Evolution!
CHANGE FOR GOOD

GUESS FISCAL YEAR 2018 – 2019 SUSTAINABILITY REPORT

This document contains forward-looking statements based on management's current expectations as of the date of publication of this report. These forward-looking statements are indicated by words or phrases such as "expect," "project," "believe," "will," "aim," "plan", "intend," "look forward to," "vision" and similar words or phrases. These forward-looking statements are based largely on our current plans and expectations and are subject to a number of risks, uncertainties or other factors that may cause actual results or performance to be materially different from our current expectations. Please refer to our most recent Annual Report on Form 10-K and other filings with the U.S. Securities and Exchange Commission for a more complete list of risk factors. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise indicated, all data and other sustainability information contained in this report pertains exclusively to Guess operations in the United States, Canada, and Europe that are run directly by Guess?, Inc. (Guess U.S.) or its applicable subsidiaries, mainly Guess? Canada Corporation (Guess Canada) and Guess Europe Sagl (Guess Europe). Any use of "GUESS," "we" or "our" herein refers collectively to Guess U.S., Guess Canada and Guess Europe unless otherwise indicated. In the sections "An Overview of our Supply Chain" and "Higg Index: Assessing our Suppliers" we have included data from our subsidiaries in China. In the sections "Employees by Employment Type" and "Diversity and Inclusion", we have included data for our Asia subsidiaries in China and Korea, and in the section "Our Carbon Footprint", we have included data for our Asia subsidiaries in China, Korea and Japan (collectively referred to as "Guess Asia"). Any reference to Guess?, Inc. within this report refers to all of Guess?, Inc. operations, including business partners and locations outside the scope of this report.

This report presents Fiscal Year data to align with our financial reporting. The company operates on a 52/53-week fiscal year calendar, which ends on the Saturday nearest to January 31st of each year. All references to "FY2018" mean the period beginning January 29, 2017 and ending February 3, 2018, and references to "FY2019" mean the period beginning February 4, 2018 and ending February 2, 2019. Any forward-looking statements or references to specific dates that do not include "FY" will follow the regular calendar year (i.e. January 1 to December 31).

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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.

About GUESS

GUESS was founded in 1981 by the Marciano brothers to create an iconic global lifestyle brand with strongly held values.

Headquartered in Los Angeles, California, we design, market, distribute and license one of the world's leading lifestyle collections of contemporary apparel and accessories for men, women and children that reflect the American lifestyle and European fashion sensibilities.

Our apparel is marketed under numerous trademarks including GUESS, GUESS?, GUESS U.S.A., GUESS Jeans, GUESS? and Triangle Design, Marciano, Question Mark and Triangle Design, a stylized G and a stylized M, GUESS Kids, Baby GUESS, YES, Gc, G by GUESS (GBG) and GUESS by MARCIANO (Guess Americas only).

The lines include full collections of clothing, including jeans, pants, skirts, dresses, shorts, blouses, shirts, jackets, knitwear, intimate apparel, and kids apparel. We also distribute a broad range of products that complement our apparel lines, including eyewear, watches, handbags, footwear, outerwear, swimwear, fragrance, jewelry and other fashion accessories. These complementary products are either designed and sourced at the Guess Europe headquarters or by selectively granted manufacturing licensees.

Guess?, Inc. is a publicly traded company listed on the New York Stock Exchange (NYSE: GES).

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.

GUESS?, INC. KEY FACTS*

FY 2018 – 2019

NUMBER OF GLOBAL STORES
(direct operations, licensees & distributors)

FY2018
1,653

- 494 ASIA
- 490 AMERICAS
- 669 EUROPE & MIDDLE EAST

FY2019
1,729

- 536 ASIA
- 493 AMERICAS
- 700 EUROPE & MIDDLE EAST

NET REVENUE (USD IN THOUSANDS)

FY2018 **$2,364,000**

FY2019 **$2,610,000**

NUMBER OF ASSOCIATES

FY2018 **14,700**

FY2019 **15,700**

100+ MARKETS SERVED *(countries)*

GUESS Store of the Year
Scottsdale, AZ

EMPLOYEES BY EMPLOYMENT TYPE+

ASSOCIATES IN GUESS U.S. + GUESS CANADA		FY2018	FY2019
Total Workforce		7,709	8,020
Full Time	Female	72%	71%
	Male	28%	29%
Part Time	Female	73%	72%
	Male	27%	28%
Permanent		99.9%	94%
Temporary		0.1%	6%

ASSOCIATES IN GUESS EUROPE		FY2018	FY2019
Total Workforce		4,603	5,287
Full Time	Female	77%	76%
	Male	23%	24%
Part Time	Female	87%	85%
	Male	13%	15%
Permanent		69%	79%
Temporary		31%	21%

ASSOCIATES IN GUESS ASIA		FY2018	FY2019
Total Workforce		1,209	1,365
Full Time	Female	82%	84%
	Male	18%	16%
Part Time	Female	86%	72%
	Male	14%	28%
Permanent		97%	98%
Temporary		3%	2%

** Apart from GUESS associate data, numbers are taken directly from Guess?, Inc.'s Annual Report on Form 10K that include some entities such as joint ventures and licensee partners which are not included in the scope of this report. Please refer to the **About this Report** section for an explanation of GUESS operations included in this report, as well as our Fiscal Year calendar.*

Definitions of key terms in the table: 1) "Full Time" refers to associates that work a full work week using country-specific definitions of full time or full time equivalent, 2) "Part Time" refers to regular employment in which working time is substantially less than normal, 3) "Permanent" refers to associates hired with no specific end date, and 4) "Temporary" refers to seasonal workers and interns hired for a specified amount of time.

*Visit our **investor website** for more information on our global business operations and financial performance. Further income and balance sheet data is available in our Annual Reports on Form 10K.*

KPMG LLP reviewed key metrics presented in this sustainability report, which are identified throughout the report with the '+' symbol (see Independent Accountants' Report). A consolidated list of assured metrics and criteria is available on pages 94-95 of this report.

GUESS?, INC. RETAIL STORES ARE IN MORE THAN

100 countries

GLOBAL STORES

GUESS

Established in 1981, GUESS began as a jeans company and has since successfully grown into a global lifestyle brand. GUESS designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, denim, handbags, watches, footwear and other related consumer products. GUESS products are distributed through branded GUESS stores as well as better department and specialty stores around the world.

www.guess.com

Guess

Marciano

Marciano

Marciano, the first brand extension from GUESS, follows suit in true GUESS style with apparel and accessories that are on the edge of the fashion forefront. This contemporary runway-inspired collection, designed for the fashion forward woman, is daringly sexy, yet has highly sophisticated style that represents pure glamour in everyday fashion. Marciano designs, markets and distributes full collections of women's apparel as well as accessories. Marciano boutiques are located in North America, as well as international metropolitan centers throughout the globe. You can also find the Marciano collection in select flagship GUESS store locations, specialty stores, and online.

www.marciano.com

Accessories

GUESS Accessories

GUESS Accessories stores sell GUESS and Marciano-labeled accessory products.

GUESS Kids

GUESS Kids leads in tween, kids and baby apparel, providing eye-catching fashion for the next generation of trendsetters. An American brand with European influences, GUESS Kids is the first tween/kid's brand to offer flash collections to its global customers, delivering the latest trend-defining styles.

www.guesskids.com

Guess Kids

GBG

GBG

Vintage California lifestyle makes GBG fashion for the next generation. As the latest brand from denim pioneer GUESS, GBG was created for young, hip and trendy men and women with an eye for the freshest looks and hottest styles. Award-winning retail concepts celebrate the best of fashion and design, while the online store offers the very latest products with destination pages that always let you know what's next in your world.

www.gbyguess.com

GUESS Factory

GUESS Factory follows suit in true GUESS style with apparel and accessories at must-shop prices. GUESS Factory designs, markets and distributes full collections of men's and women's apparel as well as accessories.

www.guessfactory.com

Guess Factory

GUESS Jeans U.S.A.

GUESS, the globally recognized brand, is proud to introduce GUESS Jeans U.S.A., an incubator division of men's and women's clothing influenced from past collections and inspired by art, music, fashion and culture. Designed in Los Angeles and drawn out of the rich archives from the 80's and 90's, GUESS Jeans U.S.A. takes a quality first approach by globally sourcing and manufacturing the best fabrics and styles. Carefully curated each season, GUESS Jeans U.S.A. offers essential silhouettes and exclusive pieces reintroduced and reinterpreted by industry cultural leaders and collaborators.

www.guessjeans.com

GUESS JEANS
U.S.A.

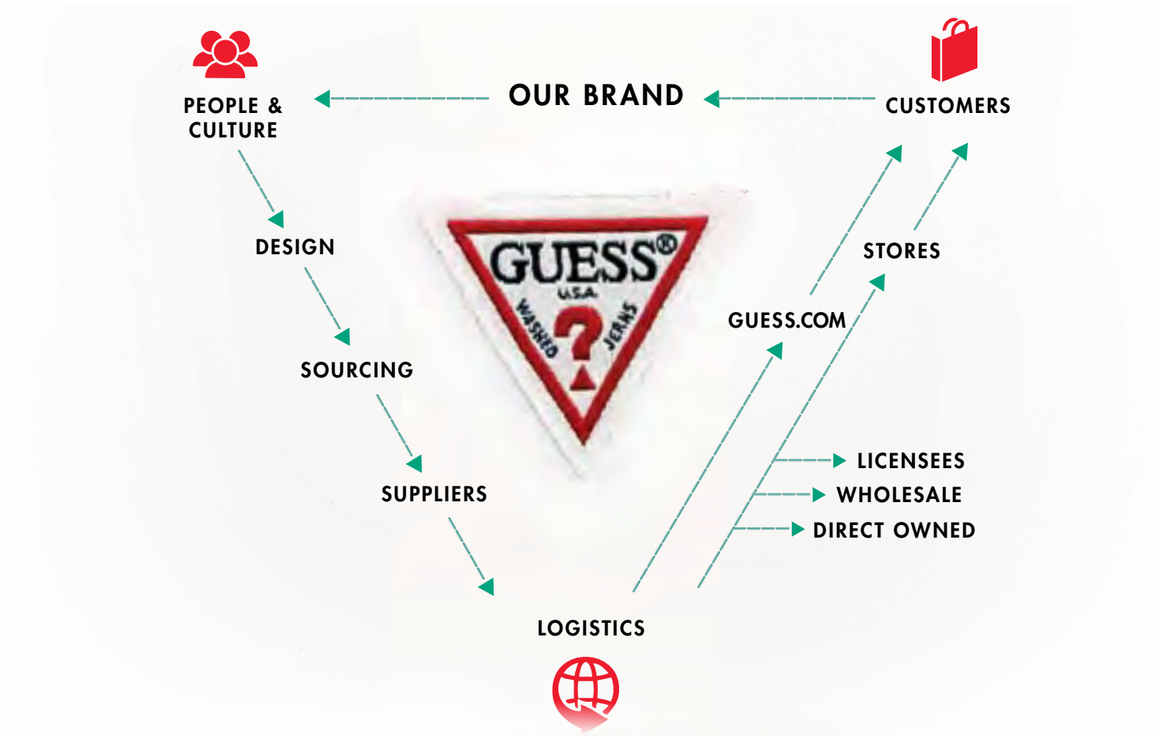
shop.guess.com

In addition to retail, we sell products online and through wholesale and licensing channels.

www.shop.guess.com

OUR BUSINESS MODEL

GUESS is a global, diversified lifestyle brand. Our brand is sexy, young and adventurous. It drives fashionable, distinct product designs that underpin our reputation and customer loyalty. We operate in fast-moving global markets serving the style-conscious consumer through the iconic GUESS brand image. Our designers travel throughout the world to monitor fashion trends and discover fabrics that inspire new lines and collections.



Design

GUESS, GBG, Marciano and GUESS Jeans U.S.A apparel products are designed by in-house design teams located in Los Angeles, California; Ticino, Switzerland; and Seoul, South Korea. The GUESS brand teams create the design aesthetic for apparel products, jewelry and some accessories.

Global Sourcing & Supply Chain

Our apparel products are manufactured by a network of contracted suppliers around the world. We retain responsibility for the sourcing and quality control of raw materials used in our apparel products.

Suppliers

We mostly engage suppliers through 'package purchases', providing them with clothing designs and raw material specifications. We also review and select supplier offerings as needed to help round out our product portfolio. In some cases, we require suppliers to purchase fabric from preferred mills which are subject to audits as part of our global Social Compliance Program. Suppliers procure the raw materials, manufacture and deliver the finished product to our distribution centers.

Logistics

A number of distribution centers service our major markets. Our manufacturing supply chain, logistics and distribution channels are built upon long-term supplier relationships that help us achieve efficient and timely delivery of our products. We use multiple distribution channels including direct-to-consumer, wholesale and licensing arrangements to sell our products, affording us agility in rapidly changing markets. Our 506,000 square foot facility in Louisville, Kentucky services our U.S. stores and is owned by Guess?, Inc. We also directly operate a major distribution center in Canada. In addition, we contract third parties to operate distribution warehouses in China, Italy, South Korea, and The Netherlands.

Licensing & Joint Ventures*

We selectively expand our product offerings and global markets through trademark licensing arrangements and joint ventures. These international licenses, distribution agreements, and business partnerships allow for the sale of our branded products in major department stores and upscale specialty retail stores.

Wholesale Distribution

We sell through both domestic and international wholesale distribution channels as well as licensee operated retail stores and concessions.

Direct-to-Consumer Distribution & Retail Channels

Our brand's direct-to-consumer network is made up of both directly operated brick and mortar retail stores and e-commerce.

** Data pertaining to licensees and joint ventures is not included in the scope of this report.*

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

GOOD GOVERNANCE & ETHICS

- **Strengthen sustainability oversight** at Board level

TRANSPARENCY & VERIFICATION

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

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

Goal Status

We're working hard to achieve our 2021 goals and are excited to share the progress we've made. The stories shared throughout this report provide context for how we are addressing our goals. The status bars at the start of each subsection cover priority topics within our Sustainability Plan and provide a quick visual representation of the progress we've made on our goals to date.

