011 Revision, which states *"The NCP should provide an opportunity for the parties to comment on the draft statement. However, the statement is the NCP's and it will be at the NCP's discretion whether or not to modify the draft statement in response to any comments made by the parties involved"*.

Final comments:

63. - The National Contact Point of Argentina considers that on repeated occasions and in a constructive spirit it offered its good offices for the parties to enter into a dialogue, without achieving the minimum prerequisite of acceptance and subsequent intervention of both parties, in good faith, in a process of dialogue, which would allow the conditions to be able to reach an agreement in a specific instance.

64.- Without prejudice to the foregoing, the parties are encouraged to consider how to generate the necessary conditions to engage in dialogue and work constructively for the resolution of the issues brought for consideration in this instance.

65. - The ANCP also recommends that companies comply with and incorporate the OECD Guidelines for Multinational Enterprises as part of their corporate social responsibility framework and proceed to implement them in their various activities and operations.

66.- Finally, bearing in mind that, according to the OECD Guidelines for Multinational Enterprises, the National Contact Point shall "Raise awareness of the Guidelines and the procedures for their implementation, including through cooperation, as appropriate,

with the business sector, workers' organizations, other non-governmental organizations and concerned citizens" and "Respond to inquiries about the Guidelines raised by: (...) b) the business sector, workers' organizations, other non-governmental organizations and the public; (...), the Argentine National Contact Point remains at the disposal of both parties to respond to any queries regarding the Guidelines, with the objective indicated above.

Argentine National Contact Point (ANCP)
for Responsible Business Conduct
Ministry of Foreign Affairs, International Trade and Worship