

Sustainability Report

2024/25

Consideration, respect, and care for people and planet, in all aspects.



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about us.

Since 1957, we have inspired and guided women and men to explore their personal style. With longevity and craftsmanship as our foundation, we offer timeless designs infused with personality. This is how we have become the go-to destination for customers who value quality and style that stand the test of time.

**Ingvar Larsson****CEO MQ MARQET AB**

For most of the year, consumers have been hesitant, characterized by uncertainty in the world around us and limited purchasing power. Only towards the end of our financial year have we seen clear signs of a positive turnaround. A stronger Swedish krona, lower borrowing rates and reduced inflation have gradually created increased confidence in the future, which has led to more active consumption.

Despite the challenging situation, we have continued to invest in our physical presence. During the year, we opened two new stores and renovated several existing ones with our new store concept – an important step in strengthening the customer experience and our brand. The past year has been eventful and marked by

several important initiatives aimed at strengthening our efficiency and customer experience. One of our most central focus areas has been to optimize our flow of goods through the implementation of RFID technology. This investment has enabled more accurate replenishment in our stores, which has improved the availability of our range and thus the customer experience. At the same time, RFID has created better conditions to reduce price reductions that previously occurred as a result of incorrect allocation of goods.

We have also intensified our work with the personal customer meeting. During the year, we have introduced new tools that enable our customers to provide direct feedback on their in-store experience. This has been much appreciated by our employees, who now receive continuous and relevant feedback from our customers – something that contributes to both commitment and development in the daily work.

To further deepen our understanding of our customers' needs and expectations, we conducted a nationwide consumer survey during the summer. At the beginning of the autumn, we followed up with a larger customer survey within the framework of our member club. These two extensive surveys have provided us with valuable insights for our continued efforts to improve customer experience and clarify our brand even further.

Our ambition is to build long-term relationships with our customers by offering the support and services needed to create a wardrobe that is sustainable over time. We value garments that retain their style, shape, and quality over time. Through our circular services, we also aim to extend the lifespan of already produced clothing to help address the climate and environmental challenges we face.

During the reporting year, we have continued our work with circular business models and have significantly expanded our second-hand offer. Customers can submit garments from our own brands and select external brands at any MQ store location, and we offer

second-hand sales in 85% of our stores nationwide, an expansion from 23 to 81 stores during the year. Furthermore, 96% of submitted garments found a new owner, indicating strong customer demand and appreciation for our second-hand initiative. To analyze the potential to expand this area using garments from other consumer flows, we will participate in a pilot project to retake garments from municipal textile collection systems in autumn 2025.

We have continued to offer circular services in all stores, including tailoring, sneaker wash, and denim re-dyeing in collaboration with 100B. These services, together with our second-hand offer, accounted for 0.65% of total revenue during the year 2024/25. While this is still a small share of our total revenue, this segment shows consistent annual growth and significant future potential. We also continued our partnership with Stadsmissionen, which includes clothing collection in all MQ stores, as well as providing internship and work training opportunities in stores. In autumn 2024, MQ renewed its commitment to the International Accord for Health and Safety in the Textile and Garment Industry. This agreement covers all active suppliers in Bangladesh and ensures regular inspections to promote safe and secure working conditions in the factories we use.

MQ continues to pursue an active climate strategy, with a target to halve absolute greenhouse gas emissions by 2030/31, using 2021/22 as the baseline year. Key initiatives for reaching our target include increasing the share of renewable energy in production, transitioning to lower-impact materials in products, reducing emissions from transportation and increasing our offering of circular business models. We are actively mapping upstream supply chains and are in the process of evaluating traceability systems to improve data collection and transparency in line with our sustainability goals and upcoming legislation. This year, we have expanded our climate footprint calculations to include downstream activities, providing a more comprehensive view of our impact across the full product lifecycle.



highlights.

2024/25

- » Expanded from 23 to 81 stores offering second-hand sales.
- » Increased the share of revenue from circular services and second hand with 76% compared to previous year.
- » Sold almost all second-hand garments submitted in stores (96% of submitted garments found a new owner).
- » Increased the number of sneakers washes by more than 600% compared to 2023/24.
- » Initiated a project to retake garments of our own brands from community collection.
- » Renewed our agreement with the International Accord for Health and Safety in the Textile and Garment Industry for factories in Bangladesh.
- » Reduced greenhouse gas emissions in scope 1 and 2 with 50% compared to baseline year (2021/22).

sustainability targets and progress.

At MQ, we aim to strengthen our position by linking sustainability efforts to our material topics and focus areas. The table shows the current sustainability targets and their status. For further KPIs and more information on our actions and work, see each focus area.

	2022/23	2023/24	2024/25	TARGETS 2030/31
MATERIALS				
Sustainably produced materials in our products ¹	61%	62%	62%	Target per material
Recycled materials in packaging and bags ²	-	-	33%	100%
CIRCULARITY				
Revenue from second hand and MQ services ³	0.32%	0.37%	0.65%	5%
Number of sold second-hand garments	8 959	22 470	37 328	-
Proportion of repaired claims	6%	4%	5%	-
CLIMATE				
Decrease in total GHG emissions from baseline year 2021/22	-	-	-12%	-51%
Decrease scope 1 & 2 GHG emissions (from 2021/22)	+48%	+46% ⁴	-50%	-100%
Decrease scope 3 GHG emission (from 2021/22) - including use phase and end of life	-	-	-11%	-50%
Decrease scope 3 GHG emission (from 2021/22) - excluding use phase and end of life	-27%	-14%	-13%	-50%
SOCIAL				
Audited factories in tier 1	97%	97%	96%	100%
Sick-leave, own employees ⁵	5%	5,1%	4,7%	< 3.9%

¹ Includes sustainably produced materials in products based on volume (previously calculated based on number of units). For individual fibres, see page 16-17.

² Includes transport packaging, e-commerce bags and bags in stores based on volume (previously presented individually). For further information, see page 16-17.

³ The target has been revised compared to previous year.

⁴ Data for the previous year was incorrectly reported and has been adjusted.

⁵ New KPI.

position & brands.

We inspire with a high-quality and affordable fashion, carefully selected for our target audience. We know style and are happy to share our expertise. Our goal is for our customers to feel inspired, well-dressed, and fantastic – no matter the occasion. That's how we live up to our commitment of being the personal fashion chain.

MQ offers a broad mix of carefully curated brands tailored for our target group. Established private labels with in-house design, combined with the very best of external brands, create an inspiring assortment. Our brand portfolio evolves over time as we refine our offering in line with current trends and customer demand. But one thing remains constant: Our brands embody and express style, quality, and sustainability – just like we do.

STOCKHOLM
STUDIO

bläck

BLANKENS

ELVINE

HESTRA

LES DEUX

NEUW

REPLAY

WASHOLOGY

STOCKHOLM

dobber

CISZERE



InWear

LYLE & SCOTT

NN. 07



Bandelid

BJÖRN BORG 

E D B L A D

GESTUZ

Lee®

Matinique

SECOND FEMALE

**STADSMISSIONENS
SECOND HAND**
DRIVS AV SKÅNE STADSMISSION

vogue

our business and value chain.

MQ Marqet is a chain of concept stores in fashion, offering stylish and classic garments of high quality and the latest trends. Today, we have 95 stores at attractive locations in Sweden, and a well-developed e-commerce platform in Sweden, Denmark and Finland and our own central warehouse. Through Zalando we reach seven European marketplaces. We also offer circular services together with collaborative external partners and second-hand sales of both private labels and external brands in-store.

Our headquarter is located in Gothenburg, and to be closer to our suppliers, we have a purchasing office in Shanghai, China and local representation in Dhaka, Bangladesh. Our core operations include the design, purchasing, sales, and distribution of clothing, accessories, and footwear for men and women. Sales are conducted through a nationwide network of our own stores in Sweden, as well as through our e-commerce platform and Zalando.

