



Study on the Support System for SME Supply Chain Due Diligence

Final Report

Written by Levin Sources and RINA Consulting
November 2017



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ABSTRACT

The adoption of Regulation (EU) No 2017/821 means that EU-based importers of tin, tungsten, tantalum and gold from conflict-affected and high-risk areas will soon have to conduct supply chain due diligence as a matter of law. Various small and medium-sized enterprises (SMEs) are directly affected by this law, while other SMEs face commercial pressures to implement due diligence (e.g. from customer policies).

A study was undertaken with the intention of building EU SMEs' capacity and knowledge to conduct supply chain due diligence when sourcing minerals from conflict-affected and high-risk areas.

The study entailed investigation into SMEs falling within the scope of Regulation 2017/821, surveying them on existing due diligence practices, and their preferred means of support. In addition, a primer to the Organisation for Economic Co-operation and Development's Due Diligence Guidance was produced for SMEs that included frequently asked questions. Further to this, a support system – the "EC SME Support Programme" – was devised in concept, with supporting materials including an educational platform, a due diligence toolbox, training modules, and educational webinars prepared as ready-to-use content. An overarching communications strategy, implementation plan, and recommendations for promotional content to assist in the roll-out of the Programme were also developed.

ABSTRAIT

L'entrée en vigueur du Règlement (UE) 2017/821 signifie que les importateurs européens d'étain, de tantale, de tungstène et d'or provenant des zones de conflit ou à haut risque auront à court terme un devoir de diligence légal à l'égard de la chaîne d'approvisionnement. Plusieurs petites et moyennes entreprises (PME) sont directement concernées par cette loi, tandis que d'autres PME font face à des pressions commerciales pour la mise en œuvre du devoir de diligence (par exemple, à partir des politiques clients).

Une étude a été menée dans l'optique de renforcer la capacité et les connaissances des PME de l'UE concernant l'exercice de leur devoir de diligence à l'égard de la chaîne d'approvisionnement lorsque les minerais proviennent des zones de conflit ou à haut risque.

Dans le cadre de cette étude, une enquête a été menée auprès des PME relevant du champ d'application du Règlement 2017/821 en les interrogeant sur l'exercice actuel de leur devoir de diligence et sur leurs mesures de soutien préférées. En outre, une introduction au Guide de l'Organisation de coopération et de développement économiques sur le devoir de diligence contenant une Foire aux questions a été élaborée pour les PME. Par ailleurs, le concept d'un système d'appui (le « Programme de soutien aux PME de la CE ») a été mis sur pied, avec du matériel à l'appui, notamment une plateforme éducative, une boîte à outils sur le devoir de diligence, des modules de formation et des webinaires éducatifs préparés sous forme de contenu prêt à l'emploi. Une stratégie de communication globale, un plan de mise en œuvre et des recommandations concernant le contenu promotionnel appuyant le déploiement du Programme ont également été élaborés.

EXECUTIVE SUMMARY

In December 2016, the European Commission contracted Levin Sources (formerly Estelle Levin Ltd) to undertake its proposed study into what might constitute a suitable due diligence “support system” for EU-based small and medium-sized enterprises (SMEs)¹ that import minerals from conflict-affected and high-risk areas in their supply chains. Some of these SMEs fall in scope of the then-anticipated EU Regulation No 2017/821² (hereafter “EU Regulation”) as EU importers of tin, tungsten, tantalum and gold (the “3TGs”) while others may have already been subject to commercial pressures to better manage their sourcing of 3TGs and report this to their customers.

The study had three specific aims:

- To better understand the role of EU-based SMEs in 3TG supply chains, gathering information on their existing due diligence practices and the challenges that they face with regards to conducting supply chain due diligence.
- To provide guidance on due diligence requirements for SMEs, by simplifying a description of reporting obligations and underlining key elements.
- To propose a design and offer ready-to-use content for an SME support system.

Each aim corresponded with a “Work Package”, meaning that fulfilment of the study entailed completion of three distinct parts. Key conclusions and recommendations from each Work Package are presented below.

Work Package 1: Analysis of EU SMEs importing 3TGs

Work Package 1 was undertaken by RINA Consulting (formerly Edif ERA) under subcontract to Levin Sources.

Work Package 1 entailed extraction and analysis of Eurostat product data and the surveying of 3TG-importing SMEs via invitation to complete an online questionnaire, telephone interviewing and roundtable discussion. Findings informed Work Packages 2 and 3.

Work Package 1 took a different form to what was outlined in the European Commission call for tender. In this, research was to be conducted in two phases: 1) collection and collation of SME 3TG importer data leading to an analysis of these importers (**Tasks 1.1 and 1.2**); and 2) surveying of the SME 3TG importers to elicit their awareness of the EU Regulation, determine any existing due diligence practice, as well as enquire into due diligence challenges and desired support (**Task 1.3**).

However, acquisition of SME 3TG importer data proved very challenging in practice. No such data was obtainable at a national level while pan-European statistical information only provided access to data regarding, for example, the import of 3TGs into the EU on aggregate – no direct attribution to SME business activity could be made.

¹ For the definition of what constitutes an SME please refer to Article 2(1) of the Annex to Commission Recommendation 2003/361/EC.

² This Regulation was published in the EU Official Journal during the course of the study; its full title is *Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.*

The above led to a change in approach to address the data deficit. This encompassed three workarounds:

- Using the Task 1.3 survey as a vehicle for creating the Task 1.1 list and, where possible, performing Task 1.2 analysis.
- Re-focusing Work Package 1 such that it was more oriented towards surveying SME importers and achieving a depth of understanding, not only from the online questionnaire but by in-person meetings and telephone interviews (of which 13 were conducted).
- Extending Task 1.3 surveying to EU SMEs using 3TGs (e.g. in the manufacture of electronic components), although not necessarily importing them. The rationale for this was that such SMEs could already be under pressure to conduct supply chain due diligence from their customers, particularly when those customers are large consumer-facing businesses.

In short, the research became somewhat more qualitative while the quantitative data that was obtained and analysed in Task 1.2 cannot easily be deemed representative of a total population. Data was gathered on 76 3TG-importing SMEs, but quite how many of these SMEs exist in the EU in total remains unknown.³

The key conclusions and recommendations from Work Package 1 are:

- **Location:** SME 3TG importers are mainly located in Western and Southern Member States, and particularly in the UK and Germany. The large numbers of SME importers found in the UK and Germany most likely reflects on these SMEs being part of industries that use 3TGs in manufacture and that have a significant footprint in these countries, e.g. the aerospace and defence, automotive, chemicals, lighting and medical device industries.
- **Customer base:** SME 3TG importers supply to a wide range of industries, although the electronics industry appeared the most significant customer overall.
- **Sourcing:** SME 3TG importers are mostly involved in the acquisition of tin and gold; fewer businesses are involved in importing tantalum and tungsten.
- **Using/trading:** In terms of individual business numbers, SME 3TG importers appear quite evenly divided between those that use the minerals they procure in production and those that trade the minerals they import, re-supplying in the process.
- **Affiliation:** SME 3TG importers are members of a core of 24 industry associations, mainly national and international in scope (e.g. WVM, VDM, MMTA, IMF, RJC). However, relatively few are members of pan-European industry associations.
- **Due diligence challenges:** Getting documentation from suppliers and then knowing whether it is right or wrong (e.g. because of uncertainty over multiple industry certifications, not all of which certify the same minerals or to the same extent) constituted the greatest hurdles.
- **Help sought:** SME 3TG importers considered the potential help of “example questions to ask suppliers”, “guidance on what information to expect from suppliers” and “guidance on how to verify this information” of value. There is some variation between those importers already practising due diligence and their non-practising counterparts though (these two groups were segmented in the data). The non-practising contingent rate example questions a lot higher than practitioners, for example. This suggests that the help sought to overcome initial inertia regarding due diligence practice is likely to differ to the help sought with regards to maintaining and/or furthering due diligence practice once underway.
- **Practical information and tools like fact sheets and checklists are highly desirable.** By and large, SME 3TG importers want to be told what they need to do,

³ Please refer to Section 3.2 of the Work Package 1 research report for further discussion on this.

by when, and what to keep as documentation. Some importers advised⁴ of specific ways and means of engaging more SMEs in conducting supply chain due diligence. These included:

- Keeping online training sessions (e.g. webinars) of short duration. This is advised to counteract the time pressures a typical SME employee is under; it is preferable to have a short series of sessions to run through than fewer long duration sessions. This is more likely to sustain employee interest too.
- Cater to your audience. In the gem and jewellery sector, for example, the audience is more likely to be visually inclined/stimulated and of a creative outlook; ensure that the training plays to these interests where possible.
- Express the business case and the potential reputational damage/financial losses that could be incurred through non-adherence with due diligence obligations.

Work Package 2: Guidance on adapting due diligence to SME needs

Work Package 2 was undertaken by Levin Sources.

Work Package 2 entailed literature review and extensive consultation with various stakeholders.

The key conclusions and recommendations from this Work Package are:

- The literature on the simplification of due diligence is extremely limited, particularly that which pertains to SMEs. Nonetheless, a review of a broader selection of literature related to SMEs and company management systems found the following:
 - Capacity constraints (financial, technical) are common reasons why SMEs cannot implement important company systems and protocols.
 - A lack of awareness of the benefits of certain management systems, and an associated lack of motivation to implement them, prevent SMEs from adopting them.
 - Overly complex compliance requirements are a disincentive to SMEs.
 - When SMEs can simplify their own adherence to standards, etc., this can enable them to implement required protocols and/or management systems.
 - Laws can be simplified for the purpose of application to SMEs, typically by reducing reporting requirements.
 - SMEs generally need external support in order to implement additional company management or compliance systems. This support usually comes from industry associations or government.
 - Supporting documents tailored to the needs of SMEs can help them to better manage associated compliance obligations.
 - The SME support provided by the Global Timber Forum in relation to the EU Timber Regulation is an example of industry recognising the unique needs of this sector and assisting its capacity development.
- The OECD Due Diligence Guidance (DDG)⁵ is too advanced for SMEs to follow from the outset – they need the information pared back and broken down, so they feel confident enough in the basics to then embark on reading and implementing the framework within their own business operations.
- Getting Step 1 of the OECD DDG right is imperative for any company wishing to fulfil the requirements of the framework, including SMEs.

⁴ This relates to information gained from telephone interviews with SMEs, as discussed in Section 4 of the Work Package 1 research report.

⁵ This is the Organisation for Economic Co-operation and Development's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. See: <http://www.oecd.org/corporate/mne/mining.htm>

- SMEs require guidance on the requirements of the EU Regulation, and whether they must comply with it, as well as guidance on associated audit preparedness and reporting obligations.
- The background information required by SMEs in relation to the OECD DDG, responsible sourcing, due diligence in general, and the EU Regulation is significant, and is best communicated in an easy-to-use format with basic language.
- “Frequently asked questions” are an effective way of communicating key messages to SMEs about how they should respond to different scenarios pertaining to supply chain due diligence.
- A significant barrier to providing capacity-building support to SMEs is the support provider’s ability to reach SMEs effectively. This is particularly pertinent when delivering a support system to industries in multiple sectors and across multiple countries.
- Reaching out to SMEs primarily via industry associations, small business networks and/or chambers of commerce is recommended. This is for three key reasons:
 - They have pre-existing databases of knowledge of, and contact information for, SMEs in the industries and countries they represent. Engaging through associations is therefore the most effective way to reach SMEs that are association members.
 - They represent a vital point of policy, legislation and industry news for members.
 - The pre-existing relationship and investment SME members have with associations provides a contextual “lens” through which messages can be “cascaded”. By co-branding some of the communications materials with associations, the Briefing Document and EC SME Support Programme⁶ will be interpreted as relevant to specific SMEs’ industries and therefore boosts the campaign’s visibility and perceived credibility.
- Co-branding is a simple and cost-effective method of incentivising associations to participate in the dissemination of campaign materials relating to policy changes.
- SMEs see value in collaboration and knowledge sharing with large enterprises⁷ as an opportunity for business growth, so the European Commission engaging with large enterprises represents a key opportunity to reach out to SMEs including those that are not members of associations.
- Many large enterprises feature statements of dedication to supply chain due diligence prominently on their websites as an example of their Corporate Social Responsibility. Encouraging large enterprises to add a link to information on compliance with the EU Regulation will further raise expectations regarding due diligence, and therefore encourage SMEs to engage with the EC SME Support Programme with a goal of achieving compliance and/or performing due diligence in their supply chains.
- Through conversations with the OECD and the European Commission, the communications team was made aware of the OECD’s desire to move away from the language of “conflict minerals”, which is seen as stigmatising and discourages trade in minerals that are mined in, and sourced from, conflict-affected and high-risk areas. To ensure consistency with the OECD’s language, it was decided to refer to “conflict minerals” (to ensure SME comprehension based on their existing knowledge) once in each “end user-facing” document before introducing the concept of “conflict-affected and high-risk areas”, and referring to the minerals as such henceforth.
- Studies show that, year-on-year, video content is the most effective form of business-to-business and business-to-consumer marketing with regards to length of time engaged in a campaign, rate of social sharing, and return on investment.

⁶ The name given to Levin Sources’ proposed support system.

⁷ Generally defined as businesses employing 250 or more employees, see: http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Enterprise_size

Therefore, video content was deemed to be fundamental within the EC SME Support Programme.

- Based on feedback from industry associations, email is the most important channel for communication between associations and SMEs with regards to response rate (e.g. clicking a link to a landing page, filling in a form for more information, directly replying to messages).

Work Package 3: Design of a comprehensive support system for SMEs on due diligence

Work Package 3 was undertaken by Levin Sources.

This Work Package did not result in conclusions and recommendations as such, rather a number of documents were presented to the European Commission and a communications strategy and implementation plan were prepared. The following references these documents while summarising the strategy:

Documentation

- Concept Paper on Supply Chain Due Diligence Capacity Building Programme for SMEs: "Due Diligence Ready!" This Paper framed the development of various supporting items including:
 - Train-the-trainers facilitation script: This gives an overview of the different modules and explains what to deliver and by when.
 - Train-the-trainers programme: This provides an overarching template for the training of trainers.
 - Train-the-trainers modules: These span a multitude of topics including an introduction to the EU Regulation, strong management systems (with role play), risk management (with role play), preparation for a due diligence audit (with role play), and producing an annual due diligence report (with role play).
 - Educational platform: Documentation spans text and architecture for such a platform, a key element of the EC SME Support Programme. Included is a mock-up of the educational platform home page, explanation of functions, web architecture and copy for website text.
 - Concept note for Due Diligence Ready! and PowerPoint slides explaining its key elements.
- Communications Implementation Plan.
- A "Due Diligence Toolbox", something that included:
 - A model of a typical minerals supply chain, so SMEs could clearly see where they reside and how that position may impact upon their due diligence activities.
 - An overview of common terminology used in mineral supply due diligence.
 - A summary of a broad (but not comprehensive) selection of risk assessment tools and initiatives that may help SMEs manage due diligence requirements.
 - A summary of a broad selection of IT solutions that may help SMEs streamline due diligence activities.
 - A summary of a broad selection of other tools and initiatives that SMEs may find helpful in supporting their due diligence efforts.

Strategy

Strategy: Relationship building with industry associations	Recommendations on how and why industry associations, small business networks and chambers of commerce should be approached and engaged.
Strategy: Relationship building with large enterprises	Recommendations on how and why large enterprises should be approached and engaged.

Strategy: Clear identity/brand	Recommendations for Due Diligence Ready! visual and written identity.
Script for animation	A script for an approx. four minute animation covering sourcing minerals from CAHRAs ⁸ , due diligence, the EU Regulation and the EC SME Support Programme. This can be used to develop a storyboard that can be turned into a full animation in the future, and adapted into infographics.
PowerPoint presentation	A PowerPoint presentation for industry associations to use when engaging SMEs, covering sourcing minerals from CAHRAs, due diligence, the EU Regulation and the EC SME Support Programme.
Leaflets	Informational leaflets spanning "sourcing from CAHRAs", "due diligence", "the EU Regulation", "the EC SME Support Programme".
Content for EC website/landing page/Email template	Each to be used at various phases in accordance with the Communications Implementation Plan.
Content for industry association website	
Email campaign content for the EC/industry associations	
Social media content for the EC/industry associations	
Press releases	

⁸ Conflict-affected and high-risk areas.

RÉSUMÉ

En décembre 2016, Levin Sources (anciennement Estelle Levin Ltd) a été choisi par la Commission Européenne pour réaliser son étude sur les caractéristiques adéquates du futur « système de soutien » en matière de devoir de diligence à l'égard de la chaîne d'approvisionnement pour les petites et moyennes entreprises (PME)⁹ basées dans l'UE qui importent des minerais provenant de zones de conflit et à haut risque. Certaines de ces PME entrent dans le champ d'application du Règlement 2017/821¹⁰ de l'UE prévu (ci-après dénommé « Règlement UE ») en tant qu'importatrices européennes d'étain, de tungstène, de tantale et d'or (les « 3TG »), tandis que d'autres ont déjà fait l'objet de pressions commerciales dans le but de mieux gérer leur approvisionnement en 3TG et d'informer leurs clients.

L'étude avait trois objectifs spécifiques :

- Mieux comprendre le rôle des PME européennes dans les chaînes d'approvisionnement en 3TG, recueillir des informations sur leur exercice actuel du devoir de diligence et sur les défis auxquels elles sont confrontées concernant l'exercice du devoir de diligence à l'égard de la chaîne d'approvisionnement.
- Donner des conseils aux PME concernant leur devoir de diligence, en simplifiant la description des obligations de déclaration et en mettant l'accent sur les éléments clés.
- Proposer un projet et offrir un contenu prêt à l'emploi pour un système de soutien aux PME.

Chacun de ces objectifs correspondait à un « Lot de travaux », ce qui signifie que la réalisation de l'étude impliquait l'achèvement de trois parties différentes. Les principales conclusions et recommandations de chaque lot de travaux sont présentées ci-dessous.

Lot de travaux 1 : Analyse des PME de l'UE important des 3TG

Le Lot de travaux 1 a été sous-traité par Levin Sources auprès de RINA Consulting (anciennement Edif ERA).

En somme, le Lot de travaux 1 portait sur l'extraction et l'analyse des données sur les produits d'Eurostat ainsi que sur une enquête auprès des PME importatrices de 3TG, à travers un questionnaire en ligne, des entretiens téléphoniques et des tables rondes. Les résultats ont été fournis aux Lots de travaux 2 et 3.

Le Lot de travaux 1 a pris une tournure différente de celle décrite dans l'appel d'offres de la Commission Européenne. Dans celui-ci, la recherche devait être menée en deux phases: 1) la collecte et la compilation des données des PME importatrices de 3TG conduisant à une analyse de ces entreprises (tâches 1.1 et 1.2); et 2) l'enquête auprès des PME importatrices de 3TG afin de les sensibiliser à la réglementation de l'UE, de déterminer toute pratique existante de vigilance, ainsi que de connaître leurs problèmes liés à la vigilance et le soutien souhaité (tâche 1.3).

Cependant, l'acquisition des données des PME importatrices de 3TG s'est avérée très difficile dans la pratique. Ces données n'étaient pas disponibles au niveau national, et dans

⁹ Concernant la définition d'une PME, veuillez-vous reporter à l'article 2, paragraphe 1, de l'annexe de la Recommandation de la Commission 2003/361/CE.

¹⁰ Ce règlement a été publié dans le Journal officiel de l'UE au cours de l'étude ; son titre complet est *Règlement (UE) 2017/821 du parlement européen et du Conseil du 17 mai 2017 fixant des obligations liées au devoir de diligence à l'égard de la chaîne d'approvisionnement pour les importateurs de l'Union qui importent de l'étain, du tantale, du tungstène, leurs minerais et de l'or provenant de zones de conflit ou à haut risque.*

le même temps les statistiques paneuropéennes ne donnaient accès qu'à des données concernant, par exemple, l'importation totale de 3TG dans l'UE – il n'était pas possible de déterminer la contribution directe des PME importatrices de 3TG.

Ce qui précède a conduit à un changement d'approche pour remédier au déficit de données, par le biais de trois solutions alternatives :

- Utiliser l'enquête de la tâche 1.3 comme outil pour créer la liste de la tâche 1.1 et, si possible, effectuer l'analyse de la tâche 1.2.
- Recentrer le Lot 1 de manière à ce qu'il soit davantage orienté vers l'étude des PME importatrices et vers une compréhension approfondie, non seulement à partir du questionnaire en ligne, mais aussi de réunions en face à face et d'entretiens téléphoniques (dont 13 ont été menés).
- Etendre la tâche 1.3 aux PME de l'UE utilisant des 3TG (par exemple dans la fabrication de composants électroniques), sans nécessairement les importer. La raison en était que ces PME pouvaient déjà être sous la pression de leurs clients pour faire preuve de vigilance dans la chaîne d'approvisionnement, en particulier lorsque ces clients sont de grandes entreprises connues du grand public.

En résumé, la recherche est devenue un peu plus qualitative, tandis que les données quantitatives obtenues et analysées dans la tâche 1.2 ne peuvent pas facilement être considérées comme représentatives d'une population totale. Des données ont été collectées sur 76 PME importatrices de 3TG, mais le nombre total de ces PME existant dans l'UE reste inconnu.¹¹

Les principales conclusions et recommandations de ce Lot de travaux sont les suivantes :

- **Lieu :** Les PME importatrices de 3TG sont principalement situées dans les États membres de l'ouest et du sud de l'Union, notamment au Royaume-Uni et en Allemagne. Le grand nombre de PME importatrices recensé au Royaume-Uni et en Allemagne s'explique probablement par le fait que ces PME font partie des industries qui utilisent les 3TG pour leur production et qui jouent un rôle majeur dans ces pays, comme les industries de l'aérospatiale et de la défense, de l'automobile, des produits chimiques, de l'éclairage et des dispositifs médicaux.
- **Clientèle :** Les PME importatrices de 3TG approvisionnent un large éventail d'industries, bien que l'industrie électronique soit ressortie comme le principal client de ce secteur.
- **Approvisionnement :** Les PME importatrices de 3TG travaillent principalement à l'acquisition d'étain et d'or ; très peu importent du tantale et du tungstène.
- **Utilisation/commercialisation :** En ce qui concerne le nombre d'entreprises individuelles, les PME importatrices de 3TG semblent réparties de manière assez égale entre celles qui utilisent les minerais qu'elles achètent dans leur production et celles qui commercialisent les minerais qu'elles importent, réapprovisionnant ainsi le système.
- **Affiliation :** Les PME importatrices de 3TG font partie d'un noyau de 24 associations industrielles, principalement de portée nationale et internationale (par exemple : WVN, VDM, MMTA, IMF, RJC). Cependant, un nombre relativement faible fait partie d'associations industrielles paneuropéennes.
- **Défis liés au devoir de diligence :** Obtenir des documents auprès des fournisseurs et déterminer s'ils sont corrects ou non (par exemple, en raison de l'incertitude liée à l'existence de multiples certifications industrielles, qui ne certifient pas toutes les mêmes minerais ou n'ont pas toutes la même portée) constituaient les plus grands obstacles.

¹¹ Veuillez-vous reporter à la section 3.2 du rapport de recherche du Lot de travaux 1 pour plus de détails à ce sujet.

- **Assistance sollicitée** : Les PME importatrices de 3TG ont jugé qu'il serait utile de mettre à leur disposition des « exemples de questions à poser aux fournisseurs », des « conseils quant aux informations à attendre des fournisseurs » et des « conseils quant à la vérification de ces informations ». Il existe cependant une différence entre les importateurs qui exercent déjà le devoir de diligence et ceux qui ne le font pas (ces deux groupes ont été segmentés dans les données). À titre d'illustration, le pourcentage de questions éventuelles chez les PME qui n'exercent pas ce devoir est beaucoup plus élevé. Il en résulte que l'assistance recherchée pour surmonter l'inertie initiale concernant l'exercice du devoir de diligence pourrait être différente de celle recherchée pour maintenir le devoir de diligence et/ou le renforcer une fois mis en œuvre.
- **Des informations pratiques et des outils tels que des fiches d'information et des listes de vérification sont hautement souhaitables.** D'une manière générale, les PME importatrices de 3TG veulent qu'on leur dise ce qu'elles doivent faire, à quel moment et ce qu'elles doivent conserver comme documents. Certains importateurs¹² ont proposé des moyens spécifiques pour que davantage de PME exercent leur vigilance dans leur chaîne d'approvisionnement. Il s'agissait notamment de :

- Tenir des sessions de formation en ligne (par exemple des webinaires) de courte durée. Cette initiative est recommandée pour faire face aux contraintes de temps auxquelles un employé typique de PME est soumis ; les séries de sessions courtes à parcourir sont préférables aux sessions de longue durée. Elle permettra également de maintenir l'intérêt des employés.
- Interpeller votre audience. À titre d'exemple, dans le secteur des pierres précieuses et des bijoux, l'audience est plus susceptible d'être captivée/stimulée par des moyens visuels et d'avoir une vision créative ; assurez-vous de créer, dans la mesure du possible, une formation qui stimule ces intérêts.
- Faire une analyse de rentabilité et un bilan des atteintes à la réputation/pertes financières potentielles qui pourraient découler du non-respect du devoir de diligence.

