

TEKLA

Responsibility report 2021-2022
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Responsibility at Tekla

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Tekla recognises its responsibility as a brand to mitigate its impact. We design for longevity and produce responsibly, aspiring to move beyond just compliance with social and environmental requirements.

Our approach to sustainability

We don't call ourselves a sustainable brand – bringing new products into the world is fundamentally at odds with the definition of sustainability, so it would be irresponsible to do so.

But we do strive to be more responsible. We measure our impact so we can better understand how to mitigate it, we act with care both in how and what we produce, and we do all of this with transparency because it's the only way to make crucial changes to our industry.

We're committed to the action we must take now to safeguard the future, not just because we need to, but because we believe in using business to drive positive change for everyone.



Photography by Umit Savaci, 2022

Responsibility report 2021-2022



Photography by Umit Savaci, 2022

Our first report

When Tekla launched in 2017, responsible practices were already a part of the brand's DNA: a core collection that rejects rapid trend cycles; only working with organic cotton that's from GOTS-certified fabric mills; close relationships with our tier 1 suppliers; a majority of production in Europe – a lot of the information in this first report was established at the beginning.

However, in 2022, we knew we had to take this further. We decided to measure our impact fully to better understand where to focus our efforts. We will continue to measure this year on year, using data from 2021 as our baseline, updating our impact and goals annually.

2021-2022 summary

Over the past year, we:

- applied for GOTS certification to ensure high standards in all production stages of organic cotton products, aiming to be certified by 2023,
- applied for B Corp status, aiming to be certified by 2023,
- measured our carbon footprint across scopes 1, 2 and 3,
- set one near-term science-based target to reduce our scope 1 and 2 emissions by 45% by 2025
- committed to creating a decarbonisation plan that covers scope 3 emissions,
- fully traced our supply chain to tier 4 – country of origin,
- launched a care universe to encourage longevity of Tekla products after the point of sale.

About B Corp

In 2022, we started the process of obtaining B Corp status. For this reason, you won't see any information about this in the report, but we will share more in the future.

Why B Corp?

A B Corp is a purpose-driven company that creates benefits for all of its stakeholders, not just its shareholders. To become certified, you must follow a set framework and pass a comprehensive assessment that scores a business's social and environmental performance across five key stakeholder groups: the environment, workers, community, customers and governance. It's a holistic certification that covers the entirety of business operations.

Becoming a B Corp not only aligns with our values but also with the responsible way we want to keep building our business.

Climate action

We are in a climate crisis and the textile industry has a key role to play – it’s responsible for an estimated 10% of global carbon emissions, according to the European Parliament. Reducing this output is incredibly challenging, but we recognise our responsibility to decarbonise our operations and supply chain as much as possible while supporting a growing business.

GHG emission categories		% of our GHG emissions
Scope 1	Activities that involve the combustion, or leakage of fuel, at any owned or operated facilities (e.g. heating, company vehicles).	0.00 %
Scope 2	Purchased energy for any owned or operated facilities.	0.72 %
Scope 3 category 1	Purchased goods and services, the production of our products.	82.96 %
Scope 3 category 9	Downstream transportation, the transportation and distribution of our products from our warehouse to the customer.	12.63 %
Scope 3 category 4	Upstream transportation, the transportation and distribution of our products from our tier 1 supplier to our warehouse.	2.96 %
Scope 3 category 6	Employee business travel and hotels.	0.51 %
Scope 3 category 5	Waste generated in operations, emissions from treatment of waste generated by activities at owned or operated facilities.	0.13 %
Scope 3 category 7	Employee commuting to work.	0.06 %
Scope 3 category 3	Fuel and energy related activities not included in scope 1 & 2.	0.04 %
Total		100 %

Company carbon footprint 2021: Data showing the percentage of our greenhouse gas (GHG) emissions across the applicable Greenhouse Gas Protocol categories, taken from 1 January 2021 to 31 December 2021.

