

## Modern Slavery Statement

Alex Begg produces luxurious cashmere scarves and throws for the Begg & Co brand as well as for some of the world's most prestigious fashion houses. This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and describes steps the company has taken to ensure that its own operations and its supply chain are free from modern slavery and human trafficking.

### Overview of the supply chain

The company has a narrow supply base for yarns, which are the main production materials. We deal mostly with companies with which there is a long trading history, including frequent discussions and visits. We regard this part of our supply chain, which constitutes a very large proportion of our spend, as low risk. However there are also a few, generally smaller, vendors acting as subcontractors with which we have less trading history and a number which provide services such as marketing services and insurance.

### Internal due diligence

The company has a Code of Conduct and recruitment policies covering good practice in people management: child labour, right to work, bullying and harassment, discrimination, etc. The Code of Conduct is read by all employees during their induction training and is accessible by all employees in our company Document Library and in hard copy at various locations. We have a workforce of around 140 and foster open communication, including regular workforce briefings and an annual survey of all employees which is completed anonymously. There is also a Whistle-blower Procedure for employees to report abuses anonymously to an external agency. The company has Living Wage Accreditation.

Given the tight controls, open reporting, relatively small workforce and little use of temporary labour, we are confident that our people management processes preclude bad practice. This was confirmed during a WCA social audit by Intertek in January 2019, which resulted in us being certified under the WCA scheme.

### Our supply chain

As members of [Sedex](#) we have read the [guidance published](#) and receive regular updates from them concerning Modern Slavery. Our Compliance Manager has also received formal training in Modern Slavery.

We have been using Sedex's "Indicators of Forced Labour" in visits and audits to our supply chain. This encompasses more than just first tier vendors – in 2016 we visited China to look at some of the primary sources of our angora and cashmere yarns and in 2018 we started due diligence work in Mongolia.

2018 also saw us increase our resources to manage our supply chain, including improving our due diligence processes for new suppliers. All of our principal suppliers have signed up to our Code of Conduct and we are engaging with other suppliers now. We have done advance due diligence checks on any company which we might use as a subcontractor in 2019.

### Children

We have carried out an assessment of the impact of our operations and that of our supply chain on the rights of children.

### Looking to the future

Using our Approved Vendors List, we continue to increase the scrutiny on our vendors. Additionally, we will be using risk assessment procedures to determine where and how we should audit our supply chain and intend that this process will become more formal, thorough and comprehensive.

### Commitment

Playing our part in eliminating forced labour and modern slavery is a priority for us and we commit to allocating resources and taking appropriate measures to ensure that our supply chain is free of it.

Ian Laird (Chief Executive)  
On behalf of the Board  
May 2019