Lot de travaux 2 : Conseils sur l'adaptation du devoir de diligence aux besoins des PME

Le Lot de travaux 2 a été réalisé par Levin Sources.

Le Lot de travaux 2 portait sur une analyse de la littérature et une vaste consultation avec diverses parties prenantes.

Les principales conclusions et recommandations de ce lot de travaux sont les suivantes :

- La littérature sur la simplification du devoir de diligence est extrêmement limitée, notamment celle relative aux PME. Néanmoins, l'étude d'une plus large sélection de documents relatifs aux PME et aux systèmes de gestion des entreprises a révélé ce qui suit :
 - Les contraintes de capacité (financières, techniques) sont les causes fréquentes qui expliquent l'incapacité des PME à mettre en œuvre des systèmes et des protocoles d'entreprise importants.
 - Un manque de sensibilisation aux avantages de certains systèmes de gestion et un manque de motivation associé pour les mettre en œuvre empêchent les PME de les adopter.
 - Des exigences de conformité trop complexes découragent les PME.

¹² Cela concerne les informations obtenues lors d'entretiens téléphoniques avec des PME, comme indiqué dans la section 4 du rapport de recherche du Lot de travaux 1.

- Lorsque les PME ont la possibilité, entre autres, de simplifier leur propre respect des normes, elles peuvent alors mettre en œuvre les protocoles et/ou les systèmes de gestion requis.
- Les lois peuvent être simplifiées pour s'appliquer aux PME, généralement au travers d'une réduction des exigences en matière de déclaration.
- Les PME ont généralement besoin d'un soutien externe pour mettre en œuvre des systèmes de gestion d'entreprise ou de conformité supplémentaires. Ce soutien provient généralement des associations industrielles ou des gouvernements.
- Des documents à l'appui adaptés aux besoins des PME peuvent les aider à mieux gérer les obligations de conformité associées.
- Le soutien aux PME fourni par le Forum mondial du bois dans le cadre du Règlement sur le bois de l'UE est l'exemple d'une industrie qui reconnaît ses besoins uniques et contribue au développement de ses capacités.
- Le Guide OCDE sur le devoir de diligence¹³ est trop avancé pour que les PME puissent le suivre dès le départ ; elles ont besoin d'informations réduites et décomposées, en lesquelles elles ont suffisamment confiance pour pouvoir s'approprier et appliquer ce cadre à leurs propres activités.
- Il est impératif que toute entreprise souhaitant respecter les exigences du cadre, notamment les PME, comprenne bien l'étape 1 du Guide de l'OCDE.
- Les PME ont besoin de conseils sur les obligations du règlement de l'UE, et de savoir si elles doivent s'y conformer, ainsi que de conseils sur la préparation d'un audit et les obligations de déclaration connexes.
- Les informations de base requises par les PME en relation avec le Guide de l'OCDE, l'approvisionnement responsable, le devoir de diligence en général et le Règlement de l'UE sont significatives et sont mieux communiquées dans un format facile à utiliser avec un langage de base.
- Les « questions fréquemment posées » constituent un moyen efficace de communiquer aux PME des messages clés sur la façon de réagir aux différents scénarios relatifs au devoir de diligence à l'égard de la chaîne d'approvisionnement.
- La capacité du prestataire de services de soutien à atteindre efficacement les PME est un obstacle de taille pour permettre un renforcement des capacités de ces entreprises. Cet obstacle est particulièrement pertinent lorsqu'un système de soutien est offert aux industries dans plusieurs secteurs et plusieurs pays.
- Il est recommandé de tendre la main aux PME principalement par le biais d'associations industrielles, de réseaux de petites entreprises et/ou de chambres de commerce. Ceci pour trois raisons essentielles :
 - Ces associations disposent des bases de données préexistantes qui contiennent des informations sur les PME, ainsi que leurs coordonnées, dans les industries et pays qu'elles représentent. S'engager dans les associations s'avère donc être le moyen le plus efficace d'atteindre les PME qui en sont membres.
 - Elles représentent un point essentiel de la politique, de la législation et des actualités industrielles pour les membres.
 - La relation préexistante et l'investissement que les PME membres ont avec les associations fournissent une « lentille » contextuelle à travers laquelle les messages peuvent être « diffusés ». À travers le co-marquage de certains supports de communication avec les associations, le Document d'information et le Programme de soutien¹⁴ aux PME de la CE seront interprétés comme s'appliquant aux industries spécifiques des PME et renforceront ainsi la visibilité de la campagne et la crédibilité perçue.

¹³ Il s'agit du Guide de l'Organisation de coopération et de développement économiques *sur le devoir de diligence pour des chaînes d'approvisionnement responsables en minerais provenant de zones de conflit ou à haut risque*. Voir : <http://www.oecd.org/corporate/mne/mining.htm>

¹⁴ Il s'agit du nom donné au système de soutien proposé par Levin Sources.

- Le co-marquage est une méthode simple et rentable pour inciter les associations à participer à la diffusion du matériel de campagne relatif aux changements de politiques.
- Les PME voient dans la collaboration et le partage des connaissances avec les grandes entreprises¹⁵ une opportunité de croissance. De cette façon, la Commission européenne, aux côtés des grandes entreprises, représente une opportunité essentielle pour atteindre les PME, notamment celles qui ne sont pas membres d'associations.
- Afin de mettre en avant leur responsabilité sociale d'entreprise, un grand nombre de grandes entreprises présentent sur leurs sites internet des déclarations d'engagement concernant leur devoir de diligence dans la chaîne d'approvisionnement. Encourager les grandes entreprises à ajouter un lien vers des informations sur le respect de la réglementation européenne suscitera davantage d'attentes en matière de vigilance et encouragera les PME à s'engager dans le Programme de Soutien aux PME de la CE, dans le but d'être en conformité et / ou de faire preuve de vigilance dans leur chaîne d'approvisionnement.
- Grâce à des discussions avec l'OCDE et la Commission européenne, l'équipe de communication a pris conscience du désir de l'OCDE de s'éloigner du langage des « minerais du conflit », considéré comme stigmatisant et décourageant le commerce des minerais extraits et importés des zones de conflit ou à haut risque. Dans l'optique d'assurer la cohérence avec le langage de l'OCDE, il a été décidé de faire référence une fois aux « minerais du conflit » (pour que les PME comprennent grâce à leurs connaissances existantes) dans tout document « destiné à l'utilisateur final » avant d'introduire le concept des « zones de conflit et à haut risque », puis de faire référence aux minéraux en tant que tels.
- Selon des études menées année après année, le contenu vidéo est la forme la plus efficace de marketing entre les entreprises et entre les entreprises et leurs clients en ce qui concerne la durée d'une campagne, le taux de partage social et le retour sur investissement. Par conséquent, le contenu vidéo a été jugé fondamental dans le Programme de soutien aux PME de la CE.
- D'après les commentaires des associations industrielles, le courriel est le canal de communication privilégié entre les associations et les PME en ce qui concerne le taux de réponse (par exemple, cliquer sur un lien vers une page d'accueil, remplir un formulaire pour plus d'informations, répondre directement aux messages).

Lot de travaux 3 : Conception d'un système de soutien complet pour les PME en matière de devoir de diligence

Le Lot de travaux 3 a été réalisé par Levin Sources.

Ce lot de travaux n'a pas abouti à des conclusions et recommandations en tant que telles, mais a plutôt donné lieu à la préparation d'un certain nombre de documents présentés à la Commission européenne, d'une stratégie de communication et d'un plan de mise en œuvre. Les éléments suivants font référence à ces documents tout en résumant la stratégie :

Documentation

- Document d'orientation pour le devoir de diligence pour des chaînes d'approvisionnement responsables : « Devoir de Diligence : Prêt ? ». Ce document encadre le développement de nombreuses pièces justificatives, y compris :
 - Un script pour la facilitation de la formation de formateurs : cela offre un aperçu des différents modules de la formation, et explique les éléments clés de la facilitation, et la période dans laquelle elle doit être complétée.

¹⁵ Généralement définies comme des entreprises de 250 salariés ou plus, voir : http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Enterprise_size

- Un programme pour la formation des formateurs : un modèle global pour la formation des formateurs.
- Des modules de la formation des formateurs : ceux-ci traitent nombreux sujets y compris un introduction à la réglementation de l'UE, des systèmes de gestion forts (avec un jeu de rôle), des stratégies pour répondre aux risques identifiés (avec un jeu de rôle), comment se préparer pour un audit indépendant de l'exercice du devoir de diligence, et la production d'un rapport annuel sur l'exercice du devoir de diligence (avec un jeu de rôle).
- Une plateforme éducative : la documentation fournit le texte et l'architecture pour cette plateforme, qui est un élément clé du Programme d'Appui de l'UE pour les PME. La documentation inclut une maquette de la page d'accueil de la plateforme éducative, une explication des fonctions de la plateforme, de l'architecture Web, et le texte pour chaque page du site web.
- Un document d'orientation pour « Devoir de Diligence : Prêt ? » et une diapositive Powerpoint qui explique ses éléments clés.
- Un plan de mise en œuvre des communications.
- Une « boîte à outils du devoir de diligence » comprend :
 - Un modèle classique de chaîne d'approvisionnement en minerais, afin que les PME puissent clairement voir où elles se situent et comment cette position peut avoir un impact sur les activités liées à leur devoir de diligence.
 - Un aperçu de la terminologie commune utilisée pour le devoir de diligence à l'égard de l'approvisionnement des minerais.
 - Un résumé d'un large éventail (mais pas exhaustif) d'outils et d'initiatives d'évaluation des risques, susceptible d'aider les PME à gérer leurs obligations liées au devoir de diligence.
 - Un résumé d'un large éventail de solutions informatiques susceptibles d'aider les PME à rationaliser leurs activités en matière de devoir de diligence.
 - Un résumé d'un large éventail d'autres outils et initiatives que les PME pourraient trouver utiles pour leurs efforts en matière de devoir de diligence.

Stratégie

Stratégie : Renforcement des relations avec les associations industrielles	Recommandations sur la manière et les raisons pour lesquelles les associations industrielles, les réseaux de petites entreprises et les chambres de commerce devraient être approchés et impliqués.
Stratégie : Renforcement des relations avec les grandes entreprises	Recommandations sur la manière et les raisons pour lesquelles les grandes entreprises devraient être approchées et impliquées.
Stratégie : Identité/marque claire	Recommandations pour une identité visuelle et écrite "Être prêt pour le devoir de diligence !"
Script destiné à l'animation	Un script pour une animation d'environ quatre minutes couvrant l'approvisionnement des minerais en provenance de ZCHR ¹⁶ , le devoir de diligence, le Règlement de l'UE et le Programme de soutien aux PME de la Commission européenne. Il peut être utilisé pour développer un storyboard qui pourra être transformé dans l'avenir en une animation complète, et adapté en infographie.

¹⁶ Zones de conflit et à haut risque.

Présentation PowerPoint	Une présentation PowerPoint à l'intention des associations industrielles pour interpeller les PME, qui couvre l'approvisionnement des minerais en provenance de ZCHR, le devoir de diligence, le Règlement de l'UE et le Programme de soutien aux PME de la Commission européenne.
Dépliants	Dépliants d'information portant sur « l'approvisionnement en provenance de ZCHR », « le devoir de diligence », « le Règlement de l'UE » et « le Programme de soutien aux PME de la CE ».
Contenu pour le site internet / la page d'accueil / le modèle de courriel de la CE.	Chacun à utiliser à différentes étapes en fonction du Plan de mise en œuvre des communications.
Contenu pour les sites internet des associations industrielles	
Contenu de campagne par courriel pour la CE et les associations industrielles	
Contenu pour les réseaux sociaux pour la CE et les associations industrielles	
Communiqués de presse	

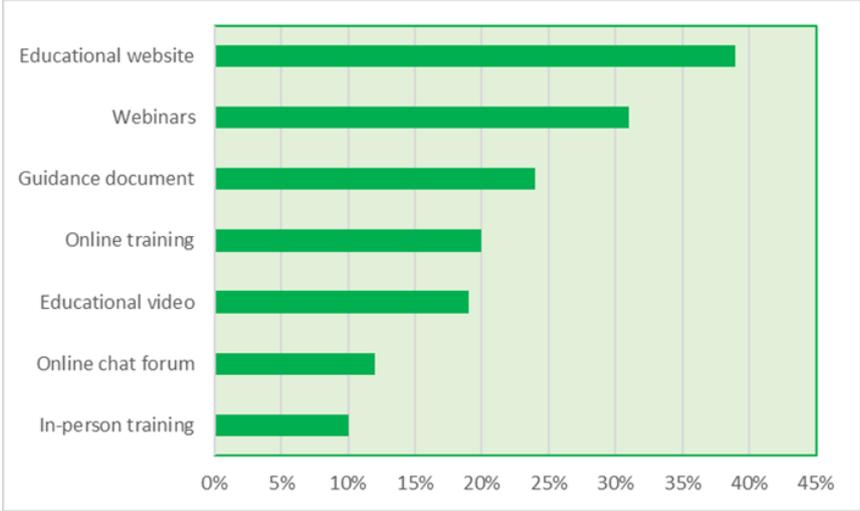
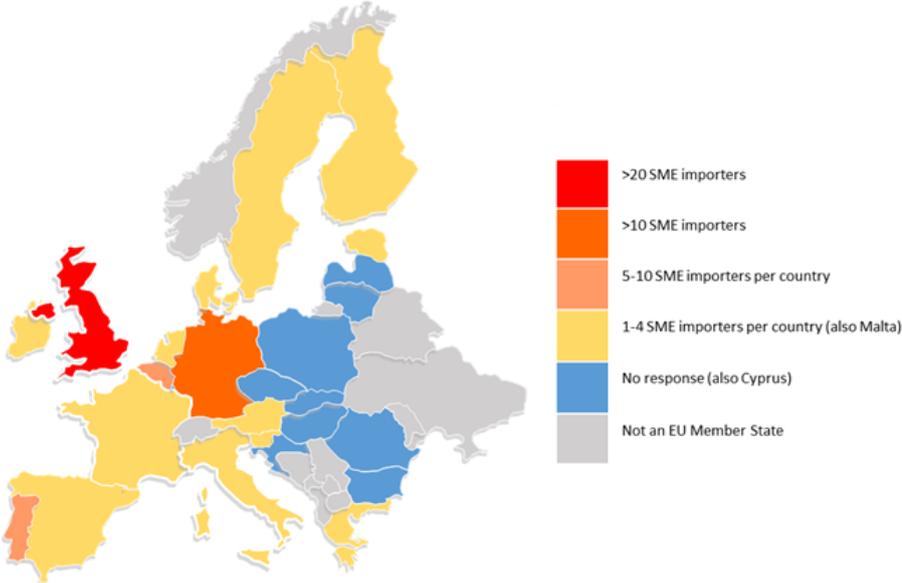
SUMMARY OF FACTS & FIGURES/KEY FINDINGS

Work Package 1

SME 3TG importers are mainly based in the UK and Germany (see map).

SMEs import 3TGs for use in production as well as onward trade.

SME 3TG importers supply to a wide range of industries, but none more so than the electronics industry.



SMEs are interested in online support with the likes of an educational website, webinars and online training being among the most attractive of options. Much emphasis, and stress, was placed on the support being of a practical nature with SME interviewees saying that they would like to have fact sheets to consult and checklists to use.

Work Packages 2 & 3

Very little literature exists on how to simplify due diligence guidance for SMEs. However, existing research suggests that:

- Capacity constraints (financial, technical) are common reasons why SMEs do not implement important company systems and protocols.
- When SMEs can simplify their own adherence to standards, etc., this can enable them to implement required protocols and/or management systems.
- Laws can be simplified for the purpose of application to SMEs, typically by reducing reporting requirements.
- SMEs generally need external support in order to implement additional company management or compliance systems. This support usually comes from industry associations or government.

The OECD Due Diligence Guidance (OECD DDG) is too advanced for SMEs to follow from the outset. SMEs need the information pared back and broken down, so they feel confident enough in the basics to then embark on reading and implementing the framework within their own business operations.

Getting Step 1 of the OECD DDG right is imperative for any company wishing to fulfil the requirements of the framework, including SMEs.

The background information required by SMEs in relation to the OECD DDG, responsible sourcing, due diligence in general, and the EU Regulation is significant, and is best communicated in an easy-to-use format with basic language.

In terms of support, SMEs are best engaged via industry associations, small business networks and/or chambers of commerce. It is recommended that EC SME Support Programme training and educational materials are promoted in partnership with relevant industry associations and this is pursued through co-branding.

Key communication channels envisaged for the EC SME Support Programme are video messaging and, in terms of engaging with SMEs via industry associations, email. The language in use should be consistent with OECD terminology, including the OECD's preference for referring to minerals obtained from conflict-affected and high-risk areas rather than the more common shorthand of "conflict minerals".

Where possible, large enterprises should also be engaged to further messaging. This might include encouraging large enterprises that publish information regarding conflict minerals on their websites signposting the EC SME Support Programme via hyperlink(s) or contact information.

WORK PACKAGE 1: APPROACH & RESEARCH REPORT

Work Package 1 was undertaken by RINA Consulting (formerly Edif ERA) under subcontract to Levin Sources.

Work Package 1 entailed extraction and analysis of Eurostat product data and the surveying of SMEs via invitation to complete an online questionnaire, telephone interviewing and roundtable discussion.

The online questionnaire consisted of 31 questions¹⁷ (although not all necessitated an answer) and was reviewed by three national industry associations – MEDEF, Agoria and VDM – and two pan-European bodies – Business Europe and the European Enterprise Network – prior to launch. These organisations provided a sounding board for SME engagement since they have SME members or else coordinated activities with SMEs; they also advised on language translation, suggesting that the questionnaire be made available in English, French, German, Italian and Spanish. An email introducing the online questionnaire and offering links to its various translated versions was sent to 242 organisations¹⁸, mainly national industry associations and chambers of commerce. These were thought to be the best conduits for reaching SMEs, not least since many act in SMEs' interests and have SMEs within their memberships. In addition, RINA Consulting would like to thank Assent Compliance for running a parallel questionnaire with clients and business contacts and acknowledge BOMcheck, Compliance & Risks and Chemical Watch for support and publicity.

The questionnaire was open for completion between mid-May and the end of June 2017. A total of 393 responses were received. However, only half of the respondents – 189 – proved to be SMEs as defined by EU criteria¹⁹.

Questionnaire respondents were invited to participate in telephone interviews to allow RINA Consulting to elicit more information on their understanding and opinions concerning due diligence. Thirteen interviews were conducted while roundtable-style discussion was had with businesses at two industry meetings in June, that of the Estonian Electronics Industries Association and B2B Compliance, a UK-based producer compliance scheme.

The research report

RINA Consulting's full research report, *Work Package 1: Analysis of EU SMEs Importing 3TGs*, comprises the Annex to this report. The full report goes into detail on the research method, constraints and workarounds, and presents a number of analyses.

¹⁷ Detailed in Appendix A of the Work Package 1 research report.

¹⁸ Listed in Appendix C of the Work Package 1 research report.

¹⁹ For the definition of what constitutes an SME please refer to Article 2(1) of the Annex to Commission Recommendation 2003/361/EC.

WORK PACKAGES 2 & 3: APPROACH, DOCUMENTATION & IMPLEMENTATION

Work Packages 2 & 3 were undertaken by Levin Sources.

Work Package 2 involved extensive engagement with various stakeholders, but none more so than the OECD and the European Commission. This was paramount for ensuring that the Due Diligence Briefing Document satisfied both parties.

Stakeholder engagement entailed members of the Levin Sources project team attending various meetings, conferences, workshops and events in the first half of 2017. Throughout, intelligence was gathered on previous successes and failures in building capacity in the SME sector. In addition, a summer consultation was held on a selection of core documents. The following gives a digest:

- **25-30 January 2017:** Meetings with various industry associations and large enterprises in Brussels to introduce the study and request assistance in reaching out to SMEs; participation in a CFSI/EICC²⁰ stakeholder outreach meeting (an opportunity to introduce and promote the study among industry and government representatives); and an initial meeting with the OECD in Paris, to discuss the potential “simplification” of the OECD DDG and elicit the OECD’s views on the project.
- **2-3 March 2017:** participation in the *Global Conflict Mineral Compliance & Supply Chain Transparency Summit*, Amsterdam. This summit was attended by a range of companies, SMEs included. Information was gathered on how large enterprises had overcome supply chain due diligence challenges and engaged SMEs. This information provided context for the Due Diligence Briefing Document (Task 2.2).
- **23 March 2017:** participation in the *Responsible Sourcing Workshop* co-hosted by CFSI and EPRM²¹, Brussels. Levin Sources facilitated a workshop titled “Current practice: collaborative industry initiatives, infrastructure, and resources”. This workshop enabled Levin Sources to hear from companies on questions pertinent to the study including “what are some of the new resources and tools your organisation has found helpful?” and “what is missing for SMEs?”
- **4 May 2017:** Levin Sources hosted a session at the 11th *OECD Forum on Responsible Mineral Supply Chains*, Paris. This entailed presenting a first draft of the Task 2.2 Due Diligence Briefing Document and gathering feedback from those in attendance on the Document’s scope and content. Attendees had opportunity to ask questions of Levin Sources in a panel discussion while a short questionnaire was circulated to gather additional feedback. Minutes were recorded and this information, alongside questionnaire responses, was used to revise the draft Briefing Document.
- **8 May 2017:** participation in a panel discussion at *Oroarezzo International Jewellery Exhibition*, Arezzo, Italy. This proved valuable for tapping industry leaders involved in the import of gold, raising the profile of the project, and engaging participants on supply chain due diligence.
- **17 July 2017:** meeting between Levin Sources, the European Commission and the OECD at the OECD’s Paris Headquarters. The focus of this meeting was to finalise the content of the Task 2.2 Due Diligence Briefing Document.
- **15 August-8 September 2017:** over 90 stakeholders were invited to comment upon final drafts of the Due Diligence Briefing Document, the Communications Strategy, the Due Diligence Toolbox, and the Due Diligence Ready! Concept Note. Feedback was received through the completion of accompanying comments forms.

²⁰ Conflict-Free Sourcing Initiative and Electronics Industry Citizenship Coalition.

²¹ European Partnership for Responsible Minerals.

Levin Sources was also in regular contact with the CFSI throughout the project, largely to scope potential alignment with existing industry initiatives where possible. For example, Levin Sources discussed the possibility of revising the CFSI Conflict Minerals Reporting Template, which is currently only applicable to the US Dodd Frank Act, to align it with the EU Regulation. The CFSI is now developing a Reporting Template that will have global application.

In addition to stakeholder engagement, desk research was pursued. This entailed reviewing the findings from Work Package 1 as well as a literature search and review.

For Work Package 2, existing due diligence guidance for organisations operating at various points in mineral supply chains was obtained and analysed. This guidance encompassed the OECD DDG, the *OECD FAQ on Responsible Supply Chains in Artisanal and Small-Scale Gold Mining*, the *GI-GIFF Follow the Money Financial Flows linked to Artisanal and Small-Scale Gold Mining*, *Tool for Intervention*, and the tools and guidance provided to Levin Sources by the CFSI.

For Work Package 3, communications literature was reviewed to elicit expert insights that subsequently underpinned many of the recommendations made regarding strategy.

Documentation provided to the European Commission

A key deliverable was the **Due Diligence Briefing Document**. This is structured as per the below table.

Abbreviations and acronyms	This is provided for reference.
Background information on responsible sourcing of minerals from CAHRAs ²²	Introduces and frames the OECD DDG as the de facto international standard for due diligence in minerals supply chains. This section also introduces the EU Regulation, detailing its scope and when requirements apply from.
Frequently asked questions	This section provides clear, concise answers to common questions about minerals from CAHRAs and due diligence issues.
A “3Ps” checklist	This gives step by step guidance on how to get the people, policies and procedures in place so as to “establish strong company management systems” consistent with Step 1 of the OECD DDG.
Annex 1: Template letter	This gives a template for writing to suppliers about due diligence, including why due diligence is necessary.
Annex 2: Learning about responsible sourcing of minerals from CAHRAs	This provides various resources for learning more about CAHRAs, also relevant industry associations and initiatives to consult when it comes to good practice.

²² Conflict-affected and high-risk areas.

Annex 3: Checklist for your annual report on supply chain due diligence	This checklist is in line with Step 5 of the OECD DDG. It can be used to make sure that an annual report spans everything expected.
Annex 4: General preparation for an audit – a good practice guide	This provides a set of good practice activities that will help prepare for a third party audit.
Annex 5: Glossary	This is provided for reference.

Other documentation provided included the **Due Diligence Ready! Concept Paper**, the **Communications Implementation Plan**, the **Due Diligence Toolbox**, and the **Communications Strategy**. All of these documents were introduced in the Executive Summary above.

Implementation

Two timetables are proposed with respect to implementation: one for communications, and one for the Due Diligence Ready! Programme. They are summarised below.