Actions taken

We worked with Plan A – a platform for automated carbon accounting, decarbonisation, ESG management and reporting – to measure our company carbon footprint (CCF) for the first time, using the most established and credible methodology: the Greenhouse Gas (GHG) Protocol. This covered Scope 1, 2 and 3.

Results

Measuring greenhouse gas (GHG) emissions is challenging and resource-heavy. This is especially true for scope 3, which is less in a company’s control – many companies of our size often avoid measuring it altogether. However, this is where the vast majority of a company’s emissions come from, so this is a priority for us moving forward.

From the measurements we gathered we can see that, as expected, three out of five of our biggest impact areas come from our supply chain. These are: 83% from purchased goods and services, which is the production of our products; 13% from downstream transportation, which is the transportation and distribution of our products from our warehouse to the customer; 3% from upstream distribution, which is the transport and distribution of our products from our tier 1 suppliers to our warehouse.

As we don’t have direct control in these areas, they are the most challenging to change. We know that to achieve the greatest possible impact, we will need to engage our partners in this journey too. We have begun work on an action plan and are excited to work closely with our suppliers and other relevant stakeholders.

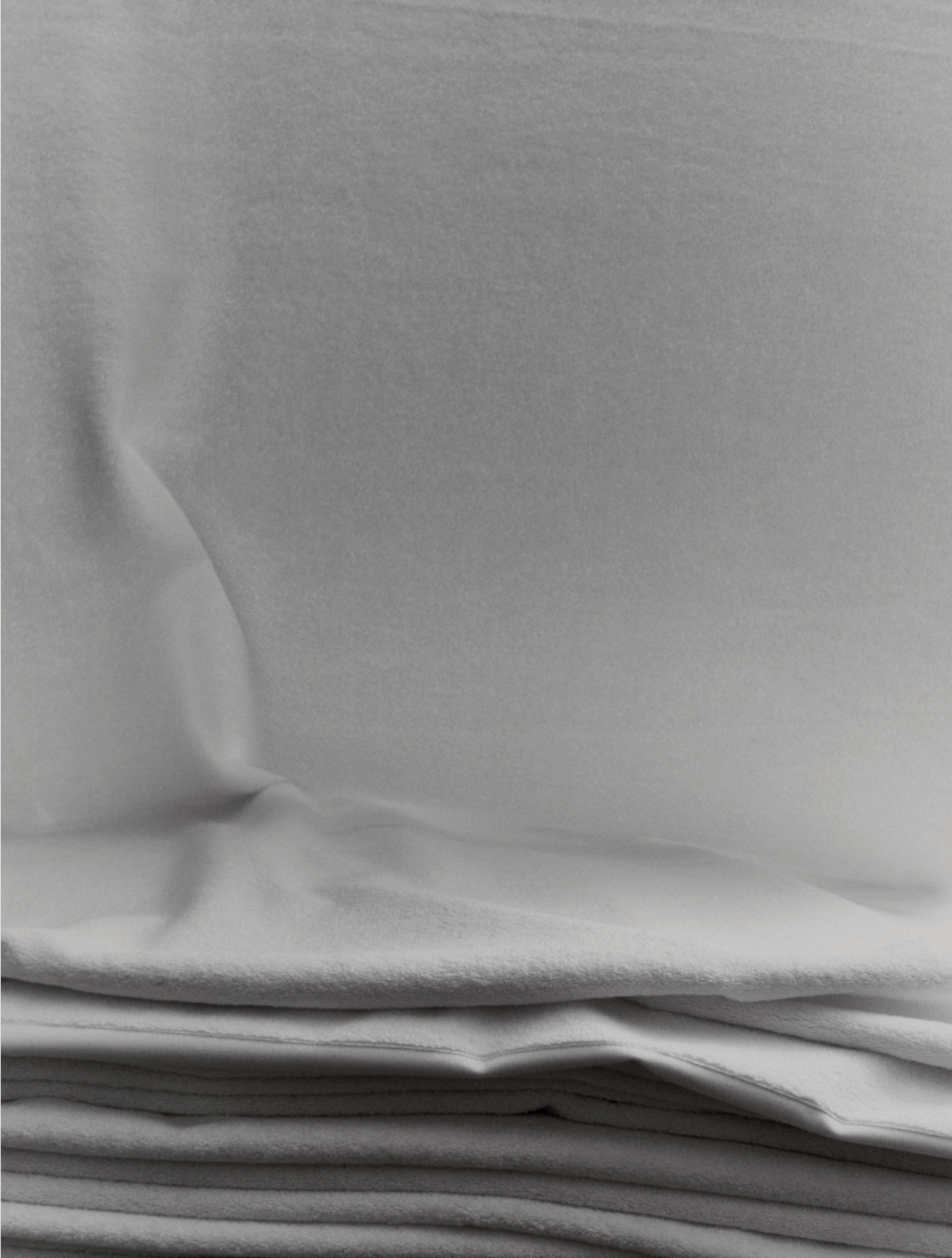
In the area where we have the most control – 0.5% from employee business travel – we have already started to mitigate our footprint. We began working with Goodwings, a hotel booking platform that measures greenhouse gas emissions from business travel and accommodation then offsets them via a registered Verified Carbon Standard (VCS) project.

