



Evolution!
CHANGE FOR GOOD

GUESS FISCAL YEAR 2018 – 2019 SUSTAINABILITY REPORT

HIGHLIGHTS

Message from our CEO,

CARLOS ALBERINI

DEAR GUESS
STAKEHOLDER

I am very proud to say that today the GUESS brand and its iconic image are recognized in more than 100 countries around the world. Our brand has tremendous relevancy and continues to grow rapidly, reaching new generations of customers that are responding to our products, stores, websites and campaigns. Upon returning to GUESS, which I consider my home, and reconnecting with our team, which I consider my family, I am very proud to see how our associates are using this incredible business as a force to make this world a better place.

At GUESS our commitment to sustainability is based on three key principles. First, we believe in operating with integrity; second, we are committed to empowering our people; and third, we are passionate about protecting our planet. In the two years since GUESS published our last sustainability report, public interest and awareness has increased dramatically on a wide range of subjects from climate change to circular fashion and from human rights to transparency, diversity and inclusion. We understand that authentic, lasting change is expected, and that we must address the urgency and importance of these environmental and social concerns today!

I am delighted to introduce our third sustainability report, "Evolution! Change for Good", which charts our progress addressing these challenges and our sustainability goals. In our commitment to empower our people, we have launched a diversity council for corporate associates, and increased supplier trainings and worker welfare programs to develop and protect workers in our supply chain. To lessen our impact on the planet, we are on track to fulfill our commitment to circular fashion, the idea that clothing should be continuously re-worn and recycled.

"INSPIRED BY THE TENETS OF CONSCIOUS CAPITALISM, MY VISION FOR GUESS IS TO HARNESS OUR PASSION AND USE A PURPOSE DRIVEN APPROACH TO CREATE POSITIVE IMPACT FOR OUR WORLD AND OUR BRAND."

In connection with this, we launched RESOURCED, our customer recycling program and GUESS Vintage, offering a selection of second-hand GUESS garments curated from around the globe. We are also committed to sourcing responsible materials, which represents the primary source of our products' environmental impact. Our commitment is reflected in our ever-expanding global eco collection.

During 2016, we started our sustainability journey with 'Our World, Our Brand'—the first GUESS sustainability plan—now adopted globally. We have accelerated our Company's alignment with our sustainability goals, evolving our business to satisfy the interests and expectations of ALL stakeholders - those connected with our business at every level and our local and global communities. Inspired by the tenets of Conscious Capitalism, my vision for GUESS is to harness our passion and use a purpose driven approach to create positive impact for Our World and Our Brand.

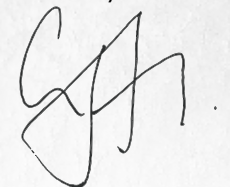
The world is watching iconic brands like GUESS and asking ever more demanding questions about the impact we create with everything we do. Our promise is to offer high quality products designed with the environment and our communities in mind, so that our customers, our

associates, and our families know that when they wear GUESS they are part of a global brand that positively impacts the world and makes it a better place for generations to come.

To me, that's what GUESS is all about.

In closing, I want to thank all our associates around the world, our vendor partners, our licensees, our shareholders, our customers and the communities we serve for embracing our commitment to sustainability. We thank you for your support and we look forward to keeping you updated on our progress.

Sincerely,



CARLOS ALBERINI

Chief Executive Officer and Director, Guess?, Inc.



Sustainability Plan

Our Sustainability Plan is organized into commitments and goals that focus on Our World—the people, operations and suppliers we work with—and Our Brand—the customers and communities we connect with.

Our approach is aligned with the Global Reporting Initiative (GRI) Standards to determine topics that are important to both our stakeholders and to the sustainable growth of our business. In addition, we use a precautionary approach, meaning we strive to protect the environment even in the absence of scientific certainty or regulatory requirements.

We are committed to the **UN's Sustainable Development Goals (UN SDGs)**; 17 ambitious goals developed by the United Nations in 2015 to tackle the world's most pressing challenges and develop a more sustainable future for all by 2030. Our 2021 goals contribute to the SDGs and drive our efforts to empower our associates, enhance the sustainability of our global operations and communities, and connect our customers with more sustainable fashion choices. We are also committed to transparently reporting our progress against these goals and achieving third party assurance to give stakeholders confidence in the quality and integrity of our reports.

