

# T E D B A K E R

## L O N D O N

# MODERN SLAVERY STATEMENT

## 2020/2021

Statement covers FY 20/21  
Published on 28 June 2021

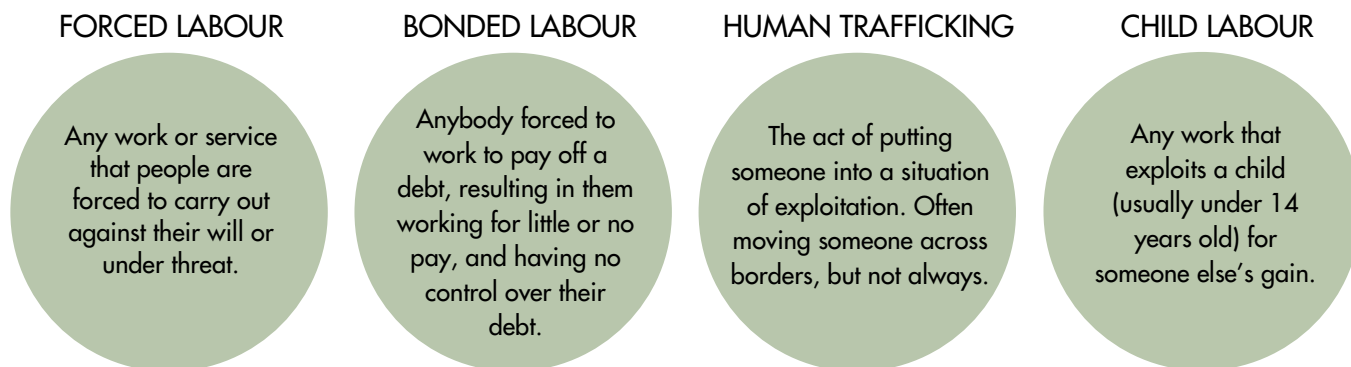
This statement is published in accordance with the Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010 (the "Acts") and constitutes the Ted Baker group's fifth statement. This statement covers Ted Baker Plc and its subsidiaries, including No Ordinary Designer Label Limited, No Ordinary Shoes Limited and Little Lobster Limited ("Ted Baker" or "Ted"). Ted Baker has published an annual modern slavery statement since March 2017; to view these statements click [here](#). This statement provides an overview of the steps Ted Baker has taken during the 2020/2021 financial year to prevent modern slavery and human trafficking from taking place in our supply chain or in any part of our business, as well as our future plans.

At Ted Baker we are committed to being open and honest in the way we do business. This includes doing the right thing by all stakeholders throughout the supply chain, operating in a fair and sustainable manner and protecting the people who create Ted Baker products.

## WHAT IS MODERN SLAVERY?

Modern slavery is the umbrella term which covers forced or compulsory labour, bonded labour, child labour, and human trafficking refers to all work or service from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

To help understand these issues we have used the following definitions in this statement:



According to the International Labour Organisation and the Walk Free Foundation there are approximately 40.3 million people enslaved globally today<sup>1</sup>, of these around 24.9 million people are in Forced Labour, making it the most prevalent type of slavery. Modern slavery is known to be prevalent in the fashion industry, especially at the raw material stage of production.

Modern slavery exists anywhere in the world and can affect people of any sex, age or race. It most commonly affects people who are vulnerable and at risk of being taken advantage of – such as someone living in poverty, or someone from a community that is discriminated against (for example migrant workers).

Ted has identified the following groups as those potentially vulnerable to the risk of modern slavery:



Ted Baker is committed to upholding and advocating internationally recognised human rights. We acknowledge our responsibility in protecting and respecting human rights as well as supporting transparency and integrity as a business. We are committed to working collaboratively and being proactive in resolving any challenges in our supply chain or direct operations.

<sup>1</sup> Global Estimates of Modern Slavery, 2017 [https://www.ilo.org/global/publications/books/WCMS\\_575479/lang-en/index.htm](https://www.ilo.org/global/publications/books/WCMS_575479/lang-en/index.htm)

## OUR BUSINESS

Ted Baker is a global lifestyle brand with controlled distribution through three main channels: retail (including e-commerce), wholesale and licensing (territorial and product). Ted Baker directly employs over 2,000 people worldwide including over 510 based in our head office, The Ugly Brown Building, in London.