We hope this initiative will engage and educate our employees on the greenhouse gas emissions related to travel and drive more responsible decision-making, though the ultimate goal is to reduce and not offset.

A note on how we collected data

The emissions data Plan A used to calculate our footprint comes primarily from the Higg MSI. We recognise this LCA data is secondary and not perfect, but at the time of measuring it was the best available to us. We used this data as a starting point in estimating our impact so we can start to take action in mitigating it. Moving forward, we believe more accurate data is crucial, so we will work to improve our methodology year on year.

We’ve also taken data from our business activities and finance. This includes the weight and material composition of our products in 2021, employee business travel receipts and waste produced by our office.



Photography by Umit Savaci, 2022

Materials



Photography by Umit Savaci, 2022

Materials alone don’t make a product sustainable, but they do make up a large portion of a product’s environmental impact – water use and pollution, greenhouse gas emissions and textile waste are all affected by textile choice. We use the highest quality, natural and renewable fibres available to ensure the longevity of our products, while taking into consideration their environmental and social impact when sourcing.

Textiles

Material mix	% of material use
Organic cotton	82.1%
Linen	11.1%
Wool	4.6%
Merino	0.3%
Mohair	0.4%
Recycled cashmere	0.7%
Conventional cotton and down	0.8%
<hr/>	
Total	100 %

Textiles used in products data 2021: Data showing main materials used in all products produced from 1 January 2021 to 31 December 2021, percentage by weight.

Actions taken

We conducted a full review of our textile materials to better understand where to focus our efforts first. From this, we defined our preferred materials and standards, created a guide for material sourcing priorities and set time-bound goals for changing from conventional to preferred materials.

Results

At 82%, the dominant textile fibre used for Tekla products is organic cotton, sourced from GOTS-certified fabric mills.

Organic farming is founded on four principles: health, ecology, fairness and care. Although specific organic farming practices may vary from place to place, all organic cotton is grown without any synthetic chemicals, pesticides or genetically modified (GMO) seeds.

Our approach is to find the best balance between a fibre’s impact and its suitability. By choosing to use organic, we’re able to mitigate some environmental and social impacts through these principles, while ensuring we use the highest quality possible to increase the longevity of our products.

Where we did find room for improvement was in some of the production stages following fabric weaving, such as dying and sewing, which are not GOTS-certified. This has pushed us to pursue GOTS certification as a brand, as this will ensure the same high standards are met at all stages of the supply chain.

At 11%, our second most used material is linen, grown in Europe. This natural fibre is a resilient, fast-growing crop that typically requires less water and chemical inputs such as fertilisers and pesticides when compared to common alternatives like conventional cotton.

European-grown linen and organic cotton are both preferred material choices, meaning we already work with 93% lower-impact materials. All products made using these materials are comprised entirely of them, making them easier to recycle at their end of life.

Within the remaining 7% of materials, we identified some room for improvement.

