Climate Action Plan

TEKLA

Date: June 2026
Approved by: Tekla Board of Directors
Owner: Head of Sustainability
Next review date: June 2029

1. INTRODUCTION

Tekla is committed to supporting the global ambition to limit global warming to 1.5°C in line with the Paris Agreement. The textile industry is a contributor to global greenhouse gas emissions and we recognise our responsibility to act.

This Climate Action Plan sets out the specific, measurable, achievable, relevant and time-bound (SMART) targets we are working towards, the resources we are committing to implement them, and the stakeholders we will work with along the way.

This plan is approved by Tekla's highest governing body – the Board of Directors. Progress will be reviewed annually and the plan will be updated at least every 36 months.

2.WHERE WE ARE TODAY

Tekla has been on a climate action journey for several years. Our biggest emissions impacts are concentrated in our supply chain, primarily informed by the materials we use in our products and the energy consumed in production.

To date, we have:

- Consistently achieved between 97-100% preferred materials use (including organic cotton) across our core and seasonal product range by volume.
- Engaged our product suppliers on climate action, including suppliers who have invested in on-site renewable energy such as solar panels.
- Established the practice of annual Company Carbon Footprint (CCF) measurement covering Scope 1, 2 and 3 emissions.

As Tekla grows, our approach must grow with us. The focus of this next phase is to deepen our understanding of where meaningful climate action is possible and to take further action, whether that is through our own operations, through our supply chain or in collaboration with our industry.

3. OUR CLIMATE ACTION PLAN

The table below outlines our four current targets, the key actions and milestones we are committed to, and how we are resourcing and engaging stakeholders to deliver them.

Target 1 – Annual Company Carbon Footprint (CCF) measurement

Continue to measure Tekla's Scope 1, 2 and 3 emissions annually, using a tool that includes Product Carbon Footprint (PCF) modelling.

Use findings to identify further decarbonisation and climate action opportunities and target-setting.

KEY ACTIONS & TIMELINE

- Identify opportunities to optimise internal data collection processes – Q4 2026.
- Implement optimised processes – Q2 2027.
- Calculate 2025 and 2026 CCF in updated tool – Q3 2027.
- Identify and prioritise top decarbonisation levers to inform further target-setting from 2028 – Q2 2028.

RESOURCES & STAKEHOLDERS

- *Lead:* Sustainability team.
- *Budget:* New CCF tool provider identified and procured.
- *Stakeholders:* Product Development, Operations & Tech, Finance, Wholesale, product suppliers, CCF tool provider.

Target 2 – Tier 1 Product suppliers renewable energy baseline

Establish the average percentage of renewable energy used by Tekla's key product suppliers (accounting for 80% of product spend) by Q2 2027.

KEY ACTIONS & TIMELINE
- Review and verify existing supplier energy data – Q4 2026.
- Create supplier onboarding process and data collection system that mandates energy mix data from new suppliers – Q4 2026.
- Calculate baseline of renewable energy used – Q2 2027.

RESOURCES & STAKEHOLDERS
- *Lead:* Sustainability team.
- *Budget:* Internal resources (time), existing supplier management systems.
- *Stakeholders:* Existing and new product suppliers, Product Development, Operations & Tech.

Target 3 – Tier 1 Product suppliers renewable energy target

Using the baseline from target 2, explore the feasibility and impact of setting a renewable energy increase target across Tekla's key product suppliers. If feasible and impactful, set a timebound renewable energy increase target in consultation with stakeholders by Q2 2028.

If the data suggests different climate action opportunities, we will identify and commit to an alternative action by the same date.

KEY ACTIONS & TIMELINE
- Assess feasibility and impact of a supplier renewable energy % target – Q1 2028
- If confirmed impactful and feasible in consultation with stakeholders, set formal % target – Q2 2028

RESOURCES & STAKEHOLDERS
- *Lead:* Sustainability team
- *Stakeholders:* Key product suppliers (to be consulted before target is set*), leadership team, Product Development, Operations & Tech

**Before setting any formal target, engage key suppliers to understand their current capacity and plans for increasing renewable energy use. Where suppliers already have low-emissions programs in place, look for opportunities to support and strengthen these, rather than simply imposing a new requirement. This reflects Tekla's commitment to supporting value chain decarbonisation through partnership.*

Target 4 – Own operations: 100% purchased renewable electricity

Maintain a policy and practice of purchasing 100% renewable energy for electricity across all Tekla offices and stores through to 2030. Continue to assess the scope for expanding commitments to other fuel sources in its own operations.

KEY ACTIONS & TIMELINE
- Ensure all new stores and offices purchase 100% renewable electricity – ongoing and reviewed at least annually.
- Complete audit of non-electricity fuel sources (heating, cooling, vehicles) annually.
- Identify any viable lower-emitting or renewable alternatives annually and implement wherever possible.

RESOURCES & STAKEHOLDERS
- *Lead:* Head of Sustainability.
- *Budget:* Purchased renewable energy contracts in place.
- *Stakeholders:* Commercial team (new retail locations), energy and facilities suppliers, property owners and lessors etc.