Retail (including outlet stores) is owned and managed by Ted Baker and we retain full oversight of labour practices for our employees and direct supply chain. Our wholesale trustees and territorial licensees are carefully selected partners who represent the Ted Baker brand within specific territories or channels.

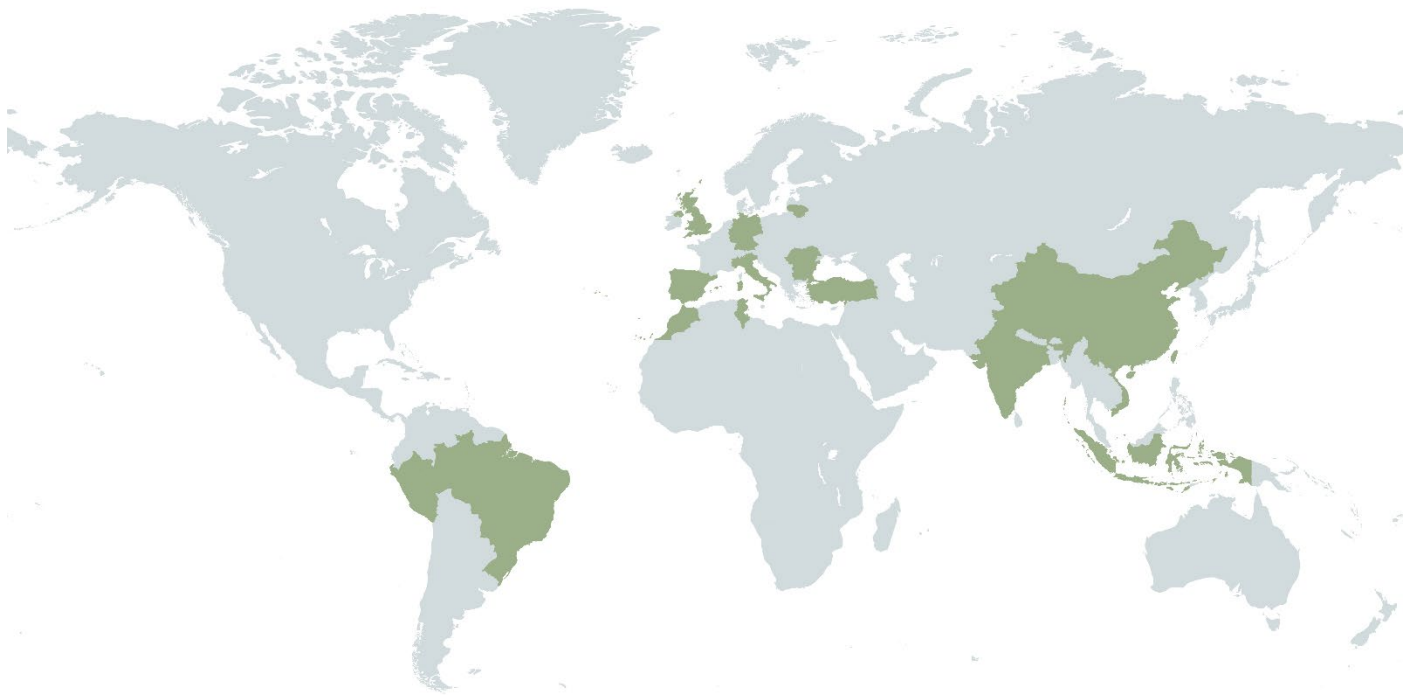
Our product licensees develop specialist products and are responsible for their supply chain. In 2020 we launched a joint venture partnership in China where we share responsibility of supply chain due diligence and follow the same process of approving suppliers as we do for our direct manufacturing. All such partners are subject to strict contractual conditions, including Ted Baker's Ethical Code of Conduct.