The down used in our collection is a guaranteed by-product of the food industry in Europe and follows strict EDFA standards that ensure traceability through a chain of custody and no animal cruelty. However, the cotton used for the down duvet outer is currently conventional, presenting an opportunity to switch to organic.

While we work with manufacturers in Europe who we visit often, the wool, merino, mohair and recycled cashmere used in our blankets are not currently certified to any of our preferred material standards. We have set goals to switch to preferred materials and standards and have already started sourcing these lower-impact fibres.

We’re proud of the results of this review, which clearly show that we work with preferred materials and some of the industry’s highest standards. However, information on sustainable materials and industry standards is constantly evolving, so we approach this subject with a critical mindset, constantly reassessing our classifications.

Trim

Actions taken

We reviewed all product labels. These small details are easy to overlook, but it’s important to us to apply the same high standards across all aspects of our products and the wider business.

Results

The majority of our trims are already made using preferred fibres. All hang tags are printed on FSC-certified paper with recycled-cotton strings, both of which are preferred. Our brand, care and size labels are made using recycled polyester, which is also a preferred fibre. The canvas label in our terry products presents an opportunity to improve and will be switched from conventional to organic cotton by the end of 2022.

Packaging

Actions taken

We reviewed our packaging.

Results

The poly bag used for shipping ecommerce orders is a preferred material, made from 100% post-industrial recycled plastic that is also widely recyclable in the EU, UK and US. The dust bag used for products that need extra protection or storage – such as our blankets or down duvets – is made from conventional cotton, which is something we can work towards changing for organic cotton.

The box used for our bedding collection can be recycled with card, but not with ease due to its multi-material composition. We’re now working to improve the design so it uses mono-materials in fewer quantities.

The poly bag used to wrap each product was found to be biodegradable but only under certain conditions which can be hard to guarantee. It can also disrupt the recycling process of conventional plastics if placed in a conventional plastic recycling bin. We are working towards switching it to either a recycled and recyclable plastic, or a recycled or FSC-certified paper alternative in 2023.

Ultimately, this review highlighted an opportunity to more clearly communicate how best to recycle our packaging. As a result, we will add instructions to our website and all packaging.

Traceability

There is little accountability within the textile industry, in part because of the opaqueness of supply chains. We recognise that to make meaningful change throughout, we need a clearer understanding of what ours looks like. We’ve worked with many of our tier 1 suppliers since launching in 2017 and visit them regularly. We’re proud of these relationships, but know that full visibility through the remaining tiers is the only way to ensure the high standards we’ve come to trust in them are met at every stage. Tracing our supply chain doesn’t make us more or less sustainable, but it is an important step toward finding where our biggest impacts lie and understanding how to mitigate them.

Traceability data

Tier	Supplier / production	% known
1	Suppliers	100%
	Production countries	100%
2	Suppliers	78%
	Production countries	100%
3	Suppliers	53%
	Production countries	100%
4	Suppliers	11%
	Production countries	100%

Traceability data: Data showing visibility of the supply chain of the main materials used across products produced from 1 January 2021 to 31 December 2021, shown by the percentage of known suppliers and production countries.

Actions taken

We traced all our products and their main materials back to tier 4, country of origin.

