

La Chaux-de-Fonds, April 26, 2018

Dear Institute for Human Rights and Business Team,

The Swiss Association of Manufacturers and Traders in Precious Metals (SAMTPM) has been active since 1978 to contribute towards further development of the Swiss precious metal industry and to promote its members' interests with regard to the general public, politics, and national as well as international regulatory authorities.

In this occasion we would like to point out that there is a substantial difference between the commodity sector and our Association, as the members of our Association are engaged in the physical Precious Metal industry.

Our members take their industrial social responsibility very seriously. They continuously investigate and review their business practices in order to achieve the highest standards in the areas of environment, social factors, politics and human rights. In addition, they play an active part in national and international committees, on the one hand to manage natural resources in a responsible manner and on the other to meet the highest requirements in the field of ethics and human rights across the whole supply chain.

In this perspective, both the Association and its members welcome the idea of having a guide to help companies to implement the UN Guiding Principles on Business and Human Rights with a great interest. However, since our role is also to defend and promote our member's interests, we need to ensure that such guidelines could be practically implemented by each of them. Therefore, we believe it is important for us to take part to the consultation of the Guidance on Implementing the UN Guiding Principles on Business and Human Rights and thank you in advance for taking into consideration our following comments and suggestions:

- **Scope of the Guidance – Companies' activities and business relationships (page 8, paragraph 2):** we understand commodity traders should assess human rights risk on their business partners. Our industry already perform such assessment in the current due diligence process. However, in some cases a full due diligence cannot be carried out beyond the first tier and it should therefore be specifically stated either in the text or in a foot note that a due diligence beyond the first tier is not expected in all cases. Also, we would suggest to have a proper definition of what is meant by "beyond the first tier".
- **Section 3.1 v. Apply the commitment to business relationships (page 19):** since our members do not always have sufficient leverage with their counterparts to force specific commitments into the agreement binding between them, we would highly recommend to amend the paragraph by encouraging, instead of requiring the company to insert human rights expectations in the formal agreement or documentation with business relationships.
- **Section 3.2 i, iv and v) with respect to Identifying and Assessing Human Rights Impacts (page 24 and following):** it is absolutely essential here for our members to highlight the fact that it is not possible in practice for companies who are not causing or contributing to human rights abuse to directly engage with affected stakeholders. We would therefore recommend emphasizing more on the last two paragraphs of Section V as they are key here.
- **Section 3.3 & 3.6: Key Actions (page 36, resp. 47):** we would recommend to clearly distinguish, among the actions to take to prevent and mitigate adverse impact, respectively to cooperate in remediation, the following situations between "cause", "contribute" and "linked through business relationship".
- **Section 3.4 Tracking Performance (pages 41 Key actions & 42 Develop Indicators and identify trends/patterns of recurring problems):** here also, we would highly recommend

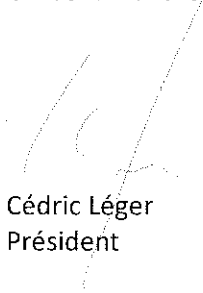
distinguishing whether a company “cause”, “contributes” or is “linked through business relationship” and should a company be linked through business relationship to a human right abuse, it should rely on the company’s internal report which contributes to or causes the abuse as a basis for its assessment.

We are convinced that by taking into account these few points, it would clearly not change the objectives nor the scope or structure of the guidance but would seriously help representatives of our industry to implement the UNGPs in their own systems and company cultures in a pragmatic and realistic way.

We thank you very much in advance and remain at your entire disposal should you have any question or if we can be of any help in this project.

Yours sincerely,

On behalf of the Swiss Association of Manufacturers and Traders in Precious Metals,



Cédric Léger
Président