JUST BEGINNING

We've started working with our teams to establish the programs and systems necessary to achieve the goal. Additional focus will be required to accomplish goal by 2021.

IN PROGRESS

We've made measured progress against the goal, but still have some work to do to ensure global success.

ON TRACK

We're confident in the programs we've established and are on track to achieve the goal by or ahead of 2021.

Our mission statement

AT GUESS, WE ARE COMMITED TO BEING A WORLDWIDE LEADER IN THE FASHION INDUSTRY.

We deliver products and services of uncompromising quality and integrity consistent with our brand and our image.

We are committed to listening and responding to the needs of our customers, associates, and business partners, and to honoring their individual values.

We are dedicated to personal and professional enrichment through an environment of open communication, teamwork, trust and respect.

We continue to give back to the community, support humanity, and protect the environment as part of our responsibilities.

We remain committed to an entrepreneurial spirit that fuels the growth of our company and increases shareholder value.

Through principled leadership, we embrace diversity, and we cultivate strength, pride, and passion to align our personal lives with our professional lives.

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*

STAKEHOLDER ENGAGEMENT

We regularly engage a wide range of stakeholders critical to the success of our business to take the pulse of society, understand what matters most, and incorporate feedback into our evolving approach. Stakeholders are profiled according to the nature of their relationship with GUESS, their interest, and their willingness to engage with and influence the company. The stakeholders we engaged in FY2018 – 2019, our methods for engaging them, and the topics they raised are summarized below.

OPERATING WITH INTEGRITY
EMPOWERING PEOPLE
PROTECTING THE ENVIRONMENT

Stakeholder engagement methods and topics raised

EXTERNAL STAKEHOLDERS

STAKEHOLDER	Investors	Suppliers	Communities	NGOs	Media & Industry	Regulators/ Government
ENGAGEMENT METHODS	• Investor surveys + reports • Direct communications • Industry • Company research	• Direct communications • Surveys, audits + trainings	• GUESS Foundation • Partnerships + sponsorships • Interviews	• Company research • Events • Direct communications • Interviews	• Industry associations • Industry initiatives, conference + meetings • Interviews • Company research	• Regulatory reporting + compliance • Meeting on emerging regulations + government initiatives • Work with industry associations
TOPICS RAISED						
Business ethics	✓					
Customer data privacy + security	✓				✓	✓
Climate resiliency	✓					
Talent management	✓					
Human rights + labor relations	✓	✓	✓	✓	✓	
Diversity + inclustion	✓				✓	
Community giving + partnerships					✓	
Energy efficiency + GHG emissions	✓		✓	✓	✓	
Water stewardship	✓	✓	✓	✓	✓	
Waste			✓		✓	✓
Chemicals management	✓	✓		✓	✓	
Sourcing sustainable materials	✓	✓		✓	✓	
Product circularity + takeback				✓	✓	✓

INTERNAL STAKEHOLDERS

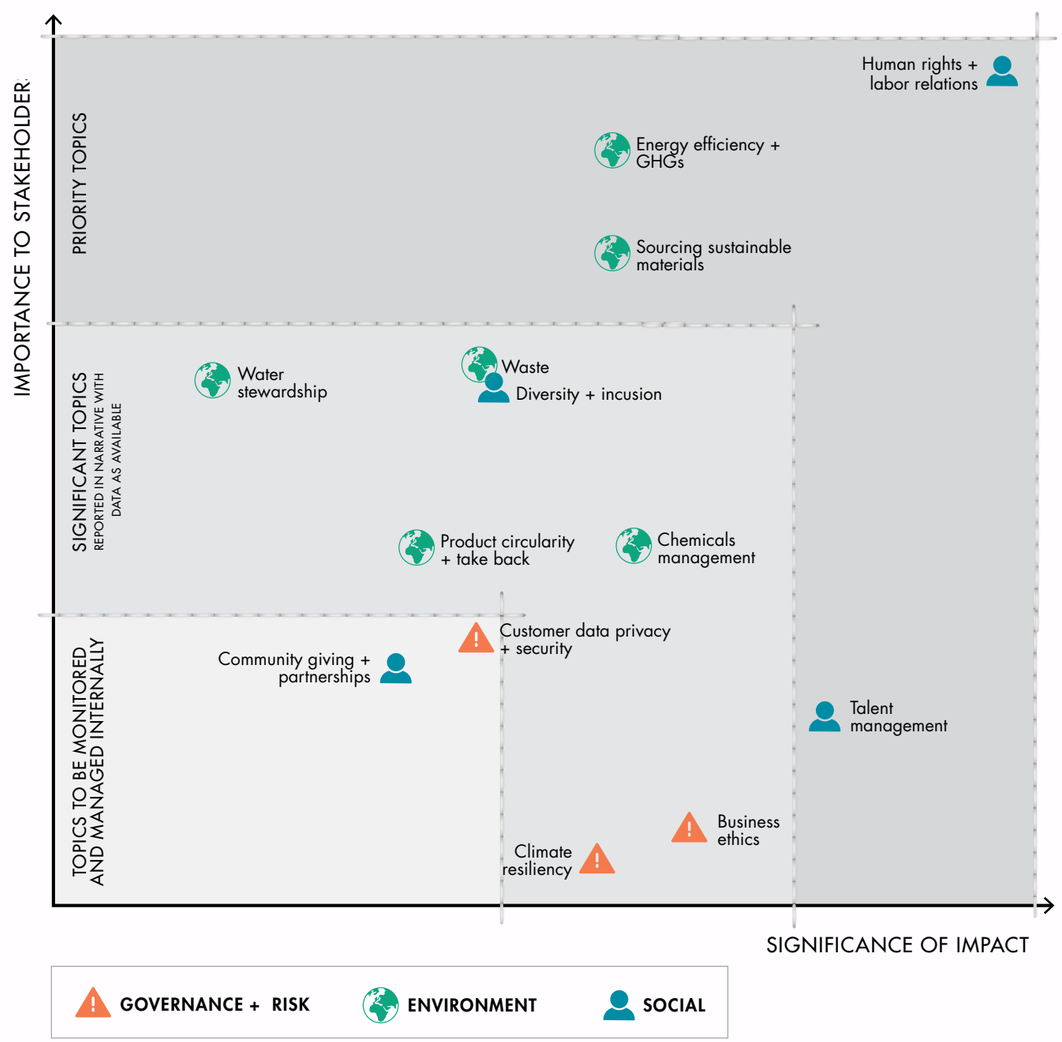
STAKEHOLDER	Associates	Customers
ENGAGEMENT METHODS	• Online surveys • Interviews • Volunteering + training	• Customer surveys + feedback • Social media • Industry • Company research
TOPICS RAISED		
Business ethics	✓	✓
Customer data privacy + security		✓
Climate resiliency		
Talent management	✓	
Human rights + labor relations	✓	✓
Diversity + inclustion	✓	✓
Community giving + partnerships		
Energy efficiency + GHG emissions	✓	
Water stewaedship		
Waste	✓	✓
Chemicals management	✓	
Sourcing sustainable materials	✓	✓
Product circularity + takeback	✓	✓

KEY ACTIONS TO ADDRESS CONCERNS IN 2018 – 2019

(in response to 2017 sustainability materiality refresh)

- Conducted rigorous testing related to customer data protection and privacy
- Sponsored courses on sustainability and fashion
- Conducted supplier training and pilot tested worker grievance program
- Participated in the Human Rights Campaign (HRC) Corporate Equality Index (CEI) survey and received a score of 85%
- Published Diversity Statement and launched GUESS Diversity Council
- Realized 26% reduction in energy use from LED light retrofit project in the U.S. and Canada
- Submitted first CDP Climate Change response
- Rolled out corporate recycling program at Global Headquarters
- Implemented responsible sourcing policies for commonly used materials
- Established goal to have 20% of materials certified sustainable by 2021
- Working toward fulfillment of our 2020 Commitments to a Circular Fashion System with Global Fashion Agenda
- Launched global GUESS Eco collection

SUSTAINABILITY MATERIALITY ASSESSMENT



Sustainability Materiality Refresh

Guided by the Global Reporting Initiative's Reporting Principles, we conducted a sustainability materiality refresh in FY2019, building upon previous assessments conducted in FY2015 and FY2017, to ensure we're addressing relevant topics, and identifying opportunities for innovation and improvement. We conducted a detailed review of industry best practices and engaged internal and external stakeholders through a series of interviews and online surveys. Stakeholders evaluated and prioritized risks and opportunities related to the sustainable growth of GUESS and shared input on how we can maximize our positive impact.

Through this process, we identified topics that continue to be important to stakeholders and significant to our business (see matrix to the left). These include:

Priority Topics

- Human rights & labor relations
- Energy efficiency & greenhouse gas emissions (GHGs)
- Sourcing sustainable materials
- Talent management

Significant Topics
(Reported in narrative with data as available)

- Diversity & inclusion
- Waste
- Chemicals management
- Product circularity & takeback
- Water stewardship
- Business ethics
- Climate resiliency

Topics to be Monitored and Managed Internally

- Customer data privacy & security
- Community giving & partnerships

The results of our sustainability materiality assessment have been reviewed by our Chief Executive Officer, Sustainability Steering Committee, and Associate Sustainability Committee and evaluated against a set of criteria (magnitude of risk or opportunity, current performance and management within each topic area, etc.) to further identify and prioritize topics that are most critical for the global business and align with our core values, goals and competencies. This analysis informed the continuing evolution of our Sustainability Plan, including our commitments and goals, and the integration of sustainability into our business operations and culture.

Outcomes were also reviewed to identify new trends and topics to be considered in future reporting cycles (i.e., topics that are not a current priority but are now on our radar). We will continue monitoring these topics (e.g., impact of microfibers on the environment) and will work to understand where action is warranted.

Alignment with Enterprise Risk Management

Risks identified through the sustainability materiality assessment are incorporated into Guess?, Inc.'s overall enterprise risk management approach and are subject to internal audit procedures, depending on the level of risk assessed. Our Internal Audit team conducts an annual global risk assessment which encompasses all of the organizations' business functions. The risk assessment considers likelihood and impact as a basis for risk management in addition to inherent risk and residual risk. The results of the risk assessment are communicated to the Board of Directors, Audit Committee, Senior Management, and our external auditors. The risk assessment is used to identify areas of the organization that will be audited for the upcoming year.

Climate Resiliency

As climate change is one of society's most important sustainability challenges, we evaluate climate-related risks as part of our ongoing sustainability materiality assessments. We also assess the feasibility and impact of climate resiliency and adaptation measures, such as the impact of our GHG emission reduction goals on reducing our reliance on fossil-based energy. Identified risks or opportunities are compiled and collectively analyzed on an annual basis as part of our climate management plan and assessed by relevant parts of the business (product development, retail planning, procurement, etc.). We then comprehensively address risks and opportunities through our annual GHG inventory and assessment program.

In 2018, we submitted our first CDP Climate Change report which details the results of our climate-related risk assessments, targets and performance. Going forward, we will continue to assess opportunities to build resilience to climate change impacts, particularly in the supply chain, and transparently report our progress. For more on our management approach to climate resiliency, please see our supplemental document "GUESS FY18-19 Sustainability Report - GRI Topics and Management Approach" found on our website.

Good Governance and Ethics

Ethical conduct is essential to how we do business. We strongly believe that honesty and integrity build lasting relationships and are important in our rapidly evolving industry. We hold every Guess?, Inc. director, officer and associate to our Code of Ethics ("The Code").

The Code applies to all facets of our business, guiding how we operate internally and externally with suppliers and business partners. It is used globally with minor regional differences, and is explained to all new associates at new-hire orientation.

Our Sustainability and Corporate Social Responsibility Team works to ensure that environmental and social responsibility is embedded into decision-making processes across the company. This global team is made up of directors and senior managers in the U.S., Europe and Asia reporting to our Vice President, Internal Audit and Corporate Social Responsibility, who administratively reports to our Chief Executive Officer and directly reports to the Board of Director's Audit Committee.

Our Sustainability Steering Committee reviews our sustainability plan, identifies priority risks and opportunities, and monitors progress against our commitments and goals. The Committee, which meets 1 – 2 times a year and additionally as needed, is led by our Chief Financial Officer, is joined by Guess Europe Executive Leadership and includes members from the following departments: Corporate Social Responsibility, Sourcing and Production, Supply Chain, Finance, Retail and E-Commerce, Logistics, Internal Audit, Inventory, Human Resources, Legal, Advertising and GUESS Foundation. Committee members are responsible for integrating sustainability into the operations of their respective departments.

2021 COMMITMENTS

GOOD GOVERNANCE & ETHICS

2021 GOAL

Strengthen sustainability oversight at Board level

IN PROGRESS

GOAL STATUS

- **Formalized sustainability** as part of governance committee scope.

The content in this section supports the United Nations Sustainable Development Goal #16 to promote just, peaceful and inclusive societies. Specifically, we address target 16.6 to develop effective, accountable and transparent institutions at all levels.

In addition, regional sustainability committees support implementation of our sustainability strategy and goals at the local level. For more information on our management approach for sustainability topics, please visit the GUESS Sustainability website.

Guess?, Inc.'s general approach to Corporate Governance is publicly available on our Investor Relations website.

Transparency and Verification

In 2016, we joined the *Global Reporting Initiative (GRI)'s GOLD Community* as part of our commitment to transparently report our sustainability plan and performance to stakeholders.

We also opted into *GRI's Standards Pioneers Program* as one of the first companies to report in accordance with the GRI Standards, which aims to further enhance global comparability and quality of sustainability reporting. This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Please see our GRI Content Index which lists each of the Standards and disclosures included in the report.

To ensure accurate, balanced reporting, we hire independent third parties to review and verify key metrics and data in our sustainability reports, including this current report (identified throughout with the '+' symbol), and ensure conformity with the GRI Standards. Please see our Independent Accountants' Report on page 93 for more information.