Communications

Phase 1: High-level awareness campaign of EC SME Support Programme Present to 34 months prior to launch date Present to Feb 2019	Phase 2: Heads-up Communications Minus 22 to 19 months Feb to May 2019	Phase 3: Launch of EC SME Support Programme Minus 19 months May 2019	Phase 4: On going comms on EC SME Support Programme Minus 19 to 6 months
High-level awareness campaign PR at industry events (to be identified) Engage and build relationships with Stakeholder Support Network	Heads-up communications on EC SME Support Programme launch Prepare Stakeholder Support Network	Launch of EC SME Support Programme, including Due Diligence Briefing Document and Due Diligence Ready! Programme Dissemination of Ready-to-Use Communications Toolkit	Due Diligence Briefing Document communications Due Diligence Ready! Programme communications Reminder communications about EU Regulation coming into force 01/2021

Due Diligence Ready! Programme

Capacity building activities	When (counted backwards from Jan 1st 21)	Result	Remarks
SMEs practice supply chain due diligence as required by the EU Regulation	January 1st 2021	Supply chain due diligence practice according to the EU Regulation	
First in-person trainings for SMEs	Minus 6 months	Trained SMEs	
Announcement of the in-person trainings for SMEs	Minus 12 months	SMEs are aware of in-person-training schedule	
Educational platform	Minus 19 months	Educational platform is live, including the forum on due diligence and the hotline support	Launch date for Due Diligence Ready! This includes all documents and materials accessible via the educational platform
Announcing the "Train-the-trainers" programme	Minus 22 months	Trainers to be are aware of the upcoming training schedule and are able to plan their participation accordingly	There needs to be engagement with private sector organisations, large enterprises and possibly EU Member State authorities prior to this, so trainers can arrange time for the training
Delivering the "Train-the-trainers" programme	Minus 21 months	Trained trainers	
Preparing and recording the webinars	Minus 20 months	Webinar ready for the educational platform	

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ANNEX: RINA CONSULTING'S WORK PACKAGE 1 REPORT



DG GROW, European Commission

Study on the Support System for SME Supply Chain Due Diligence

Work Package 1: Analysis of EU SMEs Importing 3TGs

Project Number: REG0333001
Report Number: 2017-0571

Rev.

Description	Issue 1
Prepared by	Dr Alex Martin, Senior Regulatory Consultant
Checked by	Dr Chris Robertson, Head of Regulatory Compliance
Approved by	Dr Paul Goodman, Principal Regulatory Consultant
Date	21 November 2017



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Rev.	Description	Prepared by	Checked by	Approved by	Date
	DRAFT Issue 1	Dr Alex Martin	Dr Chris Robertson	Dr Paul Goodman	20 July 2017
	Comments	European Commission	-	-	23 October 2017
	Issue 1	Dr Alex Martin	Dr Chris Robertson	Dr Paul Goodman	21 November 2017

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RINA Consulting is the engineering consultancy division of the RINA Group, a global corporation that provides engineering and consultancy services, as well as testing, inspection and certification.

RINA Consulting is the result of the integration of a number of internationally respected companies including D'Appolonia, Centro Sviluppo Materiali, RINA Consulting (ERA Technology), G.E.T., Logmarin Advisors, OST Energy, Polaris, SC Sembenelli Consulting and Seatech. RINA Consulting brings together a rich heritage of engineering consultancy expertise into one unique organisation.

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We are committed to providing services that are of the highest quality for our Clients, creating added value for their business through our technical advice and support – managing risk, operating safely, in a sustainable way and optimising performance.

Work Package 1 was completed by RINA Consulting's Regulatory Compliance and Training & Learning Solutions Teams.

The **Regulatory Compliance Team** has in depth capabilities concerning regulatory compliance (CE, EMC, LVD etc.) and in particular on the growing raft of environmental measures on substance restrictions (REACH, RoHS, ELV), ecodesign, waste (WEEE, batteries), conflict minerals and similar requirements worldwide. RINA Consulting consults for industry, trade associations and also for regulators and policy makers, and has carried out work for UK Government and the European Commission to support both the RoHS and Ecodesign directives and well as advising on REACH.

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The **Training & Learning Solutions Team** provide a training consultancy service that specialises in the rigorous analysis of organisational training requirements and the development of bespoke training solutions in safety-critical environments. The Team use comprehensive and systematic analytical techniques to identify training requirements, providing an auditable evidence-based approach to recommendations for training and learning solutions. This approach provides Clients with the tools to make good investment decisions about what training is required, at what level, and who needs training.

www.rinaconsulting.org/en/our-services/consulting-engineering/training-learning-solutions

TASK 1.2 EXECUTIVE SUMMARY

Task 1.2 constituted an analysis of the Task 1.1 list of EU SMEs importing 3TGs¹; this list was provided to DG GROW separately as an Excel file (as per the technical specifications of the study).

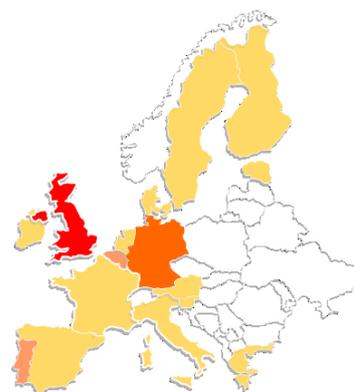
Creating the Task 1.1 list proved a challenge for the researchers: little information on relevant SME importers was obtained despite engagement with multiple stakeholders including national and European trade associations, EU executive agencies and networks, Member State Governments (care of the Commission) and Eurostat. Nevertheless, 76 SME importers were identified and, where possible, information was documented on their location within the EU, whether they are using or trading in 3TGs, the industry sectors they are supplying to, whether they are already in scope of the EU Conflict Minerals Regulation (2017/821), business size, and quantities of 3TGs imported by CN coded product group.

Task 1.2 took the form of two sets of analyses.

Firstly, context was given via collation, interrogation and review of Eurostat 2015 product data pertaining to the import of 3TGs into the EU, the origins of these imports, Member State demand, and potential SME involvement. This found that, unsurprisingly enough, tin was the conflict mineral imported with the largest tonnage while, across all the 3TGs, most demand appeared to come from two EU Member States: the Netherlands and Germany. More interestingly, the data indicated that relatively few EU imports of 3TGs originated in the most well documented of the world's conflict-affected areas: the Democratic Republic of the Congo and its nine neighbouring countries. Whether this is actually true is another matter, however, and is commented upon in the report.

Secondly, the key characteristics of the 76 SME importers detailed within the Task 1.1 list were determined and described. This generated the following conclusions:

- SME importers are mainly located in Western and Southern Member States, and particularly in the UK and Germany (nearly half) – shaded red and dark orange to indicate greatest prevalence in the map (a reproduction of the report's Figure 3.4).
- The large numbers of SME importers found in the UK and Germany most likely reflects on these SMEs being part of industries that use 3TGs in manufacture and that have a significant footprint in these countries, e.g. the aerospace and defence, automotive, chemicals, lighting and medical device industries.
- Based purely on the sample analysed and where information allowed, there appeared to be an even split between SME importers that made use of 3TGs in manufacture and those that obtained 3TGs to trade.
- The SME importers were supplying to a wide range of industries, although the electronics industry appears the most significant customer overall.
- SME importers were mostly involved in the acquisition of tin and gold; fewer businesses were involved in importing tantalum and tungsten.
- It is not possible to discern “main SME players” in any meaningful way.
- SMEs of varying size are involved in the import of 3TGs: micro, small and medium-sized enterprises were all identified in the data.



¹ Tin, tungsten, tantalum and gold – “the conflict minerals” when sourced from “conflict-affected and high-risk areas” in Regulation (EU) 2017/821.

TASK 1.3 EXECUTIVE SUMMARY

Task 1.3 entailed surveying EU SME importers of 3TGs with respect to issues spanning their awareness of the EU Conflict Minerals Regulation (2017/821), the challenges they face regarding supply chain due diligence and the corresponding support they would like concerning this, and which organisations/bodies they might turn to for assistance in fulfilling due diligence obligations. The survey was performed through questionnaire, meetings and telephone interviews between May and mid-July 2017. The following conclusions were drawn:

- SME importers generally take a pragmatic response to Regulation 2017/821: they want to work out whether they are in scope and, if so, what they need to do and by when. There was some confusion as to when the Regulation applied; not all appreciated that most requirements take effect from 2021.
- The SME importers surveyed were divisible into two groups: those that already conduct supply chain due diligence (“practising importers”) and those that do not (“non-practising importers”). This division proved interesting for analysis as there was some variation between the practising and the non-practising on due diligence challenges, not to mention preferences towards help with due diligence, support and training options, and organisations SMEs might turn to for assistance.
- Regarding due diligence challenges, getting documentation from suppliers and then knowing whether it is right or wrong (e.g. because of uncertainty over multiple industry certifications, not all of which certify the same minerals or to the same extent) constituted the greatest hurdles. Due diligence practising and non-practising SMEs alike agreed on this.
- Overall, SME importers considered the potential help of “example questions to ask suppliers”, “guidance on what information to expect from suppliers” and “guidance on how to verify this information” of value. Comparatively little interest was expressed in getting guidance on how to perform audits.
- Again considered overall, SME importers appear to put most stock in an educational website, webinars and guidance documents by way of support and training. There was then some divergence between due diligence practising and non-practising importers: for the non-practitioners, in-person training and the option of using an online chat forum proved attractive; this was not the case with practitioners (by comparison, they placed a lot more stock in online training). This seems to reinforce the earlier conclusion drawn regarding help sought; if an SME has yet to conduct supply chain diligence certain support and training options appear preferable – typically those that involve more personal interaction with the chance to ask questions.
- As to who SME importers might turn to for help in fulfilling their due diligence obligations, their main preference was national governments/agencies closely followed by the European Commission and national trade associations/chambers of commerce.
- SME importers were found to be members of a core of 24 trade associations, mainly national and international in scope. Few were members of pan-European trade associations. This trend was replicated when looking at the trade association memberships of the 130 non-3TG importing SMEs that additionally answered the research questionnaire; few pan-European trade associations featured.
- In interviews with the researchers, SMEs expressed most interest in practical information and tools like fact sheets and checklists. By and large they wanted to be told what they needed to do, by when and what to keep on file. Some interviewees also advised on specific ways and means of winning more SMEs over to conducting supply chain due diligence. Comments are shared in the report where relevant.

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1 INTRODUCTION

In keeping with the study proposal submitted to the European Commission in September 2016, RINA Consulting (formerly Edif ERA) undertook Work Package 1 as a subcontractor to Levin Sources.

RINA Consulting is the engineering consultancy division of the RINA Group, a global corporation that provides engineering and consultancy services as well as testing, inspection and certification. Within RINA Consulting, Work Package 1 was completed by the Regulatory Compliance and Training & Learning Solutions Teams in the UK. RINA Consulting would also like to credit Assent Compliance for their support. A number of conflict minerals compliance data management/software solution providers were invited to circulate the Task 1.3 questionnaire (mentioned later in the report), but in the case of Assent Compliance they ran a parallel questionnaire with their clients and contacts and this yielded valuable additional data to inform the Task 1.3 analysis.

Originally proposed by the European Commission in 2014, the EU Conflict Minerals Regulation was adopted in May this year as Regulation 2017/821.

Consistent with what was first proposed, Regulation 2017/821 applies to “Union importers of minerals or metals containing or consisting of tin, tantalum, tungsten and gold”². Tin, tantalum, tungsten and gold are otherwise known as “the 3T&G” or “3TGs” and, in regulatory terms, are recognised as “conflict minerals” when obtained from “conflict-affected and high-risk areas”³.

Regulation 2017/821 applies to any size of EU importer – from micro businesses of a few employees to multinational enterprises – if they exceed an annual importation threshold for one or more 3TGs detailed in Annex I of the Regulation.

In practice, the European Commission estimates that this means “between 600 and 1,000 EU importers”⁴ are in scope and will need to comply with the Regulation’s supply chain due diligence obligations from January 2021. While it may be relatively straightforward to identify the larger EU businesses that import 3TGs and fall within the scope of Regulation 2017/821, until now little research has been undertaken into the EU-based small and medium-sized enterprises (SMEs)⁵ that import 3TGs and will soon have to meet its due diligence requirements. Work Package 1 sought to address this knowledge gap.

Work Package 1 consisted of three tasks:

- Task 1.1, the generation of a list of EU SMEs importing 3TGs (hereafter “**SME importers**”).
- Task 1.2, an analysis of the SME importers identified, reviewing key characteristics.
- Task 1.3, surveying of SME importers’ awareness of the Regulation, due diligence challenges and desired support.

The Task 1.1 list has been provided to the European Commission as an Excel file, as required in the study’s technical specifications.

This report presents the main findings of Tasks 1.2 and 1.3 as two summary analyses below. Before these are presented, however, the research method, constraints and workarounds are discussed.

² Stated in Article 1(2) of the Regulation.

³ Such areas were undefined at the time of writing, although assumed to include the Democratic Republic of Congo and its nine neighbouring countries.

⁴ See: <http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/>

⁵ For the definition of what constitutes an SME please refer to Article 2(1) of the Annex to Commission Recommendation 2003/361/EC.

2 RESEARCH METHOD, CONSTRAINTS & WORKAROUNDS

As originally conceived, Work Package 1 was to be conducted in two phases between January and June 2017:

- First, collection and collation of SME importer data leading to an analysis of these importers, inclusive of where they are found in the EU, what they do, who they sell to, where they source from, etc. (i.e. completion of Tasks 1.1 and 1.2); and then
- Second, surveying of the SME importers to elicit their awareness of the Regulation, determine any existing due diligence practice as well as enquire into due diligence challenges and desired support (i.e. completion of Task 1.3).

Unfortunately, difficulties in obtaining SME importer data meant that Tasks 1.1-1.3 were ultimately undertaken concurrently, with Task 1.3 survey data informing the population of a Task 1.1 SME importer list and subsequent analysis (Task 1.2). The following explains this further, detailing the constraints that arose and workarounds undertaken.

Efforts to collect SME importer data began upon the award of the study in mid-December 2016. This entailed RINA Consulting and Levin Sources pooling existing business, trade association, conflict mineral certification scheme and industrial network contacts to identify organisations that either were EU SMEs likely to fall in the scope of Regulation 2017/821 or else might have access to them, e.g. as members of their associations or schemes. Additional contacts were acquired from DG GROW and through internet research into the likes of relevant national trade associations and national/regional chambers of commerce. Contact details for over 300 organisations/individuals were amassed in a single spreadsheet⁶ that was then used to log outreach inclusive of emails and telephone calls.

An email introducing the study and enquiring into whether the respondent held any data pertaining to SME importers was mass mailed on 12 January 2017. This was the first of four prongs to acquiring data, with the other three comprising: requesting data of EU Member State Governments through the Commission, making enquiries with the statistical service Eurostat, and seeking assistance from relevant EU agencies and networks – notably the Executive Agency for SMEs and the SME Envoys Network.

Little information was received back from the mass mailing: it identified half a dozen SME importers directly, but in the majority of cases (pertaining to the membership organisations like trade associations) the researchers were either directed to web-based membership lists or else advised that there was no information to share. Very few membership organisations could actually advise upon members that were SMEs; this was somewhat surprising as it is assumed that most membership subscriptions would relate to business size in some way.

No data was offered to the researchers from the Member States (the Commission had asked that any data be shared by the end of April) while February communications with Eurostat revealed that the kind of information sought was too specific to be drawn directly from its data sets. Eurostat advised it would be possible to look at the import of 3TGs into the EU in 2015, Member State demand and origins (exporting countries) in an aggregated manner – only without direct attribution to SME business activity possible. Eurostat data was obtained nonetheless, really to contextualise the Task 1.2 discussion of SME importer characteristics.

The researchers met with the Executive Agency for SMEs on 31 January 2017 and exchanged emails with the SME Envoys Network. The Executive Agency was able to offer some potential leads for information with raw material studies it had overseen but could not provide details of SME importers and was without relevant data to share. The SME Envoys Network was unable to assist.

⁶ An extract of this is found in Appendix B; the extract does not name individuals, only organisations.

DG GROW was kept abreast of the challenges encountered by the researchers in project meetings, calls and emails and, in March, agreed to a change in tack to address the data deficit. This encompassed three workarounds:

- Using the Task 1.3 survey as a vehicle for creating the Task 1.1 list and, where possible, performing Task 1.2 analysis.
- Re-focusing Work Package 1 such that it was more oriented towards surveying SME importers and achieving a depth of understanding, not only from the planned online questionnaire but by means of in-person meetings and telephone interviews.
- Extending Task 1.3 surveying to EU SMEs using 3TGs (e.g. in the manufacture of electronic components), although not necessarily importing them. The rationale for this was that such SMEs could already be under pressure to conduct supply chain due diligence from their customers, particularly when those customers are large consumer-facing businesses (e.g. Apple, Ford, HP, etc.).

A questionnaire was drafted in March/April to initiate the surveying of SMEs in May. This draft drew on the questions that had been suggested for surveying in the study proposal, although with additional screening questions included to enquire into annual imports of 3TGs in line with threshold values poised to be adopted in Regulation 2017/821.

The draft was worked up in SurveyMonkey and shared with Levin Sources for their comments. This resulted in a second iteration of the draft questionnaire that was subsequently shared with a sample of trade associations for their views, as well as to enquire into what languages the questionnaire should be translated.

The sample comprised three national trade associations – MEDEF (France), Agoria (Belgium) and VDM (Germany) – and two pan-European bodies, Business Europe and the European Enterprise Network. These were organisations that had earlier expressed interest in supporting the study, including encouraging their members/contacts to participate in the Task 1.3 survey. Feedback was received in April through to the beginning of May. The feedback led to some minor formatting changes in the draft questionnaire while also enabling the researchers to conclude that the questionnaire should be circulated in five languages: English, French, German, Italian and Spanish.

Translation of the questionnaire followed, leading to the launch of five online versions in early May. To publicise the questionnaire and encourage its completion, 242 organisations⁷ were emailed in mid-May. These organisations were an extract of the original 300+ that had first been contacted regarding data for Tasks 1.1 and 1.2. While the first round of contact had produced very little data, it had enabled the researchers to clearly differentiate between organisations whose members might include SME importers (or else SMEs using 3TGs) and those that did not. Hence an email went out with links to the five language versions of the questionnaire to a more targeted audience, including more named individuals than the first mass mailing. Where appropriate, the email was sent in French, German, Italian or Spanish rather than English. A deadline for completing the questionnaire was specified; this was 30 June 2017 meaning that it was open for completion over seven weeks. A copy of the questionnaire is provided in Appendix A.

To widen the net still further, a number of regulatory consulting firms and compliance data management/software solution providers with an interest in conflict minerals were advised of the questionnaire and asked if they would kindly circulate it to business clients and contacts in the interest of getting as much industry input as possible. The researchers would like to thank BOMcheck (thinkstep) and Compliance & Risks for doing so, and to again credit Assent Compliance for running a parallel questionnaire that generated an

⁷ Listed in Appendix C.

additional data set later merged with all questionnaire results received. Some industry media coverage was achieved too, notably a Chemical Watch news item at the beginning of June.⁸

With the questionnaire launched, efforts were then made to identify and engage individuals in conversation and so elicit more information via roundtable and interview. Initially, the researchers had hoped that most conversations could be had in roundtable discussion, convened with the assistance of national trade associations. Enquiries were made to this end via email, telephone call and in-person meeting.⁹ However, most associations were of the mind that telephone interviews represented the preferred method of communication, largely to save their members time and travel if no association meetings were imminent. This said, the researchers were able to secure some speaking time at two association events in June: these were member meetings of the Estonian Electronics Industries Association on 8 June and B2B Compliance (UK) on 15 June. For the large part, though, the second phase of the survey (interviewing) was conducted via telephone calls in June and the first half of July. Thirteen telephone interviews were held.

⁸ See: <https://chemicalwatch.com/56717/eu-commission-seeks-sme-views-on-conflict-minerals-regulation>

⁹ A meeting took place with the two German metals trade associations, WVM and VDM, in Berlin on 30 May 2017. The researchers would additionally like to thank the Italian Ministero dello Sviluppo Economico for time in conversation and their efforts in encouraging Italian industry completion of the questionnaire.

3 TASK 1.2 SUMMARY ANALYSIS

The analysis presented in this section is twofold: first, there is some contextual analysis drawn from 2015 Eurostat data; then second, the Task 1.1 list of SME importers is appraised for key characteristics. Given the data collection challenges encountered (discussed in Section 2 above), the latter is unable to comment upon all of the information originally sought by DG GROW (e.g. no information on the geographical destination of imports was obtained). However, it is believed that the Eurostat data analysis will go some way to offset this while deeper Task 1.3 analysis was subsequently pursued in line with the research workarounds described in Section 2.

3.1 2015 EUROSTAT DATA ANALYSIS

Eurostat collects, processes and makes available large swathes of data cutting across numerous European economic activities. As a consequence, there is typically a lag in time when it comes to analysing the most up to date data. At the time of enquiring, 2015 was the most recent annual data that the researchers were able to obtain and analyse when it came to: (a) imports of 3TGs, (b) origins of 3TGs, (c) demand from within the EU, and (d) SME involvement. Findings are discussed in turn while copies of the extracted data obtained from Eurostat and the calculations performed by the researchers are documented in Appendix D.

3.1.1 Import of 3TGs into the EU

Regulation 2017/821 applies to 23 product groups, each identifiable by a specific CN code. These comprise ores, concentrates, compounds, alloys and single metals. Import data was obtained for each group and then aggregated. Figure 3.1 shows the results of this aggregation; it is clear that tin is the mineral most in demand.

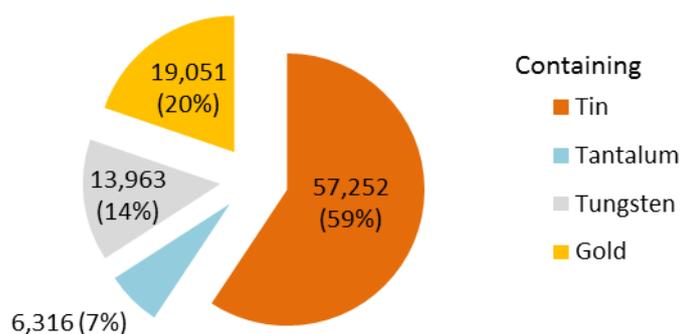


Figure 3.1: Import of CN code materials covered by Regulation 2017/821 into the EU in 2015

The 57,252 tonnes figure shown in Figure 3.1 for tin-containing CN codes comprises imports of six product groups.¹⁰ Of these six, one particular grouping stood out – unwrought tin – representing 84% of total tin-containing imports, or 49.7% of the total volume of 3TG containing materials imported into the EU in 2015.

Figure 3.1 is derived from Eurostat data on volumes of imported material in kg. The trouble is this material encompasses extraneous matter at varying concentrations depending on CN code. For example, the proportion of gold, as a metal present in ores and concentrates, imported will be significantly less than the 19,051 tonnes of gold containing materials cited above. If we use the ball-park concentration estimate that 10 g¹¹ of every tonne

¹⁰ Tin ores and concentrates; inorganic bases and metal oxides, hydroxides and peroxides, n.e.s.; tin chlorides; unwrought tin; tin bars, rods, profiles and wire, n.e.s.; articles of tin, n.e.s.

¹¹ The Eurostat data that informs this/assumptions made are documented in Appendix D.

of ore/concentrate imported is actually gold, then the total gold imported is 0.19 tonnes. Only 3.7% of reported gold imports is estimated to be in the form of metals. The rest is in the form of ores and concentrates but includes other precious metals (except silver). The proportion of ore to concentrate is not known but might imply that an average of 10g/tonne is on the low side.

As such, Figure 3.1 may give a false picture of the amounts of elemental metal imported.

In an attempt to qualify Figure 3.1, a second Eurostat data set was looked at: the monetary (Euro) value of imports. Eurostat provides the monetary value of each CN code imported. Assuming that the value of each material is due only to the quantity of each of the four metals present, then the quantity of each metal imported can be derived if the metal price is known.

An additional factor is the relative amounts of each metal present in the CN code where the material is a compound. For example, CN code “ex 28259085 tin oxides and hydroxides” comprises tin inorganic bases and metal oxides, hydroxides and peroxides. These each contain tin in different relative amounts. The researchers calculated the relative amounts of each element from various sources to estimate the likely relative amounts sold of compounds within each CN code.¹²

An average 2015 price for each metal was obtained and used to calculate the quantity of each metal based on the Eurostat monetary values for imports and is shown in Figure 3.2.

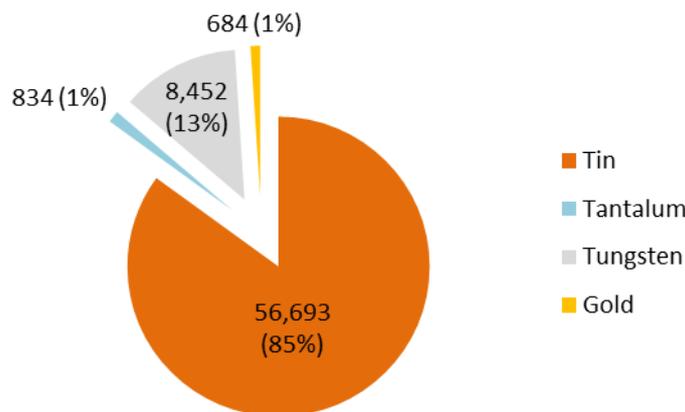


Figure 3.2: 3TG imports into the EU in 2015 – likely to better reflect actual metal quantities imported

Comparing Figure 3.1 and Figure 3.2, the total quantity of material has reduced from 97 to 66 thousand tonnes which reflects the fact that extraneous materials are included in the import tonnages. However the amount of tin has changed very little which indicates that tin is mostly imported as essentially pure tin metal, whereas tantalum and gold in particular are present at lower concentrations in the imported material.