Our upstream value chain includes all activities required to produce the products we bring to the market: raw material extraction, fiber-, yarn-, and component production, fabric manufacturing, garment and product assembly, and transportation. Downstream activities include product use, repairs and resales (including through our MQ services and our cooperation with Stadsmissionen), reuse, recycling, and waste disposal.



sustainability strategy.

We believe that a strong focus on sustainability in all aspects leads to a healthy business. That's why we constantly strive to create competitive fashion products that take people, animals and the environment into account. Understanding the world around us – how it changes and how it affects MQ's operations – is essential to meeting the conditions, needs, and demands of tomorrow.

Our sustainability strategy focuses on the areas where we face the greatest challenges and where we can make the highest impact. In some of these areas, we have made more progress, set clear targets, and taken steps forward. In other areas, we are working to identify the best path ahead. It is important for MQ to be transparent on the journey toward our vision, and through our sustainability reporting, we want to share that journey.

In 2024, we performed an internal double materiality assessment, which was conducted in accordance with the guidelines outlined in EFRAG IG 1 Materiality Assessment. The purpose of the analysis was to identify which sustainability issues are most significant for MQ, both from an impact and financial perspective. This analysis has not been subject to external review but has served as an internal tool to ensure that our focus areas align with the results of the materiality assessment. Based on this, we have reviewed our strategy and key focus areas during 24/25, and will continue to develop our sustainability work going forward, to drive sustainable development and strengthen MQ's competitiveness in a future with limited resources.

our focus areas and sustainability commitments.

STYLE AND QUALITY

- » Offer fashion that maintains its shape and quality over time and inspires across generations.

MATERIALS AND CIRCULARITY

- » Use sustainably produced materials in our products and promote reuse, repair, and recycling of our garments.

CLIMATE AND ENVIRONMENT

- » Reduce our climate footprint in alignment with the Paris Agreement and ensure responsible chemical and environmental management in production.

RESPONSIBLE PRODUCTION

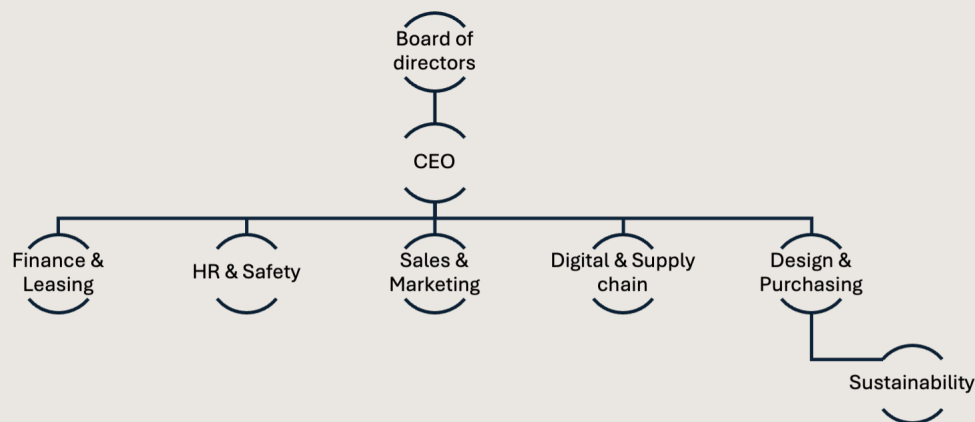
- » Ensure fair working conditions and human rights in the supply chain.

SUSTAINABLE WORKPLACE

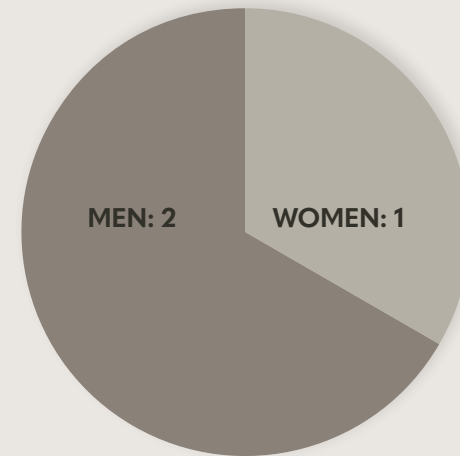
- » Be a sustainable employer with strong community engagement.

sustainability governance structure.

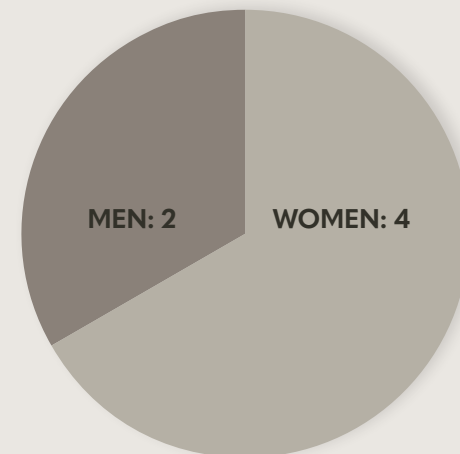
At MQ, we view sustainability as a natural part of every employee's daily responsibility, and everyone has the opportunity to contribute and make a difference. Our sustainability work is integrated into the business plan and managed by our head office in Gothenburg. MQ's management team and board of directors hold ultimate responsibility for all sustainability-related impacts, including deciding on sustainability related targets and strategies. The sustainability manager coordinates and drives the work, supports the organization on sustainability-related matters and continuously reports progress and status to the management team and board. At our sourcing offices, we have teams that follow up, gather information, and work closely with the factories and suppliers upstream in the value chain.



BOARD OF DIRECTORS



MANAGEMENT TEAM



the sustainable development goals (SDGs).

MQ has identified six priority areas within the UN's 17 Sustainable Development Goals (SDGs) where we see the greatest potential to drive positive change, based on the challenges and opportunities within our value chain.

The SDGs, adopted by the United Nations, aim to end poverty, reduce inequalities and injustices, address the climate crisis and ensure the long-term protection of the planet and its natural resources. Below, we outline the goals we focus on in our sustainability strategy.



Goal 6. Water and sanitation

Ensure availability and sustainable management of water and sanitation for all.



Goal 12. Responsible consumption and production

Ensure sustainable consumption and production patterns



Goal 15. Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Goal 13. Climate action

Take urgent action to combat climate change and its impacts.



Goal 8. Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Goal 17. Partnership for the goals

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

transparency and traceability.

Traceability is essential for understanding our supply chain, identifying and managing our greatest impacts on people and the environment, and tracking materials throughout the chain. It enables us to obtain accurate, comparable, and reliable information, address challenges, and identify potential risks. It also ensures that our customers can make informed and conscious choices through more transparent information connected to each product.

As part of our commitment to increased transparency, MQ is currently conducting a manual mapping of its supply chain, starting with the main fabric used in our products and collecting information regarding tier 2, including weaving/knitting facility and dyeing and finishing mill. To further strengthen our traceability efforts, we plan to invest in a digital traceability tool in the coming year. This will help us consolidate and visualize our supply chain data and facilitate providing a more comprehensive overview of our value chain.

Our goal for 2030 is to map the entire supply chain and offer even greater transparency to our stakeholders.

Our supplier list and factories used for assembly, is published on our website. You can access our supplier list at: <https://www.mq.se/vart-ansvar/>



stakeholder engagement.

We strive to maintain an active and structured dialogue with our key stakeholders to ensure that our sustainability efforts align with their expectations.

Through regular communication with the groups that have the greatest impact on, and are most affected by, our operations, we gain a deeper understanding of their expectations and can integrate their perspectives into our strategic decisions.

The table below outlines our key stakeholders, the sustainability issues most relevant to each group and how we engage with them.