OUR CONTRIBUTION TO THE UN SDGs

operating with integrity

GOOD GOVERNANCE & ETHICS **TRANSPARENCY & VERIFICATION**



empowering our people

DIVERSITY & INCLUSION **SUPPLY CHAIN SOCIAL RESPONSIBILITY** **SUSTAINABILITY EDUCATION & ENGAGEMENT**



protecting our environment

PRODUCT RESPONSIBILITY **WATER STEWARDSHIP** **GHG EMISSION REDUCTION**



OUR WORLD, OUR BRAND 2021 GOALS

operating with integrity

<p>GOOD GOVERNANCE & ETHICS</p> <ul style="list-style-type: none"> Strengthen sustainability oversight at Board level 	<p>TRANSPARENCY & VERIFICATION</p> <ul style="list-style-type: none"> Obtain third party assurance of non-financial data to increase stakeholder confidence in our reporting
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empowering our people

DIVERSITY & INCLUSION
Review and update current policies and practices to ensure inclusivity
Expand Diversity Council internationally

SUPPLY CHAIN SOCIAL RESPONSIBILITY
Strengthen vendor training and factory worker grievance program
Publish multi-tiered supplier map

SUSTAINABILITY EDUCATION & ENGAGEMENT
100% of product teams educated on sustainability and designing for circularity
100% of North America stores engaged on sustainability

protecting our environment

PRODUCT RESPONSIBILITY
20% of global materials portfolio to be certified sustainable
• 10% certified sustainable materials
• 20% of cotton procured as Better Cotton
Achieve our commitment to circular fashion with **Global Fashion Agenda**

WATER STEWARDSHIP
25% of denim to meet Guess Eco guidelines
100% of GUESS denim laundries to complete Higg FEM Environmental Survey

GHG EMISSIONS REDUCTION
15% Reduction in greenhouse gas (GHG) emissions (direct operations)
Implement Science Based Targets (Scope 1 – 3) approved by SBTi

Commitments Timeline

We are using a phased approach—described below—to advance our sustainability commitments and goals. In 2016, we launched our first formal sustainability strategy and rolled out Phase 1: Education, focused on collecting data and building foundational systems for continued responsible growth in the coming decades. In 2018 – 2019, we are collaborating across regions and brands globally to drive Phase 2: Action, focused on embedding sustainability into our business and reporting progress against our goals. Starting in 2020, we will enter Phase 3: Positive Impact, when we expect to reach our goals, accelerate performance and show demonstrable results.



PHASE 1 education

Set goals + establish systems

- Collect data
- Increase awareness
- Create internal alignment

PHASE 2 action

Pilot + Progress

- Conduct pilot projects
- Develop expertise
- Make progress against goals

PHASE 3 positive impact

Scale

- Scale programs across the globe
- Engage customers
- Demonstrate positive impact

A PROVEN PAST AND IMPROVED FUTURE

“The success of GUESS these past 35+ years can be attributed to staying authentic to who we are. GUESS started as a denim company, and this year we are focusing on returning to our roots in denim to honor our history, and to grow in new, exciting, more sustainable ways. Sustainability is a catalyst for creativity, helping us to rethink the way we design our products. Our sustainability goals have challenged us to innovate, evolve, and adapt. As we focus on what we do best, we know the future means doing more with less—less water, less waste and less carbon—and meeting the aspirations of new generations.”



PAUL MARCIANO

Chief Creative Officer
and Co-Founder, Guess?, Inc.

(left) Maurice Marciano,
Co-Founder and Chairman
of the Board, Guess?, Inc.
(right) Paul Marciano.



“As technology makes the world more connected, people are no longer bound by the countries where they live. Instead, we are all exposed to different influences, ultimately part of a new global culture that is diverse, environmentally concerned, and often youth driven. The GUESS brand is proud to offer experiences that support this multifaceted culture. With new projects, like GUESS Vintage and GUESS Eco, and new partnerships like J Balvin and 88 Rising, **GUESS is supporting artists that break down cultural barriers and supporting movements that are changing the world.**”



NICOLAI MARCIANO

Director, Brand Partnerships, Guess?, Inc.



operating with integrity



Everywhere we operate globally, we strive to work with integrity—doing what is right and working to continuously improve and evolve. To do this, we regularly monitor and measure our performance, engage and collaborate with stakeholders throughout the value chain, and transparently report our progress.