2021 COMMITMENTS

TRANSPARENCY & VERIFICATION

2021 GOAL

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

ON TRACK

GOAL STATUS

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

17 PARTNERSHIPS FOR THE GOALS

The content in this section supports the United Nations Sustainable Development Goal #17 to revitalize the global partnership for sustainable development. Specifically, we address target 17.16 on multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.

We strive to be an industry leader in transparency through our membership with GRI's GOLD Community and Standards Pioneers Program and our commitment to achieving third party assurance for sustainability reporting.

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)

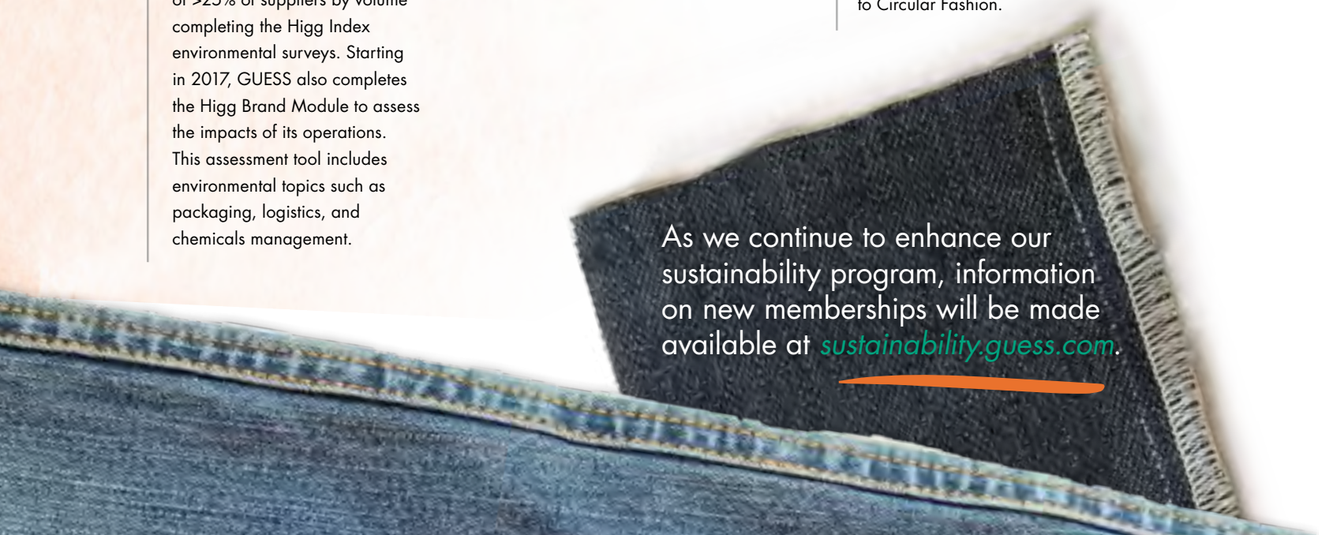
In partnership with the Fashion Institute of Design and Merchandising (FIDM), our local fashion institute in Los Angeles and long-time partner, **GUESS sponsors courses on sustainability and fashion.** Recently, a year-long course focused on the following topics: material efficiency and circularity, 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.



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

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 cellulosics, **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.

CUSTOMER EXPERIENCE

Customers are our number one priority. We are committed to creating an enjoyable and seamless shopping experience for them in store, online and with our mobile app. We design our clothes with an uncompromising commitment to quality and detail, work diligently to protect customer safety and privacy, and deliver exceptional customer service through various platforms.

Customer Satisfaction

We use various channels to listen to our customers and tailor our products and services to their needs. GUESS takes customer feedback very seriously, and since our last report, we have created more channels for customers to engage with us.

GUESS Customer Care

On our website, customers can submit comments through our OpinionLab software, request a call back, or chat with us online. We also solicit feedback with every order confirmation email.

Since our last report, GUESS Customer Care has improved its Better Business Bureau rating from an A- to an A+, reflecting the variety and quality of our customer feedback platforms.

GUESS Loyalty Program

Our GUESS List loyalty program uses multiple channels to engage and update customers on the latest events, products and services. We also reward customers with points for purchases in store, on our app and online. In the U.S., Canada, and the U.K., customers can accumulate points across GUESS brands and spend them at the store of their choice. We perform industry benchmarking and internal audit reviews on this program to ensure that we provide a best-in-class experience for our members.

GUESS Mobile App

With the GUESS Mobile App in the U.S., customers can chat with a stylist while shopping, receive personal recommendations based on their likes and dislikes, track orders, become a member of the GUESS List loyalty program, or talk to a Customer Care representative.

Social Media

The GUESS Social Media platforms provide a direct line to our customers; providing a convenient place to connect with the brand, get answers to questions, provide feedback, and be part of the greater GUESS community. It's also where customers come to get inspired as we share style ideas.

In the past two years, the GUESS Instagram account has almost tripled, reaching more than 6 million people. Followers have also engaged with initiatives such as #DestinationGUESS, which invites influencers from all over the world, who already love GUESS apparel, to take part in #DestinationGUESS trips and share their unique experiences.

Retail & Pop Up Events

Retail events are planned at select stores to showcase product releases, special initiatives, and collaborative partnerships to help create memorable customer experiences. For customers who can't make it in person, the events are live-streamed worldwide on social media. During FY2018 – 2019, GUESS partnered with Jennifer Lopez, J Balvin, Phora, Coffee 'n Clothes, ESP Camera, Shutterbooth, select malls and a GUESS stylist.

We also host special pop-up events in unique spaces. For example, GUESS Jeans U.S.A. customers who sign up for our newsletter get invitations to secret pop-up events around the world.

Customer Data Protection & Privacy

Protecting our customers' personal and financial data is of critical importance to GUESS. We employ a multi-layer firewall that undergoes rigorous, systemized testing to protect and secure customer data and information in accordance with our *Privacy Policy*. In addition, all GUESS call centers are compliant with the Payment Card Industry Data Security Standard (PCI DSS).

GUESS Jeans U.S.A., our global brand managed out of Los Angeles, and Guess Europe have adjusted their approach to customer privacy as directed by the new EU General Data Protection Regulation (GDPR). This new EU regulation gives consumers a more active role in managing their personal data, increases privacy and anonymity, and enhances organizational security.

We anticipate that other global jurisdictions will align with GDPR legislation in the future, and are closely monitoring and preparing for new emerging regulation, such as the California Consumer Protection Act (CCPA), to continue to meet and exceed customer expectations, regulatory requirements, and best practices.

Customer Health & Chemical Testing

As part of our quality control program, it is our policy to conduct quality and health and safety inspections for all product styles throughout the value chain: from raw materials and prototype testing to contractor manufacturing and distribution centers. We also perform random, in-line quality control checks during and after production, as well as before distribution. This strict protocol not only maintains the quality and reputation of our products, but ensures the safety and satisfaction of our customers. For more information see the ***Chemicals Management*** section of this report.

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*

Diversity and Inclusion

Diversity and inclusion have always been hallmarks of the way we operate. With a brand presence in more than 100 countries, we value diverse backgrounds, cultures and perspectives and the creativity they bring our business.

2021 COMMITMENTS

CELEBRATE OUR DIVERSE WORKFORCE

FOSTER INCLUSIVE CULTURE AND POLICIES IN THE WORKPLACE

2021 GOAL

Review and update current policies and practices to ensure inclusivity

IN PROGRESS

Expand **GUESS Diversity Council** internationally

IN PROGRESS

GOAL STATUS

- Under new leadership, **our internal business practices related to Human Resources and work culture are under review** in consultation with the Council for Diversity & Inclusion (GUESS Diversity Council).

- Plans underway for **launch of GUESS Diversity Council** in Europe and Asia.

5 GENDER EQUALITY

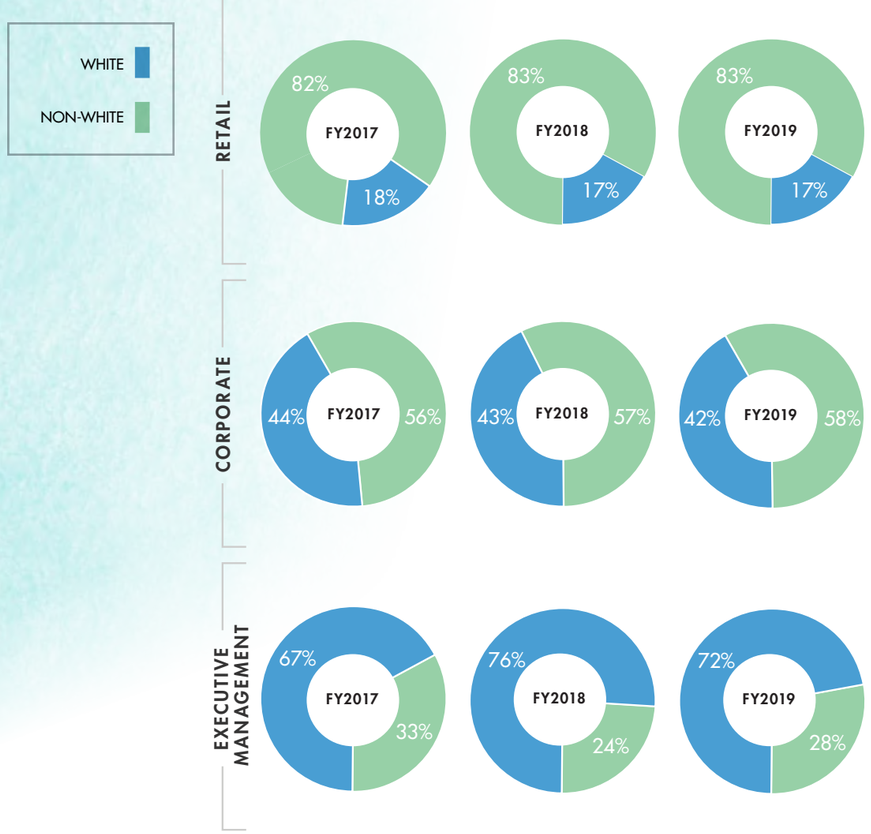
The content in this section supports the United Nations Sustainable Development Goal #5 to achieve gender equality and empower all women and girls. The specific target addressed is 5.5 to develop opportunities for women in leadership.

RECOGNIZING DIVERSITY & INCLUSION AT GUESS

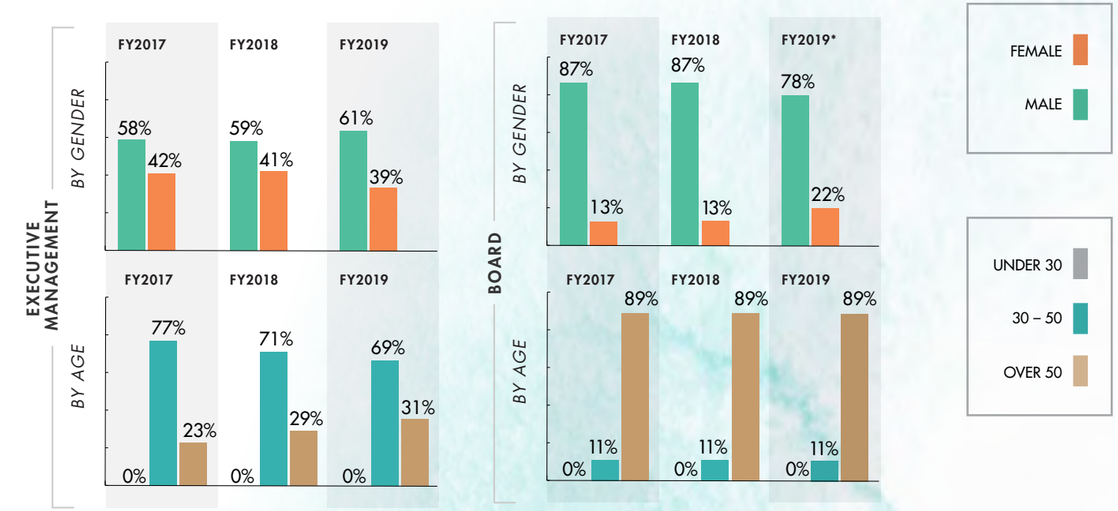
Since founding GUESS, the Marciano brothers have drawn creative inspiration from cultures around the world. Inherently diverse as a global organization, we work hard to cultivate an inclusive culture through our company values, hiring and career advancement policies, associate training and development programs.

We expect everyone at GUESS to cultivate a fair and inclusive workplace, and promptly investigate reports of possible discrimination, as appropriate. Our open door policy fosters honest and open communication, a critical element when handling sensitive issues. Associates are encouraged to discuss work-related concerns or issues with their manager, department head, Human Resources, or Executive Management without fear of repercussion. Our global whistle-blower hotline also enables associates to report unethical behavior or other potential conflicts.

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 Diversity Council

In FY2019, GUESS established a Council for Diversity and Inclusion, starting in the U.S., to oversee the implementation of diversity and inclusion practices throughout the company. The founding members of the Council include leaders from Human Resources, Sustainability, Internal Audit, Legal, and Training and Development teams. The Diversity Council is currently reviewing policies related to inclusivity and has launched on-campus events to more prominently celebrate diversity. Starting in FY2020, we launched our World of GUESS Food and Culture events that feature cuisines from around the world, and our first annual Pride month.

We will continue to reinforce our leadership in this area by:

- reviewing and updating current practices to ensure an inclusive, diverse workplace
- expanding diversity education and training in the workplace, including with new hires, and looking for opportunities to improve the effectiveness of training and events
- re-evaluating our benefits program to ensure it appropriately supports associates balancing the demands of work and family, and
- hosting corporate events and activities that celebrate our multicultural workforce.

