

# T E D B A K E R

## L O N D O N

# MODERN SLAVERY STATEMENT

## 2022/2023

Statement covers FY 22/23  
Published on 03 October 2023

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 seventh 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 2022/2023 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 publication the latest global estimates indicate that 50 million people were living in Modern Slavery in 2021<sup>1</sup>. Of these people around 28 million were in Forced Labour and 22 million were trapped in Forced Marriage. The number of people in Modern Slavery has risen significantly in the last five years, compared to the 2016 global estimates there are 10 million more people in 2021 in Modern Slavery.

Modern slavery is known to be prevalent in the fashion industry though it 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).

The following groups have been identified as 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, 2021 [Report: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage \(ilo.org\)](https://www.ilo.org/global/reports-publications/global-estimates-of-modern-slavery-2021-report)

## OUR BUSINESS



Ted Baker (which was acquired by Authentic Brands Group in October 2022) 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 300 based in our head office, Ted Baker on Cleveland, in London.

Retail (including outlet stores) is owned and managed by Ted Baker and we retain full oversight of labour practices for our team members 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. We have a joint

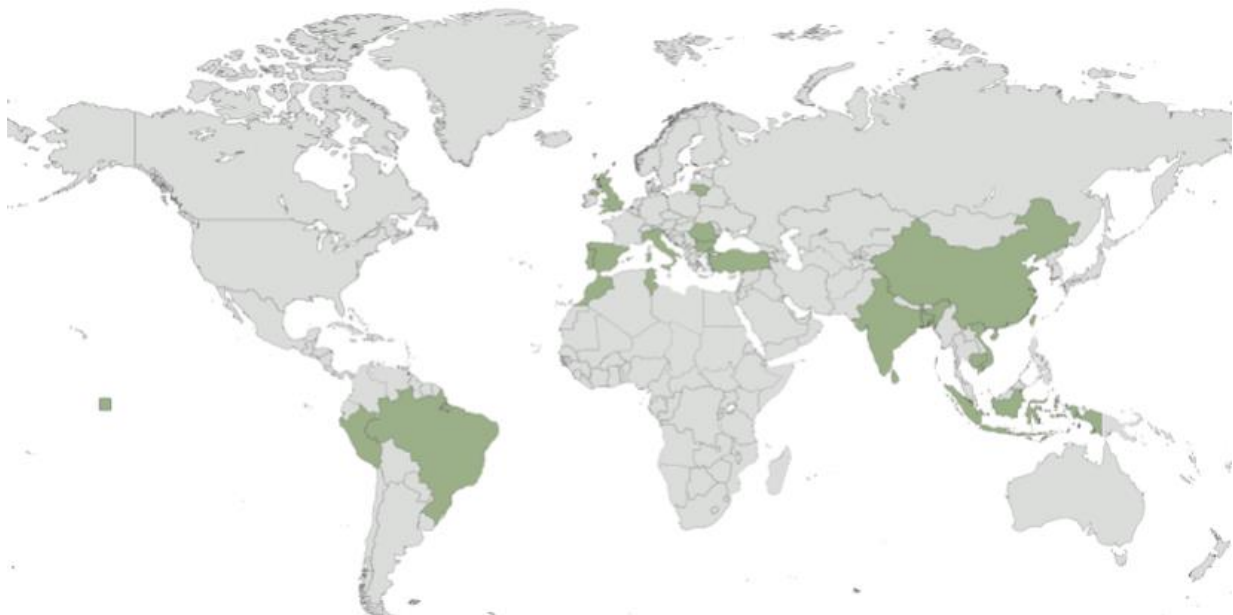
venture partnership in China where we share responsibility of supply chain due diligence and follow the same process of approving suppliers as we do for our direct manufacturing. All such partners are subject to strict contractual conditions, including Ted's Ethical Code of Conduct.

At today's date, Ted Baker is available in 191 freestanding stores, shop-in-shops, and outlets in 49 countries worldwide. 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, Portugal and Vietnam.

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

<b>137</b> finished goods factories	<b>19</b> sourcing countries across the globe	<b>44,876</b> workers in these direct factories	<b>65%</b> of these workers are women	<b>6,880</b> are migrant workers (domestic and international)	<b>100%</b> have been audited and signed Ted's Ethical Code of Conduct
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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 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. Adhere to Ted's Ethical Audit Requirements to provide an acceptable third party ethical audit or certification for production sites periodically.
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>2</sup>.
4. Provide information or certification on sustainable materials and environmental performance, as requested.
5. Be transparent with us<sup>3</sup> and agree to factory disclosure for publication.

<sup>2</sup> All tanneries must complete a Tannery Profile Form and certain high risk countries are subject to additional requirements.

<sup>3</sup> Any Subcontractors and/or Homeworker information must be disclosed.