Results

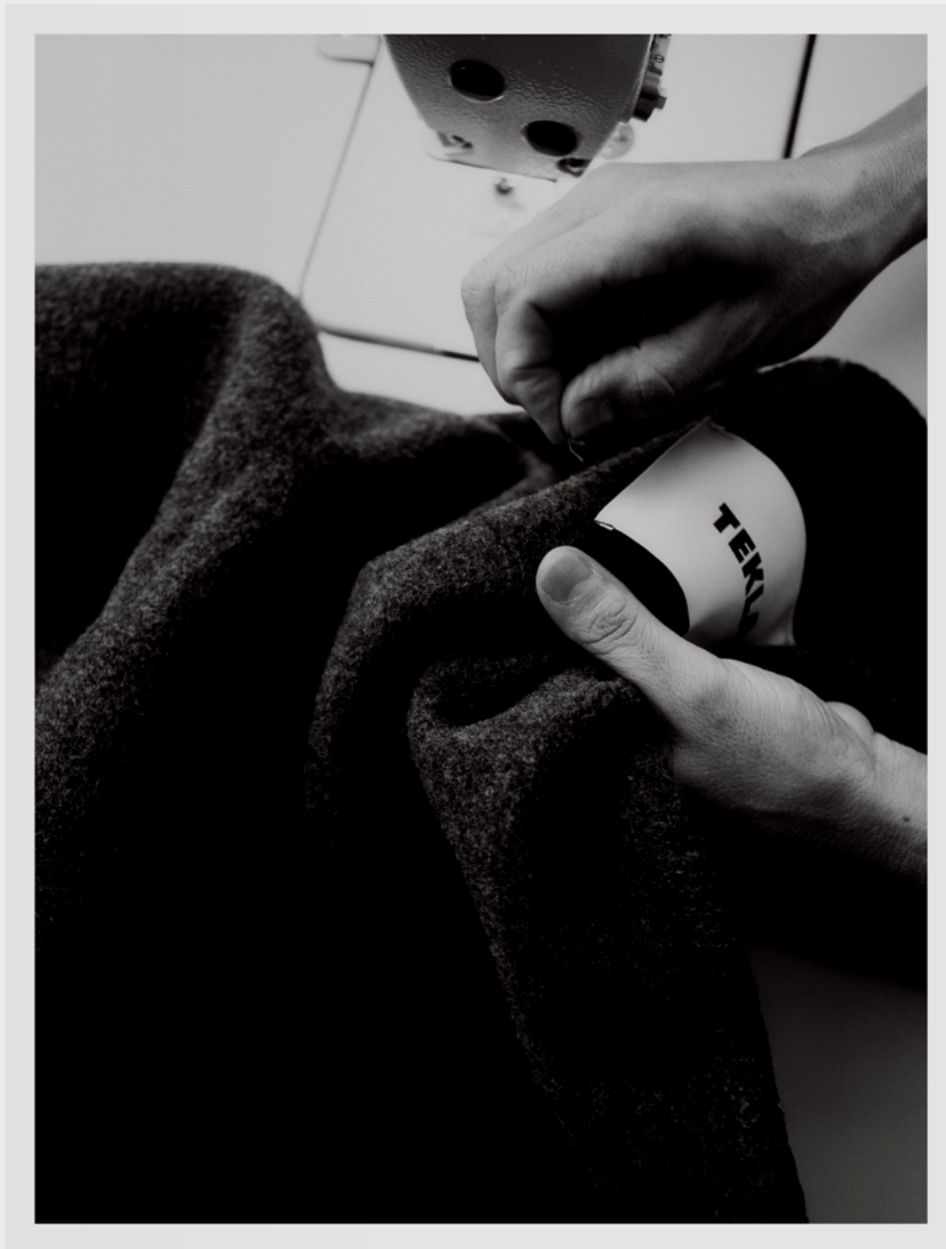
We confirmed that our supply chain is fairly compact, with the majority of production based in Europe – many of our tier 1 suppliers in Portugal, Lithuania and Denmark have facilities and expertise that cover tier 2 and sometimes tier 3.

Our compact supply chain and close relationships with our tier 1 suppliers are partly why we were able to trace main materials back to their country of origin, something we’re especially proud of as supply chains are notoriously opaque.

Natural fibres like cotton are collected from different farms (tier 4) before being sold to a yarn producer (tier 3), who sorts the fibre by quality before spinning, making it difficult to trace the fibre’s origin. Other factors, like a low crop yield or quality resulting in a supplier buying from a different farm from season to season, also affect the visibility of this chain. This is why GOTS certification is crucial for us as it will help ensure high standards in the absence of visibility.

We identified some gaps in our knowledge, specifically tier 2 (bedding) and 3 (bedding, blankets and kitchen) suppliers, which, due to the complex nature of supply chains, have production stages completed in different facilities outside of Europe. We have set a goal to know these suppliers by name by the end of 2023, as this is an important first step toward ensuring our values are verified at every stage of our supply chain.