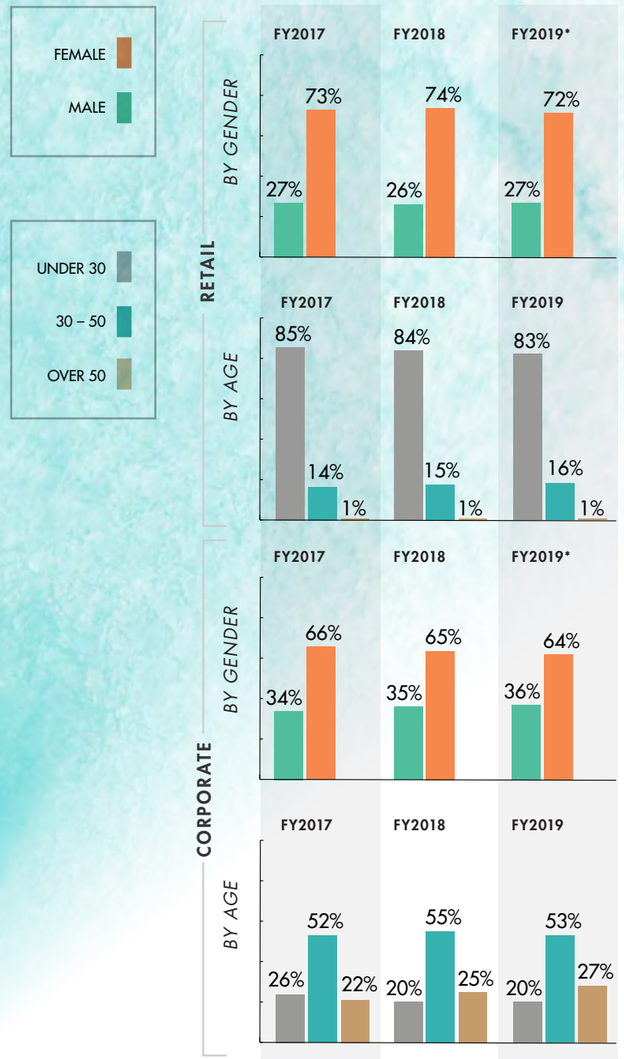
Through these efforts, we aim to empower all associates to reach their full potential.

IN FY2018-2019, WE INCREASED FEMALE REPRESENTATION ON THE BOARD BY **9%**

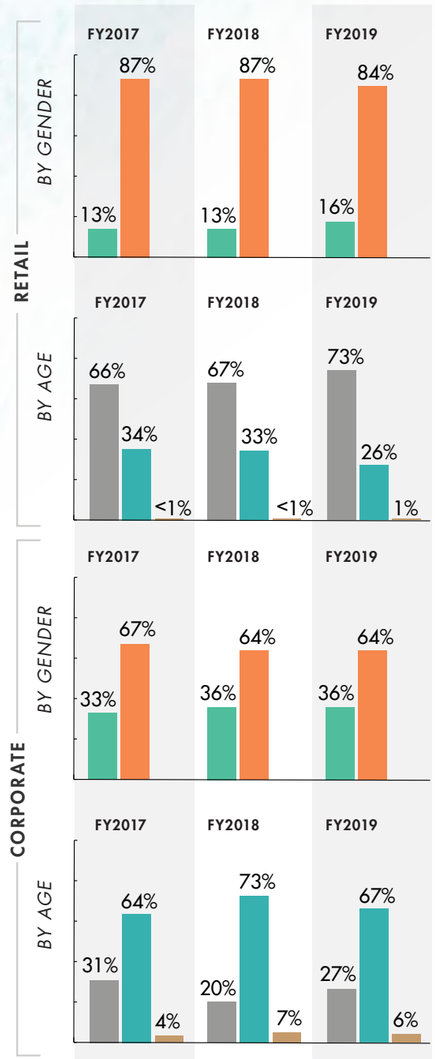
HRC Corporate Equality Index

In FY2019, GUESS submitted its first survey with the Human Rights Campaign (HRC) Corporate Equality Index (CEI) and is proud to have received a score of 85%.

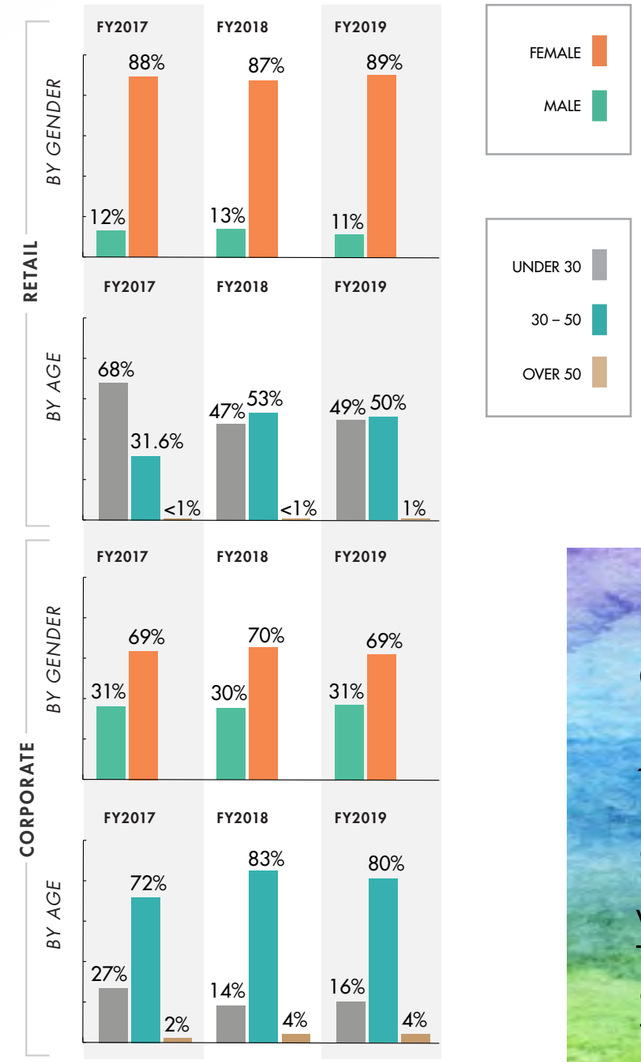
ASSOCIATES IN GUESS U.S. + CANADA+



ASSOCIATES IN GUESS EUROPE+



ASSOCIATES IN GUESS ASIA+



*In FY2019, we added a third identification option for non-binary gender identities or people with other gender preferences to "decline to say" their gender. In the same year, 1% of Retail associates selected this option.

ENGAGING ASSOCIATES ON DIVERSITY AND INCLUSION

15 GUESS field leadership and retail store associates raised over $2,500 while participating in the Anti-Defamation League's Walk Against Hate in Las Vegas. The Walk Against Hate brings communities across the U.S. together to promote diversity, and celebrate respect for all people.

ATTRACTING AND DEVELOPING TOP TALENT

We want our associates to feel empowered to take ownership of their work, pursue new ideas, and develop successful careers within the GUESS community. To attract and retain talented individuals we have developed an attractive benefits program, as well as several initiatives that support early career development and associate recognition.

Benefits

Our benefits package is designed to build long-term associate loyalty and attract top talent. In the U.S., we offer full-time and eligible part-time associates medical, dental and vision coverage, flexible spending accounts, retirement savings plans, and in some cases, bonus and associate stock purchasing plans. We also offer life and accident insurance, disability coverage and associate assistance programs. In Europe and Canada, benefits are country or province-specific and include benefits such as health care, life and disability insurance, and critical illness coverage.

Wellness Program

Our Guess U.S. incentive-based wellness program promotes a healthy, balanced lifestyle and supports associates' personal wellness goals. Associates receive points for engaging in health-related activities and are rewarded based on the points they earn. Examples of our point-based activities include gym visits, health cooking demonstrations, nutrition seminars, meditation classes, and biometric screenings.

In addition to our dedicated walking groups, which are a popular part of the wellness program, we have a fully equipped gym at our headquarters campus offering an extensive line-up of workout equipment and daily classes like cycling and yoga. Associates can also purchase healthy food options including vegetarian meals in our GUESS Café daily, and our onsite nutritionist helps associates meet their dietary needs and lifestyle choices.

Our wellness programs are currently running in Los Angeles, Kentucky, and New York.

Corporate Wellness Program

Attracting Talented Students

The Guess U.S. summer internship program is a 10-week, full time program based at our Los Angeles Headquarters. The Program offers a unique opportunity for undergraduate students to explore the world of fashion, gain real-world experience and develop skills for a career beyond college. In addition to time spent in the office, interns participate in educational and social activities including focus groups, discussion panels, field trips and workshops. Our internship program has launched many successful careers, resulting in job offers for top performing interns.

Summer Interns 2017

LOYALTY EVENT Quebec City

Associate Recognition

Our focus on recognition of high performing associates allows us to create meaningful career development opportunities and improve long-term retention. In Guess U.S. and Guess Canada, we encourage store-level and peer-to-peer recognition through our Performer of the Month program.

Francisco Gonzalez, Mail Room Supervisor and Associate Recognition Prize Winner.

Our Corporate Recognition Program encourages peer-to peer appreciation and awards excellent performance with company-wide recognition and gifts. Any team member can write a card to thank and recognize another corporate associate. The cards have a detachable section that recipients can tear off and place in a raffle box to be entered in a monthly draw.

TALENT DEVELOPMENT AND TRAINING

To evolve our company, we are continually looking at ways to help our associates learn and grow. We provide a comprehensive range of leadership and training opportunities delivered through one-on-one mentorship, instructor-led classroom sessions, interactive e-Learning modules and external seminars. Global training programs include, but are not limited to, the following topics:

- Leadership development
- Coaching and delegation
- Online security
- Career paths and professional development
- Computer software and skills
- Employee Stock Plan
- Career development*
- Safe practices in the workplace*

**New for FY2018/2019*

We aim to inspire actionable results, peer-to-peer learning, and opportunities for leadership and coaching across the company. Each region takes a targeted approach to training, tailoring it for their associates and business needs. Below are a few examples of our programs that support career advancement and leadership across the company.

Corporate Training

Management Development Program – provides essential leadership skills for managers, such as effective communication, coaching, conflict resolution and team building through instructor-led sessions and on-the-job activities. In FY2018 – 2019, 95 new U.S. managers participated in our six-month management development program.

FUTURE LEADERS in Puerto Rico

Retail Training

District Training Manager Program – recognizes store managers in North America and Europe with a passion for training and the ability to deliver exceptional in-store results. These managers receive continuous development in leadership and training to support their role of onboarding new managers.

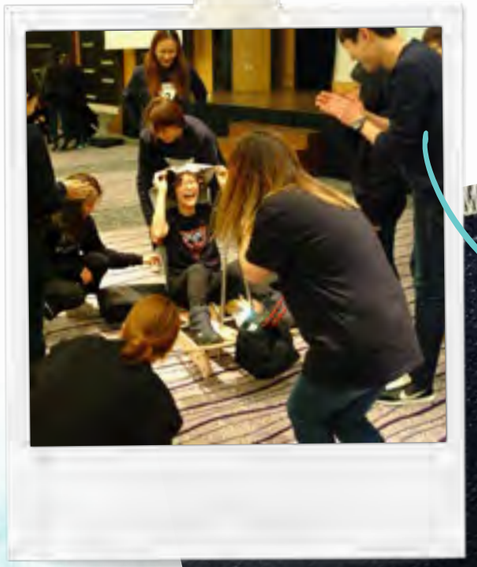
Future Leaders Program – develops high potential sales associates in the U.S. for succession into management roles. The program is designed to build the strength of the store team, encourage internal promotions and improve the customer experience. In FY2018 – 2019, 30% of our new retail assistant manager positions were promoted internally as a result of this program.

	FY2018	FY2019	COMBINED
Future Leaders Identified	679	832	1511
# of Future Leaders Promoted Internally	186	275	461
% of Future Leaders Promoted Internally	27%	33%	30.5%

Career Development Plans – provides retail associates in the U.S. and Canada with step-by-step guidance, checklists and e-Learning resources that help them understand how to advance in their careers.

Because of our Future Leaders Program, 30% of new retail assistant manager positions came from internal promotions rather than external hires.

Through these various training programs, we are providing associates with the tools they need to excel in this fast-evolving market, and developing the future leaders of GUESS and the fashion industry at large.



GUESS KOREA SPOTLIGHT:

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

Supply Chain Social Responsibility

We continue to expand and strengthen our Supply Chain Corporate Social Responsibility program through improved transparency, training and oversight to protect the safety and dignity of all people making our clothes.

2021 COMMITMENTS

PARTNER WITH SUPPLY CHAIN FACILITIES ON CONTINUOUS IMPROVEMENT

INCREASE SUPPLY CHAIN TRANSPARENCY

2021 GOAL

Strengthen vendor training and factory **worker grievance program**

IN PROGRESS

Publish **multi-tier supplier map**

IN PROGRESS

GOAL STATUS

- We plan to **expand our grievance program** in our top sourcing countries.

- We are currently **increasing visibility in the supply chain from raw materials to product manufacturing as part of the implementation of our Responsible Sourcing Policies.**

8 DECENT WORK AND ECONOMIC GROWTH

The content in this section supports the United Nations Sustainable Development Goal #8 to promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all. Specific targets addressed include 8.5 and 8.7 to provide decent work for all and prohibit and eliminate child labor.

Our company relies on the success and wellbeing of our global supplier networks and works with partners that share our commitment to protecting workers. The hardworking people who harvest our cotton, create our fabric, and sew our garments are instrumental in the creation of our high quality, fashion-forward collections.

AN OVERVIEW OF OUR SUPPLY CHAIN

Most of our apparel is designed at GUESS, and then our suppliers manufacture and deliver the finished items worldwide. We source our apparel from hundreds of supplier factories in approximately 30 countries+. GUESS does not own any manufacturing facilities.