STAKEHOLDERS	TOP SUSTAINABILITY TOPICS	CHANNELS FOR DIALOGUE
Customers	Access to second-hand and other circular services. Transparency regarding collected textiles and how they are handled. Product knowledge, such as sustainable fibers, material origin, chemical content, and working conditions in factories.	Daily contact through stores, customer service, website, and social media. The customer club is important for building stronger relationships.
Employees	Leadership, engagement, gender equality, skills development, and psychosocial work environment. The social and environmental impact of our products.	Ongoing dialogue through development talks, meetings, training sessions, and workshops.
Workers in the Value Chain	Workplace safety, working hours, wages, human rights, gender equality.	Contact via suppliers, factory visits, and third-party audits.
Owners	Governance of strategic goals and transparent reporting. Strategic sustainability work and responsible practices, such as human rights, resource efficiency, and climate impact reduction.	Continuous reporting, financial reporting, and board meetings.
Suppliers	Environment, climate, and chemicals. Social responsibility, health and safety in production. Continued collaboration.	Dialogue through the head office and local sourcing offices via meetings, regular visits, audits, and daily discussions.
Industry Organisations, Research, Media	Living wages, transparency, circular business models, consumption, greenhouse gas reduction, and biodiversity impact.	Participation in industry initiatives, networks, projects, dialogue meetings, and conferences, as well as through research reports, articles, or direct dialogue.
Regulators	Transparency, chemicals, environmental impact, due diligence, occupational health and safety, sustainability claims, recycling, and waste.	Through participation in industry initiatives and networks, and directly via published legislation and information.

style and quality.

A Personal Style for Sustainable Fashion

At MQ, we distinguish between fashion and style. Trends come and go, but our personal style is something we carry with us throughout life. It serves as an extension of our personality and communicates to the world who we are and what we stand for.

For almost 70 years, we have helped our customers find their style, and by knowing our target audience well, we continue to create timeless collections that appeal to them. Garments and creations with classic cuts, timeless elegance, and spot-on design that continue to inspire across generations.

Our design and purchasing departments work with all aspects of a smarter wardrobe, where aesthetic sustainability is a key component. For garments designed to last and be loved over time, the need for additional clothing consumption is reduced. That's

why we encourage and educate our customers on how to make the most of their existing wardrobe and inspire them with complementary seasonal pieces. This is how we achieve more sustainable fashion while staying true to our customers' style.

From the Designer

One of the creators behind the brand Stockholm is Cecilia Petersson, designer at MQ. Cecilia shares a bit about how the design department works with sustainability issues:

"The most sustainable garments are the ones that are worn often and for a long time. That means the expression in what we create must feel timeless. The fact that the classic and timeless has become fashionable is a development we strive to encourage.

We want to make it easy for customers to build a wardrobe they love, and together with them, create a look they feel beautiful and comfortable in. Thankfully, the era of fast fashion is behind us."

Quality

Quality is MQ's foremost core value. Garments that are used their full intended lifetime reduce the need for additional consumption, resulting in lower carbon emissions, less waste, and reduced resource use. That's why it's important for us to create the conditions and offer a range of high-quality products, so that customers can wear their clothes often and for a long time.

MQ actively works to monitor product quality through both internal and external quality controls to ensure that quality standards are met. Suppliers guarantee product safety through agreements and contracts, along with follow-ups through testing. When developing new products and materials, a risk analysis is always conducted to ensure the product can meet the requirements.

During 2024/25, the complaint rate for our own brands was 0.47% (0.45%), and for external brands 0.64% (0.63%). We aim to repair faulty products whenever possible. In 2024/25 5% (4%) of complaints were repaired.



material use.

At MQ, we are committed to reducing our material footprint by increasing the share of sustainably produced and recycled materials in our products. With a growing global population and unsustainable consumption patterns, the use of natural resources has exceeded planetary boundaries. The fashion industry plays a significant role in this development, as traditional production models often rely on virgin materials and resource-intensive processes.

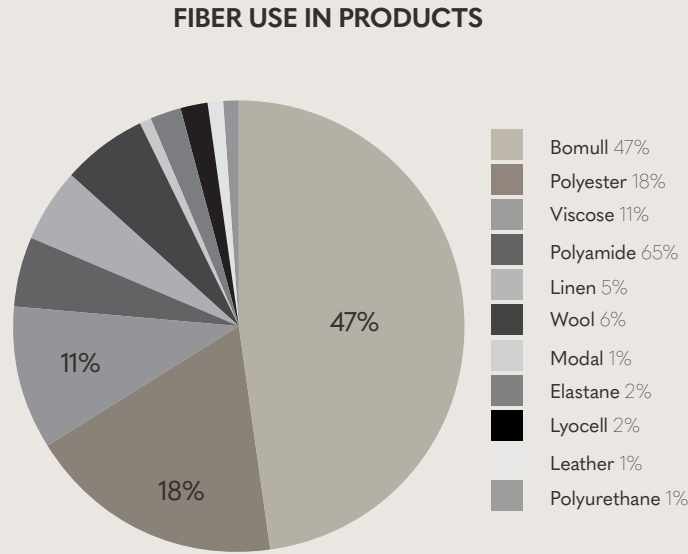
In 2024/25 we placed approximately 2.9 million products on the market. The proportion of sustainably sourced biobased materials and recycled materials in products was in total 62% (62%). For own brands, the share was 68% (68%) and for external brands 19% (23%). This highlights the need to accelerate our transition to more resource-efficient and environmentally responsible alternatives. Maintaining linear material use also poses growing financial risks. Climate change, resource scarcity, and tightening environmental regulations can disrupt supply chains and increase operational costs. Meeting these challenges requires a shift in how we source and design our products. The chart “Fiber use in products” shows the

distribution between different fibers and materials used in private label and external brands.

Resource inflows show the total distribution of material use in private labels and external brands based on source. The distribution has been calculated based on actual number of units in combination with estimated weights per unit based on type of product. Sustainably sourced biobased materials include organic cotton, BCI cotton, responsible wool, vegetable-tanned leather, and selected regenerated fibers (including LENZING™ EcoVero™/Viscose/Modal, TENCEL™ Lyocell/Modal, Birla Viscose, Naia™, and fibers listed as low-risk suppliers by CanopyStyle).

Textile Exchange

MQ is a member of Textile Exchange, which is a global non-profit organization working to create a more sustainable global textile value chain. Textile Exchange provides us with knowledge and resources on sustainable materials, inspires action, and promotes the implementation of sustainable principles throughout the textile supply chain. The focus areas include fibers and materials, integrity and standards, and supply chain development.



RESOURCE INFLOWS	2022/23	2023/24	2024/25
Sustainably sourced biobased materials	54%	52%	52%
Recycled materials	7%	10%	10%
Conventional biobased materials	19%	22%	20%
Conventional non-renewable materials	20%	16%	18%

Cotton

Cotton is the most used fiber in our garments; it accounts for approximately half of our total material use. MQ's goal is for 100% of the cotton in our assortment to come from more sustainable sources by 2030/31. This includes organic cotton, recycled cotton, and cotton purchased through the Better Cotton Initiative. In 2024/25 87% of the cotton originated from sustainable sources, which is equal to previous year. For private labels, the share is close to the target; 98% (99%). For external brands, the share of sustainable cotton is 24% (26%).

Polyester

For our second most used fiber, polyester, MQ has set a target to use polyester from 100% recycled material by 2030/31 to reduce the use of non-renewable raw materials. In 2024/25, 47% (48%) of the polyester originated from recycled sources, which is equal to previous year. For our own brands, the share is 52% (54%) and for external brands 21% (32%).