Social



Photography by Umit Savaci, 2022

We must make sure our definition of sustainability includes people, as well as the planet, to affect meaningful change. We aim to provide a workplace that operates with honesty, integrity and openness; with respect for human rights and the interests of our community, including employees. These are values we extend to our supply chain and to the communities we serve through charitable work.

Supply chain

Actions taken

We introduced our first code of conduct, signed and adhered to by all our tier 1 suppliers, including our warehouse.

Results

Our code of conduct outlines the high social and environmental requirements of our suppliers, ensures a mutual agreement of these terms and is a statement of our intent to build long-term prosperous relationships with them. All our tier 1 suppliers adhere to this, which in some cases means this agreement extends to the facilities operated by them in tiers 2 and 3.

We work with like-minded partners who share our values. Any new suppliers must comply with and sign our code of conduct before we can work with them.

Employees

Actions taken

Reviewed internal processes and, where missing, began establishing processes to contribute towards a safe and inclusive workplace that supports employee well-being.

Results

Since the start of 2021, Tekla has grown from a team of nine to 32. This rapid growth means a lot of the work within people and culture has been foundational. We worked with the B Corp B Impact Assessment to identify where we were performing well and where we needed to improve.

Respect for others is embedded in the values of Tekla, and we're proud of the company's good governance despite its small size. However, through this review, we saw the need to formalise and consolidate our inherent beliefs around equality into more structured policies and training. This is something we're choosing to do now while the company is still small, to establish best practices and guidelines as the company grows.

In line with this, we have already created and introduced: an employee handbook with policies and procedures that reflect Tekla's commitment to its employees; a business code of ethics; a people's platform that supports greater transparency around roles and reporting structure, a performance review cycle that encourages continuous dialogue and feedback between employees and managers; a monthly town hall meeting; an internal culture committee.

But we know this work is always ongoing. In 2023, we will conduct an employee engagement survey to gain insight into how our employees feel about our company culture.

Extra focus will be given to the well-being of our employees and their ability to learn and grow at Tekla. This will include a voluntary gender, ethnicity and sexual orientation section to better understand, evaluate and identify areas for improvement within our culture.

The findings of our survey will enable us to establish diversity metrics and make meaningful decisions about how best to continue for the benefit of the team. It’s not just about what we say or do, but how we make people feel, which matters in ways we can’t measure.

Causes

Actions taken

In the past year, we better defined our approach to working with charities.

We have a local/global approach to charity, choosing to direct our resources towards those that provide support within our immediate community or tackle systemic global challenges.

This led to us working with local charities in Copenhagen and establishing a partnership with ClientEarth, a leading environmental law charity that uses “the law to fight climate change, tackle pollution, defend wildlife and protect people and planet.” Their recent work includes their successful suing of the UK government for breaching its Climate Change Act with an inadequate net zero strategy.

Results

After entering into a close dialogue with Kvindehjemmet, Denmark’s largest women’s shelter and crisis centre, and Kræftværket, a charity that supports young people with cancer, we matched the requested donations of blankets, sleepwear and bedding products. Both charities have expressed how appreciated and used these products have been, so we will continue to build on this relationship and ensure we donate what is needed.

After hosting a successful fundraising dinner for ClientEarth, we noticed a keen interest among our community in the work they do and found our events can increase donations – this particular event helped raise almost €430,000. This is why we’ve chosen to commit to one pro bono event or direct donation a year. You can find out more about the event we hosted by viewing our event booklet here.

Goals

Climate action

- 45% reduction in scope 1 and 2 emissions by 2025.
- Create a decarbonisation plan that covers scope 3 emissions, in line with our growth targets.
- Annually calculate our company footprint and publish progress in reaching targets.

Materials

Textiles

- GOTS certification across the entire supply chain for organic cotton products in 2023.
- Use 100% preferred materials and standards across all core and seasonal products by 2025.
- Reassess all preferred materials and standards annually, taking into consideration the latest innovations and data so we continue to work with the most responsible materials available.