2021 COMMITMENTS

- GOOD GOVERNANCE AND ETHICS
- TRANSPARENCY AND VERIFICATION

2021 GOALS

Strengthen sustainability oversight at Board level

Obtain third party assurance of non-financial data to increase stakeholder confidence in our reporting

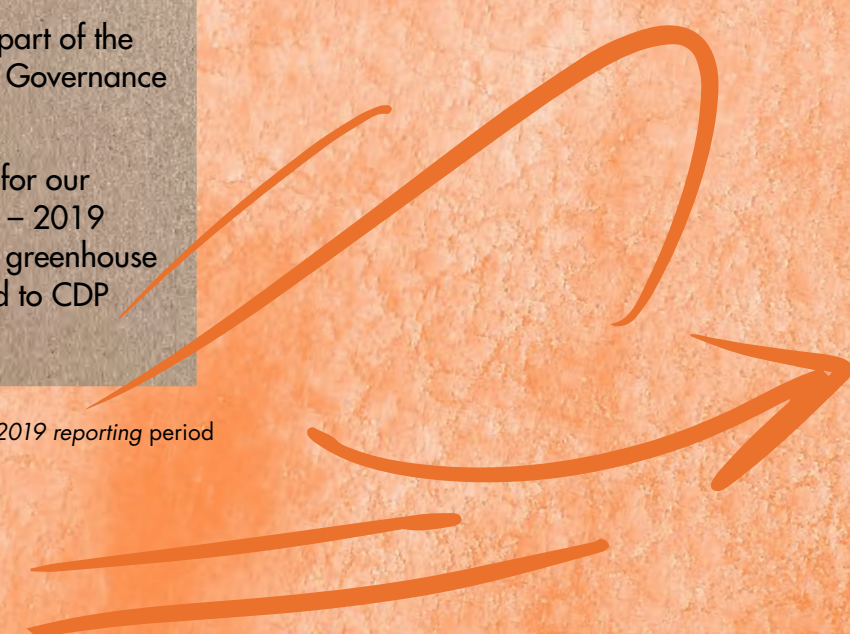


MILESTONES*

Formalized sustainability as part of the scope of the Nominating and Governance Committee of the Board.

Attained external assurance for our FY2016 – 2017 and FY2018 – 2019 sustainability reports and our greenhouse gas (GHG) inventory reported to CDP in 2018.

*Milestones achieved during the FY2018 – 2019 reporting period



INDUSTRY COLLABORATION

To leverage industry best practice tools and guidance and maximize our impact, GUESS participates in several externally-managed sustainability programs in collaboration with industry peers, experts and other stakeholders.

2015

(FY2016 – 2017 Reporting Period)



GUESS published its first sustainability report in accordance with the Global Reporting Initiative, the first and most widely adopted global standards for sustainability reporting.



The Sustainable Apparel Coalition (SAC) aims to advance sustainability through openly sourced tools and data. **GUESS has achieved “Strategic Level” membership with the SAC** based on its sustainability goals and attainment of >25% of suppliers by volume completing the Higg Index environmental surveys. Starting in 2017, GUESS also completes the Higg Brand Module to assess the impacts of its operations. This assessment tool includes environmental topics such as packaging, logistics, and chemicals management.

2016

(FY2016 – 2017 Reporting Period)



In partnership with the Fashion Institute of Design and Merchandising (FIDM), our local fashion institute in Los Angeles and long-time partner, **GUESS sponsors courses on sustainability and fashion.** Recently, a year-long course focused on the following topics: material efficiency and circularity, sustainable denim, the future of materials, and the business of sustainability. GUESS has also previously sponsored two sustainable lifecycle courses at FIDM.

2017

(FY2018 – 2019 Reporting Period)



As members of the Global Reporting Initiative (GRI)'s GOLD Community and Standards Pioneers Program, **GUESS was the first apparel company in the U.S. to publish its sustainability report with the GRI Standards and had it externally assured.**



Guess is a signatory of Global Fashion Agenda's Commitment to a Circular Fashion System aimed at implementing sustainable design strategies, increasing the collection and resale of used clothing, and increasing the share of clothing made from recycled fibers. Global Fashion Agenda tracks and reports each signatory brands' commitments to Circular Fashion.

2018

(FY2018 – 2019 Reporting Period)



In China, we partnered with Inno Community Development Organization, a non-profit committed to improving issues of workplace transparency, equality and public health. With this partnership, **we provided a confidential ‘Handshake Worker’s Hotline’ that enables 1000+ workers to report their concerns anonymously.**



Cotton is a water-intensive crop that comprises approximately half of our material use. As part of our commitment to water stewardship, **GUESS joined the Better Cotton Initiative (BCI) in 2018 and set a target to procure 50% BCI cotton by 2022.** BCI helps farmers increase water-efficiency, reduce pesticide use, and ensure fair treatment of workers.



