**SUPPLY CHAIN TRANSPARENCY AND MODERN SLAVERY STATEMENT**

FY 19/20

Published on 7rd April 2020

This is the fourth statement of Ted Baker Plc and its subsidiaries (“Ted Baker”) published in accordance with the Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010 (the “Acts”). Ted Baker has published an annual modern slavery statement since March 2017; to view these statements click [here](https://www.modernslaveryregistry.org/companies/8656/statements/10484). 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.

To ensure modern slavery does not take place in any part of our business or supply chain we believe collaboration and raising awareness across all areas of the Ted Baker business is key; this statement provides an overview of the progress we have made over the past 12 months and our future plans.

**1. TED BAKER’S 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 3622 people worldwide including over 715 based in our head office, The Ugly Brown Building, in London.

Retail is owned and managed by Ted Baker and we retain full oversight of labour practices for our employees. 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.  All such partners are subject to strict contractual conditions, including Ted Baker’s Ethical Code of Conduct (the “Code”).

As at today’s date, Ted Baker and its retail licensees have 385 stores and concessions worldwide, comprising of 91 in the UK, 92 in Europe, 101 in North America and the US, 92 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.

High risk areas of the business are represented in a cross-functional committee, the Modern Slavery Act Working Group (“MSWAG”). MSWAG 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 MSWAG will continue to develop with the changing needs of the business as we understand that meaningful impact can only be achieved through continued and sustained improvement.

**2. Policies relating to Slavery and Human Trafficking**

The offences contained within the Acts do not happen in isolation and require a wide scope of insight to fully prevent the actions that culminate in an individual being enslaved or trafficked. Ted Baker’s Code sets out the minimum working conditions and ethical standards demanded from our suppliers.  The Code is based on international conventions such as The Ethical Trading Initiative Base Code and The United Nations Universal Declaration of Human Rights and the Acts. We have revised our Code to ensure that it remains effective in our growing business and have written a Vulnerable Workers Policy that includes our policy on Migrant Workers, Homeworkers, Child and Young Workers as well as our policy on Workers with Temporary, Casual, Agency or Short Term Contracts. We shall communicate these policy updates to our direct suppliers in FY 20/21.

The Code forms the core of our strategy to tackle modern slavery and can be found on our [website](http://www.tedbakerplc.com/~/media/Files/T/Ted-Baker/documents/ted-ethical-code-of-conduct-2016.pdf).

Our direct (“first-tier”) suppliers are audited by independent third parties against the Code and we have a dedicated ethics and sustainability team, who work directly across the business and with suppliers to continually improve standards. Members of our ethics and sustainability team along with production teams regularly visit factories to ensure the standards of our Code are upheld and recommend improvements.

**3. Risk Assessment and Due Diligence as of FY19/20**

Our supply chain consists of over 165 first-tier factories for our own product alone. These factories are spread across the world in 19 sourcing countries. Factories based in China make up 40% of our first-tier, factories in Turkey make up another 13% and factories in Vietnam make up a further 10%. In our previous reports, we identified China and Turkey as being our most significant risk due to both volume of product and socio-political circumstance.

We have been working with The Reassurance Network, a social compliance consultancy, who have extensive experience on workers’ rights. They have conducted a training and monitoring programme with our Turkish subcontractors to ensure that they implement and uphold our Code. In 2019 we expanded our partnership with The Reassurance Network and started working with a selection of key Chinese suppliers to address and remedy more systemic issues within the supply chain.

We have continued to work with Segura, an independent supply chain platform, which has enabled us to better map and understand our supply base, providing us with greater transparency, which is pivotal in maintaining a robust supply chain. Having a better understanding of our supply base beyond the first-tier will increase the effectiveness of the due diligence conducted through enforcement of our Code, auditing and factory visits.

In October 2019, we published a complete list of all first-tier factories, where our finished goods are made and shipped from. This includes factory names, addresses, as well as some additional information about the facilities. This list will be updated every 6 months to reflect the changing nature of the sourcing of Ted Baker’s products. We see this as an important first step, with the second step being to continue mapping our second-tier facilities and beyond. This will include all the facilities that support our first-tier, such as subcontractors, tanneries and mills.