## POLICIES

Ted'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 will periodically review our Ethical Code of Conduct to ensure it remains effective in our growing business and to reflect regulation changes as well as strengthen standards on health & safety and regular employment.

We also have a Vulnerable Workers Policy to recognise 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).

### 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

Over the coming year the Ethics & Sustainability team are looking to develop and publish further policies. A continued area of focus is subcontracting and whilst we have already fully mapped our subcontractors, we want to ensure they are continuously monitored to enable visibility within our supply chain and mitigate any potential risk to those working within it. It is essential that we know where Ted Baker goods are being made and that any intended subcontractors are declared.

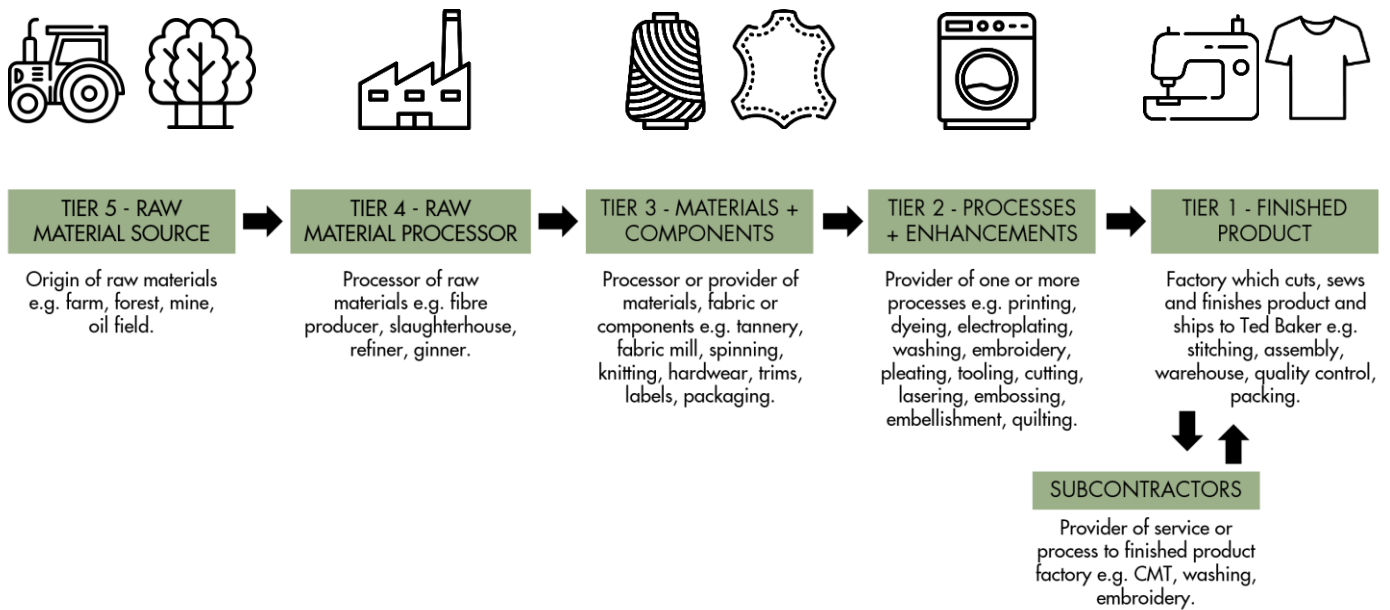
Ted's Remediation Policy documents the monitoring process of our factories and the steps Ted will take to assist companies making improvements in areas in which have been identified as non-compliant. This is to ensure they are meeting the requirements outlined within Ted's Ethical Code of Conduct. The policy also includes the actions to be taken if the supplier is not willing, or able to demonstrate the necessary improvement.

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.

## 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. We have strengthened our ethical foundations and further focussed on supply chain mapping and transparency to identify sub-contractors, home workers and mills, specifically cotton mills.

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.

We maintained improved 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 Ethics & Sustainability team established 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.

Our Tier 1 and licenced factory list is updated every six months which is publicly available from both our website and the Open Apparel Registry's (OAR) website. In 2021 the OAR map became embedded into our website, and we have since included further data points including: product type and process, number of workers and parent company.

All Ted's Tier 1 suppliers are audited by independent third parties against Ted's Ethical Code of Conduct. These audits are all reviewed by the Ethics & Sustainability team who work directly across the business and with suppliers to continually improve standards. Travel has been consciously reviewed post Covid and limited to align with business needs however regular communication with Suppliers and Sites has been maintained to ensure the standards of our Ethical Code of Conduct are upheld. This will be further reviewed over the next 12 months.

## Working With Others

In May 2021 Ted became a member of SEDEX<sup>1</sup> who work with businesses to improve working conditions and responsible sourcing practices within supply chains. This membership brings us many benefits such as the ability to centralise the way we collate information from our audits, providing us with greater insights into systemic issues.

