

### Contents

- 3 About Tekla
- 4 Responsibility at Tekla
- 6 B Corp
- 8 Responsibility report 2024-2025
  - 10 Introduction
  - 11 Summary
  - 12 Goal overview
  - 16 Climate action
  - 20 Materials
  - 24 Traceability
  - 28 Social
  - 32 Conclusion
- 34 Traceability overview

### **About Tekla**

Established in Copenhagen in 2017, Tekla was born from a desire to bring modernity and freedom of expression to the homeware category. Since launching, Tekla has embodied an honest commitment to uncompromising quality, which it continues to build on. With a foundation in bedding, the full collection now comprises pieces for the entire home, including towels, sleepwear and kitchen linens – all made to be lived in and made to last.

# Responsibility at Tekla

We do not 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 by measuring our impact so we can better understand how to mitigate it. We report on this annually to provide transparency and support change in our industry.



Photography by Umit Savaci, 2022

Responsibility at Tekla 5

# **B** Corp

In 2023, Tekla met B Lab's high standards and became B Corp certified, joining a global movement of people using business as a force for good.

A B Corp is a company verified by B Lab to be purpose-driven, resulting in a holistic certification that covers the entirety of business operations. B Corps make a legal commitment to consider the interests of all stakeholders in their business operations, creating benefits for not just shareholders.

To become certified, a company must 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. 80 points is the minimum required for certification. For context, the median score for ordinary companies that complete the assessment is 50.9. Tekla achieved 91.7, scoring particularly well in governance, customers and workers, with more work to be done in environment and community.

B Corp stakeholder group	Tekla's score	Possible score
Governance Workers Community Environment Customers	18 24.2 15.8 29.6 3.9	20 40 40 75 5

Responsible practices have always been a part of Tekla's DNA. Since launching in 2017, we have strived to only work with organic cotton, kept a close relationship with our tier 1 suppliers, committed to a majority production in Europe and focused on core collections that reject rapid trend cycles. Joining B Corp reflects many of our existing values, but it also presents us with an opportunity to continue to build the company in a responsible way.

We are proud of the work we have done to achieve this rigorous certification, from our widespread use of lower environmental impact materials to tracing our supply chain back to tier 4 (country of origin) and supporting significant fundraising for ClientEarth – a high-impact environmental law charity. But we know there is still so much more to be done.

We strive to be as responsible as possible in our operations, moving beyond just compliance with social and environmental requirements. Working transparently and aligning with other organisations that work towards systemic change, like B Lab, is the only way to make crucial changes to the industry.

Becoming certified is not the end of the journey, rather an important step.



Photography by Umit Savaci, 2022

# Responsibility report 2024-2025

Tekla's impact is reviewed across climate action, materials, traceability and social. The quantitative data in this report is taken from 1 January 2024 to 31 December 2024. Any initiatives highlighted are from the reporting period of September 2024 to July 2025.



Photography by Umit Savaci, 2022

### Introduction

In 2022, we launched our first-ever strategy for our responsibility work, assessing our impact and setting ourselves 19 goals across four key areas: climate action, materials, traceability and social. Many of these goals were time-bound to be completed by 2025.

We have since reported on these goals annually. In 2023, we gave a full status update of which goals we had achieved, which needed to be reassessed and which were still in progress. We also announced our B Corp certification and introduced a topline decarbonisation plan outlining the initial steps to further our climate action journey. At the end of that report, we summarised the 12 goals left to be achieved and reported on next.

In 2024, we gave a status update on those 12 remaining goals and a full review of our progress with our topline decarbonisation plan. At the end of that report, we summarised the 4 goals left to be achieved and reported on next.

2025 marks the end of our first responsibility strategy, as we bring to a close our initial 19 goals. In this report, alongside outlining the status of the 4 remaining goals, we reflect on our achievements and insights gained from this strategy as we consider the next step in our responsibility journey.

### Summary

Below are key results from the four impact areas we measure each year.