GUESS DIRECTLY SOURCED APPAREL AND ACCESSORIES* BY COUNTRY+ ***(by units purchased)***

COUNTRY	REGION	FY2017	FY2018	FY2019
*China ** *	Asia	46.90%	44.73%	43.23%
Bangladesh	Asia	5.80%	9.42%	13.84%
India	Asia	7.67%	9.57%	12.39%
Guatemala	C. America	12.49%	10.91%	6.30%
Vietnam	Asia	5.14%	4.25%	3.56%
Myanmar	Asia	0.00%	0.97%	3.15%
Turkey	Europe	2.50%	2.37%	2.05%
Pakistan	Asia	1.50%	2.05%	2.05%
Mexico	N. America	3.25%	2.05%	1.92%
Peru	S. America	1.61%	1.19%	1.81%
Tunisia	Africa	2.37%	2.39%	1.63%
Italy	Europe	3.12%	1.88%	1.57%
Indonesia	Asia	2.43%	1.97%	1.14%
U.S.A.	N. America	1.67%	1.32%	1.06%
Other		3.55%	4.93%	4.3%

During this reporting period, we also sourced from the following countries (annual average <1.1% for each country):

Europe *– Albania, Bulgaria, Macedonia, Portugal, Romania, Moldavia*
Asia *– Cambodia, Philippines, Sri Lanka, South Korea*
Africa *– Mauritius, Morocco, Egypt*
South America *– Colombia*

Having a global supply chain enables GUESS to drive efficiency and helps us to quickly respond to changes in customer demand. Our long-term supplier relationships support better management of sustainability challenges and help to increase transparency and traceability of the extended supply chain.

In August 2019, the Company announced that it expects to reduce the percentage of its U.S. apparel imports from China in FY2021 to only 12% (calculated by dollar value of goods) as part of its efforts to mitigate the impact of potential tariff risks. This will also continue the Company's efforts to diversify and create efficiencies within our supply chain.

** This section includes data from Guess U.S., Guess Canada, Guess Europe, and Guess Asia (China subsidiaries only).*

*** Includes small quantities sourced from Hong Kong, S.A.R. of China and Taiwan, Region of China.*

IMPROVING TRANSPARENCY AND SOCIAL RESPONSIBILITY

GUESS requires its suppliers to comply with all applicable laws in the country in which products are manufactured. However, we believe it is important to go above and beyond regulatory requirements, recognizing that issues like business ethics, human rights, health, safety and environmental stewardship transcend geographic boundaries and some countries have more stringent regulations than others.

Our Corporate Social Compliance Program focuses on supplier education, training, sharing best practice resources, action planning, and continuous supply chain improvements. All suppliers must sign and agree to our detailed Supplier Code of Conduct, which include requirements on human rights, health and safety, labor, ethics and decent work, payment and administration. We ensure conformity with the standards by focusing on four core areas:

- Supplier factory approval
- Supplier education
- Supplier factory monitoring
- Remediation and industry collaboration

Supplier Factory Approval

All supplier factories go through a strict approval process before they are authorized to work with GUESS. Factory management must review and sign our Supplier Code of Conduct and we require factories to provide evidence of their social compliance record with audit reports and certificates issued by peer companies, third-party certification bodies or multi-stakeholder organizations. Supplier factories located in high risk areas are asked to provide additional social compliance evidence. These audits assess compliance and allow us to engage and educate new suppliers on our standards and create the groundwork for strong relationships based on continuous improvement.

Supplier Education

Our supplier factory training program is designed to increase supplier awareness and understanding of the Supplier Code of Conduct, with the goal of preventing social and environmental issues before they occur. This proactive approach emphasizes collaboration and capacity building through performance gap analysis, root cause identification and training.

In FY2019, GUESS completed a series of trainings for supplier factories in five key sourcing areas (China, India, Mexico, Guatemala, and Bangladesh) that focused on transparency, and sharing best practices for continuous improvement. Our team conducted these trainings both independently and with the support of third-party consultants and/or local civil society organizations (CSO) for 289 representatives from 146 suppliers or factories. We received positive feedback from our suppliers who told us the training helped them better understand GUESS policies and the importance of audits and self-monitoring.

Communication with suppliers during the training sessions not only supports capacity building at the factory level but also helps us better understand supplier challenges. As the focus of our social compliance program shifts from "monitoring" to "engaging" suppliers, we will continue to expand and improve our supplier factory training based on supplier feedback. For example, in March 2019, we conducted a similar training workshop for supplier factories in Istanbul, Turkey and plan to more directly involve factory workers to maximize impact.

FY2019 SUPPLIER FACTORY SOCIAL COMPLIANCE TRAINING

China

LOCATION	ATTENDEES	# OF SUPPLIERS AND/OR FACTORIES
Hangzhou	90	55
Shenzhen	44	28

Mexico

LOCATION	ATTENDEES	# OF SUPPLIERS AND/OR FACTORIES
Tehuacan	26	9

Guatemala

LOCATION	ATTENDEES	# OF SUPPLIERS AND/OR FACTORIES
Guatemala City	29	8

India

LOCATION	ATTENDEES	# OF SUPPLIERS AND/OR FACTORIES
New Delhi	8	8
Bangalore	7	6

Bangladesh

LOCATION	ATTENDEES	# OF SUPPLIERS AND/OR FACTORIES
Dhaka	85	32

Supplier Factory Monitoring

The ongoing monitoring and auditing of our supplier factories is a central aspect of our global Social Compliance Program. We assess finished product manufacturing factories, for compliance with our Supplier Code of Conduct on a regular schedule determined by each factory's compliance history and assessed level of risk. To conduct audits, we use internal or accredited third-party auditors that reflect our standards. The GUESS Social Compliance Team also conducts oversight audits on a regular basis at key supplier factories, and as determined by risk, for our licensees and private label vendor factories.

In some cases, we require suppliers to purchase fabric from GUESS' preferred mills, where our audit program includes both Tier 1 suppliers and key Tier 2 fabric mills. These mills have undergone several audits and are actively engaged in our corrective active plan process. In some cases, when a facility is identified as high risk, we take extra precautions—such as having certified fire, health and safety, and building structure auditors regularly visit factories—in addition to standard monitoring.

Industry Collaboration to Improve Factory Monitoring

Monitoring and improving factories is a challenge for the entire industry and we believe that cross-industry collaboration is essential to address systemic social challenges. We reach out to like-minded brands using the same garment factories to share audits and coordinate remediation efforts. By working together, we strengthen our approach and improve the efficiency and effectiveness of all supplier monitoring and remediation efforts.

To reduce supplier audit fatigue, GUESS also recognizes up-to-date, comprehensive external audits of supplier factories using peer standards that meet or exceed our own corporate standards.

Audit Findings

In FY2019, 368 audits were conducted for 343 supplier factories globally covering labor, health, safety and environmental compliance. Thirty percent (30%) of the audits were conducted in accordance with the GUESS Social Compliance Program standard and performed either by our own personnel or by accredited external auditors appointed by us. Industry partner audits conducted by certification organizations such as Sedex, WRAP and Social Accountability International (SA8000 Standard), or by select, like-minded peer companies accounted for the remaining 70% of audits.

SOCIAL COMPLIANCE AUDITS OF SUPPLIER FACTORIES+

AUDIT TYPE	FY2016	FY2017	FY2018	FY2019
Total Number of Audits				
	410	372	407	368
GUESS Supplier Code of Conduct Audits				
GUESS auditor	2%	3%	2%	2%
External auditor	36%	31%	37%	28%
Industry Partner Audits				
Third-party certification auditor	36%	43%	34%	40%
Peer Auditor	26%	23%	27%	30%

After completing social audits at select mills in April 2017, we conducted a pilot project in Guangdong, China in January 2018 to assess the social conditions of three external washing facilities used by key denim suppliers in the region. This project uncovered several non-compliance issues and enabled us to better understand the nature of social compliance challenges at Tier 2 facilities. Although we do not directly do business with these facilities, as they supply our directly sourced vendors, our goal is to continue to scale up Tier 2 factory monitoring and training. For example, in August 2018, we organized a supplier training in Tehuacan, Mexico for Tier 1 factories and hosted six Tier 2 sewing factories as well.

Remediation

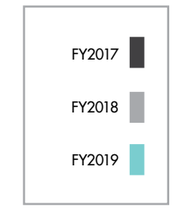
Many improvement opportunities or non-compliance issues in the supply chain reflect wider social conditions in developing countries, such as a culture of excessive working hours or local labor shortages. That's why we believe remediation is preferable to terminating relationships with suppliers.

We develop supplier partnerships based on mutual trust and an understanding that compliance issues can be discussed openly and remedied in collaboration. We work closely with suppliers, and sometimes factories directly, on the remediation process which includes root cause analysis, goal setting, corrective action planning, follow-up and on-site training. GUESS holds its suppliers to strict and highly detail-oriented audit standards. Our attention to detail and dynamic supplier base has resulted in nearly all audits requiring corrective action for improvement (95.7% of audited suppliers in FY18 and 94.4% in FY19 were issued corrective action plans). While we work to improve environmental and social issues in the supply chain, we do not aim to reduce the number of corrective action plans as we want to encourage open dialogue and transparency. Instead, we will continue to focus on issue prevention by improving the frequency and effectiveness of supplier trainings and working with suppliers on improved working environments and management systems.

Grievance Mechanisms– In China, we continue to work with the Inno Community Development Organization to pilot test a confidential 'Handshake Workers Hotline' that enables workers to report concerns anonymously in two select apparel factories in Guangdong Province. When grievances are submitted, GUESS is informed by Inno, which then further investigates the grievance and supports GUESS in determining appropriate next steps. While the spectrum of topics raised through the grievance mechanism platform are widely varied, common issues raised include: social insurance and benefits, leisure and hobbies, and health and safety. Workers can submit grievances through WeChat, QQ, phone, or text message; most commonly, workers use the social media outlets to submit grievances. In September 2018, with the direct support from GUESS, one of our handbag supplier factories also joined this project.

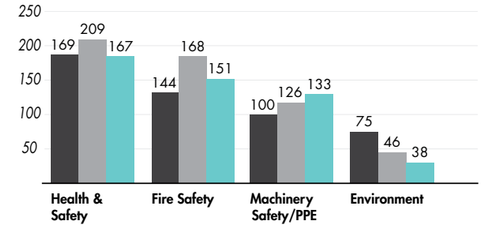
Given the success of this pilot project, we are now looking to expand our grievance program, as well as collaborate with civil society organizations in other key sourcing countries.

TOTAL NUMBER OF SUPPLIER FACTORIES AUDITED



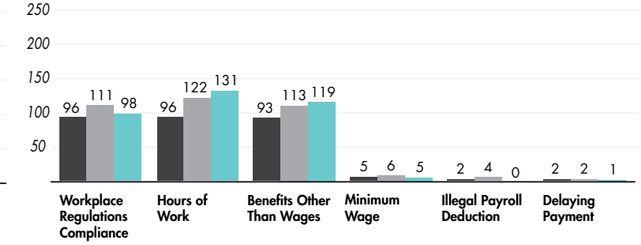
NUMBER OF SUPPLIER FACTORIES REPORTING COMPLIANCE ISSUES+

ENVIRONMENT, HEALTH AND SAFETY ISSUES

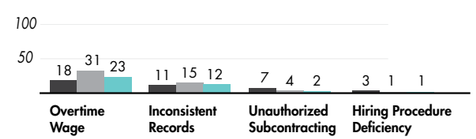


The most frequently cited compliance issues identified by audits of supplier factories were health and safety, fire safety, machinery safety.

LABOR, ETHICS AND DECENT WORK ISSUES



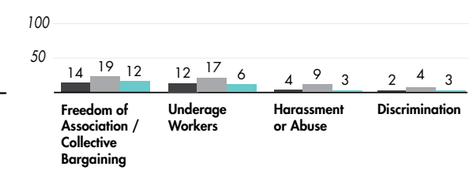
PAYMENT AND ADMINISTRATIVE ISSUES



Unauthorized subcontracting refers to production that is outsourced without the prior permission of GUESS.

Access Denial is also measured, with one incidence found in FY2018.

HUMAN RIGHTS ISSUES



Issues identified under "underage workers" were related to insufficient and/or inappropriate policies or procedures.

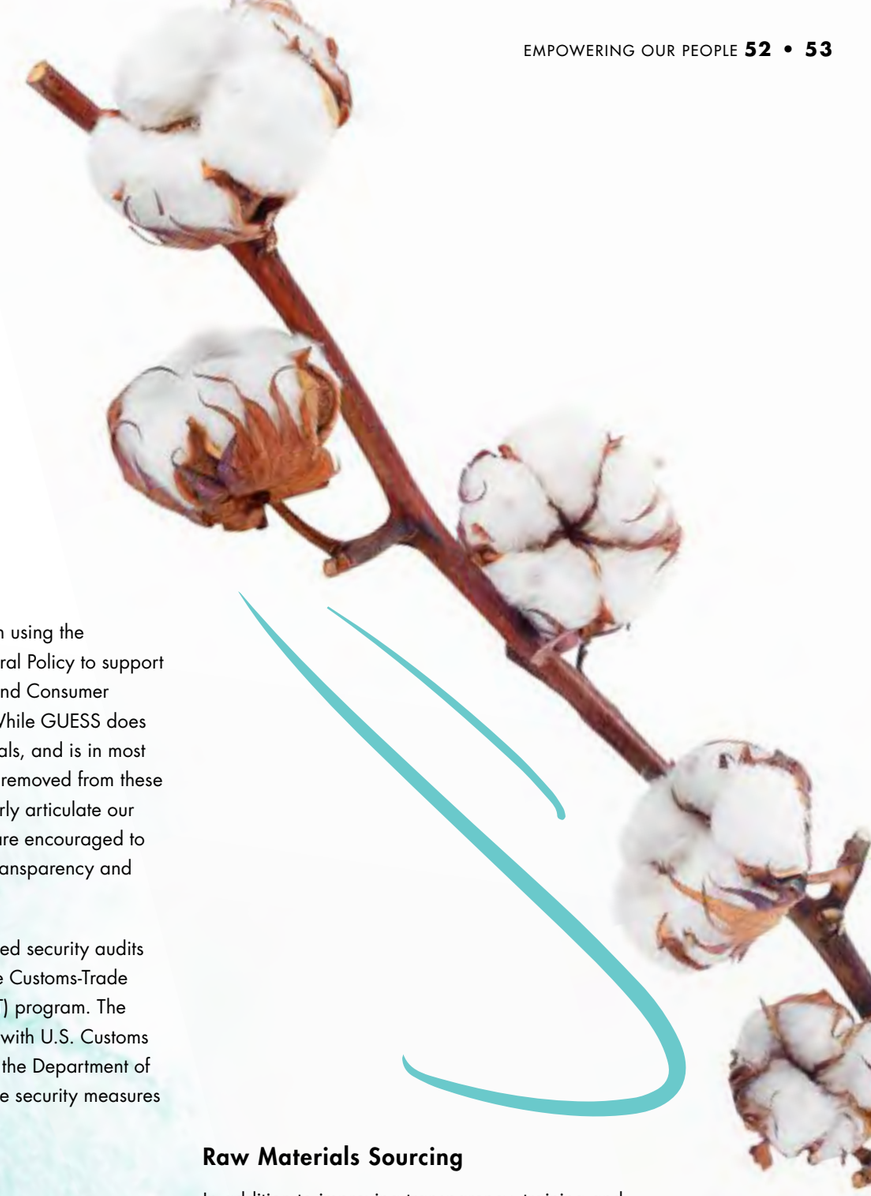
Issues identified under "discrimination" were also related to a lack of policy and procedures.