The key point is that tin is the most significant import overall, estimated at 85% by weight of all 3TGs imported.

3.1.2 Origins of 3TGs imported into the EU

The above findings represent imports from all countries outside of the EU into the 28 Member States. As such, these findings do not distinguish between imports from “conflict-affected and high risk areas” and other

¹² Based on sources including REACH registrations, US Geological Survey, EC Critical Raw Materials data (unpublished) and ITRI.

countries. The EU has yet to list individual countries as being conflict-affected and high risk. We can, however, reasonably assume that the Democratic Republic of the Congo and its nine neighbouring countries (“DRC+9”) will feature on any future list. Together they represent a tranche of Central Africa in which the trade in conflict minerals is well documented. With this in mind, it is possible to look at the import data more closely and assess what, if any, contribution the DRC+9 countries make to the flow of 3TGs into the EU.

In terms of what has been directly attributed to the DRC+9 countries in Eurostat data, the contribution appears to be relatively little – although with one notable exception. This exception applies to gold ores and concentrates; the 2015 data shows that nearly half of this product group (8,422,200 kg) came from Tanzania. Looked at another way, that is 8.7% of the total volume of all the 3TG ores and concentrates imported into the EU.

Other than this statistic, though, there is little to suggest that the DRC+9 are significant exporters of the 3TGs into the EU. The data shows that the DRC exported a relatively small proportion (3.8%) of the tantalum/niobium ores and concentrates that entered EU Member States. Similarly, Uganda supplied just 2.8% of the tungsten ores and concentrates that came into the EU and Rwanda supplied a very marginal 0.04% of the unwrought tin that entered the Member States. This is the sum total of the DRC+9’s involvement in the export of 3TGs in 2015 – at least according to Eurostat.

The picture is likely to be a richer one in reality, however. The above does not, for instance, take account of exports from the DRC+9 into other, non-EU countries for subsequent export to the EU. This is likely to be the case with, for example, Switzerland playing the role of middle man with respect to gold. The country has a long-standing history in trading this metal, with imports then attributed to Switzerland even though the metals may have been first extracted elsewhere in the world. Switzerland is not the only country involved in such trade; China is similarly involved – the Chinese have invested heavily in Africa in recent years and are involved in many mining operations. It could well be that a proportion of 3TGs get exported to China for subsequent re-export to the EU, with the import(s) in Eurostat data seemingly from China rather than the original country of extraction.

3.1.3 Demand from within the EU

This varies depending on whether you are considering 3TGs individually or collectively.

Considered collectively, there were two EU Member States that were significant importers of 3TG containing materials. These were the Netherlands, which imported 32.2%, and Germany, which imported 26.8%. No other Member States imported equivalent quantities; the data was otherwise tiered with most demand then coming from a group of eight Member States (each importing 3TGs in single percentage volumes) and the remaining, residual demand from the other 18 Member States (with import volumes being less than 1% in each instance).

Tin

Of the 28 EU Member States, the Netherlands imported the most tin containing materials – 46.9% of the total. Demand was then split between the UK (13.4%), Germany (10.6%) and Spain (9.3%). Together these four Member States represented about 80% of total imports. Outside of these four, Belgium, Italy, Austria, France, Poland and Slovakia were the more sizable importers but only at single percentage levels.

Tantalum

Here the Netherlands remained a significant importer (15.8% of the total) but was not the lead importer. Germany was, representing 27.1% of total, closely followed by the Czech Republic (25.8%). Outside of these three, Belgium and Italy represented most demand (importing 9% and 8.6% respectively).

Tungsten

The proportion of tungsten containing materials imported into EU Member States in 2015 was similar to the import of 3TGs as a whole. The most significant volumes were imported by the Netherlands and Germany, with a second tier of seven Member States then representing most demand (although individually they did not import that much) and a tail of 19 Member States representing residual demand (with import volumes being less than

1% in each instance). This is the broad similarity, but there were also some differences. In the first instance, Germany is a larger importer than the Netherlands (importing 46.5% and 27% respectively). Second, Spain is a less significant importer of tungsten containing materials than it is of the 3TG containing materials as a whole while Sweden is part of the secondary tier of Member States for tungsten – by comparison, it was part of the tail for 3TGs as a whole.

Gold

Gold is an altogether different picture. Germany is the lead importer of gold containing materials, bringing in 60.9% of the total. Interestingly, the next lead importer is Bulgaria at 35.5%. Together, Germany and Bulgaria dominate; the demand for gold imports in other Member States is little by comparison, with the UK bringing in just 2.7% of the total and others (e.g. Austrian, Belgium, and Italy) less than 1% in each case.

The dominance of Bulgaria appears to be credible; in 2012, the country was recorded as being the second largest exporter of gold ore in the world with exports worth US \$340 million (equal to 10.8% of global share). Gold (metal and ore) exports account for 5% of Bulgaria’s GDP.

3.1.4 SME involvement

While Eurostat data does not provide for attributing SME business activity with imports of 3TGs, it can give an insight into where SMEs are most prevalent within the EU in the “industry and construction” economic sector, an admittedly wide-ranging sector, but the one that is most likely to include importers of 3TGs from within Eurostat’s structural business statistics.

For the EU as a whole, there were approximately 23 million SMEs active in the industry and construction sector in 2015. Of these, a majority – 21 million – were micro businesses. By comparison, small, medium and large businesses were by no means as prevalent. This should not be taken as an indication of market share though, only business number.

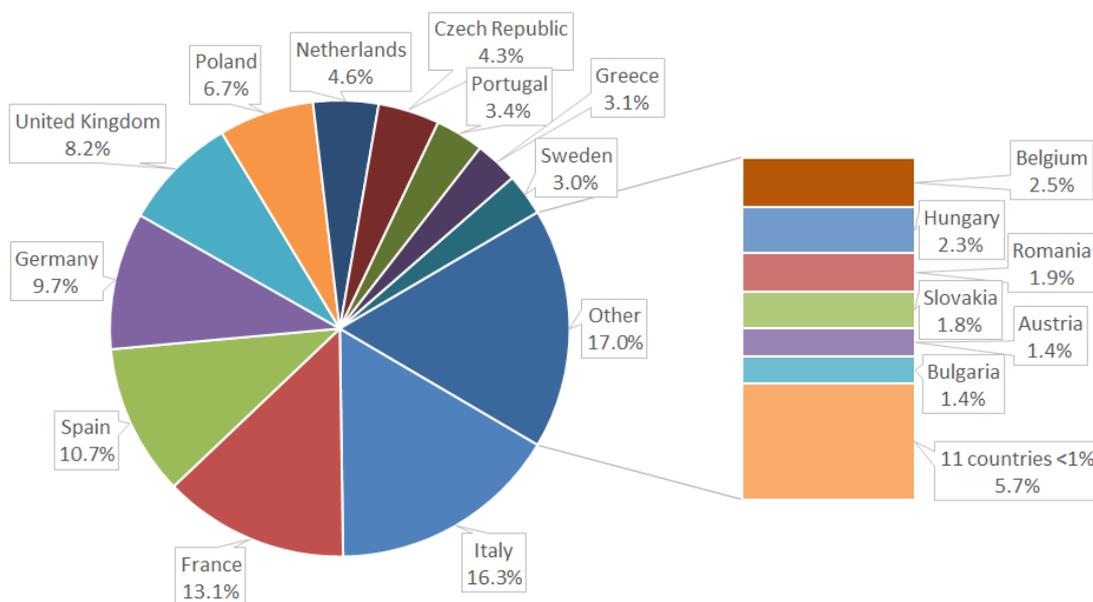


Figure 3.3: Number of “industry and construction” SME companies by EU Member State in 2015

In terms of SME distribution within the EU Member States, Italy made up 16% of the total, then France 13%, Spain 11%, Germany 10%, the UK 8%, Poland 7%, the Netherlands 5%, the Czech Republic 4%, Greece 3%, Portugal 3% and Sweden 3%. This represents over four-fifths of the distribution, with the remaining number split

fairly evenly between the other 17 Member States. This is an interesting finding since it suggests that SMEs are more prevalent in certain EU Member States than others with regards industry and construction and, most likely, the import of 3TGs. To an extent this is supported by the above analysis of “demand from within the EU” – but only to an extent since this data emphasises the significance of, for example, Germany and the Netherlands while Greece and Portugal are not of particular note. However, all of this commentary is of a speculative nature; the above findings could equally be said to be indicative of population and/or GDP.

3.2 KEY CHARACTERISTICS OF SME IMPORTERS IN THE TASK 1.1 LIST

The Task 1.1 list encompasses 76 SME importers and tabulates information, where supplied, on: where they are based in the EU (i.e. which Member State); whether they are using or trading in 3TGs; the industry sectors they are supplying to; whether they are already in the scope of Regulation 2017/821; business size; and quantities of 3TGs imported by CN coded product group. The following discussion characterises this data set.

First, a word on representativeness.

It is not known how representative the figure of 76 is to the total EU-wide population of SMEs importing 3TGs. If we assume that it is 10% of the total population (based on 10-15% being an average response rate for external surveys¹³) then that would suggest there is circa 760 SME importers. That does, however, seem a little on the high side in view of the European Commission’s own estimate that between 600 and 1,000 importers are in scope of Regulation 2017/821. With that in mind, a distinction also needs to be drawn between an SME importer and an SME importer *in scope of* Regulation 2017/821. Not all SME importers will be bringing sufficient quantities of 3TGs into the EU on an annual basis to mean that they are in scope; in other cases, they may be importing 3TGs but in or of product groups not targeted by the Regulation. Of the 76 SME importers identified, the researchers can say with certainty that 11 are in scope of the Regulation. Others may enter into scope once all the of the Regulation’s Annex I threshold values are set, but how many of the remaining 65 is an unknown quantity at this point in time.

While the above goes some way to scope the number of SME importers likely to operate in the EU, it is not really possible to analyse “main players” from the data obtained. This is for several reasons:

- Not all the of the businesses that completed the Task 1.3 survey identified themselves by name (anonymous responses were invited to encourage participation);
- Import quantities vary significantly, with some SMEs importing all 3TGs while others just one, although the import of one is sometimes more than the import of a combination;
- In only a few cases were exact employee number and turnover figures obtained; and
- The SME importers appear diverse in what they do as well the sectors they supply to – it is difficult to establish main players when not comparing like-for-like.

Regarding location, the 76 SME importers operate in 18 EU Member States – predominantly the Western and Southern nations as opposed to Central and Eastern European Member States.

Table 3.1 and Figure 3.4 illustrate this respectively; Figure 3.4 also shows that the 76 SME importers were mainly based in two EU Member States: the UK and Germany¹⁴. In fact, the UK and Germany account for 37 of the 76 SME importers, very nearly half of all the SME importers identified.

¹³ See: <https://www.surveygizmo.com/survey-blog/survey-response-rates/>

¹⁴ While the Netherlands imports significant quantities of the 3TGs (see Section 3.1.3 above), it is thought that this demand comes from large enterprises rather than SMEs.

This may say something about the abundance of SMEs in the British and German economies when compared to other EU Member States, but in light of Figure 3.3 above (that shows the significance of Italian, French and Spanish SMEs in the EU “industry and construction” sector) it is thought that it actually speaks more of the significance of certain industries that make use of 3TGs in product manufacture being found in higher numbers in the UK and Germany (e.g. aerospace and defence, automotive, electronics).

Table 3.1: Distribution of the 76 SME importers in the EU

Member State	Number of SME importers	Proportion of the total number
Austria	3	4%
Belgium	5	7%
Czech Republic	1	1%
Denmark	1	1%
Estonia	2	3%
Finland	1	1%
France	4	5%
Germany	15	20%
Greece	1	1%
Ireland	1	1%
Italy	4	5%
Malta	1	1%
Netherlands	2	3%
Portugal	5	7%
Slovenia	1	1%
Spain	3	4%
Sweden	3	4%
UK	22	29%

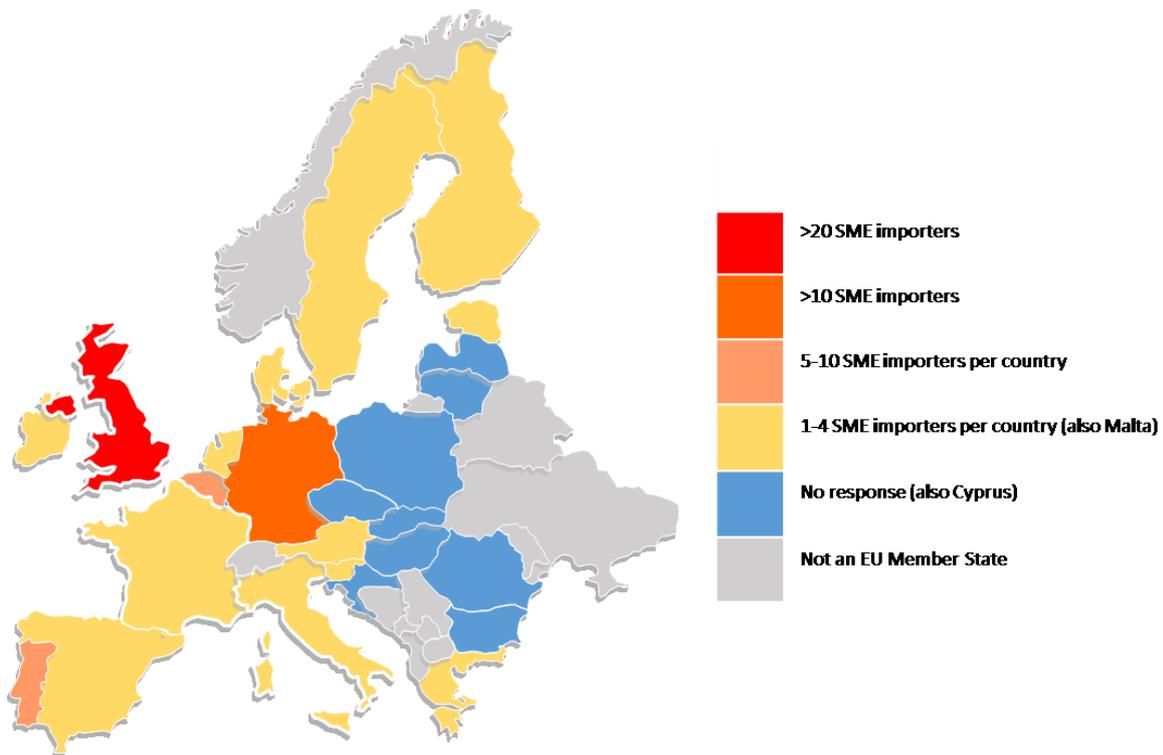


Figure 3.4: Incidence of SME importers in EU Member States

While no data was derived on whether SME importers are using or trading the 3TGs they import in the majority of cases (the “not known” 58% shown in Figure 3.5), the researchers were able to determine that 17 SME importers acquired 3TGs to trade and 15 to use in a manufacturing operation (e.g. Printed Circuit Board assembly). This represented a fairly even split between trade and use; as to whether this even split can be extrapolated up to all the 76 SME importers and, beyond this, to the entire population in the EU is another matter though. It is simply not possible to say. One additional comment that can be made is that there did not appear to be any geographical clustering of “for trade” SME importers on the one hand and “for use” SME importers on the other. They were dispersed across the Members States shown in Figure 3.4.

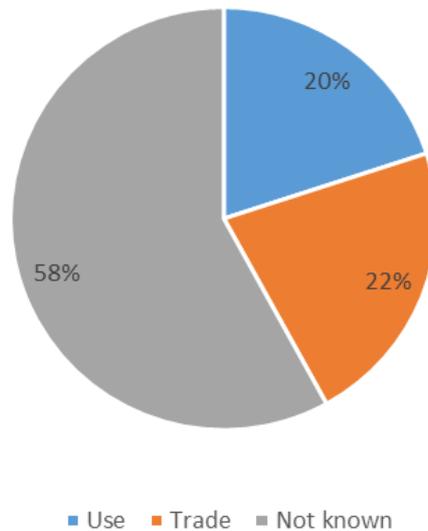


Figure 3.5: Purpose behind importing 3TGs into the EU by the 76 SMEs

All of the 76 SMEs imported at least one 3TG product group found in Annex I of Regulation 2017/821; in many cases multiple product groups were imported. As to the numbers of SMEs importing tin, tantalum, tungsten and gold on aggregate, this is shown in Figure 3.6 below. It should perhaps come as no surprise that 35 SMEs imported tin, it is a widely used material; equally, it is not all that surprising that fewer SMEs imported tantalum and tungsten by comparison. More interesting is that 33 SMEs imported gold; this is quite a high figure, almost on a par with the 35 tin importers. If this is indicative of all SME importers in the EU, then it points to tin and gold being the more significant 3TG imports in terms of small business involvement (although not necessarily the quantity imported). This should be considered when it comes to thinking about key trade associations and industry organisations for outreach to SME importers.

The SME importers were suppliers to various sectors of industry, with Table 3.2 listing the key ones identified. The electronics sector appeared to dominate.

Table 3.2: Cross-section of responses regarding to whom the SME importers supply

"Buyers of precision metal parts"
"Various industrial sectors: refining, smelting, chemical industry, steel industry, glass industry, pharmaceutical industry, automobile industry, wastes collection industry"
"Electronics sector - buyers of customised solder"
"Electronics sector - buyers of switches and sensors"
"Industrial buyers" [unsubstantiated]
"Chemical industry"
"Various industrial sectors" [unsubstantiated]
"Retail (consumer electronics)"
"Electronics sector, including avionics, military, electro-medicine, energy and transport"
"Jewellery manufacture, industrial"
"Electronics, lighting, medical sectors"
"Machinery manufacture/industrial - buyers of sintered bearings, filters, structural parts and magnets"
"Steel and foundry industries"
"Electronics sector - buyers of PCBs"
"Electronics sector - buyers of PCBs and FPCs"
"Retail (jewellery)"
"Electronics sector - buyers of parts and semiconductors"
"Electronics sector, automotive, lighting, industrial manufacture"

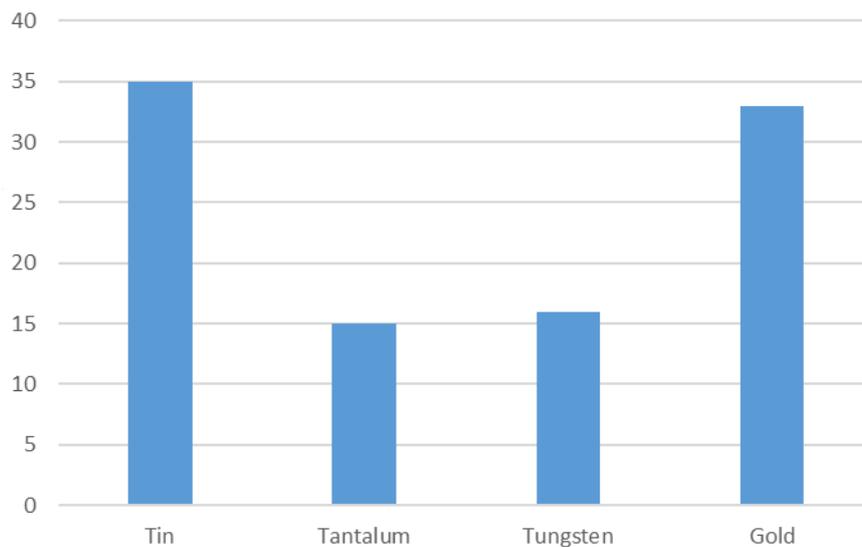


Figure 3.6: Numbers of SMEs importing a tin, tantalum, tungsten and/or gold product group

Note: An SME was counted to import tin, tantalum, tungsten and gold only once in each instance; Figure 3.6 does not seek to illustrate occurrences of when SMEs import multiple products groups of the same mineral.

This is, in sum, the most comprehensive appraisal possible given the data collection limitations. It is not possible to comment upon the geographical destination of SME imports while further information on the use of 3TGs imported was sparse and is not commented upon here. Overall the key learnings are as follows:

- SME importers are mainly located in Western and Southern Member States, and particularly the UK and Germany.
- The large numbers of SME importers found in the UK and Germany most likely reflects on these SMEs being part of industries that use 3TGs in manufacture and that have a significant footprint in these countries, e.g. the aerospace and defence, automotive, chemicals, lighting and medical device industries.
- Based purely on the sample analysed and where information allowed, there appeared to be an even split between SME importers that made use of 3TGs in manufacture and those that obtained 3TGs to trade.
- The SME importers were supplying to a wide range of industries, although the electronics industry appears the most significant customer overall. This also needs to be contextualised since the electronics industry will then go on to supply other sectors, e.g. the automotive sector.
- SME importers were mostly involved in the acquisition of tin and gold; fewer businesses were involved in importing tantalum and tungsten.
- It is not possible to discern “main players” in any meaningful way.
- SMEs of varying size are involved in the import of 3TGs: micro, small and medium-sized enterprises were all identified in the data.

4 TASK 1.3 SUMMARY ANALYSIS

4.1 INTRODUCTION TO THE SURVEY RESULTS

Overall, 393 questionnaire responses were received. Not all of the responses were from SMEs though. Some responses came from large, international businesses (even though the questionnaire was introduced as being for smaller businesses to complete) while other businesses may have employed less than 250 people or had turnovers of less than €50 million – but not both. The latter is significant as, together, these are the criteria that define a business as being an SME in Commission Recommendation 2003/361/EC.

The 393 responses therefore required some qualification. This comprised two steps.

First, the 393 was contracted to encompass relevant SMEs, be they 3TG importers or else non-importers that nevertheless use 3TGs in some way and take an interest in conflict minerals and supply chain due diligence. Second, SME importers were focused upon as a core for analysis. They were 59 in number and the analysis that follows looks at their understanding, concerns and opinions in some detail. This analysis is developed with comments from interviews where relevant.

4.2 ANALYSIS OF THE SME IMPORTERS

The analysis that follows takes the form of answers to the Task 1.3 questions set in the study's technical specifications before a wider commentary and conclusions are offered.

4.2.1 Is there awareness of Regulation 2017/821?

The answer to this is, by and large, a "yes".

Most of the SME importers were aware of a law "being on the cards" or else that it had recently been enacted – the latter depended on when they answered the questionnaire or spoke to the researchers in interview given that Regulation 2017/821 was adopted part way through the research. Confusion existed over just when the Regulation's requirements applied though; some SME importers were also unsure as to whether or not they would be in scope given that threshold values still need to be set for some Annex I product groups. One telephone interviewee succinctly summarised the perspective of the majority regarding this: *"I'm aware of a new law, but, really, it's unhelpful that thresholds are missing... I want to know whether I'm in scope or not, I then want to know when, at the latest, I need to do something about it."*

Some interviewees expressed surprise that an EU Regulation is needed, particularly given the industry certification that exists. Comments included:

"Today you will not find a single buyer in Europe for uncertified material, this includes uncertified semi-finished products."

"There are lots of certifications out there... Many customers will only accept iTSCi certification¹⁵... I think the legislation needs to be based on customer-led certification."

"The EU missed a trick in 2011, they should have been involved in the early certification schemes. Most companies will want to know: what is the point of certifying products that are already subject to certification?"

¹⁵ This pertains to an industry certification scheme, the iTSCi Programme. As explained on the ITRI webpage relating to the Programme, it "establishes traceability in the upstream supply chain from mine to smelter, and downstream companies (product manufacturers etc.) and assists companies to establish due diligence through independent audits and risk assessments. It currently has 250 provisional Full and Associate Members spanning 35 countries, and operates at around ~1000 mine sites in Burundi, Rwanda and the DRC, shipping 100's of tonnes of minerals per month, and involving ~80,000 miners, who in turn provide support for ~375,000 dependents."

4.2.2 What challenges are faced in relation to due diligence?

The questionnaire was constructed such that various potential challenges were presented for respondents to rate. Figure 4.1 illustrates the responses received.



Figure 4.1: Perceived due diligence challenges of SME importers

Figure 4.1 suggests that the key challenges pertain to getting and subsequently verifying supplier information. It seems SME importers will (and do) invest the people in managing due diligence and that they probably know at least some of their suppliers’ suppliers such that there is a level of traceability.¹⁶ However, getting documentation and then knowing whether it is right or wrong (e.g. because of uncertainty over multiple industry certifications, not all of which certify the same minerals or to the same extent) are the hurdles.

One interviewee from the jewellery sector articulated the challenges they face very simply. Her comments are reproduced below as they reflect similar points made by other interviewees when discussing challenges.

