

Assessing and Enhancing the Contribution of Small and Medium-scale Enterprises (SME) to Due Diligence for Responsible Mineral Supply Chains

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Goals for presentation today

- Introduction to the study
- Brief overview of method and sample size
- Presentation of the key findings and recommendations

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Introduction and Background

- Session at the 7th ICGLR-OECD-UNGoE Forum in 5/2014:
- SME do play a significant role in conflict mineral supply chains
- For downstream companies:
 - Existing obligations under Dodd-Frank 1502
 - Existing recommendations made by the OECD guidance
- Limited knowledge and experience on downstream SME's conflict mineral due diligence practices

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Introduction and Background

Key Questions:

- How are downstream SME handling their conflict minerals due diligence and what are their experiences?
- Are their best practices and how can SME be supported by different stakeholders?

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Method and Sample Size

- Jewellery, electronics, automotive and medical technology industries
- Online survey SMEs
- Interviews with SME, large-scale companies and industry associations
- Online survey: 25-45 participants
- Interviews: 36 in total, 17 SMEs and 19 large-scale companies and industry associations

- Small sample size, but strong validity

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Key Findings SME Online-Survey and Interviews

- SME main activities: completing reporting templates
- Main challenges include:
 - Inability to trace their supply chains down to smelter level
 - Absence of information from customers
 - Difficulty accessing reliable information
 - Costs, lack of resources/staff

Key Findings SME Online-Survey and Interviews

- Reported differences between industries
- General need for more advice, information and support
- Development of a *Best practice SME case study*

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Key Findings Interviews Large companies/associations

- Varying experiences among SME suppliers/members:
- Reported challenges with low awareness and capacity among (SME) suppliers
- Reported successes using the *‘Go early, give support’* model of supplier engagement

Recommendations: Industry

- Large companies: Use 'Go early, give support' model of supplier engagement
- SMEs should recognize their vital role in responsible mineral sourcing:
 - Seek out information and support
 - Use Best practice SME case study
- Adequate information flows between customers and their suppliers

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Recommendations: Industry Associations

- Industry associations are encouraged to:
 - Make reliable information sources available online (in multiple languages)
 - Provide training programmes that cover the full spectrum of assumed knowledge, including entry level
- Reporting templates should be:
 - More user friendly
 - Translated only by certified translators
 - Aligned, whenever possible

Recommendations: OECD

- Include a best practice example of an SME adapting the DDG to its size and risk profile in the guidance document or the surrounding literature (“step-by-step guide”)
- Develop this best practice example in cooperation with relevant stakeholders

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Recommendations: Government

- Laws should clearly state that SMEs in supply chains must be tasked with only their fair share of reporting and due diligence obligations
- Entities should receive assistance to develop new conflict minerals training, train more SMEs, and develop conflict minerals information material

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Recommendations: Government

- Incentives should be made available to SMEs to enable their attendance at training programmes
- Governments should encourage the establishment of regional forums to enable knowledge sharing and peer networking.
- Governments support initiatives to provide SMEs with hotlines and resource centers that enable them to access personalised, reliable advice about these issues

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Questions/Discussion

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Conflict Mineral Reporting Template

A		B		C		D		E		F		G		H		I		J		K		L	
1	Conflict Minerals Reporting Template (CMRT)																						
2	 An initiative of the EICC and GeSI		Select Language Preference Here: 请选择你的语言: 사용할 언어를 선택하십시오: 表示言語をここから選択してください: Sélectionner la langue préférée ici: Seleccione Preferència de idioma Aquí: Wählen sie hier die Sprache: Selecciona el lenguaje de preferencia aquí: Selezionare la lingua di preferenza qui:																				
3			English																				
4			Revision 3.02 November 7, 2014																				
5			The purpose of this document is to collect sourcing information on tin, tantalum, tungsten and gold used in products																				
6			Link to Terms & Conditions																				
7	Mandatory fields are noted with an asterisk (*). The information collected in this template should be updated annually. Any changes within the annual cycle should be provided to your customers																						
8	Company Information																						
9	Company Name (*):																						
10	Declaration Scope or Class (*):																						
11	Description of Scope:																						
12	Company Unique ID:																						
13	Company Unique ID Authority:																						
14	Address:																						
15	Contact Name (*):																						
16	Email - Contact (*):																						
17	Phone - Contact (*):																						
18	Authorizer (*):																						
19	Title - Authorizer:																						
20	Email - Authorizer (*):																						
21	Phone - Authorizer (*):																						
22	Effective Date (*):																						
23	Answer the following questions 1 - 7 based on the declaration scope indicated above																						
24																							
25	1) Is the conflict metal intentionally added to your product? (*)																						
26	Tantalum (*)		Answer		Comments																		
27	Tin (*)																						
28	Gold (*)																						
29	Tungsten (*)																						



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