At today's date, Ted Baker and its retail licensees have 421 stores and concessions worldwide, comprising of 124 in the UK, 87 in Europe, 105 in North America and the US, 95 in the Middle East, Africa and Asia and 9 in Australasia. Combined with our diverse supply base, this significantly complicates the threat of modern slavery within our operations and requires strategies that are tailored to the needs of each area of the business and territory in which it is based.

## OUR SUPPLY CHAIN

We're committed to looking after those who create, make and wear our products. Our supply chain impacts the lives of thousands of people around the world, meaning we have to be proactive in our approach to advancing positive working conditions and protecting human rights.

Where are Ted's first tier factories?



Ted's top sourcing territories (based on the number of first tier factories) are: China, Turkey, India, UK and Portugal.

With respect to Ted's Tier 1 factories (where we make, and ship finished products):

160	19	40,000	70%	7,000	100%
finished goods factories	sourcing countries across the globe	workers in these direct factories	of these workers are women	are migrant workers (domestic and international)	have been audited and signed our Code

Ted believes in working with like-minded partners who share a commitment to maintaining safe and fair labour practices and minimising environmental impact. It is very important to work together and continuously improve in everything that we do.

All our sourcing partners and suppliers agree to Ted's five minimum ethical and sustainability requirements (listed below) by signing up to Ted's Ethical Code of Conduct which outlines our standards on working conditions, business ethics, transparency, environmental stewardship, use of chemicals and animal welfare. Ted's Ethics & Sustainability Team called Commit.TED work closely with Ted's Sourcing, Production and Buying departments to ensure that all potential new suppliers go through a rigorous screening process.

Once onboarded we see the commitment to maintaining high ethics and sustainability standards as a partnership, where we can grow and improve together to continuously progress towards better ways of working and responsible practices.

#### Ted's five minimum ethical and sustainability requirements

1. Agree and adhere to Ted's Ethical Code of Conduct, Animal Welfare and Responsible Materials Policy, and Vulnerable Workers Policy.
2. Provide a third party ethical audit or certification every 12 months for production sites. Acceptable standards are; SA8000, SMETA<sup>2</sup>, BSCI.
3. Address any Non-Compliances found in the audit in a timely and open manner. Work on monitoring, remediation or building capacity, as requested<sup>3</sup>.
4. Provide information or certification on sustainable materials and environmental performance, as requested.
5. Be transparent with us<sup>4</sup> and agree to factory disclosure for publication.

<sup>2</sup> SMETA audits can be either 2-pillar (labour and health and safety) or 4-pillar (labour, health and safety, environment and business ethics).

<sup>3</sup> All tanneries must complete a Tannery Profile Form and certain high risk countries are subject to additional requirements.

<sup>4</sup> Any Subcontractors and/or Homeworker information must be disclosed.

## POLICIES

Ted Baker's Ethical Code of Conduct is the cornerstone of our ethical values and sets out the minimum standards for safe, fair and decent work demanded from our suppliers. Ted's Ethical Code of Conduct is based on international conventions such as The Ethical Trading Initiative Base Code, the Core Conventions of the International Labour Organisation, and the United Nations Universal Declaration of Human Rights and the Acts.

We have revised our Ethical Code of Conduct to ensure that it remains effective in our growing business and to reflect regulation changes as well as strengthen standards on health & safety and regular employment.

In 2020 we wrote a Vulnerable Workers Policy to recognise that whilst Ted wants to ensure that all workers are treated fairly we know that some workers are at greater risk of exploitation, and potentially of modern slavery. This policy sets the standard for protecting the most vulnerable workers in Ted's supply chain, including;

- Migrant Workers;
- Homeworkers;
- Child Labour and Young Workers (including our Child Labour Remediation Process);
- Temporary, Casual, Agency or Short Term Contracts;
- Other Vulnerable Workers (including women, indigenous people, persons with disabilities).

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### TED'S ETHICAL CODE OF CONDUCT INCLUDES STANDARDS ON:

Worker's rights and labour standards covering core principles for fair, dignified and safe work;

Environmental protection and management;

Responsible chemical management;

Animal welfare;

Business integrity, anti-bribery and corruption;

Transparency and Remediation

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In the past 12 months we have also published a new Third Party Policy and Animal Welfare & Responsible Materials Policy. The former outlines the minimum requirements for third party partners for ethical standards and sustainable fibre sourcing. The latter underpins our commitment to responsible sourcing and fair treatment of animals, it also contains Ted's full list of banned and restricted materials.