Viscose, Lyocell & Modal

Viscose, lyocell and modal are cellulosic fibers, and whereof viscose is the third most used fiber in our products. MQ's goal is that 100% of man-made cellulosic fibers originates from sustainable forestry by 2030/31. To achieve this, we steer purchasing toward producers such as Lenzing and Birla and suppliers listed as low risk in the Canopy Style's Hot Button Report. In 2024/25, 81% (86%) of our viscose, lyocell and modal originated from low-risk suppliers; 86% (90%) for private labels, and 26% (20%) for external brands.

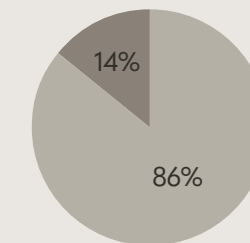
Wool & Leather

MQ source wool and leather products, and there may be a potential negative impact on animal welfare, making this an important area of work. MQ believes that animals should have their basic needs all suppliers and factories in the production chain are required to respect animal welfare. MQ does not accept mulesing performed on sheep's for wool products. We only accept leather from animals that have been breed for food industry. Furthermore, we have a ban on fur, horn and bone, angora wool, and non-certified mohair.

Materials in packaging and bags

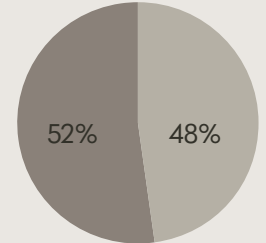
At MQ we have a target to transfer 100% recycled materials in paper, packaging and plastics. Now we collect data for cardboard packaging, e-commerce bags, paper bags and gift bags in stores. In 2024/25, 33% of the materials in packaging and bags came from recycled sources, and 26% from FSC-certified forests. Our gift and paper bags in stores are FSC Mix certified and consist of a blend of recycled and new, traceable material, where the recycled share is 49% (56%). E-commerce bags consist of 100% recycled LDPE plastics.

VISCOSE, LYOCELL AND MODAL PRIVATE LABEL



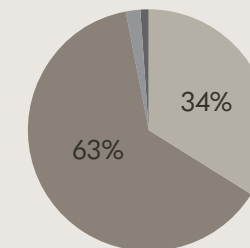
Low risk suppliers 86%
Conventional man-made cellulosic fibers 14%

POLYESTER PRIVATE LABEL



Recycled polyester 52%
Conventional Polyester 48%

COTTON PRIVATE LABEL



Better cotton 63%
Organic cotton 34%
Conventional cotton 2%
Recycled cotton 1%

circular business models.

To address the environmental impact of overproduction and short product lifecycles, we must move from linear to circular flows and increase product longevity. At MQ, we have a high focus on quality and longevity, and actively promote reuse, repair, and recycling of the garments we place on the market through our services and second-hand offer. By embracing circular business models, we aim to meet rising regulatory expectations, unlocking new customer segments, and build resilience and long-term sustainability.

Previously, MQ had a target to reach 20% of revenues from circular business models by 2030. During this year, we have revised this target to 5% of revenue by 2030/31. We still aim to reach beyond 5% but recognize that there are still logistical and technical obstacles preventing us from accessing the volume of second-hand garments required to reach 20% of total revenues within the five-year timeframe we have, to achieve the goal.

MQ Second hand

During the year, we continued to expand our second-hand offering. Customers can hand in garments at any store location, and second-hand sales are now available in 81 out of 95 stores (23 stores the previous year). The number of second-hand garments sold increased by 66% compared to previous year. Our sell-through rate of second-hand garments was also very high; 96% of submitted second-hand garments were sold to new customers. Looking ahead, we will explore the possibility of taking back garments through the municipal clothing collection systems, expanding our second-hand offering and being able to offer more second hand in our stores.

MQ Services

We strive to offer our customers a fully circular shopping experience. That's why we've developed a wide range of services and partnerships that lower the threshold and make it easy for our customers to build and maintain a sustainable wardrobe. Besides second hand, this includes services to repair and restore garments and shoes, including denim redye, tailoring services and sneakers refurbishment. The number of services used has increased during the year, and especially for sneakers wash with 3 538 restored sneakers during 2024/25 (compared to 576 pairs the previous year).

Stadsmissionen Clothing Collection

MQ has continued its partnership with Stadsmissionen, which includes clothing collection in all MQ stores. In selected stores, we also have sales of Stadsmissionen’s remake products. This collaboration is a key part of MQ’s efforts to enable more sustainable consumption while contributing to inclusive social development. Stadsmissionen aims to reuse collected textiles through sales in their own stores, upcycling, and reuse in their social initiatives.

Textiles that cannot be reused are collected for reuse and recycling via their partner Humana Sverige. In 2024/25 7650 kg, corresponding to approximately 30 000 garments, were collected in MQ stores and sent to Stadsmissionen.

Recycling of stockings

During the year, we have started a new collaboration with our partner Swedish Stockings. Worn-out tights of any brand can be submitted in all our MQ stores and is collected and sent to Swedish Stockings Recycling Club for recycling and repurposing into tables.

KPI	2022/23	2023/24	2024/25
Share of revenue from second-hand and MQ services.	0.32%	0.37%	0.65%
Number of sold second-hand garments	8 959	22 470	37 328
Number of stores with second-hand sales	12	23	81
Tons of garments collected to Stadsmissionen	-	7.4	7.7

MQ services.



PERSONAL SHOPPER

All our stores have professional personal shoppers who guide customers in building a solid and long-term wardrobe foundation.



TAILORING SERVICES

To extend the lifetime of clothing all stores offer tailoring services – no matter where the clothes came from.



SNEAKERS WASH

Customers can hand in old sneakers at any store and get them back in top shape through our collaboration with Sneakerstvätten.



SECOND HAND

In almost all of our stores, you can turn in and shop second-hand clothing from MQs own brand and selected external labels.



RE-DYE DENIM WITH 100B

We collaborate with 100B who give washed-out jeans their original black color back re-dyeing by using GOTS-certified dyes here in Sweden.



GARMENT CARE

Online and in-store we guide our customers through maintenance advice for a more sustainable wardrobe.

climate.

The fashion and textile industry accounts for a significant share of global greenhouse gas emissions, and our own operations and value chain contribute to this impact. Emissions occur upstream during the manufacturing of our products and transportation of goods, within our own operations through electricity use, heating of facilities, and business travel, and downstream through outbound logistics, consumer use, and during end-of-life treatment. These activities represent an actual negative impact on the climate. In a changing climate, we also see financial risks. Extreme weather events such as droughts and flooding can disrupt our supply chains, damage goods, and limit the access to raw materials. These disruptions may lead to increased costs, reduced availability of products, and long-term instability in sourcing. At the same time, proactive climate action presents clear opportunities. By reducing emissions and aligning with international climate frameworks, we can strengthen our brand, meet stakeholder expectations, and build a more resilient business.

Climate efforts are not only essential for environmental responsibility - they are also key to securing long-term operational and financial stability.

MQ has set a target to achieve climate neutrality in scope 1 & 2 and reduce absolute greenhouse gas emissions in Scope 3 with 50% by 2030/31, compared to the baseline year 2021/22. We are currently in the process of developing a new climate transition plan, including mapping our supply chain to collect more primary data, to ensure effective actions moving forward.

STICA (Scandinavian Textile Initiative for Climate Action)

MQ is a member of STICA, which is an initiative aimed at reducing the climate impact of the textile industry. It brings together companies in the fashion and textile sectors to set science-based targets for reducing greenhouse gas emissions in line with the Paris Agreement. STICA offers a platform for collaboration, knowledge sharing, and the development of new solutions to reduce the industry's impact.



climate results 2024/25.

For the fifth consecutive year, MQ has calculated carbon emissions in Scope 1, 2, and 3, and this year downstream emissions have also been included. This means that consumer use and end-of-life treatment are now part of our total emissions. Consequently, the base year has been updated with downstream emissions to be able to compare between the years.