SOCIAL COMPLIANCE PROGRAM:

Show-Stoppers

Though we work hard to collaborate with our suppliers and find solutions when issues arise, sometimes significant and urgent concerns ("show-stoppers") that cannot be remediated may be identified. In these cases, we will cease working with a supplier factory pending investigation or terminate the onboarding process. We eliminated eight supplier factories from our supply chain in FY2018, and nine in FY2019 due to show-stopper non-compliances, representing <3% of our audited supplier factories per year.

1. Use of forced, prison, indentured or bonded labor, including human trafficking and slavery
2. Use of child labor
3. Corporal punishment, mental or physical disciplinary actions
4. Harassment of workers, including sexual harassment
5. Discrimination of any kind
6. Unsafe working or living conditions
7. Workers are not paid
8. Unethical conduct



Regulatory Oversight

For the past five years, we have been using the comprehensive GUESS Conflict Mineral Policy to support the Dodd-Frank Wall Street Reform and Consumer Protection Act on conflict minerals. While GUESS does not directly source any conflict minerals, and is in most cases many tiers of our supply chain removed from these mining activities, we continue to clearly articulate our expectations of suppliers. Suppliers are encouraged to support industry efforts to enhance transparency and traceability in the supply chain.

Since 2006, Guess U.S. has conducted security audits of its overseas factories as part of the Customs-Trade Partnership Against Terrorism (C-TPAT) program. The audits are conducted in cooperation with U.S. Customs and Border Protection, an agency of the Department of Homeland Security, to further improve security measures throughout the supply chain.

Raw Materials Sourcing

In addition to improving transparency, training and oversight in our supply chain, our raw material sourcing policies and initiatives work to protect workers and communities by encouraging the use of raw materials produced with higher environmental and social standards. For more information, please see our *Responsible Cotton Sourcing Policy* and our *Responsible Sourcing Policy for Manmade Cellulosic Fabrics* within the Protecting Our Environment section of this report.

Promoting Sustainability Education & Engagement

Our role in the global fashion industry presents opportunities to educate our associates, suppliers, customers and communities on environmental and social challenges, promote responsible fashion, and create guidance and tools that make it easier for everyone to take action.

2021 COMMITMENTS

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

2021 GOAL

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

ON TRACK

100% of North American stores **engaged on sustainability**

JUST BEGINNING

GOAL STATUS

- **Most product groups globally have undergone training.** Tracking system to specify exact percent to be implemented for the next reporting cycle.

- **30% of GUESS Retail stores** (U.S.) have participated in our RESOURCED or Green Ambassador programs.

4 QUALITY EDUCATION

The content in this section supports the United Nations Sustainable Development Goal #4 to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Specifically, we address target 4.4 to develop skill training for employment.

ASSOCIATE ENGAGEMENT

Our Associate Engagement Program was launched in 2016 to inspire a global mindset of sustainability across the business. We believe that educating our associates on environmental and social issues is key to motivating associates to advance the company's sustainability goals within their relevant field of work. We encourage learning through a variety of opportunities such as vendor presentations, special events, volunteer and educational opportunities.

World Water Day

GUESS started celebrating World Water Day in 2018 by raising awareness and money for the *Planet Water Foundation* by selling reusable water bottles. GUESS also held World Water Day events at its European headquarters in Bioggio, Switzerland. Associates learned about the impact of climate change on water scarcity and watched a screening of a relevant National Geographic documentary.

Green Mobility Incentives

Launched by Guess Europe to encourage greener commuting, the Green Mobility Program offers incentives to associates for carpooling, taking public transit, and cycling to work. In the U.S., GUESS provides zip code matching and reserved parking spots for associates who wish to carpool to work. Electric Vehicle (EV) charging stations are also available at no cost at the Guess U.S. headquarters in Los Angeles.

Earth Day

GUESS has celebrated Earth Day each year since April 22, 2016 to encourage dialogue on environmental issues and remind associates how daily decisions—like purchasing local products, turning off lights and computers, or carpooling to work—can help protect the planet.

In 2018, GUESS associates at the Los Angeles headquarters came together to raise $1,000 for *TreePeople*, an environmental non-profit organization whose mission is "to inspire, engage and support people to take personal responsibility for the urban environment, making it safe, healthy, fun and sustainable". TreePeople supports planting trees, harvesting rainwater and renewing depleted landscapes by influencing government agencies and bringing together community volunteers.

In Europe, internal events were organized at the GUESS corporate headquarters to raise awareness of important environmental topics such as climate change and food waste, as well as our ongoing sustainability initiatives. For the occasion, our canteen served a lunch menu that focused on local and seasonal products. Associates were provided reusable cups to help reduce waste at home and in the office.

SUSTAINABILITY EDUCATION

Sustainable Product Lifecycle Course – Guess U.S. has continued to evolve its partnership with the Fashion Institute of Design & Merchandising (FIDM) in Los Angeles over the past three years. While the intention of the program remains the same, to empower industry professionals through sustainability education, the course topics are evolving to reflect the biggest trends in sustainability. Upcoming courses will focus on the benefits of circularity in product development and design.

Since we started the sustainability partnership with FIDM in 2016, GUESS has offered a total of 6 courses with over 85 students.

Local University Presentations – In 2017, Guess Europe spoke at two local universities, Università della Svizzera Italiana (USI) and the Italian Association of Textile and Color Chemistry (AICTC), to share what sustainability means for a fashion company. These presentations highlighted the commitments that GUESS makes to sustainability with the objective of fostering enterprise knowledge on environmental and social sustainability.

"It is really interesting to hear from GUESS associates because they have so much experience in the industry. We learn different ways to minimize waste each week and seeing their take on each exercise has been eye opening."

FIDM STUDENT

FIDM student and GUESS intern, Cassidy Sobey, repurposed raw denim and used water-saving ozone wash and laser treatment to create the dress as her final project for the GUESS sponsored "Quest for Sustainable Denim" class.

COMMUNITY GIVING

GUESS Foundation – Founded in 1994, the mission of the GUESS Foundation is to pursue social, health and educational opportunities that enhance the well-being, development, protection and assistance to men, women and children in our global environment. We use our iconic brand to create positive social change in our communities and promote our belief that every person deserves an equal chance to live the life he or she desires. After more than 25 years of community work, the GUESS Foundation has become an integral part of the GUESS culture and vision.

In FY2018 – 2019, the GUESS Foundation contributed more than $1.1M to twenty-nine non-profit organizations in North America and Europe. Peace Over Violence, Children's Diabetes Foundation and UNICEF are just a few examples of the recipients advocating for a wide array of important community issues.

Violence Intervention Program

GUESS CARES

In 1996, we established our corporate GUESS Cares program in the United States and Canada, which provides a platform for associates to volunteer their time and skills in the local community. Every year we support a wide range of community initiatives that reflect the diversity of our associates and the issues they care about.

Here are a few examples of our associate contributions in 2017 and 2018:

Violence Intervention Program Back to School Event – 35 GUESS volunteers filled 275 backpacks with school supplies that were donated to the Violence Intervention Program (VIP) and Cherished Hands Foundation. Backpacks were distributed to children aged 5-18 in foster care and families struggling to overcome violence to ensure these children had the necessary resources to have a successful school year.

Heal the Bay Coastal Cleanup – In the last two years, 63 GUESS volunteers participated in the International Coastal Cleanup at Dockweiler State Beach in Los Angeles, California as part of the Heal the Bay initiative. Through Heal the Bay, close to 20,000 volunteers collected a total of 23.12 tons of trash stretching across 54 miles of coastline.

Heal the Bay Coastal Cleanup

Medical Research for Children in Need – In lieu of annual holiday gifts, Guess Europe associates in Italy have chosen to donate to the Meyer Pediatric Hospital in Florence every Christmas since 2007 to support medical research that will benefit children in need.

Project Night Night – 25 GUESS associates donated 50 packages containing security blankets, books, and stuffed animals to Project Night Night, which provides over 25,000 Night Night Packages each year to homeless children 12 and under who need childhood essentials. The GUESS Cares Crochet Club has met during lunch breaks for years to make blankets and stuffed animals for Project Night Night.

Many associates have told us that the GUESS Cares program helps them connect to a shared, greater purpose, while simultaneously providing a fun team building experience.

Project Night Night

GUESS cares

In FY2018 – 2019, GUESS Cares:

ORGANIZED **25+** EVENTS

SUPPORTED **20+** DIFFERENT SOCIAL AND ENVIRONMENTAL CAUSES

RAISED NEARLY **$20,000**

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

Ensuring Product Responsibility

Increasing the environmental sustainability of our products is a key priority for GUESS. We are making significant strides in considering the environment at every stage of the product lifecycle—from design and materials selection to end-of-life.

2021 COMMITMENTS

INCREASE USE OF RESPONSIBLE MATERIALS

PROMOTE CIRCULAR FASHION

2021 GOAL

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

- **10%** certified sustainable materials — IN PROGRESS
- **20%** of cotton procured as Better Cotton — JUST BEGINNING

Achieve our commitment to circular fashion with **Global Fashion Agenda** — ON TRACK

GOAL STATUS

- **Initiated software system change** for more reliable tracking of sustainable certified materials.

- **BCI program** started in 2019. We estimate that 2% of our cotton is currently BCI certified.

- **Launched RESOURCED,** our customer recycling program in all U.S. stores. Plans to expand to three additional markets are currently underway.
- **Launched GUESS Vintage** product line to promote circular fashion through product buy-back and resale.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The content in this section supports the United Nations Sustainable Development Goal #3 to ensure sustainable consumption and production patterns. Specific targets addressed include 12.2 and 12.5 to encourage the efficient use of natural resources as well as waste reduction and reuse.

A **variety of natural and man-made materials are** used in GUESS products. The top three materials we use have remained consistent from year to year: cotton tops the list due to its use in denim and our logo tees, followed by synthetics (such as nylon, polyester, and spandex), and then manmade cellulosics (such as viscose/rayon, modal and lyocell).

Our journey toward sustainable materials sourcing started with angora. We removed angora fur from our supply chain in FY2017 and have since expanded our policy to include angora wool (mohair). We have also set specific targets for sourcing certified sustainable materials and are working to implement brand-level responsible sourcing policies for cotton and manmade cellulosics.

OUR GOAL IS FOR 20% OF OUR COTTON TO BE PROCURED AS BETTER COTTON IN 2020.

MATERIALS SOURCING

Sustainable Sourcing Policies

Although cotton is widespread and renewable, it is also highly resource intensive to produce and, due to climate change, its yields are declining. Meanwhile, the demand for cotton is increasing. 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.

Our preferred options include sourcing Better Cotton through the *Better Cotton Initiative* (BCI), organic cotton, and other alternatives to conventional cotton (e.g., recycled cotton). BCI takes a holistic approach to sustainable cotton production by working with farmers on all three pillars of sustainability: environmental, social and economic. Organic cotton uses fewer chemicals and enhances biodiversity. Being open to alternatives allows us to explore and support fibers produced with a higher environmental and social standard.

"**After learning about the environmental and social impacts of fashion,** I immediately wanted to know what we could do to become part of the solution. Since then, I have made it a priority for my team to learn more about our sustainability impacts and collaborate with our product development and design teams to rapidly evolve our assortment and incorporate more sustainable materials—as a first step. I am excited for the future of GUESS as we all heighten our level of responsibility, knowledge and action!"

TRINA GAGLIANO

VP & General Merchandise Manager, GUESS

PARTNERSHIP WITH CANOPYSTYLE

By joining the #CanopyStyle initiative, GUESS has committed to tracking and disclosing the origins of our viscose materials. In partnership with #CanopyStyle, we are working with our mills to trace their manmade cellulosics to ensure that by 2020, these sources do not come from ancient and endangered sources and are positively rated by CanopyStyle group.

The GUESS Responsible Sourcing Policy on Manmade Cellulosic Fabrics, launched in 2018, was 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. We're also increasing the amount of man-made cellulosic materials we source from sustainably managed forests, closed loop systems and innovative material sources by partnering with innovative companies, suppliers, and organizations.

GUESS Eco Materials Guide

Internal awareness and education on our Eco collection requirements is key to effectively increasing our portfolio of more sustainable materials. That's why we created the GUESS Responsible Materials Sourcing Guide, a document developed in partnership with our product and design teams detailing eco-conscious production methods and third-party certifications associated with the materials we use. This guide supports our associates in sustainable product development while helping us achieve our goal of educating 100% of our product and design teams on circularity and sustainability.

Product Packaging

Packaging is a focus for our sustainable materials efforts. We seek third-party certifications such as the Sustainable Forestry Initiative for our corrugated cardboard boxes shipped in North America and consider recyclability of packaging in our procurement decisions. For Guess Europe e-commerce, our plastic packaging is made with 60% recycled materials.