#### Climate action

Since our first report, we've measured our company carbon footprint annually, and last year, we achieved our goal of reporting progress on our topline decarbonisation plan. However, in 2024, our carbon emissions rose compared to 2023. This increase was expected: after the early gains achieved through implementing our initial responsibility goals and key decarbonisation actions within our control - such as material choices and production energy - further decreases become more complex. This highlights the challenge we now face in sustaining further reductions. We therefore need to review our climate action strategy in line with these insights, alongside industry innovation, to assess where we can have the most influence and impact next.

#### Materials

Last year, we achieved all our material goals across products, packaging and trim.

### Traceability

Our two remaining traceability goals -100% visibility across tiers 1-3 suppliers and verified assurance of high social and environmental standards - were ambitious. We have a minimum of 93% visibility of suppliers across tiers 1-3 when accounting for the main materials of core and seasonal products. However, this decreases to 85% or higher when we include products made in connection with collaborations. Despite this, over the last 3 reports, we have managed to maintain 80% or higher visibility of suppliers across tiers 1-3. While this does not meet our goal, it is a good result and one we are still proud of. Due to the high volume of on-product GOTS-certified products (96% by volume and 76% by assortment),

we have verified assurance that our high environmental and social standards are being met across the supply chain. However, we do not have verified assurances for noncertified products. In 2024, we started a project with Fairly Made - a SaaS platform that helps deliver supply chain transparency. This elevated our traceability approach to include more complex supply chain mapping, moving beyond a simplified 4-tier approach by attempting to trace suppliers for every production process. The increased insights gained have been used to add more traceability information to our product webpages for the first time, as well as an Environmental Cost, soon to be required in France. These are important steps towards visibility and verified assurance, but working towards this has highlighted where challenges lie. Visibility of suppliers at tier 4 farm or fibre processing level - is consistently challenging and a consideration we must take into our future responsibility work.

#### Social

To deepen our commitments to social impact in our supply chain, we created our first due diligence assessment informed by the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Many of the potential risks identified are mitigated by our existing product sourcing strategies and use of preferred materials and standards. Therefore, product certifications remain an extremely valuable tool for ensuring high social standards are met in the supply chain. With the enhanced visibility and insights we have gained from our traceability work, we can continue to review and revise our due diligence assessment and processes more effectively moving forward. Our remaining goal to establish diversity metrics was not met due to a lack of disclosure of demographic information.

### Goal overview

The following pages show an overview of the 19 goals set in the first report, with a summary of which were achieved, not achieved and reassessed.

It is important to note that, while some goals are marked as achieved, this does not mean Tekla will cease work in these areas.

Achieved: 15 goals

Not achieved: 3 goals

Reassessed: 1 goal



Impact Area	Goals	Status
Climate action	<ol> <li>Annually calculate the company footprint and publish progress.</li> </ol>	Achieved
	<ol><li>Create a decarbonisation plan that covers scope 3 emissions, in line with Tekla's growth targets.</li></ol>	Achieved
	3. 45% reduction in scope 1 and 2 emissions by 2025.	Reassessed
		Found no longer feasible*
Impact Area	Goals	Status
Materials Textiles	4. Textiles: GOTS certification across the entire supply chain for organic cotton products in 2023.	Achieved
Packaging Trim	5. Textiles: Use 100% preferred materials and standards** across all core and seasonal products by 2025.	Achieved
	<ol><li>Textiles: Reassess all preferred materials and standards annually, taking into consideration the latest innovations and data.</li></ol>	Achieved
	<ol><li>Packaging: All dust bags to be made from organic cotton by 2023.</li></ol>	Achieved
	8. Packaging: Polybag for wrapping products switched to either a recycled and recyclable plastic, or a recycled or FSC-certified paper alternative in 2023.	Achieved
	<ol> <li>Packaging: Bedding box to be optional with purchase, simplified in design to reduce material usage and more easily recycled in 2023.</li> </ol>	Achieved
	<ol> <li>Packaging: Recycling instructions on all single-use packaging in 2023.</li> </ol>	Achieved
	11. Trim: All terry canvas labels to be made from organic cotton by the end of 2022.	Achieved
Impact Area	Goals	Status
Traceability	12. To know all our tier 2 and 3 suppliers by name, as well as their location, by the end of 2023.	Not achieved
	13. To have verified assurance of high environmental and social standards at every stage of the supply chain by 2025.***	Not achieved