“The jewellery industry is so spread out and split across so many suppliers that this is very hard to manage as a small business. We feel like we have to do the job of an auditor and cannot trust our suppliers or what they say or do. They say things like “our other customers aren’t asking about this so we won’t give the answers”, etc. Where we have set up good supply chains like for Fairtrade gold, something happens at one of the mines and then suddenly we are panicking that we won’t have any gold – the supply chain that is reliable from a traceability point of view is not very reliable from a supply point of view which is extremely stressful and hard to deal with when these are important issues for our business. Also many suppliers are still not supplying properly traceable gold and this is an ongoing battle...”

“...There are big communication issues. There are too many different organisations about ethics and responsibility for people to keep track of and most business owners bury their heads in the sand as there is no one clear place to go to find out what to do for the best. So as a small business owner we then have to try to speak to [supplier CEOs] to explain things like why they should supply this - I don’t really have time for this but am driven to continue.”

¹⁶ Although note that just shy of 20% of the SME importers perceive the inability to trace back in supply chains as a due diligence challenge. There is likely to be variation in experiences here.

4.2.3 Which industry [certification] schemes are the most useful in performing due diligence?

The iTSCi Programme¹⁷ was praised by several interviewees, particularly for the operations it oversees “on the ground” in African countries. The iTSCi Programme appeared to be the most widely used industry scheme too, although the Conflict Free Smelter Program¹⁸ was also in use and the Conflict Minerals Reporting Template considered helpful. One interviewee summarised the value they gained from the Conflict Free Smelter Program as follows:

“It consolidates reporting requirements within the downstream by making the auditing and reporting process more streamlined. It provides an external review of our supply chain due diligence program. The Audit Summary Report is shared with our customers and the Full Audit Report includes everything pertaining to the audit. As a company that has passed the audit, we also get listed via the CFSI registry, which is publicly available online.”

Responsible Jewellery Council Chain of Custody Certification¹⁹ was mentioned, but did not appear to be widely used (this may be because it pertains to gold rather than the 3T). In addition, the Great Lakes RNIR scheme²⁰ was referenced by one interviewee although he was unsure how widely used this particular scheme was and, moreover, whether it offered “acceptable certification”. Little mention was made of the OECD (Organisation for Economic Cooperation and Development) and its due diligence guidance²¹; this is most likely because its guidance informs some of the certification that exists, following the OECD guidance alone does not constitute adherence to an industry scheme or a means to certification as is offered by iTSCi for example.

4.2.4 Which trade associations are SME importers members of?

The SME importers were found to be members of 24 trade associations, as listed in Table 2 below. Table 2 shows that SME importers are typically not members of pan-European trade associations, although many were members of associations with an international focus. The latter is interesting and a little unexpected. It may, however, go to reflect on some of the SME importers’ business activities being niche such that their international memberships do not have national equivalents, also that membership of one or more international associations may facilitate important business contacts/trade links.

It is suggested that Table 2 associations represent a core of stakeholders when it comes to EU SME involvement with, and future adherence to, Regulation 2017/821. Considerably more associations were contacted with a view to encouraging EU SME completion of the Task 1.3 questionnaire however. In all, 251 associations were messaged. It is likely that many of these associations offer links to SME importers, only their SME members were less exercised to respond to the questionnaire. This is important to note with respect to any future communications regarding a SME support system; these communications should not be exclusive to the associations listed in Table 4.1.

Table 4.1: Trade associations of which SME importers are members

Association name	Industry sector	Geographical scope	Based in	Website
Bureau of International Recycling (BIR)	Recycling	International	Belgium	http://www.bir.org
Electronic Industry Citizenship Coalition (EICC)	Electronics	International	USA	http://www.eiccoalition.org

¹⁷ See: <https://www.itri.co.uk/itsci/itsci-project-overview/itsci-project-overview>

¹⁸ See: <http://www.conflictreesourcing.org/conflict-free-smelter-program/>

¹⁹ See: <http://www.responsiblejewellery.com/chain-of-custody-certification/>

²⁰ See: <https://www.icglr.org/index.php/en/rinr>

²¹ This is the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.

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Association name	Industry sector	Geographical scope	Based in	Website
Institute of Materials Finishing (IMF)	Surface engineering and finishing	International	UK	http://www.materialsfinishing.org
International Chromium Development Association (ICDA)	Chromium industry	International	France, China	http://www.icdacr.com
IPC (Association Connecting Electronics Industries)	Printed board and electronics assembly	International	USA	http://www.ipc.org
ITRI	Tin industry	International	UK, China	https://www.itri.co.uk
LBMA (London Bullion Market)	Gold and silver trade	International	UK	http://www.lbma.org.uk
Minor Metals Trade Association (MMTA)	Minor metals	International	UK	https://mmta.co.uk
Motorsport Industry Association (MIA)	Motorsport	International	UK	http://www.the-mia.com
Responsible Jewellery Council (RJC)	Jewellery	International	UK	http://www.responsiblejewellery.com
Tantalum Niobium International Study Centre (TIC)	Tantalum and niobium supply	International	Belgium	https://www.tanb.org
ADS Group	Aerospace, defence, security and space	National	UK	https://www.adsgroup.org.uk
Associação de Ourivesaria e Relojoaria de Portugal (AORP)	Jewellery	National	Portugal	http://www.aorp.pt
British and Irish Association of Fastener Distributors (BIAFD)	Distribution and wholesale of fasteners, fixings and related products	National	UK	http://www.biafd.org
Engineering Construction Industry Association (ECIA)	Construction engineering	National	UK	http://www.ecia.co.uk
Intelligent Membrane Trade Association (IMA)	Construction	National	UK	http://www.imaroofer.com
National Association of Jewellers (NAJ)	Jewellery	National	UK	http://www.naj.co.uk
NMI (UK Electronic Systems & Technology Industry Association)	Electronic systems and technology	National	UK	https://nmi.org.uk
techUK	Electronics	National	UK	http://www.techuk.org
VDM (Association of German Metal Traders)	Metals	National	Germany	http://www.vdm.berlin
WVM (German Metals Trade Association)	Metals	National	Germany	http://www.wvmetalle.de
Association of German Chambers of Commerce and Industry (DIHK)	Various	National/regional	Germany	https://www.dihk.de/en
European Powder Metallurgy Association (EPMA)	Powder metallurgy manufacturing	pan-European	UK	https://www.epma.com
European Precious Metals Federation (EPMF)	Metals	pan-European	Belgium	http://www.epmf.be

4.2.5 What sources of due diligence information do SME importers use?

This is a mix, but SME importers mostly look to industry certification schemes of which they are members for information. If they do not have such memberships, then national trade associations and/or government departments were considered the most credible sources.

Information is typically sourced from one or more internet searches using commonly available search engines like Google, Bing, etc. SME importers will usually look through 3-4 websites to get a feel for what is significant.

4.2.6 What type of support is needed to support their due diligence?

Eliciting opinions on support and the form that this support should take was fundamental to Task 1.3 research. As such, support was asked about twice in the questionnaire – first in relation to “help” the respondent’s business might benefit from, then second what “support and training opportunities” the respondent might use, if free and easily accessible. Figures Figure 4.2 and Figure 4.3 illustrate the findings while selective interview comments are also reproduced to make or else reinforce key points. All interviews conducted touched on the topic of support in some way.

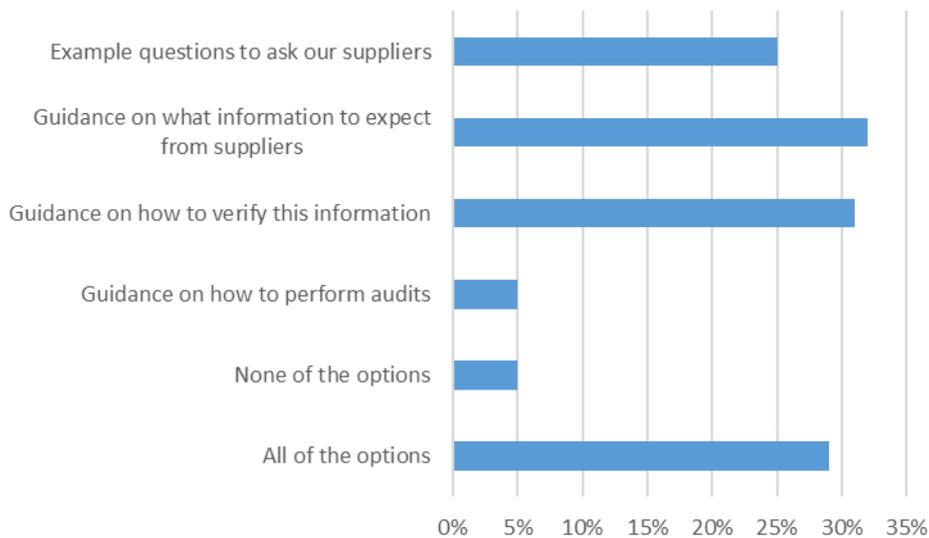


Figure 4.2: SME importer preferences regarding help with conducting supply chain due diligence

The spread shown in Figure 4.2 should not come as a big surprise, particularly given the earlier commentary regarding perceived challenges (Section 4.2.2 above). There was a clear correlation in the answers too: if a respondent advised that they were after guidance on what information to expect from suppliers, then in most cases they were also seeking guidance on how to verify this information. The example questions to ask of suppliers emphasises the point that the guidance sought should be practical; this was born out in interview comments too – the following provides a selection.

“A checklist would be very helpful; this would be a means to compare what is received by suppliers with what they should actually be providing.”

“The main assistance that people need is help to fill in the paperwork, it is very complicated.”

“...there needs to be clearer direction and signposting to key documents and guidance. That should be available through trade organisations and be free.”

“I want contextualised direction and advice to be given from people who have insight and understand my business and my industry. I’m not particularly fussy about how support is delivered but my instinct is keep it simple... Well sign-posted online guidance notes, checklists and easy to fill out forms... all support should be free.”

“I think that we need simple documentation, easy to understand templates and unambiguous guidance, ideally in the form of simple checklists. The CFSI Downstream Audit Program achieves this I think.”

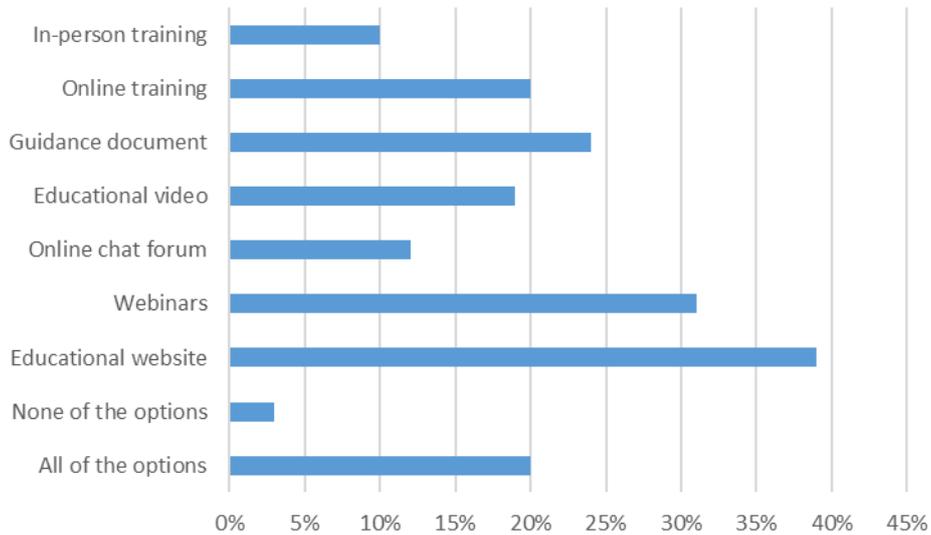


Figure 4.3: SME importer preferences towards due diligence support and training opportunities

The frontrunners in Figure 4.3 are the educational website and webinars; by comparison, there appears to be much less interest in in-person training and online chat forums as educational methods. Comments from interviewing included:

“An assortment of tools is preferable; this is because you’re likely to be looking for different information at different times, with some tools being more appropriate at the start of your journey and others later. E.g. fact sheets to begin with moving into checklists and other such “practitioner” documents.”

“Anything that takes you away from operations (out of the office) is costly, especially when you are involved with other functions.”

“My instinct is that training for this sort of thing is best face to face so that you can ask specific questions that matter to your company’s situation – maybe a seminar or something similar. However, it is still important to have information and guidance available online so that people can be reminded of things.”

“I think that we need good paper documentation, intelligent and simple forms and good checklists. I don’t think face to face training is necessary, but I do think seminars that allow group-think and sharing of problems would be very useful.”

4.2.7 What organisations/bodies would they turn to for assistance?

Several organisations/bodies were suggested for respondents to consider. How respondents rated these as potential “go-to” entities for assistance with supply chain due diligence is shown in Figure 4.4.

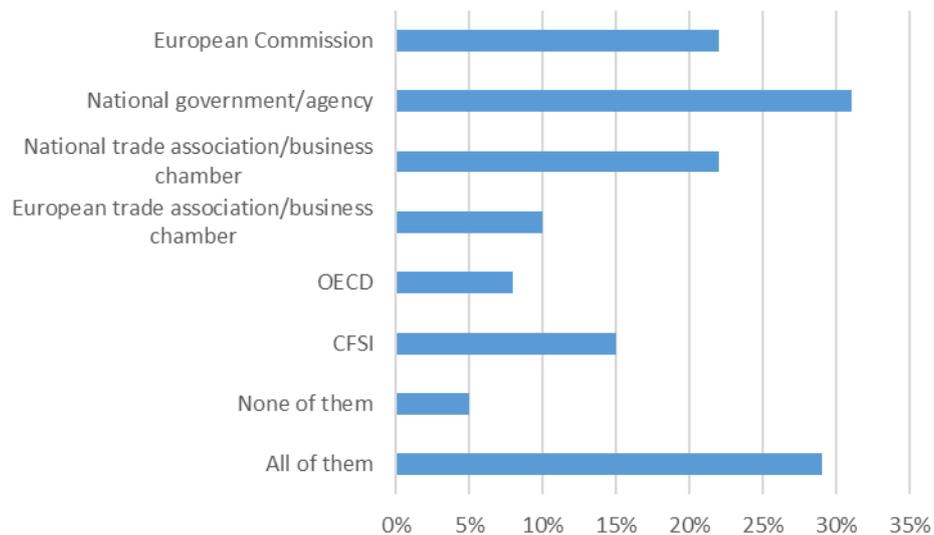


Figure 4.4: SME importer preferences regarding organisations they would turn to for help

Figure 4.4 shows a marked preference among SME importers for use of organisations/bodies at a national level, whether these are government departments or agencies (the most preferred option) or national trade associations/chambers of commerce and some also at EU level (the European Commission). There may also be a role for industry certification schemes, as reflected in the support given to CFSI but also in some interview comments, for example: *“I would prefer it if it came through iTSCi. I have previously had a lot of information from them and they are visible at trade shows, etc.”*

Other comments of note included:

“I would go to my trade association first then to the German Government, I wouldn’t go to the EU. I just want advice and simplified guidance for simplified processes, but what I really want is less bureaucracy. [Speaking of Germany] we operate in a country with the highest labour costs and highest costs in general, we can’t take more costs in an industry with 80% metal cost and only 20% added value.”

“The support burden provided doesn’t need to be particularly onerous. I’d want them to deliver support that allows us to initiate any request. I do think it’s important that any direction and advice given, comes from people who understand the sector that we operate in, i.e. they need to understand our supply chain, products and sector.”

“...it all just seems “bitty” to me. I’d like it to be controlled by central government and training and/or resources provided by both central government and trade associations.”

“We want them to deliver support through national trade associations. We are members of the WirtschaftVereinigung Metalle (WVM)/Non-ferrous Metals Association and would prefer to have support from their specialists who understand our business. I don’t think the German Government can do that. The WVM can help with specific questions that we might ask. They have the understanding of the supply chain, the context and industry. They could provide a checklist and easy-to-fill forms. The EU can play an important part by assuring the information being put forward by the WVM, etc.”

4.3 TWO COMPARATIVE ANALYSES

So far, the analysis presented has constituted a straightforward review of the findings from a core set of data: the 59 SME importers who responded to the questionnaire. Comments from subsequent interviews with a sample of these importers were provided to add detail and substantiate key points.

The analysis now moves to make two comparisons, first by segmenting the 59 SME importer data into SMEs already conducting supply chain due diligence versus those that do not, then by comparing the data set as a whole with the data pertaining to 130 non-importing SMEs²² that was additional information gleaned from the questionnaire. These analyses are undertaken to develop further insight, particularly with respect to due diligence challenges, desired help and support preferences, and the organisations/bodies that SMEs might turn to for assistance.

4.4 A COMPARISON WITHIN THE DATA SET

The first of the additional analyses segments the 59 SME importer data into two halves: importers who affirmed that they were conducting supply chain due diligence already (“practising SME importers”), and those who did not (“non-practising SME importers”). Of the 59 SME importers, 31 proved to be practising due diligence with the remaining 28 non-practising. This is a near enough even split, and one that potentially offers a rich comparison between what inhibits practice and how this might be alleviated against the hurdles faced by practitioners and what help they desire.

4.4.1 Supply chain due diligence challenges

The challenges as perceived by practising and non-practising SME importers are illustrated in Figure 4.5.

The pattern is broadly the same, inasmuch as both the practising and non-practising found the greatest challenges to exist in getting information from suppliers and then assessing such information in a reliable manner. There are some telling differences too. Perhaps unsurprisingly, the non-practising SME importers expressed the lack of “people to do it” as a more significant challenge than the practising SME importers (in whose businesses it is assumed at least one person is already involved in managing supply chain due diligence). Moreover, the practising SME importers put more stock in the challenges “unable to trace back in our supply chains”, “variation in our reporting templates” and “it increases supply chain management costs”. Interestingly, these are only a little behind “suppliers do not provide requested information” and “difficult to reliably assess information received from suppliers” as challenges for due diligence practitioners. This suggests that, once a business has moved from a position of inertia and started due diligence its perception of the challenges involved changes. This is explainable in terms of practice. For instance, an SME might foresee something like the inability to trace back in supply as a challenge before embarking with due diligence but until it actually starts practising due diligence the hurdle this actually presents is difficult to quantify; it will always be hypothetical until experienced.

²² It may be worth returning to Section 4.1 above to contextualise this. In short, non 3TG-importing SMEs responded to the questionnaire in addition to importers. It was felt that the responses of non-importers were worth analysing: these SMEs were most likely still using 3TGs, even if they were not importing them into the EU.



Figure 4.5: Challenges as perceived by due diligence practising versus non-practising SME importers

4.4.2 Help, support and training, and who to turn to

In addition to due diligence challenges, the questionnaire asked respondents to rate the type of help they would like, specific support and training options, and which organisations/bodies they would most likely turn to for assistance. The ratings of due diligence practising versus non-practising SME importers across each are illustrated in Figure 4.6, Figure 4.7 and Figure 4.8.

Figure 4.6 shows that the help sought by non-practising SME importers is oriented more towards overcoming due diligence inertia so, for example, what questions to ask of suppliers is more prominent for non-practising SME importers than those that are practising. It is interesting that it is only the practitioners that consider “guidance on how perform audits” valuable assistance; it suggests that, when not involved with due diligence, auditing is not thought about.

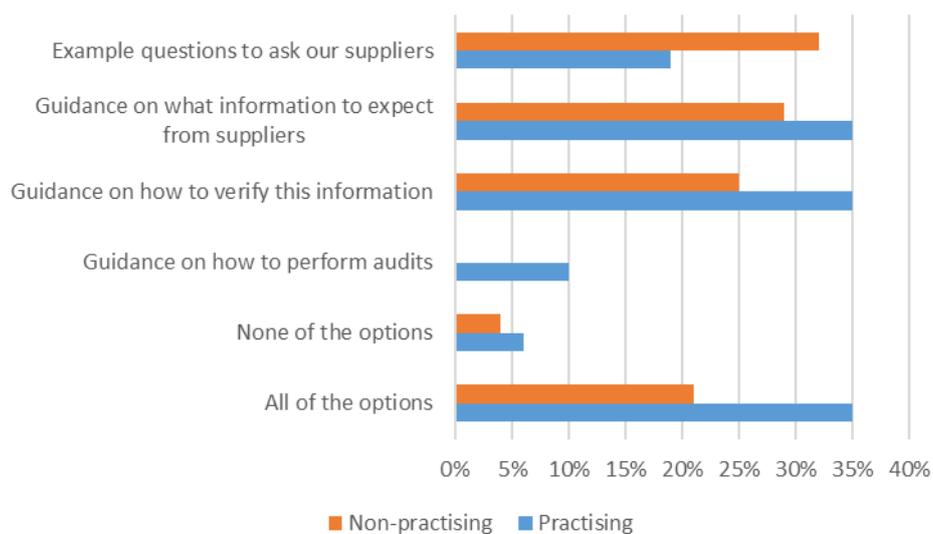


Figure 4.6: Help sought by due diligence practising versus non-practising SME importers

Figure 4.7 displays similarities as well as differences. While there is clear convergence in an educational website, webinars and educational videos as favoured support/training options among both due diligence practising and non-practising SME importers, there is also divergence. Non-practising SME importers rated in-person training and the availability of an online chat forum far more highly than their practising counterparts did. This is noteworthy; it goes some way to suggest that overcoming inertia concerning due diligence practice is more likely from personal interactions – with a trainer, or else by means of asking questions within a forum. However, once overcome it may be the need for such support and training recedes; this is corroborated to a certain extent by due diligence practising SME importers expressing preference in the likes of guidance documents and online training.

Regarding the organisations/bodies they would turn to for help in fulfilling due diligence obligations, it is interesting to see in Figure 4.8 that due diligence practising SME importers rate the European Commission and national governments/agencies more highly than their non-practising counterparts did. By comparison, non-practising SME importers express more interest in going to trade associations – both national and pan-European. Why this might be is difficult to infer, although one possible explanation is that non-practising SME importers may be more comfortable interacting with trade associations by virtue of the fact that they are “not officialdom” and, being less engaged than their due diligence practising counterparts, are otherwise reluctant to make themselves known to a government or the European Commission. Of course, the anonymous accessing of Commission/government online information concerning conflict minerals and due diligence practice is another matter. Another possibility worth considering is that practising SME importers have more invested in due diligence and consider the policy-making organisations the more authoritative sources for assistance; after all, they will wish to have their practice enact what is expected of them in the law.

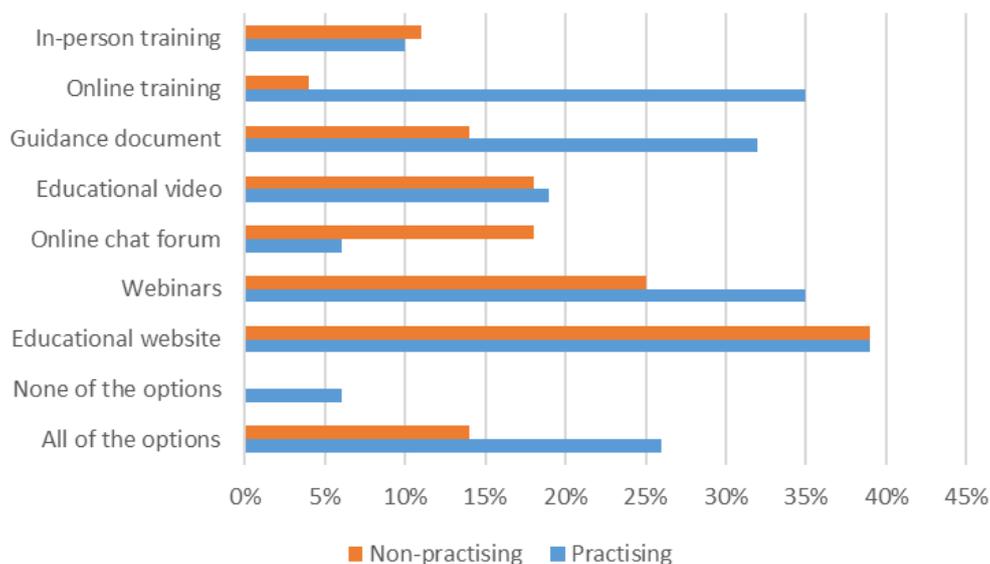


Figure 4.7: Support and training sought by due diligence practising versus non-practising SME importers

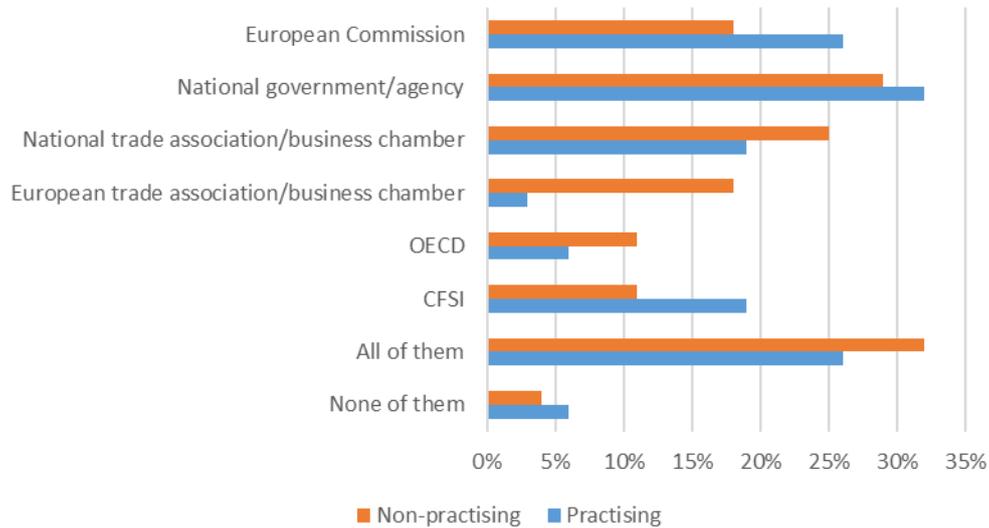


Figure 4.8: Organisations due diligence practising versus non-practising SME importers would turn to for help

4.5 A COMPARISON BETWEEN DATA SETS

This analysis returns to looking at the 59 SME importers as a complete data set (hence Figures 15-18 show the same information for importers as previously displayed in Figures 7-10 above) but this time draws a comparison with a second data set – the responses of the 130 non-importing EU SMEs that answered the questionnaire and who, it is assumed, take an interest in conflict minerals owing to 3TG use in the components/products they make and sell. Therefore, the comparison is between SME importers and non-importers. As with Section 4.4 above, the analysis is presented in terms of the ratings given by questionnaire respondents on questions pertaining to due diligence challenges, the help they would like, specific support and training options, and which organisations/bodies they would most likely turn to for assistance.