Since 2016 Ted Baker has been a member of the Better Cotton Initiative (“BCI”). By increasing the amount of cotton sourced through BCI we have greater transparency of our cotton sourcing regions. We have set a public target for 50% of our cotton to be sourced through the BCI or from organic or recycled sources by the end of 2020. We are pleased to confirm we have successfully achieved this, one year ahead of the target date. We are now working towards sourcing 100% of our cotton from these more sustainable sources by 2024.

 In 2019 we launched a list of public targets to increase our transparency and to source from more sustainable sources. To meet our targets, we have committed to source all of our leather products from Leather Working Group (LWG) certified tanneries by 2025. 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.

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.

**4. Performance Assessment**

We can confirm that no reports or findings of any type of slavery or human trafficking within our supply chain have been received to date.

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

* 1. **Continue to deliver a tailored training programme to assist specific departments within the business in identifying indications of modern slavery;**
	We have continued to train all departments who have direct contact with our suppliers to understand the warning signs of modern slavery and also understand how our practices can directly impact suppliers and their workforces. This year we have trained more than 90 team members, this training is a compulsory requirement for relevant departments. We will continue to train and engage our internal teams on the indicators and risks of modern slavery.
	2. **Continue to map our second tier across our supply chain;**
	This year we have taken steps to collect and maintain more accurate data about our first-tier direct suppliers and factories (where our finished goods are made and shipped). From this we have published a list of our active factories, including key information such as factory address and number of workers. The list does not include Ted Baker’s Licensed Products; however the next publication of the list will include the acquired entity, No Ordinary Shoes Limited, which manufactures our footwear. Publishing this list demonstrates our pledge to greater transparency of our supply chain and will be updated every 6 months. We have continued to work with Segura, our online factory management platform, to enhance our existing supply chain transparency and ensure that we are collecting relevant and accurate data from our supply chain. This year we have made progress on mapping our leather traceability beyond direct first-tier and have now mapped all of our finishing tanneries. In FY20/21 we will continue investigating the traceability of our leather sourcing to achieve our targets.
	3. **Reduce the business’ reliance on conventional cotton by supporting the growth of BCI cotton in the global supply chain;**

In 2017 we set a target for 50% of our cotton to be sourced as organic, recycled or BCI Cotton by end of 2020. We are pleased to announce that we hit this target one year early. As we continue to grow our ambition for more sustainable fibres in our collections, we have put in place a new public target for 100% of our cotton to be sourced as organic, recycled or BCI by 2024. To achieve these targets we continue to train team members and speak with suppliers on how to source more sustainable fibres like BCI, organic and recycled cotton.

* 1. **Awareness raising on the prevention of modern slavery with our Suppliers**
	As part of our due diligence and ongoing monitoring of our Code, the ethics and sustainability team meets with Suppliers and visits our first-tier factories. We use this engagement as an opportunity to distribute handouts that highlight the threats and warning signs of modern slavery as well as encourage our Suppliers to discuss these risks with their own Suppliers.

In FY20/21 we will 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.

**5. Year Ahead**

We are continuously working towards deepening our insight into the working practices of our supply chain and own operations to strengthen our approach towards addressing modern slavery and human trafficking.  We have delivered each of the KPI’s set in FY19/20 and will continue to build upon these in the year ahead. We will also focus on strengthening our internal policies and procedures, with an aim to develop more training and establishing greater due diligence mechanisms.

**6. Training and Awareness**

Internal training programmes have already been implemented to raise awareness of the risk of modern slavery within our business. Our board of directors have received training that highlighted the risk of slavery and its prevalence around the world, including the United Kingdom. A refreshed communication to our board of directors will be shared in FY20/21.

In the past year, 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. As mentioned above this is mandatory training as part of the induction for these teams.

Our focus with external stakeholders has been to raise awareness of the requirements of the Acts. This includes the continued distribution of our Code and supporting materials to our suppliers and licensees detailing the threats and warning signs of unfair recruitment practices. In FY19/20 we hosted a summit for all Ted Baker licensees which included the risks and how to recognise indicators of modern slavery.

A very important part of eliminating modern slavery is ensuring suppliers fully understand what constitutes modern slavery and their responsibility to eliminate it. The training with suppliers mentioned above is an important part in achieving this.

**7. Board’s Approval**

This statement was approved by the Board of Directors.

Rachel Osborne
Chief Executive Officer, Ted Baker Plc.
7th April 2020