Impact Area	Goals	Status
Social Supply chain Employees Causes	14. Supply Chain: Further develop a social responsibility strategy that deepens our commitments to our supply chain and ensures high social standards are met.	Achieved
	15. 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.	Achieved
	<ol> <li>Employees: Establish diversity metrics and define language around diversity and inclusion in all communications by July 2023.</li> </ol>	Not achieved
	<ol> <li>Employees: Create initiatives around diversity and inclusion as part of our social responsibility strategy.</li> </ol>	Achieved
	<ol> <li>Causes: Continue product donation commitment with local charities.</li> </ol>	Achieved
	<ol> <li>Causes: Continue one annual financial donation or pro bono event to support ClientEarth.</li> </ol>	Achieved

Goal overview 15

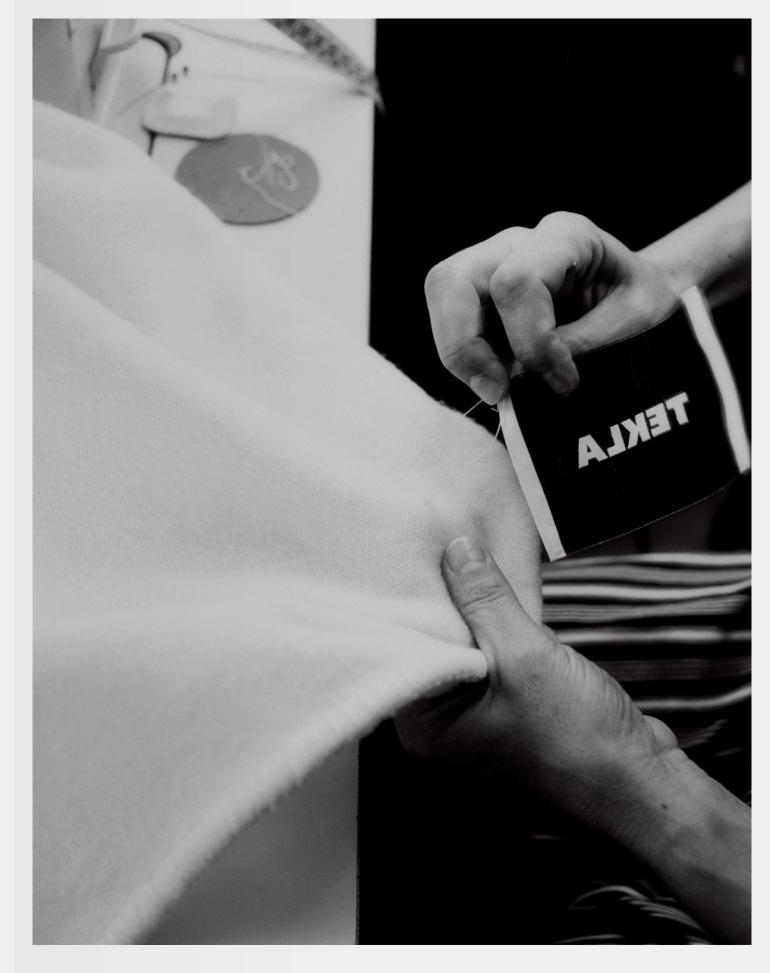
<sup>\*</sup> The 2021 emissions incorrectly included a logistics partner's scope 3 emissions. Tekla's scope 1 and 2 emissions were lower (1.43 tCO2e). Following reduction initiatives such as purchasing renewable energy for the office and store, Tekla's emissions cannot be further reduced at this time. Read more in the 2022-2023 report.

<sup>\*\*</sup> Preferred materials and standards are defined as having less environmental and/or social impact in comparison to conventional materials. In the case of products with blends, if the product's composition contains a majority (over 50%) of preferred material(s), the product is classified as meeting the preferred criteria.

<sup>\*\*\*</sup> Across tiers 1-3.

### Climate action

We are in a climate crisis and the textile industry has a key role to play – it is 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.