In December 2021 Ted became a signatory of the Accord of Fire and Building Safety in Bangladesh which was set up following the tragic Rana Plaza building collapse. Its aim is to ensure a safe working environment for workers within the garment industry through factory



inspections, remediation and training. As a new sourcing country to Ted and due to the high risks associated with Bangladesh, we wanted to ensure we were putting in clear measures to ensure the protection of workers.

In December 2021 we also participated in a worker's voice pilot with &Wider and SEDEX, the Direct Worker Reporting (DWP) scheme. The aim of this pilot was to enhance understanding and detection any of issues within a factory, prior to an audit. Workers were asked a series of questions which they could answer anonymously from their personal phones. While an audit is an extremely useful tool in understanding the risks within a factory, understanding the concerns perceived by workers helped expand on our understanding of the conditions within a factory. We are reviewing opportunities to establish a worker voice programme over the coming years as it is an excellent tool to help improve the conditions for the workers and identify issues which may not be easily observed during an audit.

<sup>1</sup> SEDEX is one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains

## 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 the most common risks in our top two sourcing countries and how we are addressing them;

<b>China: Excessive Overtime</b>	<b>Turkey: Subcontracting</b>
<ul style="list-style-type: none"> <li>- Excessive overtime is one of the biggest problems facing workers in the fashion industry.</li> <li>- 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.</li> <li>- 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.</li> <li>- Those who struggle with excessive working hours are encouraged or required to use Ted's monitoring tool to help reduce excessive overtime.</li> </ul>	<ul style="list-style-type: none"> <li>- The use of subcontractors is widespread in Turkey, particularly for smaller factories.</li> <li>- We have mapped the Subcontractors that our factories use and received a third-party ethical audit for all sites who perform cutting, stitching and finishing.</li> <li>- A revised Subcontractor Policy is under review for publication and implementation for all suppliers and sites.</li> </ul>

The Ethics & Sustainability 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.



### **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, team members 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 GXO Logistics in Derby, a potentially high-risk area, to ensure standards set out in our policies are upheld in practice.

## **RAISING AWARENESS & MODERN SLAVERY TRAINING**

We 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.

Previously our modern slavery training was attended by our Buying, Merchandising, Sourcing, Design and Production teams. However this has now been rolled out to all team members at Ted as a mandatory training. The training is easily accessible to all Ted team members on our internal learning platform called Thrive. It has also been included as part of our onboarding process for any new employee to complete.

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.

### **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);



## 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 and progress for the financial year 2022/23 are highlighted below:

Responsible Sourcing	Strong Policy	Enhancing Traceability
<u>Pilot a worker voice programme.</u> Key suppliers have been identified however the pilot has been delayed and this will be carried forward to 22/23.	<u>Translate our Ethical Code of Conduct into multiple languages.</u> This is now available in Chinese and Turkish two of our key sourcing countries.	<u>Mapping of un-nominated mills for key products.</u> This is a continual process and we are working closely with our suppliers.
<u>Continue to train Production teams who visit suppliers to understand the country risk.</u> Modern Slavery and training on other focus areas continued for all team members via our learning platform Thrive.	<u>Finalise and publish our Responsible Exit Policy.</u> This has not yet been finalised and published but we expect further review and final approval imminently.	<u>Include further factory data points on our published map, including number of workers, product and process.</u> This has been completed though we will continue to increase our data points and align systems.
<u>Roll out responsible purchasing practices training for all Production team members.</u> Training has been delayed though this remains an important area of focus and will be carried forward.	<u>Extend our ethical audit requirements to include our nominated hardware and components factories.</u> This is under review and scope will be defined for further focus.	<u>Requesting all Tier 1 Suppliers to be SEDEX members.</u> This has been communicated and enforced for all new Suppliers, we continue to work with historical relationships to meet this criteria.

## 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 the coming financial year 2023/24 we intend to:

Responsible Sourcing	Strong Policy	Enhancing Traceability
Pilot a worker voice programme in key sourcing countries and act upon data findings.	Ensure policies are established and implemented identifying any further requirements.	Increase due diligence for Tier 1 suppliers in-country to support third party audits.


Conduct training for all team members who visit suppliers to understand potential risks.	Review and implement revised onboarding requirements for all suppliers.	Define scope of increased due diligence beyond Tier 1 suppliers.
Review responsible purchasing practices training for all respective team members.	Embed all policies and conduct training with all key stakeholders.	Mandate Sedex membership and risk assessment tools for all Tier 1 suppliers.

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 [ask.ted@tedbaker.com](mailto:ask.ted@tedbaker.com).

We endeavour to increase our due diligence, strengthen our policies and procedures and responsibly manage any identified modern slavery within our supply chain.

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

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Carlos Radulovitch  
Chief Executive Officer, AARC Group (owner of No Ordinary Designer Label Ltd).  
03 October 2023