4.5.1 Supply chain due diligence challenges

Regarding perceived challenges, the most glaring difference between SME importers and non-importers is that non-importers saw a lack of “people to do it” as a far more significant hurdle to due diligence than importers. This could say something about importers feeling more compelled to invest people in due diligence practice owing to the existence of a new law or otherwise customer pressure; in other words, there is possibly a stronger business case for resourcing due diligence efforts among SME importers than non-importers. Other than this, responses proved fairly similar between the two data sets; overall, a lack of information from suppliers and difficulties in assessing the veracity of such information won out as the prominent challenges.

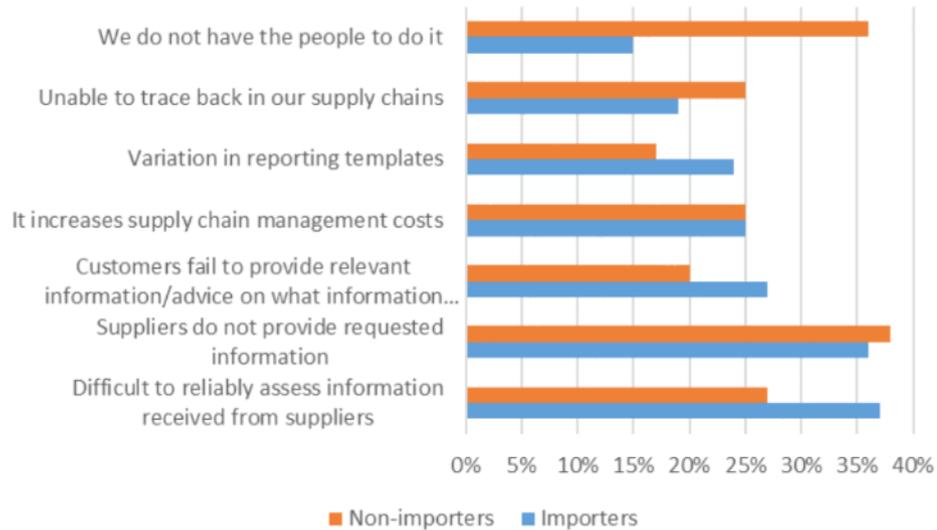


Figure 4.9: Challenges as perceived by SME importers versus SME non-importers

4.5.2 Help, support and training, and who to turn to

Beginning with help sought, there is much similarity in the preferences expressed by SME importers and non-importers. Possibly the most notable differences are that (a) more SME non-importers were in favour of audit guidance while (b) more SME non-importers were also inclined to answer that “none of the options” would be of assistance. Unfortunately, none of the SME non-importers who answered “none” offered alternative suggestions as to what would help them; it is therefore very difficult to expand upon this in analysis.



Figure 4.10: Help sought by SME importers versus SME non-importers

Some interesting differences can be observed with regards to preferences for support and training options between SME importers and non-importers. The most obvious is the keen interest expressed in a guidance document from non-importers; this interest was roughly double that given to it by SME importers. Another point of difference comes in the emphasis put on training – both in-person and online – by non-importers relative to importers. In contrast, importers expressed more interest in an educational website, webinars, educational

videos and even the lower-rated online chat forum; if anything, this suggests SME importers are more predisposed to online support and training than their non-importing counterparts.

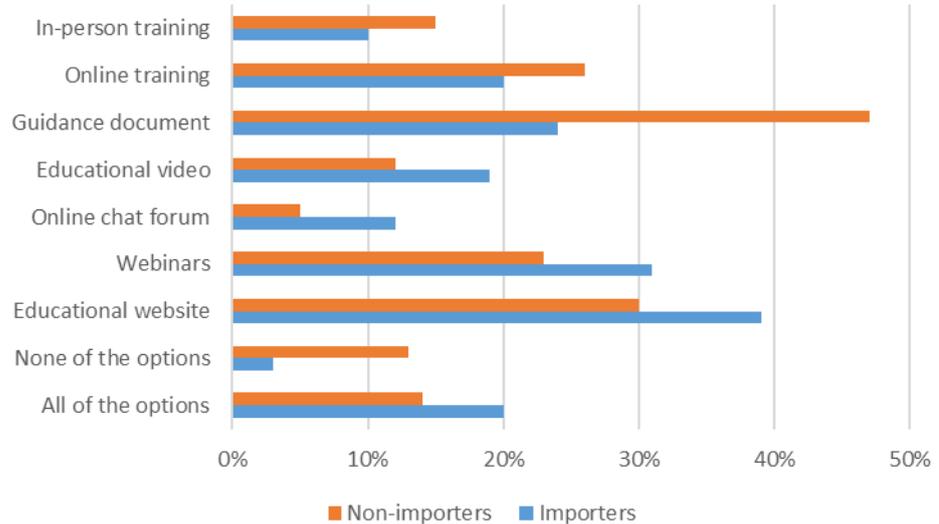


Figure 4.11: Support and training sought by SME importers versus SME non-importers

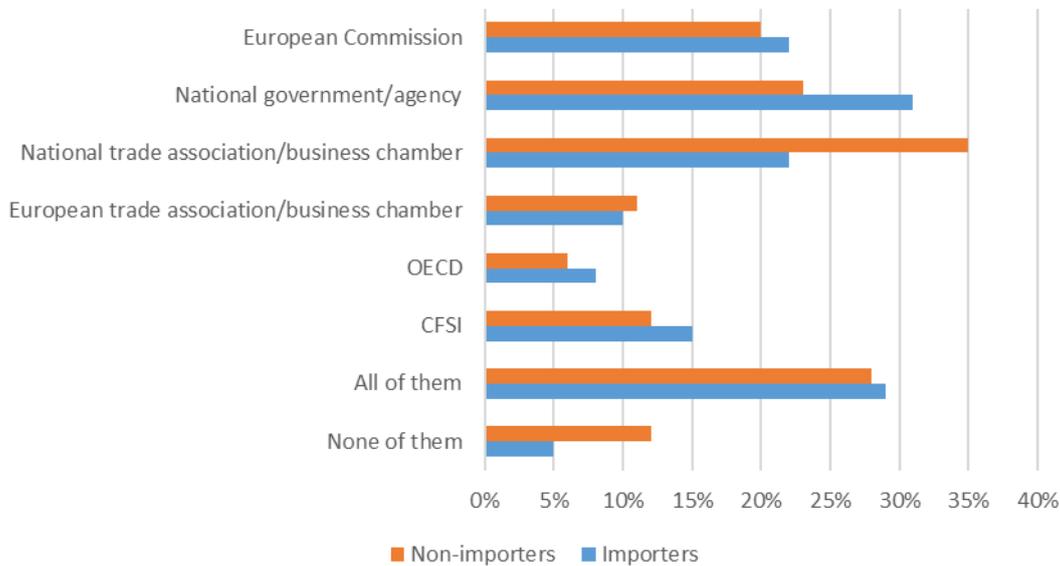


Figure 4.12: Organisations SME importers versus SME non-importers would turn to for help

Figure 4.12 shows more similarity than difference in the preferences expressed by SME importers and non-importers over the organisations/bodies they would turn to for help. The European Commission, national governments/agencies and national trade associations are most popular. However, there is one important nuance here: SME importers rate national governments/agencies more highly than non-importers who, interestingly enough, tend to rate national trade associations/chambers of commerce more highly than importers. Hence there is some differentiation and this is worthy of note with regards outreach to SMEs, particularly if you are specifically targeting importers of 3TGs over those who may otherwise be using the minerals but not bringing them into the EU for the first time.

4.5.3 Identification of additional trade associations of which SME non-importers are members

While some SME non-importers were members of the same trade associations that SME importers are (see Table 2 above), SME non-importers were also found to have membership of other trade associations. These included the following associations:

- ASERCOM: European trade association of the refrigeration and air conditioning industry
- Automotive Industry Action Group (based in the USA)
- BCSA - British Constructional Steelwork Association (UK)
- British Plastics Federation (UK)
- Door and Hardware Federation (UK)
- Engineering Employers' Federation (UK)
- FME, Danish technology industries association
- Furniture Industry Research Association (UK)
- IHK (Germany) – different divisions
- Institute of Spring Technology
- Landesverband Groß- und Außenhandel, Vertrieb und Dienstleistungen Bayern e.V. (LGAD) (Regional Association for Wholesale and Foreign Trade, Distribution and Services)
- Metaalunie
- Surface Engineering Association (UK)
- Technology Industry of Finland
- UNIC, Italian Tanners' Association
- VDA: German Association of the Automotive Industry
- WDK: German manufacturers of tyres and technical elastomers products
- WKO (Austria)
- WVIB: German industrial companies Baden
- ZVEI: German's electrical industry trade association (German Electrical and Electronic Manufacturers' Association).

4.6 KEY CONCLUSIONS

The key conclusions of this analysis are as follows:

- SME importers demonstrated an awareness of Regulation 2017/821, indicating that they knew the Regulation was pending or had been adopted (depending on when they answered the questionnaire or else spoke to the researchers in interviews). SME importers generally take a very pragmatic response to the Regulation: they want to work out whether they are in scope (and some voiced frustration that certain import thresholds remain to be set) and, if so, what they need to do and when by. There was some confusion as to when the Regulation applied, not everyone with whom the researchers were in communication appreciated that most requirements take effect from January 2021.
- The SME importers surveyed were divisible into two groups: those that already conduct supply chain due diligence ("practising importers") and those that do not ("non-practising importers"). This division represented a near-enough even split; it proved interesting for analysis as there was some variation between the practising and the non-practising on perceived due diligence challenges, not to mention preferences towards help with due diligence, support and training options, and organisations SMEs might turn to for assistance.
- Regarding due diligence challenges, getting documentation from suppliers and then knowing whether it is right or wrong (e.g. because of uncertainty over multiple industry certifications, not all of which certify the same minerals or to the same extent) constituted the greatest hurdles. Due diligence practising and non-practising SMEs alike agreed on this.

- Overall, SME importers considered the potential help of “example questions to ask suppliers”, “guidance on what information to expect from suppliers” and “guidance on how to verify this information” of value. There was some variation between due diligence practising SME importers and their non-practising counterparts over these options though. The non-practising contingent rated example questions a lot higher than practitioners – something that suggests the help sought to overcome initial inertia regarding due diligence practice is likely to differ to the help sought with regards maintaining and/or furthering due diligence practice once underway. Comparatively little interest was expressed in getting guidance on how to perform audits.
- Again considered overall, SME importers appear to put most stock in an educational website, webinars and guidance documents by way of support and training. Interestingly, there was then some divergence between due diligence practising and non-practising importers: for the non-practitioners, in-person training and the option of using an online chat forum proved attractive; this was not the case with practitioners (by comparison, they placed a lot more stock in online training). This seems to reinforce the earlier conclusion drawn regarding help sought; if an SME has yet to conduct supply chain diligence certain support and training options appear preferable – typically those that involve more personal interaction with the chance to ask questions. Once an SME is practising supply chain due diligence though, other support and training options appear to come into their own and are preferred, e.g. guidance documents.
- As to who SME importers might turn to for help in fulfilling their due diligence obligations, their main preference was national governments/agencies closely followed by the European Commission and national trade associations/chambers of commerce. Here again, though, there was a difference of note between due diligence practising and non-practising SME importers. The former rated the Commission and national governments/agencies more highly; the latter emphasised national trade associations. This could say something about non-practising SME importers being unwilling to contact officialdom when they are not yet conducting due diligence; they may fear bringing unwanted regulatory attention on themselves. Such concerns need to be considered when it comes to the implementation of any support system: would the SMEs for whom it is intended actually be happy to contact the system operators?
- SME importers were found to be members of a core of 24 trade associations, mainly national and international in scope. Few were members of pan-European trade associations. This trend was replicated when looking at the trade association memberships of the 130 non-3TG importing SMEs that answered the research questionnaire; few pan-European trade associations featured.
- In interviews with the researchers, SMEs expressed most interest in practical information and tools like fact sheets and checklists. By and large they wanted to be told what they needed to do, by when and what to keep on file. Some interviewees also advised on specific ways and means of winning more SMEs over to conducting supply chain due diligence. These included:
 - Keeping online training sessions (e.g. webinars) of short duration. This was advised to counteract the time pressures a typical SME employee is under; it is preferable to have a short series of sessions to run through than fewer long duration sessions. It was suggested that this is more likely to sustain employee interest too.
 - Cater to your audience. In the gem and jewellery sector, for example, the audience is more likely to be visually inclined/stimulated and of a creative outlook; ensure that the training plays to these interests where possible.
 - Express the business case and the potential reputational damage/financial losses that could be incurred through non-adherence with due diligence obligations.

APPENDIX A COPY OF RESEARCH QUESTIONNAIRE TEXT

Introduction

Thank you for taking part in this survey. It relates to small and medium sized businesses that import ores, concentrates, compounds and/or metals into the EU. You are invited to participate if you work for a business like this.

Most of the questions are multiple choice, please answer all of them. The survey should take 10-15 minutes to do.

All survey answers will be anonymised before reporting.

Business Details

1. Please indicate which country your business is based in from the list below:

Austria	Belgium	Bulgaria	Croatia	Cyprus
Czech Republic	Denmark	Estonia	Finland	France
Germany	Greece	Hungary	Ireland	Italy
Latvia	Lithuania	Luxembourg	Malta	Netherlands
Poland	Portugal	Romania	Slovakia	Slovenia
Spain	Sweden	United Kingdom	A country outside of the EU	

2. Please state if your business has:

Fewer than 250 employees / More than 250 employees

3. Please state if your business turnover is:

Less than 50 million Euros (or whatever the equivalent in your currency) / More than 50 million Euros (or whatever the equivalent in your currency)

Imports - Tin

4. Does your business import ores, concentrates, compounds and/or metals of TIN from outside the EU?

Yes / No

Tin

5. Please indicate which of the following your business imports from outside the EU. Please choose all that apply. [Choices of: Don't import < 1 400 kg per year > 1 400 kg per year > 2 100 kg per year > 5 000 kg per year > 10 000 kg per year > 100 000 kg per year]

- Tin ores and concentrates (CN code 2609 00 00)
- Tin oxides and hydroxides (CN code ex 2825 90 85)
- Tin chlorides (CN code 2827 39 10)
- Tin, unwrought (CN code 8001)
- Tin bars, rods, profiles and wires (CN code 8003 00 00)
- Tin, other articles (CN code 8007 00)

Imports - Tantalum

6. Does your business import ores, concentrates, compounds and/or metals of TANTALUM from outside the EU?

Yes / No

Tantalum

7. Please indicate which of the following your business imports from outside the EU. Please choose all that apply. [Choices of: Don't import this < 150 kg per year > 150 kg per year > 2 500 kg per year]

Tantalum or niobium ores and concentrates (CN code ex 2615 90 00)

Tantalates (CN code ex 2841 90 85)

Carbides of tantalum (CN code ex 2849 90 50)

Tantalum, unwrought including bars and rods, obtained simply by sintering; powders (CN code 8103 20 00)

Tantalum bars and rods, other than those obtained simply by sintering, profiles, wire, plates, sheets, strip and foil, and other (CN code 8103 90)

Imports - Tungsten

8. Does your business import ores, concentrates, compounds and/or metals of TUNGSTEN from outside the EU?

Yes / No

Tungsten

9. Please indicate which of the following your business imports from outside the EU. Please choose all that apply. [Choices of: Don't import this < 250 kg per year > 250 kg per year > 350 kg per year > 500 kg per year > 2 500 kg per year > 10 000 kg per year > 25 000 kg per year > 100 000 kg per year > 250 000 kg per year]

Tungsten ores and concentrates (CN code 2611 00 00)

Tungsten oxides and hydroxides (CN code 2825 90 40)

Tungstates (CN code 2841 80 00)

Carbides of tungsten (CN code 2849 90 30)

Ferrotungsten and ferro- silico-tungsten (CN code 7202 80 00)

Tungsten powders (CN code 8101 10 00)

Tungsten, unwrought, including bars and rods obtained simply by sintering (CN code 8101 94 00)

Tungsten wire (CN code 8101 96 00)

Tungsten bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil, and other (CN code 8101 99)

Imports - Gold

10. Does your business import ores, concentrates, compounds and/or metals of GOLD from outside the EU?

Yes / No

Gold

11. Please indicate which of the following your business imports from outside the EU. Please choose all that apply. [Choice of: Don't import this < 100 kg per year > 100 kg per year]

Gold ores and concentrates (CN code ex 2616 90 00)

Gold, unwrought or in semi-manufactured forms, or in powder with a gold concentration lower than 99,5% that has not passed the refining stage (CN code ex 7108)

Conflict Minerals

12. How familiar are you with the term "conflict minerals"?

I've never heard of it

I've heard of it, but I couldn't tell you what it means

I've heard of it and could explain it to you

Due Diligence

13. How familiar are you with the term "due diligence"?

I've never heard of it before
I've heard of it, but couldn't tell you what it really means
I've heard of it and could explain it to you

14. Does your business currently conduct any due diligence? If so, in what areas? Please indicate all that apply:

Finance
Health and safety
Environment
Supplier performance
Other

15. If you answered "other" in the previous question, please state what type of due diligence activity is undertaken:

Supply Chain Due Diligence

16. More specifically now, do you exercise due diligence insourcing materials? This is sometimes known as "supply chain due diligence".

Yes / No / Don't know

Existing Supply Chain Due Diligence

17. Who in your business does the supply chain due diligence? Please state their job title and role:

18. Please describe the supply chain due diligence your business conducts. For example, it could be your business participates in an industry scheme like that of the Responsible Jewellery Council or the iTSCI Programme. Please name the scheme(s) if relevant.

19. If relevant, what would you want to change about the industry scheme(s) to make it/them more helpful to your business? Please describe the desired changes below:

Due Diligence Challenges

20. What, if any, challenges do you have conducting supply chain due diligence? Please tick all that apply:

Unable to trace back in our supply chains
Suppliers do not provide requested information
Customers fail to provide relevant information/advice on what information they want us to collect about our supply chain
Difficult to reliably assess information received from suppliers
Variation in reporting templates
It increases supply chain management costs
We do not have the people to do it
Other (please specify)

Industry Support

21. What would help your business conduct supply chain due diligence? Please choose all that apply:

Example questions to ask our suppliers
Guidance on what information to expect from suppliers
Guidance on how to verify this information
Guidance on how to perform audits
All of the above
None of the above
Other (please specify)

22. Which of the following due diligence support and training opportunities do you think you would use, if free of charge and easily accessible:

- Educational website
- Webinars
- Online chat forum
- Educational video
- Guidance document
- Online training
- In-person training
- All of the above
- None of the above

23. If any of the following organisations offered free due diligence training would you use it? Please choose all that apply.

- European Commission
- National government or government agency
- National trade association or chamber of commerce
- European trade association or chamber of commerce
- Organisation for Economic Co-operation and Development (OECD)
- Conflict-Free Sourcing Initiative (CFSI)
- All of the above
- None of the above

Trade Association Involvement

24. Is the business for which you work a member of a trade (or industry) association?

Yes / No / Don't know

25. If you answered "yes" to the above, please name the trade association(s):

Follow Up

26. Would you be willing to participate in a 30 minute follow up phone interview to provide more information about your experiences with due diligence and the support systems you would like to exist in the EU? Anything you say will be treated in the strictest confidence. If yes, please answer the below questions and one of the research team will be in contact to schedule a suitable date and time.

Yes / No

27. Please give your business name:

28. Please give your name:

29. Please give your telephone number:

30. Please give your email address:

31. Please state your preferred language for interview:

Thank You - Survey Complete

APPENDIX B LIST OF ORGANISATIONS CONTACTED (TASKS 1.1 & 1.2)

ABL, Autobransjens Leverandørforening
ACAP, Associação do Comércio Automovel de Portugal
ADIRA, Associazione Distributori Indipendenti Ricambi Autoveicoli
ADPAR, Asociatia Distribuitorilor de Piese Auto din Romania
ADS
AFNUM
AGEFE
Agoria
AHAM
AMDEA
American Tin Trade Association
AMETIC
ANFALUM
ANIS - Employers' Association of the Software and Services Industry
ANITEC
Antwerp World Diamond Centre
AOT, Teknisen Kaupan ja Palveluiden yhdistys, Autonosatukkukauppiat –jaosto
APDETIC
APMI
Apomed
ASD
Asociacion Española de Joyeros, Plateros y Relojeros
Assemblée Permanente des Chambres de Métiers et de l'artisanat (APCMA)
Assil, Associazione Nazionale Produttori Illuminazione
Associacao De Ouriversaria E Relojoaria De Portugal
Associação dos Industriais Metalurgicos, Metalomecanicos e Afins de Portugal
Associação Industrial Portuguesa (AIP)
Association Connecting Electronics Industries (IPC)
Association of British Healthcare Industries (ABHI)
Association of Enterprises in the Technological Industrial Sector
Association of Lithuanian Chambers of Commerce, Industry & Crafts
Association of Mechanical Engineering and Metalworking Industries of Latvia
Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic
Association of X-Ray Equipment Manufacturers (AXrEM)
Associazione PMI
Assoluce
Austrian Economic Chambers (WKO)
Austrian Non-Ferrous Metals Association
Austrian Standards Institute
AustroMed
AUTIG Autobranchens Handels- & Industriforening i Danmark
Automotive Industry Action Group (AIAG)
BAIT
BEAMA
BEIS
BeMedTech
Better Sourcing Program

Bitkom
British Stainless Steel Association
British Standards Institution
Build UK
Bulgarian Association of Electrical Engineering and Electronics
Bulgarian Institute for Standardisation
Bulgarian Institute for Standardization
Bulgarian Small and Medium Enterprises Promotion Agency
Bundesgremium des Juwelen-, Uhren-, Kunst-, Antiquitäten- und Briefmarkenhandels
Bundesverband Schmuck, Uhren, Silberwarenindustrie
Bureau de Normalisation/Bureau voor Normalisatie
Business Union of Latvia
BVMed
CECED (European Committee of Domestic Equipment Manufacturers)
CECIMO
CEN-CENELEC SME Helpdesk
Cerame-Unie/EuTeCer
Chamber of Commerce and Industry of Slovenia - GZS
Chamber of Craft and Small Business of Slovenia (OZS)
Chamber of Industry and Commerce in Romania
Chamber of Small and Medium Enterprises (GRTU)
Chambers Ireland
Chambres des Métiers du Grand Duché de Luxembourg
Chartered Institute of Building
CIBJO, World Jewellery Confederation
Cobalt Development Institute (CDI)
COCIR
CONFAPI
Confartigianato Imprese
Confédération des PME (CPME)
Confederation of Danish Industry
Confederation of Swedish Enterprise
Confederazione Nazionale dell'Artigianato e delle Piccole e Medie Imprese (CAN)
Confindustria Federorafi
Conflict-Free Sourcing Initiative (CFSI)
Conseil Supérieur du Bijou et de la Montre
Construction Industry Council (CIC)
Croatian Employers' Association
Croatian Standards Institute
Cyprus Chamber of Commerce and Industry (CCCI)
Cyprus Information Technology Enterprises Association (CITEA)
Cyprus Jewellers Association
Cyprus Organization for Standardisation
Czech Chamber of Commerce
Czech Office for Standards, Metrology and Testing
Danish Federation of Small and Medium Sized Enterprises
Danish Standardisation Organisation
DG GROW, European Commission
DG Trade, European Commission