CDP (formally the Carbon Disclosure Project) runs a global disclosure system for companies, cities, and states to measure and manage environmental impacts. **GUESS submitted its first CDP Climate Change report in 2018.** CDP reporting is a significant component for other ESG indices given its wide use and credibility in the investor community.



The Science Based Targets Initiative (SBTi) champions science-based target setting as a way of boosting companies' competitive advantage in the transition to a low-carbon economy. **GUESS has committed to setting a science-based target in 2020,** which will include ambitious goals for the supply chain.



As part of World Water Day in 2018, **Guess U.S. partnered with Planet Water Foundation to sponsor the development of an AquaTower in Puerto Rico and sent associate volunteers to help with the installation.** The AquaTower provided clean water for a community in need after a Category 5 hurricane devastated the island in 2017. Through charity: water, **Guess Europe is also sponsoring clean water systems in India** for 13 households affecting 75 people.

2019

(FY2020 – 2021 Reporting Period)



For World Water Day 2019, **GUESS sponsored a water giveaway for hundreds of residents in Flint, Michigan** that still face water quality issues 5 years after the lead contamination crisis. Over 20 GUESS retail associates and a corporate representative traveled to Flint, Michigan to volunteer at the water distribution event.



By joining the #CanopyStyle initiative, a non-profit dedicated to improving the sustainability of man-made cellulose, **GUESS has committed to tracking and disclosing the origins of our viscose materials, to help ensure the preservation of endangered forests.** In partnership with #CanopyStyle we are encouraging our mills to improve supplier practices.



As a signatory to the UNFCCC Fashion Industry Charter for Climate Action, GUESS has joined working groups to further contribute and learn how to implement the charter's principles. The UNFCCC Fashion Charter has been organized by the United Nations in support of its commitment to stabilize greenhouse gas concentrations in alignment with the Paris Agreement.

As we continue to enhance our sustainability program, information on new memberships will be made available at sustainability.guess.com.



empowering our people

2021 COMMITMENTS

DIVERSITY AND INCLUSION

- CELEBRATE OUR DIVERSE WORKFORCE
- FOSTER INCLUSIVE CULTURE AND POLICIES IN THE WORKPLACE

2021 GOALS

Review and update current policies and practices to ensure inclusivity

Expand GUESS Diversity Council internationally



MILESTONES*

Launched U.S. GUESS Diversity Council

85/100
score on 1st submission to the Human Rights Campaign's CEI Survey

2021 COMMITMENTS

SUPPLY CHAIN SOCIAL RESPONSIBILITY

- PARTNER WITH SUPPLY CHAIN FACILITIES ON CONTINUOUS IMPROVEMENT
- INCREASE SUPPLY CHAIN TRANSPARENCY

2021 GOALS

Strengthen vendor training and factory worker grievance program

Publish multi-tiered supplier map



MILESTONES

150 supplier factories trained in top 5 sourcing countries

Launched Workers Grievance Hotline for over **1,000** people

2021 COMMITMENTS

SUSTAINABILITY EDUCATION AND ENGAGEMENT

- INCREASE LEARNING OPPORTUNITIES FOR ASSOCIATES
- VOLUNTEER AND INVEST IN OUR COMMUNITIES
- ENGAGE CUSTOMERS ON SUSTAINABILITY