Photography by Umit Savaci, 2022

Climate action

All goals for this impact area were achieved by 2023. Below is an update on the ongoing work.

### Results

GHG emission categories		% of Tekla GHG emissions 2023
Scope 1	Emissions resulting from activities that involve the combustion, or leakage, of fuel (e.g. company vehicles) at any owned or operated facilities.	0,1%
Scope 2	Indirect emissions resulting from purchased electricity, heating and cooling at any owned or operated facilities.	0,1%
Scope 3	All other indirect emissions (not included in scope 2) that occur in the upstream and downstream value chain of the reporting company.	
category 1	Purchased goods and services: the production of Tekla products.	70,9%
category 9	Downstream transportation: the transportation and distribution of Tekla products from warehouse to customer.	10,3%
category 4	Upstream transportation: the transportation and distribution of Tekla products from tier 1 supplier to warehouse.	17,4%
category 6	Employee business travel and hotels.	1,1%
category 7	Employee commuting to work.	0,1%
category 3	Fuel and energy-related activities not included in scope 1 and 2.	0,1%
category 5	Waste generated in operations: emissions from the treatment of waste generated by activities at owned or operated facilities.	0,001%
Total		100%

Company carbon footprint 2024: Data showing the percentage of Tekla's greenhouse gas (GHG) emissions across the applicable Greenhouse Gas Protocol (GHG Protocol) categories, taken from the annual reporting period of 1 January to 31 December 2024.

Tekla's emissions are measured year on year to have an accurate understanding of where to focus decarbonisation efforts. The majority of impact continues to be in scope 3 – the production and transportation of products – which informs the topline decarbonisation plan.

In the 2024 company carbon footprint results, an increase in the absolute emissions in line with growth was observed when compared to 2023: scope 3 category 1 emissions (purchased goods and services) increased by 3,636 tonnes of CO2e, compared to 2,835 tonnes of CO2e in 2023 and 2,907 tonnes of CO2e in 2022. There are now diminishing returns on reductions, as the first round of responsibility goals and initial decarbonisation initiatives within Tekla's control have been actioned. For example, Tekla already uses a majority of low-carbon-impact materials, such as organic cotton (96.8% of material mix by volume in 2024), and the biggest tier 1 suppliers (accounting for 94% of tier 1 production by volume in 2024) have installed solar panels. Additionally, a disproportionate increase in upstream transportation emissions has been observed, which warrants further analysis.

It is important to note that the methodology for the company carbon footprint was changed in 2024 and used a Product Environmental Footprint (PEF's) within scope 3 category 1 (purchased goods and services) for the first time. This accounts for some of the increase seen in emissions when compared to 2023, but not significantly.

### Materials

Materials alone do not 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 aim to 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.



Photography by Umit Savaci, 2022

Materials 21

All goals for this impact area were achieved by 2023. Below is an update on the ongoing work.

### Results

Textile composition	Product category	Materials and standards used	%
Organic cotton	Bath, bedding, sleepwear, sleepwear accessories/core and seasonal	Preferred	96.80
European linen	Bedding, kitchen/core	Preferred	0.70%
Wool and recycled wool	Blankets/core	Preferred	0.92%
Wool	Blanket/collaboration	Not preferred	0.04%
Mohair, wool and polyamide blend	Blanket/collaboration	Not preferred	0.15%
Cashmere	Other/collaborations	Not preferred	0.01%
Down, cotton and polyester	Other/collaborations	Not preferred	0.01%
Recycled cashmere, virgin cashmere, recycled polyester, polyamide and elastane	Sleepwear accessories/core	Preferred	0.10%
Recycled down and organic cotton	Sleepwear accessories/core	Preferred	0.13%
Down and organic cotton	Down collection/core	Preferred	1.10%
Misc	Other	Preferred	0.03%

Textiles used in products in 2024: Data showing main materials used in all products produced from 1 January 2024 to 31 December 2024, percentage by weight, and preferred materials and standards.