DI Digital – the Danish ICT and Electronics Federation
Digital Europe
Digital Turkey Platform
DMCC
Door and Hardware Federation
EAMA Engineering and Machinery Alliance
EASME, European Commission
ECID
EGGA (European General Galvanisers Association)
EICC
Electronic Components Industry Association (ECIA)
Engineering Construction Industry Association (ECIA)
Enterprise Europe Network, European Commission
EPMA (European Powder Metallurgy Association)
Estonian Association of SMEs (EVEA)
Estonian Centre for Standardisation
Estonian Electronics Industries Association
Estonian Engineering Industry Association
EU SME Centre (China)
EU SME Envoy Network, European Commission
EUROFER
Eurometaux
EuropaBio
European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines)
European Automobile Manufacturers Association (ACEA)
European Builders Confederation (EBC)
European Cold Storage and Logistics Association
European Construction Institute (ECI)
European Copper Institute/Copper Alliance
European Defence Agency (EDA)
European Metal Union
European Small Business Alliance (ESBA)
European Small Business Portal, European Commission
Exploration & Mining Division of the Department of Communications, Climate Action & the Environment
Fachverband der Elektro- und Elektronikindustrie Österreichs
Fachverband Maschinen & Metallwaren Industrie
Fasmed
FEDA – Fédération des Syndicats de la Distribution Automobile
Federatie Goud & Zilver
Fédération des Artisans (FDA)
Fédération des Industries Electriques, Electroniques et de Communication
Fédération des Industries Mécaniques
Fédération du matériel pour l'automobile
Federation of Finnish Enterprises (FFE)
Federation of Irish Jewellers
Federation of Small Businesses
Federation of the Swiss Watch Industry
Federazione delle Associazioni Nazionali dell' Industria Meccanica varia ed affine
Federazione Nazionale Industrie Elettrotecniche ed Elettroniche

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

FEDET
Fedil Metal
FIAR
FIEC
Finland Association for Standardisation
FME
Force NUMérique
Foreningen Teknikforetagen i Sverige (The Association of Swedish Engineering Industries)
French National Association for Medical Technology Industries (SNITEM)
French Standardisation Association (AFNOR)
GAMBICA, Association for Instrumentation, Control, Automation and Laboratory Technology
German Institute for Standardization
German Metals Trade Association (WVM)
GeSi (Global e-Sustainability Initiative)
GIL, Syndicat du Luminaire
Greek Mining Enterprises Association
GTMA
Guldsmedefagets Faellesrad (National Board of The Goldsmiths Trade in Denmark)
GVA-Gesamtverband Autoteile-Handel
GZS-MPIA
Håndværksrådet
Hellenic Confederation of Commerce and Entrepreneurship (ESEE)
Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE)
Hrvatska Obrtnicka Komora (HOK)
Hungarian Mining Association
Hungarian Standards Institution
IAAF -Independent Automotive Aftermarket Federation
ICT Ireland
IGNES
Infobalt
Infopark
Institute of Materials, Minerals and Mining
Institute of Spring Technology
International Diamond Manufacturers Association
International Federation of Automotive Aftermarket Distributors
International Network for Small and Medium Sized Enterprises
International Tungsten Industry Association
Internetoffensive Österreich (IOÖ)
Irish Engineering Enterprises Federation
Irish Medtech Association
Irish Small & Medium Enterprises Association
IT Ukraine
IT&Telekomforetagen
Italian National Association for the Non-Ferrous Industry (ASSOMET)
Italian National standardisation Body
ITAS - IT Asociacia Slovenska
IT-Branchen
ITIA (International Tungsten Industry Association)
ITL

ITRI
IVSZ - Hungarian Association of IT Companies
Japan Business Council in Europe (JBCE)
Kereskedők Es Vendéglátók Országos Erdekképviselői Szövetsége (KISOSZ)
KIGEIT
La fédération de l'industrie technologique – De federatie van de technologische industrie
LARDIA
Latvian Standard (LVS)
Lighting Europe
LINPRA The Engineering Industries Association of Lithuania
Lithuanian Standards Board
London Bullion Market Association
Lugano Commodity Trading Association (LCTA)
L'Union de la Bijouterie et Horlogerie
Luxembourg for Business
Luxembourg Organization of Standardisation (ILNAS)
Malta Chamber of Commerce
Malta Competition & Consumer Affairs Authority
Malta Enterprise
MEDEF
MedicoIndustrien
MedTech Europe
MedTech Sweden
Metal Events
Metal Processing Industry Association"
Minor Metals Trade Association (MMTA)
MMTA (Minor Metals Trade Association)
Motion Control & Motor Association (MCMA)
Mouvement des entreprises de France - MEDEF
National Quality Infrastructure System
National Standards Authority of Ireland
Nederland ICT
Nederlandse Organisatie van Ondernemers in het Midden-en Kleinbedrijf in de Metaal
Nefemed
Netherlands Enterprise Agency
Netherlands Institute of Standardisation
Norsk Industri
OECD
ORGALIME
PIIT
Platinum Guild International
Polish Committee for Standardization
Polish Economic Chamber of Electrotechnics
Portuguese Quality Institute
POVAKO
RAI Vereniging/ Autovak – Rijwiel & Automobiël Industrie
Responsible Jewellery Council (RJC)
Romanian Standards Association (ASRO)
SAA, Swiss Automotive Aftermarket

SBF, Sveriges Bildelsgrossisters Förening
SDCM, Stowarzyszenie Dystrybutorów Czesci Motoryzacyjnych
Sdruzeni Importeru Soucasti Automobilu
SEPE, Federation of Hellenic Information Technology & Communications Enterprises
SERCOBE Asociación Nacional de Fabricantes de Bienes de Equipo
Sindicato Nacional da Indústria da Extração do Estanho (SNIEE)
Slovak Business Agency (SBA)
Slovak Office of Standards Metrology and Testing
Slovenia Chamber of Commerce and Industry
Small Firms Association
SME Association of the Croatian Employers' Association
SME Europe (Small and Medium Entrepreneurs of Europe)
SMMT, The Society of Motor Manufacturers & Traders Ltd
Spanish Association of Jewellery Makers
Spanish Association of Standardisation and Certification
SPECTARIS
Suomen Kultaseppien Liitto (Finnish Goldsmith's association)
Surface Engineering Association
Swedish Standards Institute
SWICO
SWISSMEM Schweizer Maschinen-, Elektro- und Metallindustrie
Syndicat de l'eclairage
Tantalum-Niobium International Study Center
Tech In France
TechAmerica
Technology Industries of Finland
Technology Industries of Finland (TIF)
techUK
TEKNIKFÖRETAGEN The Association of Swedish Engineering Industries
The Association of European Experts in Building and Construction (AEEBC)
The Association of Mining Analysts (AMA)
The Engineering Industries Association of Latvia (LINPRA)
The European Steel Association (Eurofer)
The German Association for Small and Medium-sized Businesses
The German Non-Ferrous Metals Association (WVM)
The Goldsmith's Centre
The Hungarian National Association of Machinery and Power Engineering Industries
The International Precious Metals Institute (IPMI)
The Lighting Industry Association
The National Association of Jewellers (NAJ)
The Slovak Association of Exporters and Importers
Tungsten Industry - Conflict Minerals Council
UEAPME (European Association of Craft, Small and Medium-Sized Enterprises)
UK Bioindustry Association
Union des Classes Moyennes (UCM)
Union Européenne des Transporteurs Routiers
Union for Private Economic Enterprise (UPEE)
Union Francaise de la BJOP
Union Professionnelle de l'Artisanat (UPA)

UNIZO International
Verband der freien KFZ-Teile-Fachhändler
Verband Deutscher Maschinen- und Anlagenbau e.V.
Wirtschaftsverband Stahl- und Metallverarbeitung e.V.
World Association for Small and Medium Enterprises
World Gold Council
Zentralverband des Deutschen Handwerks und Unternehmervverband Deutsches Handwerk (ZDH und UDH)
ZIPSEE Digital Poland
ZVEI

APPENDIX C LIST OF ORGANISATIONS CONTACTED (TASK 1.3)

ADIRA, Associazione Distributori Indipendenti Ricambi Autoveicoli
ADS
AFNUM
AGEFE
Agoria
AMDEA
AMETIC
ANFALUM
ANIS, Employers' Association of the Software and Services Industry
ANITEC
AOT, Teknisen Kaupan ja Palveluiden yhdistys, Autonosatukkukauppiat –jaosto
APDETIC
APMI
Apormed
ASD
Assemblée Permanente des Chambres de Métiers et de l'artisanat (APCMA)
Assil, Associazione Nazionale Produttori Illuminazione
Associacao De Ouriversaria E Relojoaria De Portugal
Associação dos Industriais Metalurgicos, Metalomecanicos e Afins de Portugal
Associação Industrial Portuguesa (AIP)
Association of British Healthcare Industries (ABHI)
Association of Enterprises in the Technological Industrial Sector
Association of Lithuanian Chambers of Commerce, Industry & Crafts
Association of Mechanical Engineering and Metalworking Industries of Latvia
Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic
Association of X-Ray Equipment Manufacturers (AXrEM)
Associazione PMI
Assoluce
Austrian Economic Chambers (WKO)
Austrian Non-Ferrous Metals Association
AUTIG Autobranchens Handels- & Industriforening i Danmark
BAIT
BDI
BEAMA
BeMedTech
Better Sourcing Program
British Stainless Steel Association
British Standards Institution
Build UK
Bulgarian Association of Electrical Engineering and Electronics
Bulgarian Institute for Standardisation
Bulgarian Small and Medium Enterprises Promotion Agency
Bundesgremium des Juwelen-, Uhren-, Kunst-, Antiquitäten- und Briefmarkenhandels
Bundesverband Schmuck, Uhren, Silberwarenindustrie
Bureau de Normalisation/Bureau voor Normalisatie
Business Europe
Business Union of Latvia

BVMW - The German Association for Small and Medium-sized Businesses
CECED (European Committee of Domestic Equipment Manufacturers)
CECIMO
CEN-CENELEC SME Helpdesk
Cerame-Unie/EuTeCer
Chamber of Commerce and Industry of Slovenia - GZS
Chamber of Craft and Small Business of Slovenia (OZS)
Chamber of Industry and Commerce in Romania
Chamber of Small and Medium Enterprises (GRTU)
Chambres des Métiers du Grand Duché de Luxembourg
Chartered Institute of Building
COCIR
CONFAPI
Confartigianato Imprese
Confédération des PME (CPME)
Confederation of Danish Enterprise
Confederation of Danish Industry
Confederation of Swedish Enterprise (SN)
Confederazione Nazionale dell'Artigianato e delle Piccole e Medie Imprese (CAN)
Confindustria
Confindustria Federorafi
Conflict-Free Sourcing Initiative (CFSI)
Conseil Supérieur du Bijou et de la Montre
Construction Industry Council (CIC)
Consultant to Belgian Government
Croatian Employers' Association
Croatian Standards Institute
Cyprus Chamber of Commerce and Industry (CCCI)
Cyprus Information Technology Enterprises Association (CITEA)
Cyprus Jewellers Association
Cyprus Organization for Standardisation
Cyprus-Hungary Business Association
Czech Chamber of Commerce
Czech Office for Standards, Metrology and Testing
Danish Federation of Small and Medium Sized Enterprises
DI Digital – the Danish ICT and Electronics Federation
Digital Europe
EAMA
EEF
Engineering Construction Industry Association (ECIA)
Enterprise Europe Network
EPMA (European Powder Metallurgy Association)
EPRM
Estonian Association of SMEs (EVEA)
Estonian Centre for Standardisation
Estonian Electronics Industries Association
Estonian Engineering Industry Association
Eurofer
Eurometaux

European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines)
European Automobile Manufacturers Association (ACEA)
European Builders Confederation (EBC)
European Cold Storage and Logistics Association
European Construction Institute (ECI)
European Federation of Jewellery (EFJ)
European Metal Union
European Small Business Alliance (ESBA)
Fachverband der Elektro- und Elektronikindustrie Österreichs
Fachverband Maschinen & Metallwaren Industrie
FEDA, Fédération des Syndicats de la Distribution Automobile
Federatie Goud & Zilver
Fédération des Artisans (FDA)
Fédération des Industries Electriques, Electroniques et de Communication
Fédération des Industries Mécaniques
Fédération du matériel pour l'automobile
Federation of Finnish Enterprises (FFE)
Federation of Small Businesses
Federazione delle Associazioni Nazionali dell' Industria Meccanica varia ed affine
Federazione Nazionale Industrie Elettrotecniche ed Elettroniche
FEDET
Fedil Metal
FIAR
FIEC
Finland Association for Standardisation
Force NUMérique
Foreningen Teknikforetagen i Sverige (The Association of Swedish Engineering Industries)
French Standardisation Association (AFNOR)
GAMBICA
German Goldsmith's House
German Non-Ferrous Metals Association (WVM)
GeSi (Global e-Sustainability Initiative)
GIL, Syndicat du Luminaire
Greek Mining Enterprises Association
GTMA
Guldsmedefagets Faellesrad (National Board of The Goldsmiths Trade in Denmark)
GZS-MPIA
Håndværksrådet
Hellenic Confederation of Commerce and Entrepreneurship (ESEE)
Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE)
Hrvatska Obrtnicka Komora (HOK)
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ICT Ireland
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ITAS - IT Asociacia Slovenska
IT-Branchen
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ITL
ITRI
IVSZ - Hungarian Association of IT Companies
Japan Business Council in Europe (JBCE)
La fédération de l'industrie technologique – De federatie van de technologische industrie
LARDIA
Latvian Standard (LVS)
Le SNI - Syndicat Neutre pour Indépendants
Lighting Europe
LINPRA, The Engineering Industries Association of Lithuania
Lithuanian Standards Board
London Bullion Market Association
L'Union de la Bijouterie et Horlogerie
Luxembourg for Business
Malta Chamber of Commerce
Malta Competition & Consumer Affairs Authority
Malta Enterprise
MedicoIndustrien
MedTech Europe
MedTech Sweden
Minor Metals Trade Association (MMTA)
MMTA (Minor Metals Trade Association)
Mouvement des entreprises de France - MEDEF
National Standards Authority of Ireland
Nederland ICT
Nederlandse Organisatie van Ondernemers in het Midden-en Kleinbedrijf in de Metaal
Nefemed
Netherlands Enterprise Agency
Netherlands Institute of Standardisation
ONL voor Ondernemers
ORGALIME
PIIT
Polish Committee for Standardization
Polish Economic Chamber of Electrotechnics
Portuguese Quality Institute
POVAKO
RAI Vereniging/ Autovak – Rijwiel & Automobiel Industrie
Responsible Jewellery Council (RJC)
Romanian Standards Association (ASRO)

SBICCO, Small Business International Cooperation Office
SDCM, Stowarzyszenie Dystrybutorów Czesci Motoryzacyjnych
SEPE - Federation of Hellenic Information Technology & Communications Enterprises
SERCOBE, Asociación Nacional de Fabricantes de Bienes de Equipo
Slovak Business Agency (SBA)
Slovak Office of Standards Metrology and Testing
Slovenia Chamber of Commerce and Industry
SME Association of the Croatian Employers' Association
SME Europe (Small and Medium Entrepreneurs of Europe)
SMMT -The Society of Motor Manufacturers & Traders Ltd., Aftermarket Section
Spanish Association of Standardisation and Certification
Suomen Kultaseppien Liitto (Finnish Goldsmith's association)
Swedish Standards Institute
Syndicat de l'eclairage
Tantalum-Niobium International Study Center
Tech In France
TechAmerica
Technology Industries of Finland (Brussels Office)
techUK
TEKNIKFÖRETAGEN, The Association of Swedish Engineering Industries
The Association of European Experts in Building and Construction (AEEBC)
The Association of Mining Analysts (AMA)
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The European Steel Association (Eurofer)
The Goldsmith's Centre
The Hungarian National Association of Machinery and Power Engineering Industries
The International Precious Metals Institute (IPMI)
The Lighting Industry Association
The National Association of Jewellers (NAJ)
The Slovak Association of Exporters and Importers
Tungsten Industry - Conflict Minerals Council
UEAPME (European Association of Craft, Small and Medium-Sized Enterprises)
UMU
Union des Classes Moyennes (UCM)
Union Européenne des Transporteurs Routiers
Union Francaise de la BJOP
Union Professionnelle de l'Artisanat (UPA)
United Business Clubs
University of Graz
UNIZO International
VDM
Verband der freien KFZ-Teile-Fachhändler
Verband Deutscher Maschinen- und Anlagenbau e.V.
World Association for Small and Medium Enterprises
World Gold Council
WSM
Zentralverband des Deutschen Handwerks und Unternehmerverband Deutsches Handwerk (ZDH und UDH)
ZIPSEE Digital Poland
ZVEI

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

APPENDIX D COPIES OF EXTRACTED EUROSTAT DATA & ASSOCIATED CALCULATIONS

DATA USED IN SECTION 3.1.1, IMPORT OF 3TGS INTO THE EU

DS-045409-EU Trade Since 1988 by HS2, 4, 6 and CN8

Extracted on 2017/02/20 12:20:06

FLOW INDICATORS IMPORT QUANTITY_IN_100KG

REPORTER	CN CODE	PRODUCT/PERIOD	EU28_EXTRA Jan.-Dec. 2015	% of each mineral	% of the 3TGs as a whole
TUNGSTEN					
EU28	26110000	TUNGSTEN ORES AND CONCENTRATES	8,775	6.3%	0.9%
EU28	810199	ARTICLES OF TUNGSTEN, N.E.S.	4,398	3.1%	0.5%
EU28	81019600	TUNGSTEN WIRE	1,650	1.2%	0.2%
EU28	81019400	UNWROUGHT TUNGSTEN, INCL. BARS AND RODS OF TUNGSTEN OBTAINED SIMPLY BY SINTERING	477	0.3%	0.0%
EU28	28259040	TUNGSTEN OXIDES AND HYDROXIDES	35,402	25.4%	3.7%
EU28	81011000	TUNGSTEN POWDERS	3,318	2.4%	0.3%
EU28	72028000	FERRO-TUNGSTEN AND FERRO-SILICO-TUNGSTEN	30,368	21.7%	3.1%
EU28	28499030	CARBIDES OF TUNGSTEN, WHETHER OR NOT CHEMICALLY DEFINED	11,539	8.3%	1.2%
EU28	28418000	TUNGSTATES "WOLFRAMATES"	43,700	31.3%	4.8%
TOTAL TUNGSTEN			139,627	100.0%	
TIN					
EU28	26090000	TIN ORES AND CONCENTRATES	1,138	0.2%	0.1%
EU28	28273910	TIN CHLORIDES	4,672	0.8%	0.5%
EU28	8001	UNWROUGHT TIN	479,989	83.8%	49.7%
EU28	80030000	TIN BARS, RODS, PROFILES AND WIRE, N.E.S.	9,196	1.6%	1.0%
EU28	800700	ARTICLES OF TIN, N.E.S.	53,574	9.4%	5.5%
EU28	28259085	INORGANIC BASES AND METAL OXIDES, HYDROXIDES AND PEROXIDES, N.E.S.	23,953	4.2%	2.5%
TOTAL TIN			572,522	100.0%	
TANTALUM					
EU28	81032000	UNWROUGHT TANTALUM, INCL. BARS AND RODS OF TANTALUM OBTAINED SIMPLY BY SINTERING; TANTALUM POWDERS	1,641	2.6%	0.0%
EU28	810390	ARTICLES OF TANTALUM, N.E.S.	565	0.9%	0.2%
EU28	28499050	CARBIDES OF ALUMINIUM, OF CHROMIUM, OF MOLYBDENUM, OF VANADIUM, OF TANTALUM, AND OF TITANIUM, WHETHER OR NOT CHEMICALLY DEFINED	9,732	15.4%	0.1%
EU28	28419085	SALTS OF OXOMETALLIC OR PEROXOMETALLIC ACIDS (EXCL. CHROMATES, DICHROMATES, PEROXOCHROMATES, MANGANITES, MANGANATES, PERMANGA	44,694	70.8%	1.0%
EU28	26159000	NIObIUM, TANTALUM OR VANADIUM ORES AND CONCENTRATES	6,528	10.3%	4.6%
TOTAL TANTALUM			63,160	100.0%	
GOLD					
EU28	7108	GOLD, INCL. GOLD PLATED WITH PLATINUM, UNWROUGHT OR NOT FURTHER WORKED THAN SEMI-MANUFACTURED OR IN POWDER FORM	6,966	3.7%	0.7%
EU28	26169000	PRECIOUS-METAL ORES AND CONCENTRATES (EXCL. SILVER ORES AND CONCENTRATES)	183,548	96.3%	19.0%
TOTAL GOLD			190,514	100.0%	
GRAND TOTAL			965,823		99.3%

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

DS-045409-EU Trade Since 1988 by HS2, 4, 6 and CN8													Metal prices				Exchange rate				Summary								
													Tin	Tantalum	Tungsten	Gold	Tin	Tantalum	Tungsten	Gold	Quantity of commodity (tonnes) based on CN code	Tin	Tantalum	Tungsten	Gold				
Extracted on 2017/02/20 12:20:06													Price	16067	174000	40320	1160	16067	174000	40320	1160	Metal (tonnes) based on price	57,252	6,316	13,963	19,051			
FLOW IMPORT													Units	\$/tonne	\$/lb	\$/kg	\$/troy oz					Metal (tonnes) based on price	54,215	895	10,305	684			
INDICATORS VALUE_IN_EUROS													Conversion (weight to g)	1000000	1000000	1000000	31.103522	Exchange rate				Average concentration	89%	14%	74%	4%			
													Conversion (currency to €)	1.067	1.067	1.067	1.067	Source				Metal (tonnes) based on adjusted price	56,693	834	8,452	684			
													Price (€/g)	0.015	0.16	0.04	34.95	Price				Average concentration	99%	13%	61%	4%			
													Price (€/kg)	15	163	38	34945	Concentration											
Value													PG				Metal price (€/tonne) manually adjusted				Concentration				Metal quantity (tonnes) based on price				
REPORTER	CN Code	PARTNER PRODUCT/PERIOD	EU28 EXTRA Jan-Dec. 2015	Metal	Quantity (tonnes)	Proportion of total by metal				Tin	Tantalum	Tungsten	Gold	Metal (tonnes)	Concentration Calculated Likely Act	Tin	Tantalum	Tungsten	Gold	Tin	Tantalum	Tungsten	Gold	Metal (tonnes)	Concentration Original Used	Tin	Tantalum	Tungsten	Gold
EU28	26090000	Tin Ores And Concentrates	217,936	Tin	113.80	0.12%	113.80						15,055	14.48	12.72%	47.26%	14.48			4,052				53.78	12.72%	47.26%	53.78		
EU28	26110000	Tungsten Ores And Concentrates	57,004,336	Tungsten	877.50	0.91%		877.50					37,780	1,508.86	171.95%	38.32%				169,533				336.24	171.95%	38.32%		336.24	
EU28	26159000	Niobium, Tantalum Or Vanadium Ores And Concentrates	9,047,394	Tantalum	652.80	0.68%		652.80					163,038	55.49	8.50%	0.70%				1,969,893				4.59	8.50%	0.70%		4.59	
EU28	26169000	Precious-Metal Ores And Concentrates (Excl. Silver Ores And Concentrates)	687,127,722	Gold	18,354.80	19.00%							34,945,239	19.66	0.11%	0.11%				34,945,239				19.66	0.11%	0.11%		19.66	
EU28	7108	Gold, Incl. Gold Plated With Platinum, Unwrought Or Not Further Worked Than Semi-Manufactured Or In Powder Form	23,228,557,766	Gold	696.60	0.72%							34,945,239	664.71	95.42%	95.42%				34,945,239				664.71	95.42%	95.42%		664.71	
EU28	28259040	Tungsten Oxides And Hydroxides	81,039,122	Tungsten	3,540.20	3.67%		3,540.20					37,780	2,145.04	60.59%	79.29%				28,869				2,807.11	60.59%	79.29%		2,807.11	
EU28	28259085	Inorganic Bases And Metal Oxides, Hydroxides And Peroxides, N.E.S.	36,798,599	Tin	2,395.30	2.48%	2,395.30						15,055	2,444.31	102.05%	88.12%	2,444.31			17,434				2,110.78	102.05%	88.12%	2,110.78		
EU28	28273910	Tin Chlorides	5,235,843	Tin	467.20	0.48%	467.20						15,055	347.79	74.44%	54.09%	347.79			20,720				252.69	74.44%	54.09%	252.69		
EU28	28418000	Tungstates "Wolframates"	76,857,923	Tungsten	4,370.00	4.52%		4,370.00					37,780	2,034.36	46.55%	49.84%				35,290				2,177.89	46.55%	49.84%		2,177.89	
EU28	28419085	Salts Of Oxometallic Or Peroxometallic Acids (Excl. Chromates, Dichromates, Perochromates, Manganites, Manganates, Permanganates, Molybdates, Tungstates "Wolframates")	31,255,157	Tantalum	4,469.40	4.63%		4,469.40					163,038	191.70	4.29%	10.00%				69,931				446.94	4.29%	10.00%		446.94	
EU28	28499030	Carbides Of Tungsten, Whether Or Not Chemically Defined	39,176,625	Tungsten	1,153.90	1.19%		1,153.90					37,780	1,036.97	89.87%	93.87%				36,168				1,083.18	89.87%	93.87%		1,083.18	
EU28	28499050	Carbides Of Aluminium, Of Chromium, Of Molybdenum, Of Vanadium, Of Tantalum, And Of Titanium, Whether Or Not Chemically Defined	16,800,233	Tantalum	973.20	1.01%		973.20					163,038	103.04	10.59%	16.67%				103,577				162.20	10.59%	16.67%		162.20	
EU28	72028000	Ferro-Tungsten And Ferro-Silico-Tungsten	60,774,467	Tungsten	3,036.80	3.14%		3,036.80					37,780	1,608.65	52.97%	35.00%				57,179				1,062.88	52.97%	35.00%		1,062.88	
EU28	8001	Unwrought Tin	720,283,107	Tin	47,998.90	49.70%	47,998.90						15,055	47,844.15	99.68%	100.00%	47,844.15			15,006				47,998.90	99.68%	100.00%	47,998.90		
EU28	80030000	Tin Bars, Rods, Profiles And Wire, N.E.S.	14,443,224	Tin	919.60	0.95%	919.60						15,055	959.38	104.33%	100.00%	959.38			15,706				919.60	104.33%	100.00%	919.60		
EU28	800700	Articles Of Tin, N.E.S.	39,215,334	Tin	5,357.40	5.55%	5,357.40						15,055	2,604.84	48.62%	100.00%	2,604.84			7,320				5,357.40	48.62%	100.00%	5,357.40		
EU28	81011000	Tungsten Powders	13,239,952	Tungsten	331.80	0.34%		331.80					37,780	360.45	105.62%	100.00%				39,903				331.80	105.62%	100.00%		331.80	
EU28	81019400	Unwrought Tungsten, Incl. Bars And Rods Of Tungsten Obtained Simply By Sintering	4,008,894	Tungsten	47.70	0.05%		47.70					37,780	106.11	222.46%	100.00%				84,044				47.70	222.46%	100.00%		47.70	
EU28	81019600	Tungsten Wire	24,787,005	Tungsten	165.00	0.17%		165.00					37,780	656.09	397.63%	100.00%				150,224				165.00	397.63%	100.00%		165.00	
EU28	810199	Articles Of Tungsten, N.E.S.	32,439,056	Tungsten	439.80	0.46%		439.80					37,780	858.63	195.23%	100.00%				73,759				439.80	195.23%	100.00%		439.80	
EU28	81032000	Unwrought Tantalum, Incl. Bars And Rods Of Tantalum Obtained Simply By Sintering; Tantalum Powders	61,893,452	Tantalum	164.10	0.17%		164.10					163,038	379.63	231.34%	100.00%				377,169				164.10	231.34%	100.00%		164.10	
EU28	810390	Articles Of Tantalum, N.E.S.	26,896,069	Tantalum	56.50	0.06%		56.50					163,038	164.97	291.98%	100.00%				476,037				56.50	291.98%	100.00%		56.50	
					96,582.30		57,252.20	6,316.00	13,962.70	19,051.40				66,099.32		54,214.95	894.84	10,305.16	684.38				66,663.47		56,693.16	834.33	8,451.61	684.38	
							59.3%	6.5%	14.5%	19.7%						82.0%	1.4%	15.6%	1.0%										