2021 GOALS

100% of product teams educated on sustainability and designing for circularity

100% of North American stores engaged on sustainability



MILESTONES

250+ students and associates educated on sustainability

Helped **1,400+** people access clean water

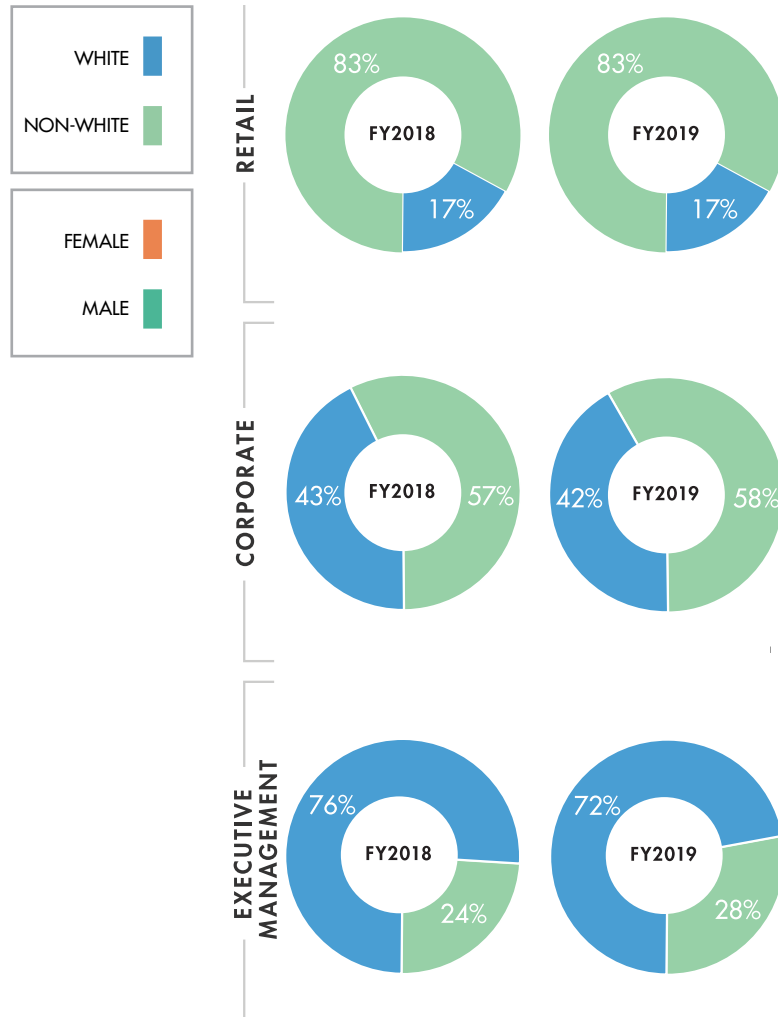
*Milestones achieved during the FY2018 – 2019 reporting period

EMPOWERING OUR PEOPLE

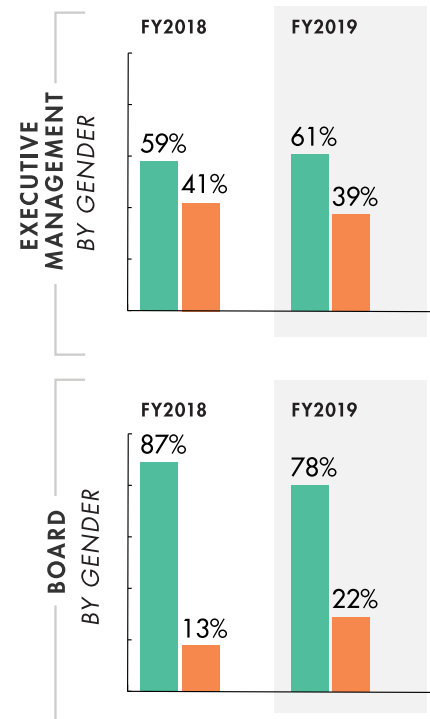
HIGHLIGHTS FY2018 – 2019

DIVERSITY AND INCLUSION

ASSOCIATES ETHNIC DIVERSITY – GUESS U.S.



GUESS GLOBAL EXECUTIVE LEADERSHIP



*At the time of publishing this report, female representation on the Guess®, Inc. Board has increased to 33%