Trim

- All terry canvas labels to be made from organic cotton by the end of 2022.

Packaging

- All dust bags to be made from organic cotton by 2023.
- Poly bag for wrapping products switched to either a recycled and recyclable plastic, or a recycled or FSC-certified paper alternative in 2023.
- Bedding box to be optional with purchase, simplified in design to reduce material usage and more easily recycled in 2023.
- Recycling instructions on all single-use packaging in 2023.

Traceability

- To know all our tier 2 and 3 suppliers by name, as well as their location, by the end of 2023.
- To have verified assurance of high environmental and social standards at every stage of the supply chain by 2025.*

Social

Supply Chain

- Further develop a social responsibility strategy that deepens our commitments to our supply chain and ensures high social standards are met.

Employees

- Conduct an employee engagement survey – including a voluntary gender, ethnicity and sexual orientation section – to better understand how our workforce feels about our company culture and identify areas for improvement.
- Establish diversity metrics and define language around diversity and inclusion in all communications by July 2023.
- Create initiatives around diversity and inclusion as part of our social responsibility strategy.

Causes

- Continue product donation commitment with local charities.
- Continue one annual financial donation or pro bono event to support ClientEarth.

Traceability overview

Tier 1 Cutting and sewing

We know all our tier 1 suppliers, all of whom are based in Europe, specifically Portugal, Denmark and Lithuania.

The vast majority are located in Portugal, where our suppliers produce all our organic cotton sleepwear, bath products, bedding products, kitchen products and our new blankets. Our down collection of duvets and pillows is produced in Denmark and our old blankets are produced in Lithuania.

We visit all our tier 1 suppliers twice a year.

Tier 2 Weaving and finishing

We know almost all our tier 2 suppliers, all of whom are based in Europe, specifically Portugal, Denmark and Lithuania.

This accounts for all sleepwear, bath products, our blankets, and the down filling in our duvets and pillows.

The tier 2 suppliers we do not know are responsible for weaving the organic cotton and linen fabrics used in our bedding products. However, we do know this is done in Portugal, China and Indonesia, and that the organic cotton weaving facilities are certified to GOTS social and environmental standards. We do not know the weaver of the conventional cotton used for our down duvet and pillow outers. However, we know they are based in Pakistan.

We visit our known tier 2 suppliers twice a year. This accounts for 78% of all tier 2 suppliers.

Tier 3 Spinning yarn

We know over half of all our tier 3 suppliers, almost all of whom are based in Europe, specifically Portugal.

This accounts for the yarn spinning of all organic cotton used in our sleepwear and bath products. The other suppliers we know are the processors of the down used in our duvets and pillows, who are located in Poland, Spain and Hungary.

The tier 3 suppliers we do not know are responsible for spinning the organic cotton yarn and linen used in our bedding, however, we do know that this is done in Tunisia, China and Indonesia and that the organic cotton weaving facilities are certified to GOTS social and environmental standards. We do not know the supplier that spins the conventional cotton used for our down pillows and duvets, although we know they are located in Pakistan. We do not know the supplier that spins the wool, mohair, recycled cashmere and merino used in our blankets, but we do know that this is done in Lithuania, except for mohair, which is spun in Italy.

We visit our known tier 3 suppliers a minimum of once a year, except for the European processors of the down used in our duvets and pillows who we haven't visited yet. This accounts for 53% of all tier 3 suppliers.

Tier 4 Cultivating raw fibre

Of our tier 4 suppliers, we know 11% – the Danish supplier of the down used to fill our duvets and pillows.

We do not know the rest of our tier 4 suppliers of raw materials, but we do know the country of origin for all main fibres used in our products. The linen used in our bedding and kitchenware is French flax, grown in France or Belgium. The organic cotton used in our bedding is grown in India, sleepwear in Turkey and bath products in Tanzania. The conventional cotton used for our duvet and pillow outers is grown in the US. The wool used in our blankets comes from New Zealand, Norway or Argentina; our merino comes from New Zealand, Australia or Argentina; our cashmere is recycled and our mohair comes from Turkey.

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