GUESS Product Materials Overview+

*(by units purchased)**

MATERIALS OVERVIEW	FY2017	FY2018	FY2019
RENEWABLE FIBERS			
Cotton	50.28%	53.99%	56.48%
Cellulosic and Tencel (includes rayon)	12.67%	11.51%	10.38%
Leather	1.53%	1.76%	0.98%
Other **	1.49%	0.88%	0.75%
Mohair / Angora wool*	0.00%	0.00%	0.00%
NON-RENEWABLE FIBERS			
Synthetic	33.92%	31.76%	31.30%
Other (other man-made fibers include acrylic and metallic material)	0.11%	0.12%	0.11%

** Angora fur was removed from our supply chain in FY2017*

*** Includes Alpaca Hair, Cashmere, Linen, Mercerized Wool, Virgin Wool, Wool, Recycled Wool, Other Hair*

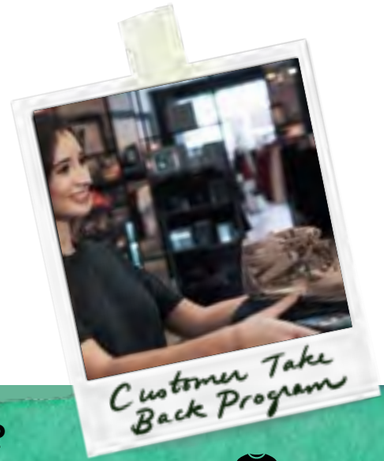
ECO COLLECTION

We continually assess new materials, technologies and processes that reduce environmental impacts while maintaining or even elevating the quality of our apparel. Our internal GUESS Responsible Materials Sourcing Guide provides guidelines and best practices for product designers and only products that meet these criteria can be marketed as GUESS Eco. For denim, this means using the latest technology to reduce water and/or chemical use, as well as including at least one eco material. For non-denim, products must be made with at least 25% certified sustainable materials and may also include a more sustainable production method.

Guess Europe launched the brand's first eco-collection, in 2016. In 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 coming in Fall 2019 and Spring 2020, helping to reach our goal of 20% sustainable materials, globally and across brands, by 2021.

CIRCULAR FASHION SYSTEM

GUESS first announced our pledge to Global Fashion Agenda's 2020 Circular Fashion System Commitments in 2017. Since then, we've worked hard to promote circular fashion through customer product take-back, second-hand programs and new partnerships that aim to reduce apparel waste, promote reuse of materials, and preserve important natural resources otherwise used in production.



WHAT IS CIRCULAR FASHION?

The idea that clothing and shoes should be continuously reused, reworn and recycled. Natural resources are used to make everything we wear. Extending the life of a garment by just nine months alone helps to reduce overall environmental impact by 20-30%.

RESOURCED

RESOURCED is our signature customer take-back program that enables customers to bring in their unwanted clothing and shoes to any GUESS store in the U.S.—from any brand—for recycling. Product recycling is facilitated by our ongoing partnership with I:Collect (I:CO®), an innovative global solutions provider for the collection, sorting, reuse and recycling of apparel and footwear. Since May 2018, GUESS has collected over 75,000 kg of product in the U.S. and Europe for recycling.

Guess U.S. aims for 100% store associate engagement, which we encourage through store competitions and customer promotions that provide discounts on purchases in exchange for apparel and shoe contributions. We've also made a commitment to expand the RESOURCED program globally in 2020 to reach our targets for Global Fashion Agenda's 2020 Circular Fashion System Commitment. To learn more about the RESOURCED program, check out our video available on the *GUESS YouTube channel* and at *www.GUESS.com/Resourced*.

CLOTHING AND SHOES COLLECTED FOR RECYCLING THROUGH RESOURCED AND I:CO BLUE PROGRAMS

REGION	TIME PERIOD	PRODUCT COLLECTED FOR RECYCLING
Europe	2018 - 2019	52,704 kg (116,192 lb)
U.S.	2018 - 2019	23,919 kg (52,732 lb)

GUESS™ VINTAGE

GUESS Vintage

In April 2019, we released a #GUESSVintage assortment of authenticated GUESS vintage items sourced from around the globe. The launch of GUESS Vintage contributes to our commitment to circular fashion, celebrating fashion that lasts while simultaneously avoiding the use of raw materials to produce a new product.

Being Good Water Stewards

The GUESS Denim Water Footprint shows that one pair of jeans uses 2,700 liters of water throughout its lifecycle, from cotton sourcing and denim production to customer care and washing. We address our water impact by using water-efficient technology, reducing chemical use, communicating with customers and collaborating with business partners and our communities.

2021 COMMITMENTS

ADOPT WATER SAVING DENIM TECHNOLOGY

MANAGE ENVIRONMENTAL IMPACTS IN OUR SUPPLY CHAIN

2021 GOAL

25% of GUESS denim to meet **GUESS Eco guidelines**

IN PROGRESS

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

IN PROGRESS

GOAL STATUS

- **9% of Guess U.S. women's denim ordered during FY2020 Q1 met the GUESS Eco guidelines.** Global numbers will be available in 2020.

- **Over 25% of GUESS suppliers by volume completed the Higg FEM Surveys during FY2018-2019.** Starting at the end of FY2020, for the next reporting cycle, we will track the completion rate specifically for denim laundries.

6 CLEAN WATER AND SANITATION

The content in this section supports the United Nations Sustainable Development Goal #6 ensure availability and sustainable management of water and sanitation for all. Specific targets addressed include 6.3, 6.4, and 6B to improve water quality, increase water efficiency, and help communities with water management.

* Denim laundries are facilities where raw denim is washed, treated and converted into final products.

OPERATIONAL WATER USE

Due to the nature of our production requirements and primarily office-based corporate facilities, direct water withdrawal related to GUESS owned operations is minimal compared to our indirect water footprint in the value chain, and is limited to irrigation, bathrooms, kitchens and test laundries for GUESS corporate facilities in Los Angeles, New York, Montreal, and Louisville.

While we primarily focus on the larger impact of water use in product development, we continue to look for opportunities to engage in water conservation activities in our direct operations.

WATER WITHDRAWAL
(in millions of liters)

GUESS U.S. and Canada Corporate Facilities (Direct)	**FY2018**	**FY2019**
Municipal water*	21.2	27.0

** Municipal is the only relevant water withdrawal source for our corporate facilities. Overall increase in withdrawal is due to increased usage at our U.S. distribution center, however, no specific root cause could be identified.*

WATER ACTION PLAN TO ADDRESS WATER USE IN PRODUCT DEVELOPMENT

In 2018, we launched the GUESS Water Action Plan to address each phase of the denim lifecycle to prioritize water savings and water quality as well as water education and community engagement. The topics addressed in the Water Action Plan include responsible cotton sourcing, product development, wastewater and chemicals management, garment care, and community access to clean water.

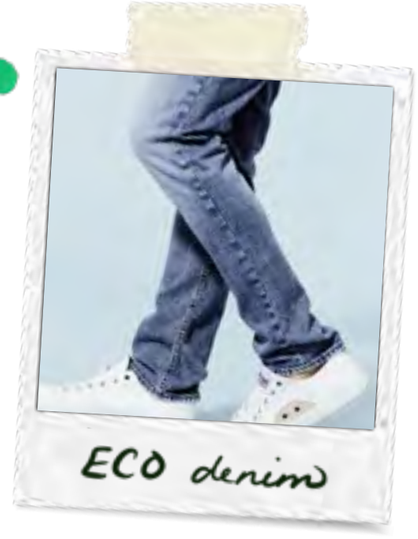
Responsible Cotton Sourcing

Through our Responsible Cotton Sourcing Policy and partnership with the Better Cotton Initiative (BCI), as detailed on page 64, we are working to reduce our reliance on conventional cotton, which is known to be a water intensive crop.

IMPROVED MANUFACTURING PROCESSES

Nanotechnology
Lightens jeans to create trendy wash colors

Laser
Adds depth and texture to jeans



Product Development

Through our denim targets for GUESS Eco denim, which uses the latest water saving technologies, we are working with denim laundry partners to invest in efficient water practices and encourage eco-friendly manufacturing processes.

Nanotechnology
Saves water by directly applying enzymes to garments to break down colors, rather than applying them in a larger wash cycle.

Laser
A cleaner way to distress denim that saves on chemical and water use.

"**When I started working with GUESS** in denim development in the 1980s, the brand was innovating in technique and finish. Now, over 30 years later, we are innovating with GUESS denim once again to create new trends and designs that are better for our customers and our planet. When I learned about the environmental impact of denim, my life's work and passion, **it became my new mission at GUESS to make eco responsible denim the norm."**

DAVE JOHNSON
Senior Manager of Laundry Operations, GUESS

Wastewater & Chemicals Management

GUESS seeks business partners that employ responsible water use, discharge and chemicals management practices. This helps to ensure that the chemicals used in our supply chain and incorporated into our products do not negatively impact consumers, workers, or the environment.

To facilitate this vision, GUESS launched its Denim Water and Chemical Management Policy in 2019. As described in the policy, our suppliers are required to comply with local environmental laws and regulations as well as the GUESS List of Restricted Substances and Materials (LRSM), and complete the Higg Facility Environmental Module (FEM) to identify areas for improvement at the facility level.

Continuous improvement opportunities are also defined for suppliers. We've set a progressive timetable for suppliers to develop in-house wastewater treatment plans, including: providing evidence of wastewater testing and corrective action measures, maintaining a list of chemical formulations and regulated hazardous chemicals, and investing in new technologies and tools to use water more efficiently.

The GUESS LRSM is compliant with EU REACH and other countries' stringent standards and provides assurance to our customers that we are replacing hazardous chemicals with safer alternatives wherever possible. The LRSM provides up-to-date information to our business partners on compliance with international consumer products regulations, to the best of our knowledge. By requiring our suppliers to comply with the GUESS LRSM and our Denim Water and Chemical Management Policy, we continue to reduce environmental, health and safety risks throughout the value chain.

We will regularly update the GUESS LRSM to meet changing legal requirements and industry best practices, and collaborate with industry partners to ensure our products meet customer expectations.

DID YOU KNOW?

Over ½ of fashion's environmental impact occurs during fiber and fabric production. For GUESS denim, the largest impact on water is from raw material sourcing (64%).

WATER USE FOR ONE SKINNY JEAN THROUGHOUT ITS LIFE CYCLE—
from cotton farming to consumer care

32% CONSUMER CARE
(880 LITERS)

2% FACTORY LAUNDRY
(48 LITERS)

2% FABRIC MANUFACTURING
(44 LITERS)

64% RAW MATERIALS
(1729 LITERS)

Total per pair = 2,701 liters*

** Rain fall use (2,031L) not included*

DENIM WATER PROJECT

In 2018, GUESS worked with a group of key denim vendors to learn more about their practices and test whether our Water and Chemical Management Policy creates a positive impact and addresses supplier challenges on the ground. We included vendors in Mexico and Pakistan—regions identified in the GUESS Denim Water Footprint (in the GUESS FY2016 – 2017 Sustainability Report) as areas with higher water stress—to better understand water management practices in these regions.

The pilot project was designed to test the feasibility of a new water stewardship policy for denim by engaging with key denim laundry partners. The aim was to gain insight on the effectiveness and implementation of the policy on-the-ground. The results from the pilot project are now being implemented into our water and chemical stewardship actions.

Several guiding principles were used to shape the policy. First, we believe that water stewardship includes both water conservation and water quality. Given existing industry best practices and tools, we wanted to standardize our requirements where possible. Second, we wanted to leverage existing memberships and initiatives, such as the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) self-assessment survey for suppliers. Finally, we focused on input chemistry to reduce wastewater testing and costs.

HIGG INDEX: ASSESSING OUR SUPPLIERS*

Since GUESS joined the Sustainable Apparel Coalition in 2015, we have requested that suppliers complete the Higg Facility Environmental Module (Higg FEM) self-assessment survey to encourage transparency. As part of the GUESS Denim Water and Chemical Management Policy, this is becoming a requirement for denim laundries. The goal of this engagement is to gain understanding of where environmental impacts occur in our supply chain during product manufacturing. Utilizing the Higg Index, a suite of self-assessment tools for brands, retailers and manufacturers, provides us with a mechanism for environmental and social performance improvement.

The FEM module allows greater insight into our suppliers' potential and actual negative environmental impacts, including water use, treatment and recycling, as well as chemicals management.

Over the last two years, we have shifted our focus to engaging our highest volume suppliers with whom we have the greatest influence through our longer-term partnerships. Along with continuous engagement and education, our next step is to expand verification, capacity-building, and performance improvement efforts, particularly with our denim laundries.

Number of Supplier Factories+ and Percentage of Total Volume Reporting to Higg FEM

	FY2017	FY2018	FY2019
No. Supplier Factories	55	31	33
Percentage of Total Volume	28%	27%	27%

** This section includes data from Guess U.S., Guess Canada, Guess Europe, Guess Asia (China subsidiaries only).*

Sustainable Apparel Coalition

Garment Care

Customer laundry habits are one of the most water-intensive phases in the denim lifecycle. To promote environmentally conscious behavior, we updated our denim garment care guide to include actions that reduce water and energy use while maintaining product durability, such as cold water washing, as-needed cleaning, and using air or low-heat drying. In addition, we aim to share best practices on laundering GUESS denim and other products at home through online instruction, store associate training and informational garment care labels.

Community Access to Clean Water

We are committed to creating direct, positive water impacts in the communities in which we do business. Included in this is our commitment to engaging associates and the community on water stewardship. GUESS has supported access to clean water for communities in India and the U.S., reaching an estimated 1,400 people through its philanthropic efforts to increase access to clean water.

Planet Water Foundation

charity: water

ENGAGING OUR ASSOCIATES & COMMUNITY ON WATER STEWARDSHIP

In 2018, GUESS began celebrating World Water Day, which takes place on March 22nd each year. In our first year celebrating, GUESS raised awareness and money for the *Planet Water Foundation* by selling reusable water bottles. Planet Water Foundation's mission is to abolish water poverty by providing education on water-health and hygiene, and installing AquaTowers that provide clean, safe drinking water in some of the world's most impoverished communities. GUESS fully funded 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 and roll out of Planet Water's Water-Health and Hygiene Education program in the classroom.