SCOPE 1 includes the use of our own cars and refrigerant leakage from stores. Emissions in scope 1 decreased compared to previous year and base year, due to more detailed data for cooling in stores showing lower use of refrigerants than previously assumed.

SCOPE 2 includes indirect emissions from electricity, heating and cooling of our stores, warehouse and office. In 2024/25, MQ rented 95 retail locations.

MQ has agreements for 100% renewable electricity at the head office and in stores where MQ controls the electricity contract. In locations where electricity is procured through the property owner, 97% of the electricity was renewable of fossil free. Most stores use district heating. Due to high share of renewable energy use in stores, emissions in scope 2 decreased compared to previous year and base year.

SCOPE 3 includes all other indirect emissions in the value chain. The greatest potential for reducing greenhouse gas emissions is connected to purchased goods, which account for 89% of MQ's total emissions. In this area, we focus on increasing the share of renewable energy in production, utilizing fibers with a lower climate footprint, and expanding our second-hand offering. The choice of transport mode is also important to reduce our impact. Air freight is used for samples, and we are in the process of reducing the number of samples by using 3D in design. For full shipments of goods, we only use air freight in exceptional cases. In 2024/25, 0.12% of the total transported volume was delivered by air.

We use Nordic Swan Ecolabel-certified e-commerce deliveries via PostNord, which means the transport from warehouse to customers meet high standards regarding climate impact, energy efficiency, and working conditions. More business travels were performed in 2024/25 compared to the base year, since we have visited our production offices more frequent compared to 2021/22 (during the pandemics).

GHG emissions (tonnes CO ₂ e)	2021/22 (Baseline)	2022/23	2023/24	2024/25	% change compared with baseline
Scope 1	56	44	32	17	-71%
1.1 Company cars	24	14	9	10	
1.4 Refrigerant leakage	33	31	23	7	
Scope 2	267	434	439	145	-46%
2.1 Purchased electricity	98	277	240*	4	
2.2 Purchased heating	169	158	199	141	
2.3 Purchased cooling	-	-	-	0,04	
Scope 3	16 304	11 433	13 307	14 504	-11%
3.1 Purchased goods and services	14 993	11 000	12 806	12 999	
3.3 Fuel- and energy-related activities	64*	71	70*	51	
3.4 Upstream transportation and distribution	428*	335	391*	420	
3.6 Business travel	70*	28	41	67	
3.11 Use of sold products	721	-	-	938	
3.12 End-of-life treatment of sold products	27	-	-	29	
Total emissions, incl. user phase and end of life	16 627	-	-	14 665	-12%
Total emissions, excl. User phase and end of life	15 879	11 912	13 778	13 698	-14%

* Data was incorrectly reported in the previous disclosure and has been corrected.



pollution and chemicals.

Pollution

In the upstream value chain, there are environmental risks associated with water pollution, particularly in wet processes such as dyeing and finishing. Additionally, hazardous chemicals may be used during cultivation, fiber production, and textile processing. The use of synthetic fibers also poses a risk of microplastic emissions, both upstream during fiber and material production, and downstream through consumer washing. To address these challenges, MQ enforces environmental protection standards through its Code of Conduct. These include requirements for responsible water management, supported by effective systems, policies, and employee awareness. Factory workers must be familiar with the company's environmental policies and understand proper water handling procedures.

Chemicals

There's a risk for residues of harmful substances in textiles if these have been used during production, which makes it important for us to ensure that our restricted substances list is followed. MQ maintains high standards regarding chemicals and, together with our suppliers, ensures that products do not contain prohibited, harmful, or environmentally hazardous substances. Suppliers are required to comply with current chemical legislation as well as MQ's chemical restrictions. Our list of restricted substances is updated annually and is based on EU legislation, REACH, and the Chemical Group's chemical guide. MQ applies the precautionary principle and avoids materials containing substances and chemicals that may be harmful to humans and the environment, such as PFAS, PVC, flame retardants, and biocidal treatments. This applies to both internal and external brands.

The Chemical Group

The Chemical Group is a network for textile and electronics companies that provides the latest knowledge on chemical and environmental issues to its members. The group is run by RISE in collaboration with member companies, other research institutions, and authorities. It includes over 120 member companies, including MQ. The group keeps us informed about regulatory changes and helps us to work proactively, phase out harmful chemicals, and reduce negative health and environmental impacts from chemical use in production.

water, biodiversity and ecosystems.

Pollution along the value chain, unsustainable water use and virgin resource extraction has the potential to negatively impact biodiversity and ecosystems through its contribution to land use change, soil degradation, water stress and loss of natural habitats.

At MQ, our materials originate from various sources and are manufactured in processes requiring water and chemicals. Raw material extraction and wet processing are where we have the highest risk of having a negative impact on ecosystems. Based on the products in our assortment, cotton and forest-based materials are hotspots in raw material extraction, since cotton cultivation and forestry may have a negative impact on biodiversity and ecosystems.

Water and land use for cotton cultivation

Conventional cotton requires large amounts of water, chemicals, and areas of land. Cultivation is also often carried out in regions facing water stress and with limited environmental legislation. To address this, we are committed to sourcing 100%

organic cotton, recycled cotton, or cotton sourced through Better Cotton by 2030. During 2024/25 98% (99%) of the cotton in MQ's private label was organic, recycled or sourced through BCI.

MQ is a member of Better Cotton Initiative (BCI). BCI is an organization working to create sustainable solutions for the traditional cotton sector. Together with member companies, BCI educates cotton farmers to adopt environmentally friendly, socially responsible, and economically sustainable production methods. BCI operates through a mass balance system, meaning cotton cannot be physically traced to the final product. However, BCI farmers benefit from the demand created by the volumes we purchase.

Organic cotton is cultivated through a farming system that promotes soil fertility, the functions of ecosystems, and health for farmers. Instead of relying on harmful inputs such as synthetic fertilizers and toxic pesticides, organic cotton is grown according to sustainable land management, including crop

rotation to restore and maintain soil fertility.

Forestry

Billions of trees are harvested globally each year, many from forests rich in biodiversity. At MQ, we use forest-based raw materials in both our products, man-made cellulosic fibers, and in transport packaging, bags and paper. To reduce negative impact and contribute to more sustainable forestry, MQ prioritize cellulosic fibers in garments which originate from fiber suppliers listed on Canopys Hot Button Report. 86% (90%) of the viscose, lyocell and modal used in private label originates from low-risk suppliers. For raw materials in paper and packaging MQ have a goal to reach 100% recycled materials by 2030 to reduce the need for new forests. In paper bags in stores, we currently use a mix between recycled materials and materials originating from FSC-certified forests.

workers in the value chain.

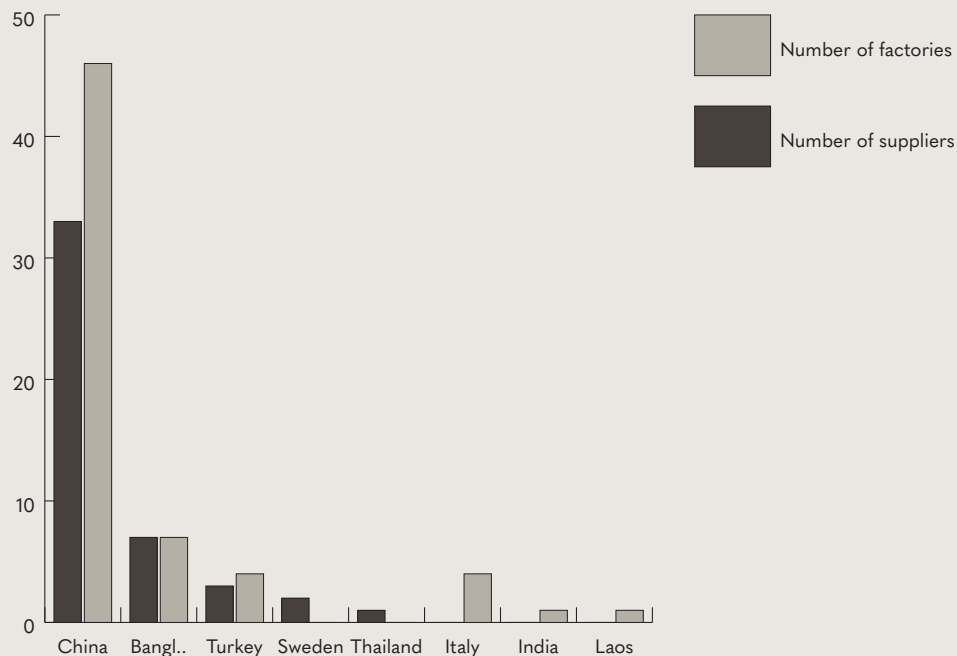
MQ does not own any factories. All our products, both private labels and external brands, are manufactured by selected suppliers. Regardless of where production takes place, we work to ensure a good working environment, fair labor conditions, and decent social standards for the people who make our products.