Ted has an established process for reviewing and approving sourcing from new territories to ensure that any potential countries are vetted for ethical risks. We have prohibited sourcing of goods for resale from a number of territories based on documented evidence including; extremely repressive regimes, conflict, widespread corruption, international sanctions, security, modern slavery, or other human rights risks.

Examples of banned sourcing:



Countries: Uzbekistan and Turkmenistan  
Cotton sourcing is banned due to evidence of the use of child and forced labour.



Countries: Democratic Republic of Congo, and neighbouring countries  
Tin, tungsten, tantalum and gold (collectively known as 3TG) sourcing is banned due to these minerals' connection to funding conflict.

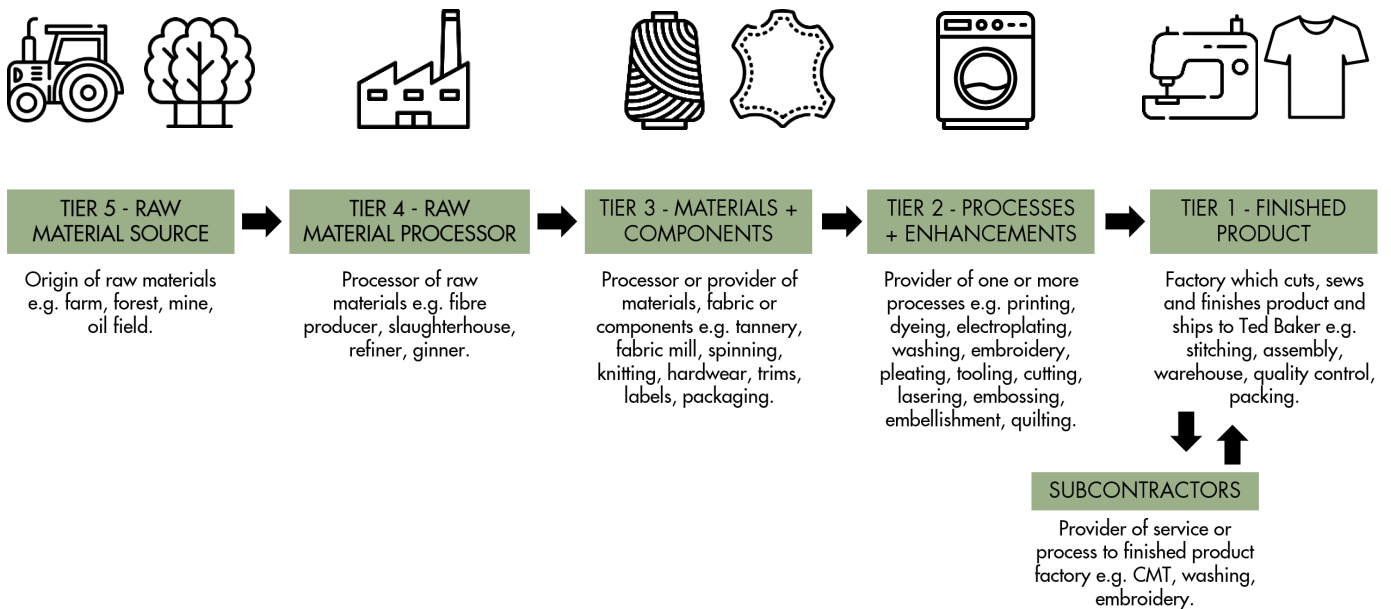
# DUE DILIGENCE & RISK ASSESSMENT

We continue to monitor and develop our practices in respect to combatting modern slavery and human trafficking, particularly focusing on the areas of the supply chain that may pose a higher risk of forced labour. In 2020 we focused on strengthening and building our ethical foundations. We improved our internal processes for ethical approvals and factory onboarding to be more agile and efficient while maintaining our rigorous standards, and communicated these across the Production, Design, Buying and Sourcing departments. The Commit.TED Team implemented a stricter standard of grading third party audits to ensure continuity and standardisation which will help our data be more reliable and easier to analyse.