As per its goal, Tekla has continued to use preferred materials such as organic cotton, European linen and Downpass-certified down in its existing core and seasonal products. In addition, core products introduced to the range in 2024 also use preferred materials and standards\*. These include:

- GOTS-certified sateen bedding and sleepwear.
- Lambswool blankets made from a blend of GRS-certified recycled wool and virgin lambswool yarns.
- Cashmere beanies made from a majority of GRS-certified recycled yarns.

When taking into account the entire product offering in 2024, the material mix of preferred materials and standards is at 98.8% 99.8%. The 0.20% that is not classified as preferred relates to materials used for some limited and special collections.

\* Preferred materials and standards are defined as having less environmental and/or social impact in comparison to conventional materials. In the case of products with blends, if the product's composition contains a majority (over 50%) of preferred material(s), the product is classified as meeting the preferred criteria.

## 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 have worked with many of our tier 1 suppliers since launching in 2017 and visit them regularly. We are proud of these relationships but know that full visibility through the remaining production tiers is the only way to ensure the high standards we have 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.



Photography by Umit Savaci, 2022

Traceability 25

Remaining goals	Actions	24/25 Status update
Continue dialogue with suppliers around barriers to disclosure to reach our tier 2 and tier 3 goals.	Worked with suppliers to achieve full tier 2 visibility and almost full tier 3 visibility across core and seasonal products.  Elevated our traceability approach to a more complex supply chain mapping than in previous years. Made country traceability information visible on product webpages.	Not achieved
Work toward having verified assurance of high environmental and social standards at every stage of the supply chain by 2025.	By volume of purchases, 96% (76% by assortment) of Tekla products are on-product GOTS certified, giving assurances that high environmental and social standards are being met throughout the supply chain.	Not achieved

### Results

Tier	Supplier/production	% known 2024 all products	% known 2024, core and seasonal products
1	Suppliers	95%	100%
1	Production country	100%	100%
2	Suppliers	92%	100%
2	Production country	95%	100%
3	Suppliers	85%	93%
3	Production country	92%	100
4	Suppliers	12%	13%
4	Production country	90%	98%

Traceability data 2024: Data showing visibility of the supply chain of the main materials used across products produced from 1 January 2024 to 31 December 2024, shown by the percentage of known suppliers and production countries.

When accounting for all core and seasonal products, the goal of 100% visibility of tier 2 and tier 3 supplier name and country was almost met. The name of the yarn spinner for one product is unknown, bringing the percentage of known tier 3 suppliers to 93%. However, this supplier is GOTS certified, ensuring a high social and environmental level is still met.

However, when accounting for products made in connection with a collaboration, visibility on suppliers across tiers 1-3 decreases to 85% or higher. This is due to having less influence on supplier disclosures within a collaborator's supply chain.

Over the last 3 reports, the percentage of known suppliers across tiers 1-3 has remained at or above 80%. This is still an excellent result and one that reflects the trust built with some of Tekla's longest-standing suppliers to disclose their supplier information. Tier 4 supplier visibility (farm or fibre processors level) has remained challenging and will continue to be a focus in Tekla's responsibility work.

Product certification has been extremely valuable in meeting another ambitious goal of having verified assurance of high environmental and social standards at every stage of Tekla's supply chain by 2025. By volume of purchases in 2024, 96% of products were fully on-product GOTS certified (by assortment, this accounts for 76% of our products), providing assurance even where full supply chain visibility is lacking.

For the remaining percentage of products that are not on-product certified (4% by volume of purchases and 24% by assortment), preferred and certified materials have been used. However, the tracability work with Fairly Made has identified that not all suppliers in the supply chain are consistently certified to Tekla's preferred standards.

Additionally, Tekla's traceability approach has been elevated to include more complex supply chain mapping. Working with Fairly Made and their digital platform, we have attempted to trace suppliers for every production process for the main materials in our products, moving beyond our previous simplified 4-tier approach. The increased traceability insights gained have been used to add country of origin traceability information to product webpages for the first time, as well as adding an Environmental Cost, soon to be required in France.

### Social

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.