Private Labels

MQ's private label products are manufactured by selected suppliers in Europe and Asia. We aim for long-term partnerships with all our suppliers, as we know this is crucial for improving working conditions in the supply chain. It also has a significant impact on profitability and quality. With our own sourcing offices and staff in Shanghai, China, and a partner office in Bangladesh, we maintain direct contact with our suppliers. This enables us to build strong partnerships and work in a transparent manner. During 2024/25, MQ had 46 (50) direct suppliers across a total of 63 (67) factories producing our private label products.

External Brands

All external brands are contractually required to meet the same standards for responsible production as MQ's private labels. For information regarding the country of production for external brands, respective brand can be contacted. During 2024/25, MQ had 23 (22) active external brands in its assortment.



Supplier Code of Conduct

In several of the countries where our products are manufactured, national legislation and enforcement related to human rights and labor standards may be weak or inconsistently applied. Most of our supplier factories and upstream value chains are located in regions classified as risk countries by amfori BSCI. This makes it essential that we not only ensure compliance with existing laws but also take responsibility where legal protections fall short.

To safeguard workers' rights and promote responsible business practices, MQ requires all suppliers to adhere to our Supplier Code of Conduct. This Code is based on internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises. It outlines clear expectations regarding fair labor conditions, environmental responsibility, and ethical business conduct.

Before entering into any new supplier relationship, we conduct audits, or collect audit reports performed by external parties, to ensure that the factory meets the requirements of our Code of Conduct. We recognize that risks of non-compliance exist, which is why we prioritize long-term partnerships, conduct both internal and third-party audits, and follow up regularly to support continuous improvement.

Areas covered in the Supplier Code of Conduct

- » Social Management System and Cascade Effect
- » Worker Involvement and Protection
- » Freedom of Association and Collective Bargaining
- » No Discrimination, Violence, or Harassment
- » Fair Remuneration
- » Decent Working Hours
- » Occupational Health and Safety
- » No Child Labor
- » Special Protection for Young Workers
- » No Precarious Employment
- » No Bonded Labor, Forced Labor, or Human Trafficking
- » Environmental Protection
- » Ethical Business Behavior
- » Animal welfare

Amfori

Amfori is a business-driven initiative aimed at improving working conditions in the global supply chain. Amfori brings together over 2,400 members and supports their efforts to create ethical supply chains. The foundation is a shared Code of Conduct that all members commit to implementing throughout their supply chains.

Since 2020, MQ has been a member of amfori, a leading global business association promoting open and sustainable trade. Through this membership, we commit to a shared Code of Conduct and benefit from collective efforts to drive improvements across global supply chains. Participation in initiatives like amfori BSCI also helps reduce audit duplication and promotes more efficient supplier engagement.

Amfori offers a comprehensive capacity-building program aimed at increasing awareness of corporate social responsibility and promoting good working conditions. MQ actively engages in these trainings to raise the competence level of both suppliers and employees, with the goal of achieving sustainable improvements in working conditions. All trainings are offered free of charge, and the focus and content are tailored to prioritized issues and identified challenges.

Examples of training topics include purchasing practices, wages and compensation, grievance mechanisms, health and safety, and working hours.

International Accord for Workplace Safety in Bangladesh

MQ has, during the year, renewed the agreement with the International Accord for Health and Safety in the Textile and Garment Industry, a legally binding agreement focused on improving workplace safety in the textile and garment industry. The commitment covers all MQ's active suppliers in Bangladesh, which undergo regular inspections led by specialists and independent engineers, to ensure and promote a safe working environment. The International Accord pursues three main goals:

- » Promoting a culture of workplace safety by training Safety Committees and encouraging workers to identify, address and monitor safety hazards at factories.
- » Preventing fire, electrical, structural, and boiler safety accidents through an inspections and remediation program led by specialist, independent engineers.
- » Providing a trusted avenue for workers to raise safety concerns through an independent complaint mechanism.



social audits.

MQ currently audits first-tier suppliers, primarily sewing factories, contracted to produce MQ's own-brand collections. During audits, the supplier's approach to monitoring their own subcontractors is also evaluated. Audits are conducted either by accredited external auditing firms or through the review of other approved audit reports.

During 2024/25, most factories that MQ worked with were audited according to the BSCI code of conduct (71%). MQ also worked with three SA8000-certified factories and twelve factories that have been audited according to the SMETA or SLCP program. Two factories are located in a low-risk country (Italy). One factory in Turkey, used for 3 orders (corresponding to 0.06% of total order quantity) had not been audited at the time of the order.

BSCI

BSCI audits are carried out by accredited third-party organizations, commissioned by MQ or another member of Amfori using the same factory. During the audit, the factories compliance with the BSCI Code of Conduct is assessed. Factories are evaluated across 13 areas, each rated on a scale from A to E, or according to Amfori's Zero Tolerance criteria. Zero Tolerance means immediate action must be taken by all involved members.

SA8000

SA8000 is an international standard for social responsibility focused on improving working conditions and protecting workers' rights. It covers areas such as child labor, forced labor, health and safety, and freedom of association. To achieve SA8000 certification, the factory must demonstrate that they meet the standard for worker safety and well-being.

SMETA

SMETA (Sedex Members Ethical Trade Audit) is one of the world's most widely used social audit methodologies. It is developed by Sedex to evaluate ethical and social conditions in supply chains. SMETA audits are carried out by Sedex's approved independent, third-party auditing companies, with intervals based on whether there's a high, medium or low-risk site.

SLCP

SLCP (Social & Labor Convergence Program) is an initiative aimed at improving working conditions in global supply chains by providing a standardized assessment framework for data collection. The goal is to reduce the need for repeated social audits and increase transparency in labor conditions. Facilities collect data and respond to questions, which is thereafter verified by a verifier.

The diagram shows the audit results for the factories contracted by MQ during 2024/25, based on the following grades:

High: The factory has no or only minor deviations from the code of conduct and no critical issues. Includes factories rated BSCI A (excellent), BSCI B (good), SA 8000-certified factories and SMETA and SLCP audit results with no or minor deviations.

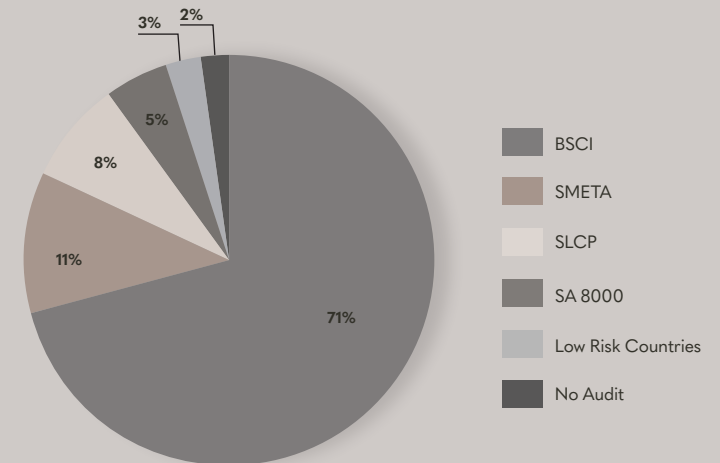
Average: The factory has no critical deviations and meets at least half of the audit criteria. Includes factories rated BSCI C (acceptable) and SMETA and SLCP audit results with no critical deviations.