Ted's Tier 1 suppliers are audited by independent third parties against our Ethical Code of Conduct. These audits are all reviewed by the Commit.TED Team who work directly across the business and with suppliers to continually improve standards. This year travel has been limited because of Covid and when international travel is not restricted, members of the Commit.TED and Production teams regularly visit factories to ensure the standards of our Ethical Code of Conduct are upheld and recommend improvements. Throughout the global pandemic we have not visited our factories and have kept in contact via video calls and emails.

The use of Subcontractors is widespread in the apparel, accessories and footwear industries. Ted Baker takes extra care when reviewing subcontractors as the use of unauthorised subcontracting can pose significant risk and these facilities may not meet Ted's ethical and sustainability requirements. It is important that any subcontracted processes are undertaken in a manner which ensures fair labour practices and safe working conditions.

To better understand the risk across our supply chain we have defined the tiers which broadly shape how a Ted Baker product is made:



Although there is no consistent definition of the supply chain tiers in the apparel and textile industry we have tried to benchmark our tiering structure with other brands and stakeholders to allow for more transparent communication.

## Understanding and mitigating territory risks

To ensure we are effectively managing our risks we assess the most common challenges in the sourcing territories we work in. We have highlighted two key issues we face in our top sourcing territories and how we are addressing them;

### Excessive working hours

Country: China

- Excessive overtime is one of the biggest problems facing workers in the fashion industry.
- The pressure to work longer hours can stem from insufficient order planning, shorter lead times, last minute changes and workers being keen to receive overtime premium wages.
- To help address this issue we advise and give guidance to factories on how to create capacity plans and the benefits of working reasonable hours to the workers and production quality.
- Those who struggle with excessive working hours are encouraged or required to use Ted's monitoring tool to help reduce excessive overtime.

### Use of multiple subcontractors

Country: Turkey

- The use of subcontractors is widespread in Turkey, particularly for smaller factories.
- We have also mapped the Subcontractors that our factories use and received a third-party ethical audit for all sites who perform cutting, stitching and finishing.
- We have collaborated with The [Reassurance Network](#) and key suppliers to ensure that subcontractors understand the importance of worker's welfare and respecting labour rights.
- From this work there has been a consistent performance improvement which we have monitored through third party social audits.

The Commit.TED Team monitor all ongoing global claims of widespread forced labour within the textile industry. For countries we source in which have such claims, we have been conducting a deep dive analysis of all manufacturing units and a mapping exercise across each tier involved in the production process, to ensure we are acting with upmost due diligence for the protection of workers. Through this, we have not found any evidence of forced labour in our supply chain. However, we continue to work closely with our trusted suppliers and third-party partners, including the Ethical Trading Initiative, to ensure we are taking appropriate action, and communicating openly with our stakeholders.



In 2020 Ted expanded its sourcing from UK factories to produce goods that celebrate British manufacturing heritage. We have been very conscientious about the exploitative practices that have been found within garment manufacturing around Leicester and the Midlands and have been working collaboratively with multiple stakeholders to ensure we are kept aware of the issues and improving worker welfare. Ted is committed to working with cooperative and open suppliers in the UK. A member of Commit.TED has visited all current UK manufacturing sites to ensure that suppliers understand our expectations. For very small factories within the UK where an audit isn't financially viable a member of the Commit.TED Team has carried out an audit to ensure that our Code is being followed. Where an in-person audit has not been feasible due to safety restrictions we have conducted a number of virtual audits to adapt to the situation and still ensure we continue our due diligence.

## Risks of modern slavery outside our product supply chain

Beyond the due diligence we conduct in our product supply chain we also ensure that high risk areas of the business are represented in a cross-functional committee, the Modern Slavery Act Working Group. This working group was established prior to the publication of Ted Baker's first statement to critically assess and address Ted Baker's objectives. The group includes a senior representative from each relevant department. The function of the working group will continue to develop and evolve with the changing needs of the business as we understand that meaningful impact can only be achieved through continued and sustained improvement.