Photography by Umit Savaci, 2022

Social 29

Remaining goals	Actions	24/25 Status update
Supply chain  Continue developing a social responsibility strategy that deepens Tekla's commitments to its supply chain and ensures high social standards are met.	Created our first due diligence assessment to identify potential risks in our supply chain and mitigation practices, informed by the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.	Achieved
Employees  Create initiatives around diversity and inclusion as part of Tekla's social responsibility strategy in 2024.	Initial training intended to create a common understanding was completed by leadership and the company.  Inclusion and belonging questions continued in the employee engagement survey.  Launched new hiring software to reduce unconscious bias in interviewing and hiring processes.	Achieved
Employees  Establish diversity metrics and define language around diversity and inclusion in all communications by July 2023.	Pronouns were introduced to email signatures. Lack of disclosure prevented metrics from being established.	Not achieved

### Results

#### Supply chain

To strengthen Tekla's social responsibility strategy and uphold high social standards, the company completed its first due diligence assessment to identify and address potential risks in the supply chain, informed by the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

The core of the OECD's guidance is a risk-based due diligence process that encourages companies to identify, assess and address potential negative impacts in their supply chain. The OECD guidance emphasises the importance of respecting human rights throughout the supply chain, aligning with the UN Guiding Principles on Business and Human Rights.

Many of the potential risks identified are mitigated by existing product sourcing strategies and the use of preferred materials and standards, with already 96% of Tekla products by volume being on-product GOTS certified (76% by assortment). Therefore, product certifications remain an extremely valuable tool to ensure high social and environmental standards are met in the supply chain.

Through a project with Fairly Made, Tekla's traceability efforts have been elevated to establish a database of suppliers beyond tier 1 for non-certified products. Fairly Made's system also provides a record of the standards and certifications each supplier adheres to, as well as any existing gaps. This increased visibility and deeper understanding of the supply chain can enable more effective reviews and revisions of due diligence practices, demonstrating the interconnectedness between this and any traceability work.

#### **Employees**

At the end of 2024, DEI training was introduced for leadership and the company in line with the goal to create diversity and inclusion initiatives. This training was intended to support a common understanding of this important topic and focused on psychological safety and conscious inclusion.

A section dedicated to inclusion and belonging was continued in the annual employee engagement survey. This initiative ensures the identification and celebration of strengths, while highlighting opportunities for further growth and development with input from the wider company.

New software was implemented to reduce unconscious bias in interviewing and hiring processes.

The goal to establish diversity metrics and define language around diversity and inclusion in all communications was not achieved. Tekla previously introduced gender pronouns to email communications, alongside training on how to use them sensitively. Although Tekla has engaged employees, a lack of disclosure of demographic information, which is voluntary by law, means it has not yet been possible to establish diversity metrics.

#### Causes

Tekla continues to support ClientEarth, with a fourth event planned for the end of 2025. ClientEarth are an environmental charity using the power of the law to protect all life on Earth, working to create meaningful, systemic change.

At the time of writing, Tekla's three previous events have continued to raise awareness and funds, with over €800,000 raised in total.

### Conclusion

Tekla believes in living well and doing things with care. We create products that bring comfort to everyday life, whether at home or outdoors. When we launched in 2017, these values were already embedded, with responsible practices a core tenet of the brand: Tekla began with a core collection that rejected rapid trend cycles, a focus on organic cotton and close relationships with our tier 1 suppliers.

In 2022, we recognised the need to deepen this commitment. We assessed our impact across four key areas – climate action, materials, traceability, and social responsibility – and set 19 goals where we found room for improvement to be completed by 2025.

Tekla was still a young business when this strategy was set and implemented. In the years since, both the company and its expertise in responsible business practices have grown. The majority of the 19 goals have been achieved, but through the course of reporting, it's become clear that this is a continuous journey – and one we cannot undertake alone.

With significant changes on the horizon – including shifts in the legal landscape for businesses operating in the EU and the launch of a new B Corp standard – we are taking this moment to reflect. While many of these 19 goals helped us to establish ongoing business practices, what comes next is to be decided. Our ambition remains high, and we're excited to share more in the future.



Photography by Umit Savaci, 2022

# Traceability overview

Due to our work with Fairly Made, this information is now available on the Tekla website. See product pages for more information.



Traceability overview 35