Low: The factory has one or more critical deviations from the code of conduct. Includes factories rated BSCI D (insufficient) and SMETA and SLCP audit results with one or more critical deviations.

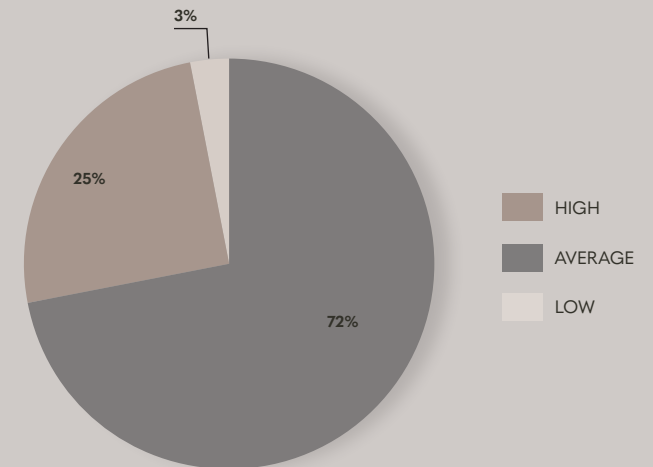
The areas with the most frequent non-compliances among MQ's suppliers are decent working hours and social management systems and cascade effect.

When the factory has critical violations of the code requiring immediate follow-up and corrective actions, no orders are placed before re-audit has taken place and factory has been approved. This includes factories rated as BSCI E (unacceptable) and SMETA and SLCP with unacceptable audit results.

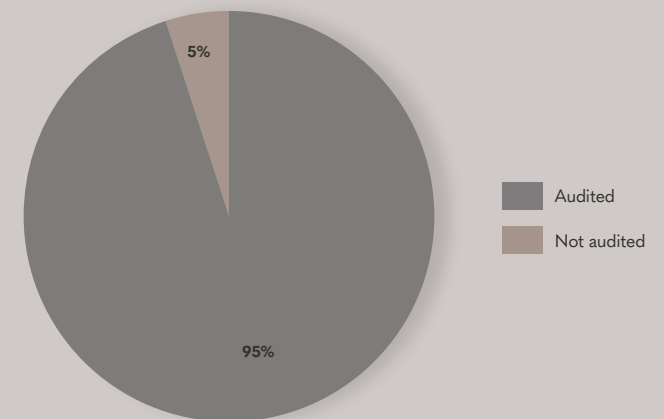
AUDIT PROGRAM



AUDIT RESULTS



SHARE OF AUDITED FACTORIES



our employees.

At MQ, we strive to offer a positive and inspiring work environment where diversity is embraced as a driver of innovation and business development. We are committed to ensuring that all employees are treated equally, with respect, and have the same rights and opportunities at work.

Being an attractive and responsible employer is a strategic priority in MQ's business plan. We believe that good working conditions, along with active efforts to promote equality and inclusion, are key to employee well-being, motivation, and long-term engagement. A healthy psychosocial work environment helps us retain talent, foster creativity, and keep sick leave and staff turnover low. Achieving this requires that both employees and managers live MQ's values in their daily work, and that the company continuously works to support sustainable and thriving employees.

During the year, we have continued to integrate our values into everyday work. A recurring theme at the store manager meetings is values-based

leadership, aimed at strengthening leadership and thereby contributing to an attractive workplace. Work environment improvements have been implemented based on input from store managers and employees. Positive behaviors have been recognized and rewarded through initiatives such as "Culture Carrier of the Year" and "Leader of the Year." Value-based workshops are held regularly at the initiative of managers with support from HR.

We have continued to work with our community engagement through Stadsmissionen and have offered work internships in our stores through their program. We have also collaborated with Jobbsprånget, an internship program that bridges and connects Swedish employers with foreign-born academics. Through these collaborations, we have offered internships at our head office.

An Attractive Workplace

MQ's values form the foundation for how we act at work. By living our values, we create the conditions for employees to thrive and grow, deliver great customer experience, and build a profitable business.

Together, We Are Personal

We are personal by being genuine and attentive. At MQ, this means that we:

- » ***Are committed to people and our tasks***
- » ***Are honest, open, and authentic***
- » ***Listen and build strong relationships***

Together, We Are Sustainable

We take responsibility and build a sustainable business.

At MQ, this means that we:

- » ***Are reliable and build trust through our words and actions***
- » ***Make long-term, quality-driven decisions***
- » ***Respect one another and care for our customers and the world around us***

Together, We Are Brave

We show courage and challenge ourselves to grow and succeed.

At MQ, this means that we:

- » ***Step outside our comfort zone and strive for continuous improvement***
- » ***Encourage each other to innovate and develop***
- » ***Support one another through constructive and honest feedback***

Anti-Corruption

At MQ, we take responsibility not only for our own operations but also for how we interact with the world around us. We believe that responsible business practices build trust and create long-term value for both customers, suppliers and employees. All employees are expected to comply with applicable laws, agreements, and regulations, as well as uphold the company's values, policies, and guidelines. These form the foundation of our operations. MQ's ethics policy includes anti-corruption rules that apply to everyone within the organization.

Whistleblowing

We are committed to maintaining an open and transparent workplace where misconduct has no place. At MQ, leadership and employee relations are grounded in openness and mutual respect. Employees are encouraged to raise concerns directly with the relevant person or their immediate manager. In addition, we offer a third-party whistleblower service through Visslan, which allows individuals to report work-related misconduct anonymously or when the matter is of public interest. Visslan – MQ MarQet

Health and Safety

A key condition for achieving our vision is that our employees enjoy their work and feel well. To achieve this, we work proactively to ensure a good work

environment. At MQ, a good work environment means employees feel safe, are involved in the company's goals and daily operations, have opportunities for personal development, and experience well-being. Dialogue meetings with employee organizations are held regularly with staff clubs at HQ and with store managers. Through open dialogue within the company and with employee organizations, we ensure employee participation and influence, enabling more informed decisions on employee-related matters.

MQ's safety work aims to protect our employees and operations from unwanted incidents and prevent irregularities. In all decisions, the safety of MQ's employees and customers always comes first. Safety at MQ is closely linked to the company's work environment efforts, at its core, safety is about employees feeling secure at work.



employee insights.

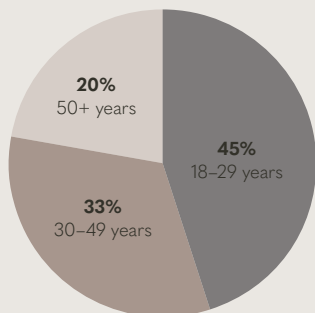
In the salary mapping conducted in May 2025, MQ had a total of 677 (681) employees, of which (91%) were women and (9%) men. The percentage gap between men and women salary was 1%. The charts show the age and salary distribution for women and men.

Of the total number of employees during the year, 25% (36%) were employed full-time and 75% (64%) part-time. 87% (90%) of our employees worked in stores.