Our human resources department, known as the People Team, continues to be an area of particular focus. To meet the needs of the business, employees are sourced through our internal recruitment processes as well as recruitment agents. In order to retain insight into the employment practices of recruitment agents, the People Team requires every agent to complete a due diligence assessment that will flag any factors that have significant risk attached.

We work closely with our distribution centre and our partners at XPO Logistics in Derby, a potentially high-risk area, to ensure standards set out in our policies are upheld in practice.

## Impact of Covid-19 on our due diligence

Due to the global pandemic, our normal due diligence has been interrupted, either due to national lockdowns, business closures, travel or visitor restrictions. We have been making efforts to ensure that we understand the changing landscape in our sourcing locations by conducting desktop research and consulting with other brands and worker rights experts. Whilst we have seen these disruptions impact our annual ethical audit programme, we still have 100% of our factories with a third-party ethical audit in the past 2 years. In addition to this we have seen other disruptions with sites organising their usual documentation or trainings, for example regular first aid training has been paused by many organisations and there are delays with documentation from government bodies around inspections. To understand these disruptions and mitigate any risks as a result of these delays we have been discussing situations on the ground in our factories on a case by case basis. For instance; we have given factories in certain locations a grace period between audits to allow time to safely perform an audit, so no workers or auditors are at risk.

## RAISING AWARENESS & MODERN SLAVERY TRAINING

We will continue to train and engage our internal teams on the indicators and risks of modern slavery. Internal training programmes have already been implemented to raise awareness of the risk of modern slavery within our business. We have focussed on training internal stakeholders who have direct contact with our suppliers. Our Buying, Merchandising, Sourcing, Design and Production teams have all taken part in training to raise awareness of the risk of modern slavery and the steps that teams can take to reduce the risk of modern slavery occurring in our supply chains. In the future we hope to move this training into a more accessible and engaging format via Ted's new global Learning Experience Platform. This training will continue to be a mandatory part of the induction for these teams.

A very important part of eliminating modern slavery is ensuring suppliers fully understand what constitutes modern slavery and the warning signs. Our focus with external stakeholders has been to raise awareness of modern slavery, including the continued distribution of our Code and supporting materials to our suppliers and licensees. We also encourage our partner to discuss these risks with their own Suppliers.

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### INDICATORS OF MODERN SLAVERY:

Physical appearance (such as malnourishment, frightened, withdrawn);

Few or no personal effects;

Isolation and control (rarely left alone, appear to be someone's influence);

Reluctant to seek help (afraid to talk and reject help when offered).



## PERFORMANCE & PROGRESS

We can confirm that no reports or findings of any type of Modern Slavery (including child labour) within our supply chain have been received to date.

Our key performance indicators for the previous financial year were to:

Commitment	Action taken
Continue to assist specific departments within the business to understand the risks of modern slavery	<ul style="list-style-type: none"><li>- We have continued to train all departments who have direct contact with our suppliers to understand the warning signs of modern slavery and understand how our practices can directly impact suppliers and their workforces.</li><li>- To enable greater internal collaboration the Commit.TED Team regularly deliver training, produce monthly reports, share tools and give guidance, as well as continuing to be included in reviewing existing supplier progress so ethics is kept at the centre of business decisions.</li><li>- The Commit.TED Team ensure that potential risk of modern slavery is included in new territory reviews, so all departments are aware of the perceived ethical challenges of sourcing in any new country.</li></ul>
Continue to map beyond the first tier of our supply chain	<ul style="list-style-type: none"><li>- We are proud to make more progress around transparency and traceability. Our first-tier factory list is updated every 6 months to reflect where Ted Baker products are made and posted on our website, we have also included a map of where our licensed products are sourced.</li><li>- Ted also provides this information to the Open Apparel Registry (OAR). The OAR is a database of global apparel factories which works to collate disparate factory lists into one central, open source map. It lists names, address, and affiliations as well as assigning a unique OAR ID to each facility. By contributing to the OAR, we are part of an industry shift to greater transparency and demonstrate our clear commitment to be more transparent about where our products are made.</li><li>- In 2020 we made significant progress with mapping and monitoring subcontractor sites used by our direct factories. We define a subcontractor site as any facility or domestic premises (homeworkers) producing goods or undertaking manufacturing processes, outside of the principal factory that supplies directly to Ted. In the future, we hope to disclose more information about the subcontractors in our supply chain. We are developing a Subcontractor Policy to ensure we have a consistent standard and clear process to mitigate the risk of unauthorised subcontracting. We have also created a plan for mapping further down our supply chain to have a clear picture of suppliers who provide components, hardware, trims and fabric.</li></ul>