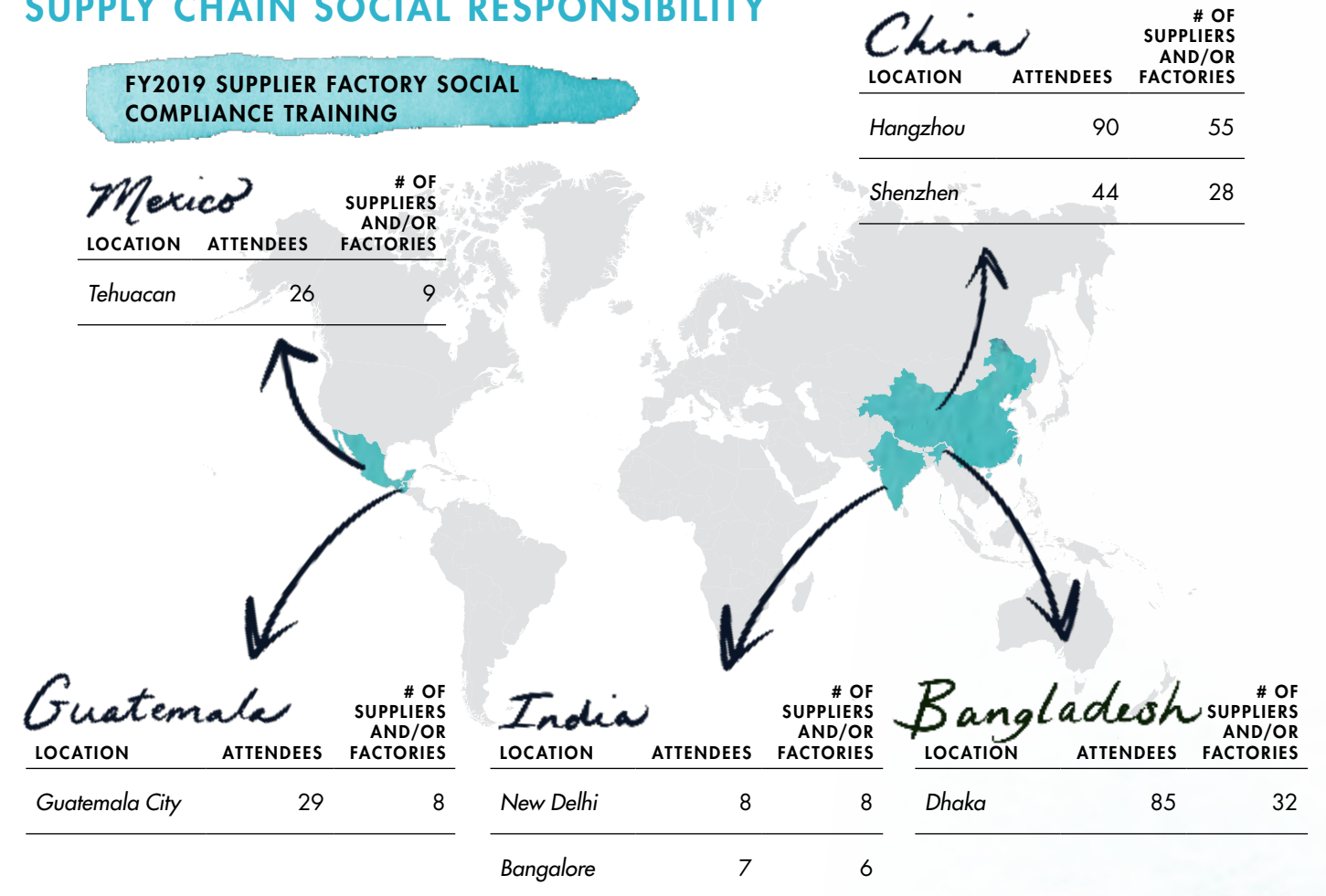
GUESS KOREA SPOTLIGHT:

Associates in Korea receive leadership training, happy hour associate training sessions, internal lectures, and designer seminars.



SUPPLY CHAIN SOCIAL RESPONSIBILITY

FY2019 SUPPLIER FACTORY SOCIAL COMPLIANCE TRAINING



SUSTAINABILITY EDUCATION AND ENGAGEMENT



World Water Day

In honor of World Water Day 2018, GUESS partnered with Planet Water Foundation to fully fund the development of an AquaTower for the Escuela Juan A. Sanchez primary school in Juncos, Puerto Rico and sent 10 associates to assist in its construction. Guess Europe donated \$10,000 to *charity: water*, a non-profit organization that provides drinking water to people in developing nations, to develop a water well in India.





protecting our

environment

2021 COMMITMENTS

PRODUCT RESPONSIBILITY

- INCREASE USE OF RESPONSIBLE MATERIALS
- PROMOTE CIRCULAR FASHION

2021 GOALS

20% of global materials portfolio to be **certified sustainable**

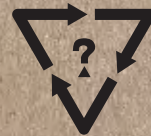
- 10% certified sustainable materials
- 20% of cotton procured as Better Cotton

Achieve our commitment to circular fashion with **Global Fashion Agenda**

MILESTONES*

Expanded Eco collection globally

Launched new platforms for circular fashion



*Milestones achieved during the FY2018 - 2019 reporting period

2021 COMMITMENTS

WATER STEWARDSHIP

- ADOPT WATER SAVING DENIM TECHNOLOGY
- MANAGE ENVIRONMENTAL IMPACTS IN OUR SUPPLY CHAIN

2021 GOALS

25% of denim to meet **GUESS Eco guidelines** (by Spring '21)

