



# Modern Slavery & SMEs



# Small and Medium-Sized Enterprises

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Small and medium-sized enterprises (SMEs) are non-subsidary, independent companies that employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME is 250 employees, as in the European Union. Because of the size of these companies, they often face resource challenges in responding to the multitude of requirements from third parties (such as client due diligence from buyers and business partners) to demonstrate their modern slavery responses.

With this in mind, the Mekong Club recommends that SMEs voluntarily develop a frequently asked question (FAQ) document to respond to routine queries related to their efforts associated with modern slavery. The sample questions below cover the topics required. Those SMEs that offer responses in this format will allow brands and consumers to better understand the processes and procedures used by them.

## FAQs (Sample Questions)

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- Does your company raise employee awareness of modern slavery?
- Does your company have training in place for your staff and employees on modern slavery topics?
- Does your company have a code of conduct, policy or related document that states your organisation's stance on modern slavery?
- Does your company have a policy for sub-suppliers that includes modern slavery references?
- Does your company request its suppliers to sign contracts/sub-contracts that include anti-slavery clauses?
- If a potential victim of modern slavery is found, does your company have a policy to address this?
- Are your company's policies on modern slavery signed off by the top level of management, such as the CEO?
- If you have a question related to modern slavery, does your company have a point-person/team to go to?
- Does your company have a policy related to recruitment fees?
- Does your company require its direct suppliers to ensure that their own suppliers are addressing modern slavery?
- Does your company assess potential suppliers for modern slavery risk before entering into any contracts?
- Are workers within your company able to easily report concerns about their employment conditions, in their own language?

- Does your company adhere to the list of statements below?
  - Workers have written and signed employment contracts in a language they understand;
  - The terms of worker contracts have not been changed without a signed agreement;
  - Legal and industrial limits on working hours are observed;
  - All deductions from workers' wages are included in the contract within legal or industrial regulations;
  - Withholding of wages is not tolerated;
  - There are no restrictions on freedom of movement;
  - Recruitment and brokerage fees paid by workers are within legal limits;
  - Workers retain copies of their identification documents, or have unrestricted access to their documents;
  - There is no overcharging workers for rent/food or any other method that leads to worker dependence and denial of choice.
- What are you doing to ensure that your suppliers and sub-suppliers meet these standards?
- What measures do you have in place to monitor suppliers and sub-suppliers for modern slavery risk?



# Sample FAQ Questionnaire

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**Company Name:** Acme Clothing Company Limited

**Number of Employees:** 230

**Location:** Dhaka, Bangladesh

**Statement Date:** July 2021

- Does your company raise employee awareness of modern slavery?

Yes, we have posters throughout the factory in several languages on worker rights. Several of them address the topic of modern slavery. There are also annual talks on this topic carried out in April and October.

- Does your company have training in place for your staff and employees on modern slavery topics?

The Mekong Club provides annual training for our management and employees. Translation is offered for those workers who do not speak English. The training covers all of the ILO indicators of forced labour and offers a comprehensive overview of worker rights.

- Does your company have a code of conduct, policy or related document that states your organisation's stance on modern slavery?

Yes, we have both a code of conduct and a policy statement in our business charter. These documents were updated in July 2017.

- Does your company have a policy for sub-suppliers that includes modern slavery references?

Yes, we have included language in our contract documents that addresses this topic since March 2019. The language can be found at this link.

- Does your company request its suppliers to sign contracts/sub-contracts that include anti-slavery clauses?

Yes. Each contract is based on the supplier policy (above). The language for these contracts can be found at this link.

- If a potential victim of modern slavery is found, does your company have a policy to address this?

Our company is prepared to respond to any and all audit findings that indicate a possible breach of the ILO Forced labour indicators. To date, none have been found. An average of six SEDEX audits are performed by our clients each year.

- Are your company's policies on modern slavery signed off by the top level of management, such as the CEO?

Yes, our top management and board members are given updates on this topic twice a year during the January and July board meetings.

- If you have a question related to modern slavery, does your company have a point-person/team to go to?

The point person for this issue is the HR specialist. He has been oriented on this topic and what to do if an issue arises. To date, no breaches have been identified.

- Does the company have a policy related to recruitment fees?

Yes, recruitment and brokerage fees paid by workers are within legal limits.

- Does your company require its direct suppliers to ensure that their own suppliers are addressing modern slavery?

The contract language we use requires that modern slavery statements cascade to each sub-contract and sub-sub-contract. The language is the same as listed above.

- Does your company assess potential suppliers for modern slavery risk before entering into any contracts?

We routinely carry out supplier assessments by phone. A set of questions are used to determine if any red flags are identified.

- Are workers within your company able to easily report concerns about their employment conditions, in their own language?

We have a worker suggestion box and provide a URL link for a worker grievance App that is managed by a local NGO.

- Does your company adhere to the list of statements below?

- Workers have written and signed employment contracts in a language they understand.
- The terms of worker contracts have not been changed without a signed agreement.
- Legal and industrial limits on working hours are observed.
- All deductions from workers' wages are included in the contract within legal or industrial regulations.
- Withholding of wages is not tolerated.
- There are no restrictions on freedom of movement.
- Recruitment and brokerage fees paid by workers are within legal limits.
- Workers retain copies of their identification documents, or have unrestricted access to their documents.
- There is no overcharging workers for rent/food or any other method that leads to worker dependence and denial of choice.

- What are you doing to ensure that your suppliers and sub-suppliers meet these standards?

We ask that all suppliers and sub-suppliers sign a contract that includes modern slavery clauses (see LINK) before commencing business with us. We also provide access to the worker grievance app to our suppliers and sub-suppliers to allow workers to confidentially report grievances. We also offer access to the Mekong Club e-learning videos that are translated into multiple languages. We also ensure that there is cascading contract language from supplier to sub-supplier.

- What are you doing to ensure that your suppliers and sub-suppliers meet these standards?

We conduct spot-checks on our suppliers and sub-suppliers, conducting assessments via phone and factory visits for high-risk suppliers. We document these visits and escalate any concerns raised to our HR specialist and management team for follow-up.





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