Increase the business' use of more traceable and sustainable materials

- Ted has publicly set targets to reduce the business' reliance on conventional cotton by supporting the growth of BCI cotton in the global supply chain and increasing our use of organic and recycled cotton. Because all materials which can be certified according to relevant responsible sourcing standards need to be accompanied with full chain of custody certification we have better transparency of the sources and can conduct appropriate due diligence to endeavour to not use any sources with known connections to forced labour.
- In 2020 Ted joined the Leather Working Group (LWG) to aid mapping of 100% of tanneries and we have committed to source all of our leather products from LWG certified tanneries by 2025. In the future the LWG standard will include an ethical compliance and social responsibility element (including no forced labour).
- We have also pledged to source only recycled polyester as well as organic, recycled or responsible wool. Whilst these efforts are not directly linked to our modern slavery due diligence, we recognise that greater transparency will minimize risk in our supply chain.

Increase engagement with multi-stakeholder initiatives

- In 2020 Ted joined Ethical Trade Initiative (ETI) a worker rights forum to provide greater protection for workers in Ted's supply chain. The ETI is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Their vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity. We hope that membership will help strengthen our due diligence processes, build capacity with our suppliers, understand our salient ethical risks and take action on spotlight issues including forced labour.
- We have participated in the Apparel and General Merchandise Public and Private Protocol (AGM PPP) which works to raise awareness to prevent worker exploitation, protect vulnerable and exploited workers, disrupt exploitative practices and help bring criminals to justice in the UK. We will continue to support the agenda of the AGM PPP in an observer status.
- We have engaged with several NGOs focused on combatting modern slavery, we hope to grow our engagement in the future with the intention to establish partnerships and collaborations.

## FUTURE PLANS

At Ted, we are continuously working towards deepening our insight into the working practices of our supply chain and internal operations to strengthen our approach towards addressing modern slavery and human trafficking. We recognise the challenges that the global pandemic has had on our supply chain and due diligence, in the post pandemic world we hope to build back better.

We have continued to deliver on our KPIs and will build upon these in the year ahead. We will further focus on strengthening our due diligence and establishing greater mechanisms to protect worker's welfare. Our processes will continue to evolve and improve as our ethical trade programme develops.

In FY21/22 we intend to:

- Continue to ensure that core labour standards are respected and that we are performing enhanced risk analysis and meaningful due diligence.
- Expand our work on building capability in our factories and continue to collaborate with workers' rights specialists to ensure that key factories and their subcontractors not only understand our Code but have the skills and tools to implement it.
- Widen education across business areas, by integrating mandatory training on to our new online global Learning Experience Platform, which will be required by all employees, including our board of directors.
- Continue to train Production teams who visit suppliers to spot the signs of slavery inside factories and understand the country risk.
- Fully map mills used to produce Ted's fabrics and suppliers who provide components, hardware and trims.
- Create a forced labour remediation process for our suppliers to ensure we have an action plan if modern slavery was discovered in our supply chain.
- Collaborate with external stakeholders and work across Ted's business to closely monitor and investigate widespread modern slavery claims in key sourcing countries.
- Develop internal ethical governance structure with senior leadership accountability.
- Further collaborate with industry leaders and peers to strengthen compliance in modern slavery.

Ted's Ethical Code of Conduct and our key policies form the core of our strategy to tackle modern slavery and can be found on our [website](#).

Any queries regarding this statement should be directed to [Ethical.Sustainable@TedBaker.com](mailto:Ethical.Sustainable@TedBaker.com)

This statement is approved and signed by the Board of Directors:



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Rachel Osborne  
Chief Executive Officer, Ted Baker group (Ted Baker Plc and its subsidiaries).  
28 June 2021