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

DATA USED IN SECTION 3.1.2, ORIGINS OF 3TGs IMPORTED INTO THE EU

DS-045409-EU Trade Since 1988 by HS2, 4, 6 and CN8

Extracted on 2017/02/20 13:03:18

FLOW IMPORT
 INDICATORS QUANTITY_IN_100KG

...	PARTNER	WORLD	DRC	%DRC	UGANDA	%UGANDA	RWANDA	%RWANDA	TZ - TANZANIA	%TANZANIA
REPORTER	PRODUCT/PERIOD	Jan.-Dec. 2015								
EU28	TIN ORES AND CONCENTRATES	1,138								
EU28	TUNGSTEN ORES AND CONCENTRATES	8,775			246	2.80%				
EU28	NIObIUM, TANTALUM OR VANADIUM ORES AND CONCENTRATES	6,528	249	3.81%						
EU28	PRECIOUS-METAL ORES AND CONCENTRATES (EXCL. SILVER ORES AND ONCENTRATES)	183,548							84,222	45.89%
EU28	GOLD, INCL. GOLD PLATED WITH PLATINUM, UNWROUGHT OR NOT FURTHER WORKED THAN SEMI-MANUFACTURED OR IN POWDER FORM	6,966								
EU28	TUNGSTEN OXIDES AND HYDROXIDES	35,402								
EU28	INORGANIC BASES AND METAL OXIDES, HYDROXIDES AND PEROXIDES, N.E.S.	23,953								
EU28	TIN CHLORIDES	4,672								
EU28	TUNGSTATES "WOLFRAMATES"	43,700								
EU28	SALTS OF OXOMETALLIC OR PEROXOMETALLIC ACIDS	44,694								
EU28	CARBIDES OF TUNGSTEN, WHETHER OR NOT CHEMICALLY DEFINED	11,539								
EU28	CARBIDES OF ALUMINIUM, OF CHROMIUM, OF MOLYBDENUM, OF VANADIUM, OF TANTALUM, AND OF TITANIUM, WHETHER OR NOT CHEMICALLY DEFINED	9,732								
EU28	FERRO-TUNGSTEN AND FERRO-SILICO-TUNGSTEN	30,368								
EU28	UNWROUGHT TIN	479,989					185	0.04%		
EU28	TIN BARS, RODS, PROFILES AND WIRE, N.E.S.	9,196								
EU28	ARTICLES OF TIN, N.E.S.	53,574								
EU28	TUNGSTEN POWDERS	3,318								
EU28	UNWROUGHT TUNGSTEN, INCL. BARS AND RODS OF TUNGSTEN OBTAINED SIMPLY BY SINTERING	477								
EU28	TUNGSTEN WIRE	1,650								
EU28	ARTICLES OF TUNGSTEN, N.E.S.	4,398								
EU28	UNWROUGHT TANTALUM, INCL. BARS AND RODS OF TANTALUM OBTAINED SIMPLY BY SINTERING; TANTALUM POWDERS	1,641								
EU28	ARTICLES OF TANTALUM, N.E.S.	565								

Comments:

1. Of the DRC "+9" it is the DRC, Uganda, Rwanda and Tanzania that feature within Eurostat data. That is not to say 3TGs get into the EU through first import into other countries though. The point here is that the data relates to direct imports of individual materials.
2. The most significant flow pertains to "precious metal ore and concentrates" (i.e. "gold ores and concentrates"); 46% of all imports into the EU for this category came from Tanzania.
3. The other data entries are smaller scale, but possibly more credible as a result. It is feasible that 2.8% of the EU's total imports of tungsten ores and concentrates come from Uganda while 3.8% of tantalum ores and concentrates come from the DRC. Meanwhile, that 0.04% of the EU's unwrought tin comes from Rwanda also seems possible.
4. One has to remember that a proportion of 3TG imports from the DRC +9 could be unaccounted for as they have been routed through third countries. This is difficult to gauge.

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

DS-045409-EU Trade Since 1988 by HS2, 4, 6 and CN8

Extracted on 2017/02/20 13:03:18

FLOW IMPORT
 INDICATORS VALUE_IN_EUROS

...	PARTNER	CD - CONGO, DEMOCRATIC REPUBLIC OF (ZAIRE ->1997)	UG - UGANDA	RW - RWANDA	TZ - TANZANIA, UNITED REPUBLIC OF	AO - ANGOLA
REPORTER	PRODUCT/PERIOD	Jan.-Dec. 2015	Jan.-Dec. 2015	Jan.-Dec. 2015	Jan.-Dec. 2015	Jan.-Dec. 2015
EU28	TIN ORES AND CONCENTRATES					
EU28	TUNGSTEN ORES AND CONCENTRATES		176,175.00	5,728,964.00		
EU28	NIOBIUM, TANTALUM OR VANADIUM ORES AND CONCENTRATES	1,129,090.00		297.00		
EU28	PRECIOUS-METAL ORES AND CONCENTRATES (EXCL. SILVER ORES AND CONCENTRATES)				48,394,853.00	
EU28	GOLD, INCL. GOLD PLATED WITH PLATINUM, UNWROUGHT OR NOT FURTHER WORKED	3,887,166.00	48,334.00		1,644.00	
EU28	TUNGSTEN OXIDES AND HYDROXIDES					
EU28	INORGANIC BASES AND METAL OXIDES, HYDROXIDES AND PEROXIDES, N.E.S.					
EU28	TIN CHLORIDES					
EU28	TUNGSTATES "WOLFRAMATES"					
EU28	SALTS OF OXOMETALLIC OR PEROXOMETALLIC ACIDS					
EU28	CARBIDES OF TUNGSTEN, WHETHER OR NOT CHEMICALLY DEFINED					
EU28	CARBIDES OF ALUMINIUM, OF CHROMIUM, OF MOLYBDENUM, OF VANADIUM, OF TANTALUM, AND OF TITANIUM					
EU28	FERRO-TUNGSTEN AND FERRO-SILICO-TUNGSTEN					
EU28	UNWROUGHT TIN			299,371.00		
EU28	TIN BARS, RODS, PROFILES AND WIRE, N.E.S.					
EU28	ARTICLES OF TIN, N.E.S.					
EU28	TUNGSTEN POWDERS					
EU28	UNWROUGHT TUNGSTEN, INCL. BARS AND RODS OF TUNGSTEN OBTAINED SIMPLY BY SINTERING					
EU28	TUNGSTEN WIRE					
EU28	ARTICLES OF TUNGSTEN, N.E.S.					
EU28	UNWROUGHT TANTALUM, INCL. BARS AND RODS OF TANTALUM OBTAINED SIMPLY BY SINTERING; TANTALUM POWDERS					45.00
EU28	ARTICLES OF TANTALUM, N.E.S.					574.00

DATA USED IN SECTION 3.1.3, DEMAND FROM WITHIN THE EU

Mem State (Ab.)	Member State Name	Tungsten	Tungsten %	Tin	Tin %	Tantalum	Tantalum %	Gold	Gold %	Product Group	2015 TOTALS	TOTALS %
AT - TOTALS	Austria	2,745	2.1%	21,058	3.8%	10	0.0%	496	0.3%	24,309	24,309	2.5%
BE - TOTALS	Belgium	7,176	5.6%	29,667	5.3%	7,721	9.0%	191	0.1%	44,755	44,755	4.6%
BG - TOTAL	Bulgaria	85	0.1%	12	0.0%		0.0%	67,600	35.5%	67,697	67,697	7.0%
CY - TOTAL	Cyprus		0.0%	67	0.0%		0.0%		0.0%	67	67	0.0%
CZ - TOTALS	Czech Republic	1,682	1.3%	98	0.0%	22,176	25.8%	21	0.0%	23,977	23,977	2.5%
DE - TOTALS	Germany	59,603	46.5%	59,721	10.6%	23,284	27.1%	116,094	60.9%	258,702	258,702	26.8%
DK - TOTALS	Denmark	867	0.7%	2,637	0.5%	14	0.0%		0.0%	3,518	3,518	0.4%
EE - TOTALS	Estonia	225	0.2%	2,516	0.4%	2,470	2.9%	14	0.0%	5,225	5,225	0.5%
ES - TOTAL	Spain	883	0.7%	52,248	9.3%	4,410	5.1%	1	0.0%	57,542	57,542	6.0%
FI - TOTAL	Finland	426	0.3%	78	0.0%	2	0.0%	9	0.0%	515	515	0.1%
FR - TOTAL	France	6,850	5.3%	7,293	1.3%	1,028	1.2%	57	0.0%	15,228	15,228	1.6%
GB - TOTAL	UK	1,945	1.5%	75,467	13.4%	914	1.1%	5,135	2.7%	83,461	83,461	8.6%
GR - TOTAL	Greece		0.0%	575	0.1%		0.0%		0.0%	575	575	0.1%
HR - TOTAL	Croatia	17	0.0%	8	0.0%	30	0.0%		0.0%	55	55	0.0%
HU - TOTAL	Hungary	506	0.4%	359	0.1%		0.0%		0.0%	865	865	0.1%
IE - TOTAL	Ireland	417	0.3%	2,585	0.5%	12	0.0%	41	0.0%	3,055	3,055	0.3%
IT - TOTAL	Italy	4,649	3.6%	30,962	5.5%	7,365	8.6%	808	0.4%	43,784	43,784	4.5%
LT - TOTAL	Lithuania		0.0%	2	0.0%		0.0%		0.0%	2	2	0.0%
LU - TOTAL	Luxembourg	11	0.0%	129	0.0%		0.0%	15	0.0%	155	155	0.0%
LV - TOTAL	Latvia		0.0%	7	0.0%	2,742	3.2%		0.0%	2,749	2,749	0.3%
MT - TOTAL	Malta		0.0%	20	0.0%		0.0%	18	0.0%	38	38	0.0%
NL - TOTAL	The Netherlands	34,653	27.0%	263,019	46.9%	13,562	15.8%	3	0.0%	311,237	311,237	32.2%
PL - TOTAL	Poland	1,170	0.9%	6,508	1.2%	15	0.0%		0.0%	7,693	7,693	0.8%
PT - TOTAL	Portugal	59	0.0%	11	0.0%		0.0%		0.0%	70	70	0.8%
RO - TOTAL	Romania	55	0.0%	174	0.0%	19	0.0%		0.0%	248	248	0.0%
SE - TOTAL	Sweden	4,180	3.3%	389	0.1%	201	0.2%	11	0.0%	4,781	4,781	0.0%
SI - TOTAL	Slovenia		0.0%	17	0.0%		0.0%		0.0%	17	17	0.0%
SK - TOTAL	Slovakia	9	0.0%	5,494	1.0%		0.0%		0.0%	5,503	5,503	0.6%
EU-28 TOTALS	EU	128,213	100.0%	561,121	100.0%	85,975	100.0%	190,514	100.0%	965,823	965,823	100.3%
		13%		58%		9%		20%				

Units: kg.

In 2015, the EU as a whole imported 96,582,300 kg of the 3TGs from countries outside the bloc. Of this figure, over half (58%) of the imports were of tin, with the remaining 20% gold, 13% tungsten and 9% tantalum. For imports of the 3TGs combined, the most significant importers of the minerals of the EU-28 were the Netherlands and Germany (together they represented 58% of total demand for the 3TGs, although demand for individual minerals varies with other Member States more significant on this basis, and sometimes surprisingly so like Bulgaria being a large importer of gold).

Tungsten

- Germany and the Netherlands represented the most significant importers followed by Belgium, France, Italy and Sweden.

Tin

- The Netherlands, the UK and the Germany represented the most significant importers followed by Spain, Italy and Belgium.

Tantalum

- Germany, the Czech Republic and the Netherlands represented the most significant importers followed by Belgium, Italy and Spain.

Gold

- Germany and Bulgaria by far and away the most significant importers.

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

DATA USED IN SECTION 3.1.4, SME INVOLVEMENT

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	EU-28 TOTAL	
Class size	Austria	Belgium	Bulgaria	Cyprus	Czech Republic	Germany	Denmark	Estonia	Greece	Spain	Finland	France	Croatia	Hungary	Ireland	Italy	Lithuania	Luxembourg	Latvia	Malta	Netherlands	Poland	Portugal	Romania	Sweden	Slovenia	Slovakia	United Kingdom		
Micro	282,634	543,611	288,956	43,499	955,046	1,842,862	194,031	58,323	682,132	2,333,211	213,895	2,858,954	137,393	489,767	146,277	3,552,531	143,843	27,572	94,147	25,371	1,001,954	1,466,188	746,474	392,191	646,106	124,746	395,223	1,669,315	21,356,252	
Small	34,627	28,034	22,615	2,566	31,140	333,531	19,595	5,027	19,631	110,314	13,165	123,807	9,921	25,750	14,564	162,263	10,913	3,070	7,276	1,399	42,766	58,900	31,921	45,413	30,319	5,482	10,429	174,264	1,378,702	
Medium-sized	5,164	4,293	4,178	454	6,430	55,688	3,630	1,020	2,576	14,799	2,304	19,755	1,692	4,131	2,870	18,352	2,064	620	1,419	318	8,828	14,706	4,912	7,933	5,351	1,082	2,139	27,939	224,647	
SMEs	322,425	575,938	315,749	46,519	992,616	2,232,081	217,256	64,370	704,339	2,458,324	229,364	3,002,516	149,006	519,648	163,711	3,733,146	156,820	31,262	102,842	27,088	1,053,548	1,539,794	783,307	445,537	681,776	131,310	407,791	1,871,518	22,959,601	
%	1.4%	2.5%	1.4%	0.2%	4.3%	9.7%	0.9%	0.3%	3.1%	10.7%	1.0%	13.1%	0.6%	2.3%	0.7%	16.3%	0.7%	0.1%	0.4%	0.1%	4.6%	6.7%	3.4%	1.9%	3.0%	0.6%	1.8%	8.2%		
Large	1,086	913	646	58	1,492	10,816	653	169	397	2,820	521	4,457	430	877	478	3,086	301	135	198	52	1,661	3,048	757	1,469	1,015	224	487	6,212	44,458	
Total	323,511	576,851	316,395	46,577	994,108	2,242,897	217,909	64,539	704,736	2,461,144	229,885	3,006,973	149,436	520,525	164,189	3,736,232	157,121	31,397	103,040	27,140	1,055,209	1,542,842	784,064	447,006	682,791	131,534	408,278	1,877,730	23,004,059	

This data is derived from "structural business statistics"; such statistics do not cover agriculture, forestry, fishing, public administration and non-market services.

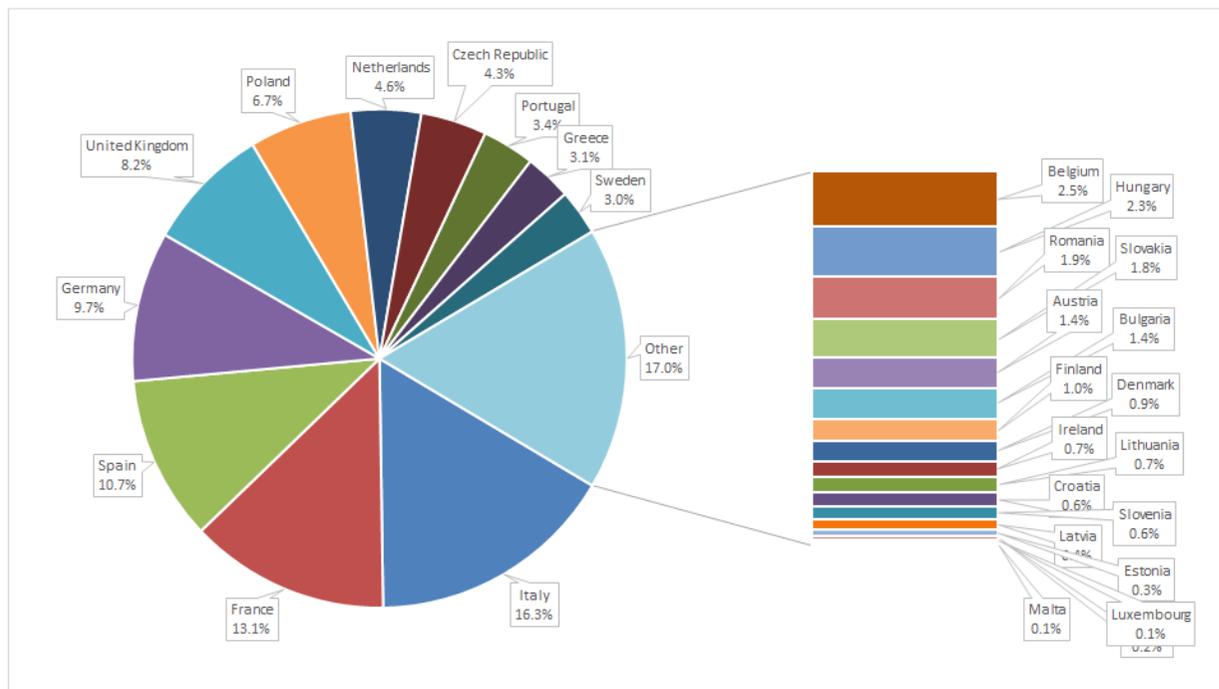
Note the following:

1. By and large, the economy "for industry and construction" in each Member State is dominated by SMEs - at least in number of individual businesses. This is not to say that the large businesses are not dominant in the market - they most likely are. There is also likely to be considerable variation between industries; unfortunately the structural business statistics are an amalgam and an aggregation, so some of the interesting variation that may exist between sectors of industry is lost from the analysis.
2. The MSs with the largest proportion of SMEs active within the "industry and construction economic sector" in their economies and relative to the EU-28 as a whole are Italy, France and Spain. Germany (at circa 9%) and the UK (at circa 8%) follow. This is interesting, as one might have thought Germany and the UK would have more SMEs within their respective economies for industry and construction-related services. Other significant players include the Czech Republic, the Netherlands, Poland and Portugal.

Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

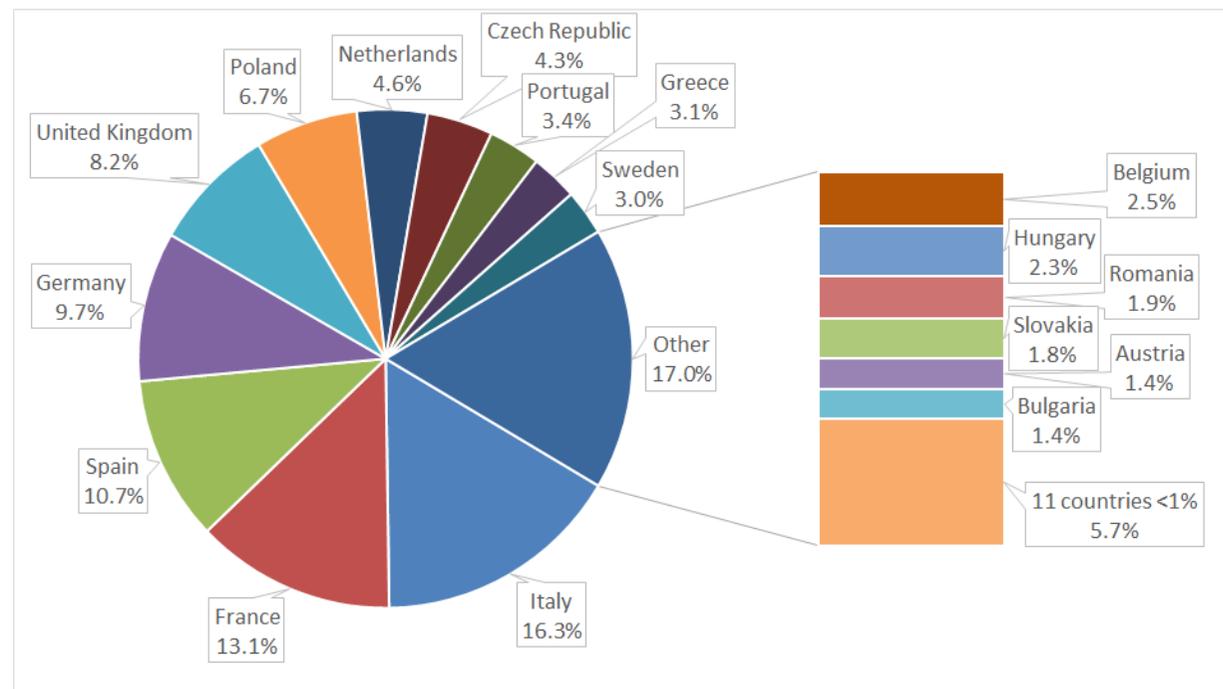
Breakdown by country

Country	Nr. SMEs	%
Italy	3,733,146	16.3%
France	3,002,516	13.1%
Spain	2,458,324	10.7%
Germany	2,232,081	9.7%
United Kingdom	1,871,518	8.2%
Poland	1,539,794	6.7%
Netherlands	1,053,548	4.6%
Czech Republic	992,616	4.3%
Portugal	783,307	3.4%
Greece	704,339	3.1%
Sweden	681,776	3.0%
Belgium	575,938	2.5%
Hungary	519,648	2.3%
Romania	445,537	1.9%
Slovakia	407,791	1.8%
Austria	322,425	1.4%
Bulgaria	315,749	1.4%
Finland	229,364	1.0%
Denmark	217,256	0.9%
Ireland	163,711	0.7%
Lithuania	156,820	0.7%
Croatia	149,006	0.6%
Slovenia	131,310	0.6%
Latvia	102,842	0.4%
Estonia	64,370	0.3%
Cyprus	46,519	0.2%
Luxembourg	31,262	0.1%
Malta	27,088	0.1%
total	22,959,601	



Study on the Support System for SME Supply Chain Due Diligence
 Work Package 1: Analysis of EU SMEs Importing 3TGs

Country	Nr. SMEs	
Italy	3,733,146	16.3%
France	3,002,516	13.1%
Spain	2,458,324	10.7%
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Portugal	783,307	3.4%
Greece	704,339	3.1%
Sweden	681,776	3.0%
Belgium	575,938	2.5%
Hungary	519,648	2.3%
Romania	445,537	1.9%
Slovakia	407,791	1.8%
Austria	322,425	1.4%
Bulgaria	315,749	1.4%
11 countries <1%	1,319,548	5.7%



total 22,959,601

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