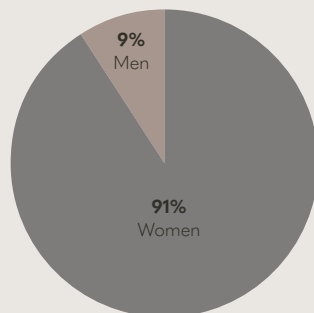
Staff turnover among store employees was 24% (32%), and among permanent HQ employees 13% (10%). The higher turnover in stores can partly be explained by the expansion of the store organization with temporary contracts during peak sales periods and extended absences such as vacations.

We aim to reduce sick leave to below 3.9%. For the year 2024/25, sick leave was 4.7% in total (5.1% previous year). Short-term sick leave decreased to 2.1% (2.7%), while long-term sick leave increased slightly to 2.6% (2.4%).

AGE DISTRIBUTION



GENDER DISTRIBUTION



Workforce characteristics (data for Sweden)		2022/23	2023/24	2024/25
Number of employees	Total number of employees, headcount (salary mapping May)	652	681	677
	Full Time Equivalents (FTE)	370	373	391
Type of contract	Number of employees with permanent contract	-	484	609
	Number of employees with temporary contract	-	197	68
	Number of employees with full-time contract	163	245	168
	Number of employees with part-time contract	489	436	509
	Number of employees in office/HQ	91	68	88
	Number of employees in stores	561	613	589
Gender distribution	Number of female workers	587	615	615
	Number of male workers	65	66	62
Age distribution	Share of employees 18-29 years	47%	55%	45%
	Share of employees 30-49 years	31%	29%	33%
	Share of employees 50+ years	22%	16%	22%
Country of employment	Number of employees in Sweden	-	-	677
	Number of employees in China	-	-	14
Turnover rate	Number of employees who left during the reporting period	-	-	158
	Number of employees at the beginning of the reporting period	-	-	585
	Number of employees at the end of the reporting period	-	-	585
	Total employee turnover rate in the reporting period	-	-	23%
	Employee turnover rate office	7%	10%	13%
	Employee turnover rate stores	43%	32%	24%
Health	Total sick-leave	5%	5%	5%
	Long-time sick-leave (≥90 days)	2%	2%	3%
	Short-time sick-leave (<90 days)	3%	3%	2%
Remuneration	Average gross hourly pay level of male employees (amount in SEK)	-	-	173
	Average gross hourly pay level of female employees (amount in SEK)	-	-	171
	Percentage gap in pay between the undertaking's female and male employees	-	-	1%
Collective bargaining	Percentage of employees covered by collective bargaining agreements	-	-	100%

collaborations.

Driving sustainable development in the fashion industry requires increased cooperation between a wide range of stakeholders, particularly in areas related to sustainable consumption and production. MQ fully supports this approach, recognizing that collaboration is essential to achieving meaningful change.



International Accord for Health and Safety in the Textile and Garment Industry, a legally binding agreement focused on improving workplace safety in the textile and garment industry.



Amfori is a business-driven initiative aimed at improving working conditions in the global supply chain.



BCI is an organization working to create sustainable solutions for the traditional cotton sector.



Scandinavian Textile Initiative for Climate Action (STICA) is an initiative aimed at reducing the climate impact of the textile industry.



Stadsmissionen works for a more humane society where everyone has the power to shape their lives and participate in society. Their mission is to help people in social and economic vulnerability.



The Chemical Group is a network for textile and electronics companies that provides the latest knowledge on chemical and environmental issues to its members.



Swedish stockings Recycling Club, give worn-out tights a second chance and prevent them from ending up in landfills. Since 2016, they have given thousands of tights a new life by turning them into tables.



Textile Exchange is a global non-profit organization working to create a more sustainable global textile value chain.

sustainability framework and governance - overview

Area	SDG	Impacts, risks and opportunities	Commitment	Management	Responsibility
Climate		Our own operations and associated value chains have an actual negative impact on the climate. Upstream, greenhouse gas emissions are emitted during manufacturing of products and from transportation of goods. In our own operations, we have an impact on climate from electricity use, heating of facilities (stores and offices), business travels, etc. Downstream, outbound transport, consumer use and end-of-life treatment also contribute to climate impact. A changing climate with extreme weather such as draughts and floodings may expose us to financial risks since it may lead to unstable value chains, damaged goods and affect raw material access.	Reduce our climate footprint in alignment with the Paris Agreement	Climate reduction roadmap. Requirements included in supplier code of conduct. Annual data collection and GHG calculations verified by a third party.	Sustainability manager
Pollution & Chemicals	 	In the upstream value chain, potential water pollution may occur, with hotspot wet processes (dyeing, finishing). There may also be potential use of hazardous chemicals during cultivation, fiber production, dyeing and finishing processes. Furthermore, synthetic fibers used in garments may contribute to emissions of microplastics, both upstream during fiber and material production and downstream during consumer wash.	Use sustainably produced materials in our products. Ensure responsible chemical and environmental management in production.	Requirements included in Supplier code of conduct and MQ restricted substances list. Material strategy.	Sustainability manager
Water, Biodiversity & Ecosystems	 	Pollution along the value chain, unsustainable water use and virgin resource extraction has the potential to negatively impact biodiversity and ecosystems through its contribution to land use change, soil degradation, water stress and loss of natural habitats. Cotton is often cultivated in areas with high water stress.	Use sustainably produced materials in our products. Ensure responsible chemical and environmental management in production.	Membership in Better Cotton, including sourcing of cotton within the program. Material strategy.	Sustainability manager

Area	SDG	Impacts, risks and opportunities	Commitment	Management	Responsibility
Resource use & Circular Economy	 	We place app. 2.9 million products on the market each year, indicating high material use. A high share of the materials originates from virgin sources. Products that are sold may furthermore be discarded before they have reached their full potential lifetime. Being dependent on traditional sourcing chains of products imposes a financial risk, including risks connected to strong reliance on specific supply chains. Offering circular business models and alternative material flows may lead to a higher resilience and financial opportunity as consumers become more aware of sustainability issues.	Promote reuse, repair, and recycling of our garments.	Offering of MQ services and second hand. Material strategy.	Sourcing and design manager Sales and marketing manager
Own Workforce		Working conditions, along with efforts to promote gender equality and diversity, have a direct impact on employee well-being, motivation, and retention. Ensuring good working conditions and a healthy psychosocial work environment is essential to fostering a workplace with motivated and engaged employees. This also helps us attract new talent, maintain a creative work culture, and keep sick leave levels and staff turnover low.	Be a sustainable employer with strong community engagement.	Ethical policy. Dialogue, meetings, training sessions, and workshops. Collaboration with Stadsmis-sionen.	HR and Safety manager
Workers in the value chain		In several of the countries where our products are made, national legislation or enforcement of laws related to human rights, and labor rights is insufficient. Most of our supplier factories are in regions classified as risk-countries by amfori BSCI. Therefore, it is crucial that we work to reduce our environmental impact and ensure that workers are protected by existing legislation - and step in where that protection ends.	Ensure fair working conditions and human rights in the supply chain.	Requirements included in supplier code of conduct. Follow up with third part audits.	Sustainability manager
Consumers and end-users		There's a risk for residues of harmful substances in textiles if these have been used during production, which makes it important for us to ensure that our restricted substances list is followed.	Ensure responsible chemical management in production.	Requirements included in Supplier code of conduct and MQ restricted substances list.	Sustainability manager
Business conduct	    	Corruption and bribery are known to occur in the textile value chain and may enable illegal exploitation of natural resources, delay sustainable projects, deepen inequality, and lead to injustice and poverty. Close collaboration with suppliers, increased traceability and transparency, and offering a third-party anonymous whistle blowing service are parts of exposing incidents and ensuring ethical and sustainable supply chains. MQ source wool and leather products, and there may also be a potential negative impact on animal welfare, making this an important area of work as well.	Ensure responsible production and workplace.	Requirements included MQ ethical policy and in Supplier Code of conduct. Third-party whistle blowing service. Material strategy.	HR and Safety manager Sustainability manager