100% of GUESS denim laundries to complete **Higg FEM Environmental Survey**

MILESTONES

Began implementation of **GUESS 2018 Water Action Plan**

Invested in latest **water saving denim technology**

2021 COMMITMENTS

ENERGY + GHGs

- REDUCE SCOPE 1 & 2 EMISSIONS
- TRANSITION TO SCIENCE BASED TARGETS INCLUDING SCOPE 3 TARGETS

2021 GOALS

15% Reduction in greenhouse gas (GHG) emissions (direct operations)

Implement **Science Based Targets** (Scope 1 – 3) approved by SBTi

MILESTONES

26%

energy savings from LED light retrofit project

Calculated **Science Based targets** for approval by SBTi



PROTECTING OUR ENVIRONMENT

HIGHLIGHTS FY2018 – 2019



PRODUCT RESPONSIBILITY

GUESS Eco

Guess Europe launched the brand's first Eco collection in 2016. In March 2019, we launched our first global GUESS Eco capsule collection, available in-store and online in the U.S., Canada and Europe. Our GUESS Eco collection is growing by the season, with more products to be released in Fall 2019 and Spring 2020, helping to reach our goal of 20% sustainable materials by 2021.

Sustainable Sourcing Policies

In 2019, we launched our GUESS Responsible Sourcing Policy on Cotton to increase procurement of preferred cotton sources while working to improve traceability and avoid prohibited cotton sources from entering our supply chain. The GUESS Responsible Sourcing Policy on Manmade Cellulosic Fabrics, launched in 2018, was also implemented to ensure the ethical sourcing of certain rayon/viscose, modal, and lyocell fabrics—fabrics that are linked to the destruction of ancient and endangered forests.

27%

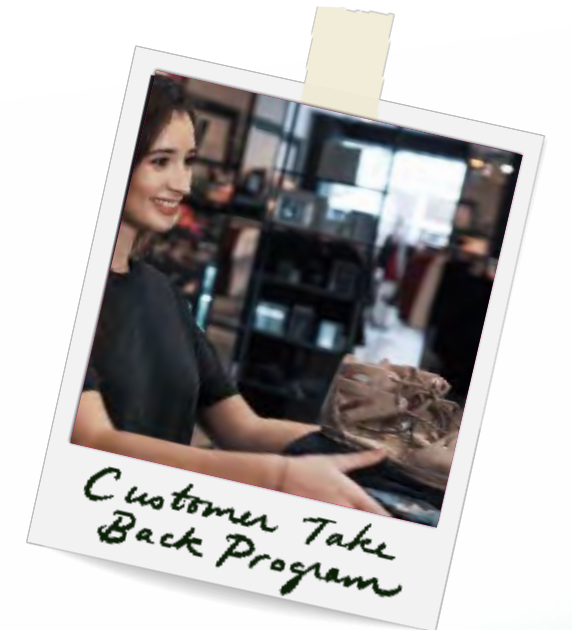
of our suppliers by volume completed the Higg FEM environmental assessment.



CIRCULAR FASHION

In 2017, GUESS announced its commitment to the Global Fashion Agenda's 2020 Circular Fashion System. Our signature customer take-back program, RESOURCED, is an opportunity for our customers to bring their unwanted clothing and shoes—from any brand—in for recycling. RESOURCED is available at all GUESS stores in the U.S. and will be expanded internationally.

In April 2019, we released #GUESSVintage, an assortment of authenticated Guess vintage items sourced from around the globe.



ENERGY USE & GREENHOUSE GAS REDUCTION

10%
GHG reduction since FY2016

26%
average energy & GHG reduction across U.S. and Canada from ~LED light retrofit project

780,000
kWh savings from LED installations equivalent to ~300 metric tons CO2e





About our Sustainability Report

Our report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and has been externally assured. The report presents Fiscal Year 2018-2019 social and environmental data to align with our financial reporting. Unless otherwise indicated, all data and information in the report pertains exclusively to GUESS operations in the United States, Canada, and Europe. In addition, our supply chain and Higg data includes subsidiaries in China, and our carbon footprint and diversity data includes our subsidiaries in China, Korea and Japan. For more information, please see our full report.