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.

Reducing Greenhouse Gas Emissions

The impacts of climate change are starting to be experienced globally. We assess our climate-related risks on an annual basis *(see page 23)*, and are committed to measuring our carbon footprint, setting reduction targets, and reporting progress against those targets.

2021 COMMITMENTS

REDUCE SCOPE 1 & 2 EMISSIONS

TRANSITION TO SCIENCE BASED TARGETS INCLUDING SCOPE 3 TARGETS

2021 GOAL

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

ON TRACK

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

ON TRACK

GOAL STATUS

- **10% emissions reductions** per square foot achieved since our FY2016 baseline

- **Scope 1 & 2 goals finalized, scope 3 in progress for submission**

13 CLIMATE ACTION

The content in this section supports the United Nations Sustainable Development Goal #3 to take urgent action to combat climate change and its impacts. Specific targets addressed include 13.2 and 13.3 to develop climate change strategies and improve education and capacity to act on climate.

OUR CARBON FOOTPRINT

In FY2019, our total scope 1 and 2 greenhouse gas (GHG) emissions for GUESS* operations at 1,133 facilities was 40,785 metric tons of carbon dioxide equivalent (MTCO2e), which is equivalent to emissions from 8,659 passenger vehicles driven for one year**. This represents a 10% decrease in emissions intensity per square foot from our FY2016 baseline.

This progress aligns with our current goal to reduce GHG emissions per square foot by 15% by 2021. Aligning with the 2021 goal, 334 of our facilities had an emissions intensity reduction of 15% or more between FY2016 – 2019. While square footage has increased by about 10% since FY2016, our energy use has only increased by 2.8%. Electricity consumption accounted for 96% of our total scope 1 and 2 location-based emissions.

During the FY2018 – 2019 reporting period, we started to calculate our scope 3 carbon footprint. This currently includes waste data for our Los Angeles Headquarters, U.S. Distribution Center, and global inbound and outbound transportation. We are also focused on reducing carbon emissions at key supplier mills and currently have a special project in China in partnership with the Environmental Defense Fund Climate Corps program to help develop this effort. With a more in-depth Scope 3 assessment in progress, we plan to submit an ambitious emission reduction target to the Science Based Targets initiative in 2019, which will address scopes 1, 2 and 3.

To calculate progress toward our current goal to reduce GHG emissions per square foot by 15% by 2021, we are restating our FY2016 baseline for gross emissions and emissions per square foot using a market-based approach for emissions calculations rather than the location-based approach. This change allows us to better prepare for a science-based targets program. As a result, our FY2016 gross emissions baseline has increased 6% from data previously reported. Our 10% pogress toward our 15% reflects this restated baseline.

CDP

For FY2019, Guess submitted its first survey with CDP, formally the Carbon Disclosure Project, and received a 'B' score – above industry average. GUESS has also submitted to CDP in FY2020 and expects to maintain or increase performance. For this survey, GUESS hires a third party to provide assurance on its carbon emission inventory.

GUESS Carbon Footprint

GUESS Corporate Offices, Distribution Centers and Retail Stores

ALL NUMBERS IN $MTCO_2e$ *(metric tons carbon dioxide equivalent)*	BASELINE FY2016	FY2018	FY2019
GLOBAL OPERATIONAL EMISSIONS			
Scope 1 GHG Emissions	1,223	1,375	1,539
Scope 2 GHG Emissions *(Market-based)***	38,684	38,217	39,246
Total Scope 1 and 2 *(Market-based)* Emissions	39,907	39,592	40,785
Total Scope 1 and 2 Emissions per square foot	0.0085	0.0075	0.0078
SCOPE 3 VALUE CHAIN EMISSIONS			
Total Scope 3 Emissions	–	44,306	95,655

** GUESS in this instance includes Guess U.S., Guess Canada, Guess Europe and our Asia subsidiaries in China, Korea and Japan. However, the majority of Guess Korea locations are not under GUESS operational control as defined by the GHG Protocol; therefore 5 Korean sites are reported in our baseline out of 150 total sites in the country.*

*** Market-based reporting follows the updated Scope 2 Guidance from the GHG Protocol by including residual factors where available (which is currently only a subset of European countries). Utility-specific factors were not available for FY19 reporting but will be evaluated in the future. When utility-specific and residual factors were not available, location-based factors were incorporated.*

To calculate our greenhouse gas (GHG) inventory, we used the Greenhouse Gas Protocol Corporate Accounting Standard ("GHG Protocol") published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Our analysis covers directly leased or owned corporate offices, distribution centers and retail store facilities of which we have operational control, and includes both direct (Scope 1) and indirect (Scope 2) emissions. Scope 1 emissions refer to emissions generated as a result of building and space heaters, and Scope 2 emissions refer to emissions generated as a result of purchased electricity and chilled water from utilities and other energy providers.

Energy Efficiency

Energy efficiency is both an emissions reduction and cost-cutting measure. As one of our primary environmental impacts due to the number of facilities we control, we focus on conserving energy. Our past reporting detailed our ongoing LED lighting projects at our stores, distribution centers, and headquarters. We've continued to expand these initiatives, retrofitting or opening 100 LED stores since FY2017.

In FY2019, we launched a special project to retrofit 37 GUESS Factory stores—nearly 10% of our North American portfolio. These are our largest stores by square footage, and therefore consume the most energy and represent the greatest opportunity for energy reduction. In total, 38% of stores in North America and 35% of global stores are outfitted with LEDs.

We will continue implementing LEDs in all new locations, including overhead and furniture lighting as well as graphic lightboxes and rolling out the LED lighting project for all candidate stores.

26%

Average energy reduction across U.S. and Canada from over 30 sites retrofitted during FY2018-FY2019

Non-Renewable Energy Consumption

ALL NUMBERS IN MWH *(megawatt hours)*	GLOBAL BASELINE FY2016*	FY2018	FY2019
GLOBAL			
Electricity consumption	94,689	97,039	96,666
Heating consumption	6,388	7,584	8,452
Cooling consumption	109	176	147
Total non-renewable energy consumption	101,625	104,801	105,265

**We hired third party carbon accounting specialists to collect and assess our direct metering reports from utilities and/or energy supplier invoices. When these reports were unavailable, estimates were created based on reports or invoices from other buildings comparable in size and energy consumption; this estimation technique was used for approximately 10% of natural gas and 35% of electric power consumption globally. GUESS does not sell energy, nor does it make any direct purchases of renewable energy sources. Therefore, while we expect some renewable energy exists within our existing grid energy mix, we are unable to claim this renewable energy as attributed to Guess under the Scope 2 Guidance from the GHG Protocol.*

780,000

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

REDUCING WASTE IN OUR OPERATIONS

The concept of circularity, as described on page 66, is not limited to fashion; we're also working to increase recycling and reuse and reduce waste sent to landfill associated with our operations.

Waste & Recycling

Corporate Headquarters

In FY2018 and FY2019, our Guess U.S. corporate headquarters sent 262.6 tons and 232.6 tons of waste to landfill, respectively. This represents a sharp decline from the 496.6 tons of waste sent to landfill in FY2017, which is largely attributed to a reduction in construction activities. During these two years, we also steadily increased our mixed recycling rate by over 10%, from 73.98 tons in FY2017 to 89.29 tons in FY2019. As part of our strict adherence to safe handling practices for hazardous waste, we recycled 1,423 light bulbs and 243 pounds of batteries at our Guess U.S. headquarters.

We've made great strides in improving the waste diversion efforts at our headquarters. By early 2019, we rolled out our corporate recycling program across 90% of the headquarter campuses, using a combination of communication and infrastructure to facilitate engagement and behavior change. To ensure a strong program, a Zero Waste expert did a walk-through of our campus and helped us set appropriate goals. Personalized communication and educational materials, distributed digitally and physically, provided visual aids for associates sorting their recycling. Our new recycling system makes recycling more convenient by making it the default for personal waste bins, while trash must be discarded in centralized locations. Since implementing this system at the end of the FY2019, we've seen a reduction in waste sent to landfill by two-thirds.

In acknowledgement of our efforts, we were recently awarded the recycLA Star Award, a program administered by the Los Angeles City Board of Public Works to recognize business and apartment owners who embrace recycLA's waste diversion opportunities.

Meanwhile, at the GUESS Café, our on-campus restaurant, we're focused on changing behavior to break the habit of using plastic to-go containers. Associates can collect points on Sustainability Cards each time they opt to use reusable plates and then cash in points in for rewards such as a free dessert or drink. By incentivizing the use of reusable plates, we're able to reduce plastic waste. Going forward, we plan to quantify the waste reductions associated with this program and roll out additional initiatives to increase participation.

U.S. DISTRIBUTION CENTER RECYCLING, REUSE AND WASTE TO LANDFILL	FY2017	FY2018	FY2019
Vendor cartons reused *(# units)*	728,251	661,912	863,223
Vendor cartons recycled *(kg)*	1,057,385	865,790	1,903,080
Metal recycled *(kg)*	16,120	3,220	381
Waste to landfill *(kg)*	135,497	107,175	105,506

"**Being a good corporate citizen** means promoting environmental stewardship in all aspects of our business. I'm proud of our commitment to circular fashion and the projects we have underway to improve product packaging and energy efficiency, and as we complete the final stages of our first sustainability plan, I am excited to scale these programs and maximize our impact going forward."

JENNIFER FORTUNATO
VP Retail Operations, GUESS

Stores

A primary contributor to waste in our stores is the packaging that leaves with our customers. We currently use reusable totes for our GUESS stores, and recyclable paper bags for Marciano, GBG and GUESS Factory stores. We have identified accessory packaging as an opportunity for waste reduction and are beginning to work with our partners on reduction initiatives.

At the majority of our retail stores, waste is managed through centralized waste management systems offered by shopping malls which typically include recycling. As practices at non-centralized mall locations are not currently tracked, GUESS has identified this as an opportunity for improvement.

Distribution Centers

Our Louisville distribution center has made great strides with waste diversion efforts, targeting vendor corrugated cartons and hangers. Our Montreal distribution center also recycles and reuses corrugated cartons.

OUR PAPER USE

Our Guess Europe corporate office accounting team has continued to expand the paper-free payment process (project started in FY2013) to our country offices throughout Europe. As of FY2018 – 2019, this process saves over 2 million sheets of paper each year.

PrintReleaf, an innovative program to offset the impacts of paper consumption through certified global reforestation partners, has been an ongoing initiative since FY2016. Initiated at Bioggio and Stabio, Switzerland, we are on track to expand the project to all EU countries by the end of FY2019. Since the program's start, over 424 trees have been planted to offset unavoidable paper use of over 3.5 million pages at these locations.

About this report

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. A GRI Content Index is provided which specifies each of the GRI Standards and lists all disclosures included in the report.

This report presents Fiscal Year data to align with our financial reporting. The company operates on a 52/53-week fiscal year calendar, which ends on the Saturday nearest to January 31st of each year. All references to "FY2018" mean the period beginning January 29, 2017 and ending February 3, 2018, and references to "FY2019" mean the period beginning February 4, 2018 and ending February 2, 2019. Any forward-looking statements or references to specific dates that do not include "FY" will follow the regular calendar year (i.e. January 1 to December 31).

For the purposes of this sustainability report, GUESS business operations are grouped into the following segments: Guess U.S., Guess Canada, Guess Europe, and Guess Asia.

Any reference to "GUESS" means a reference collectively to Guess U.S., Guess Canada, and Guess Europe, unless otherwise indicated. In the sections "An Overview of our Supply Chain" and "HIGG INDEX: Assessing our Suppliers" we have included data from our subsidiaries in China, in the sections "Employees by Employment Type" and "Diversity and Inclusion", we have included data for our Asia subsidiaries in China and Korea, and in the section "Our Carbon Footprint", we have included data for our Asia subsidiaries in China, Korea and Japan (collectively referred to as "Guess Asia". Our consolidated financial statements published on our investor website include the results of the aforementioned entities as well those of a number of other subsidiaries of Guess?, Inc. that are not in scope for this report.

The content and scope of this report were identified based on the following: 1) significance of topics to stakeholders and the sustainable growth of the company as determined by our Sustainability Materiality Assessment; and 2) size, number of associates and overall impact of our largest business units based on revenue. The scope of this sustainability report covers mainly apparel products as well as corporate offices, distribution centers, warehouses and retail stores directly-owned and operated by GUESS in the United States (Guess U.S.) and its subsidiaries in Canada (Guess Canada) and Europe (Guess Europe), unless otherwise indicated. Data for licensee operations, third parties to which GUESS grants the right to manufacture, distribute or sell GUESS branded items are not included in this report. We have selected this scope because it covers the majority of the Guess?, Inc. business over these key metrics:

PERCENT OF GUESS REVENUE, ASSOCIATES, AND DIRECTLY OWNED RETAIL STORES REPRESENTED BY GUESS U.S., CANADA AND EUROPE

	FY2018	FY2019
Revenue Total	84%	82%
Associates	87%	87%
Number Directly Owned Retail Stores	84%	80%

We take responsibility for the completeness, accuracy and validity of the metrics contained in this report and for the conformity of the metrics with our reporting criteria. KPMG LLP reviewed key metrics presented in this sustainability report, which are identified throughout the report with the '+' symbol (see Independent Accountants' Report). A consolidated list of assured metrics and criteria is available on pages 94-95 of this report.

GHG Restatement

As previously disclosed, we are restating our FY2016 baseline to reflect gross emissions and emissions per square foot using a market-based approach to emissions calculations, rather than using the location-based approach, which resulted in an increase of 6% to our FY2016 gross emissions baseline.

Sustainability Materiality Refresh

In FY2019, we conducted a sustainability materiality refresh to identify and prioritize sustainability risks and opportunities. As part of this assessment, we gathered internal and external stakeholder perspectives and conducted a detailed review of industry best practice guidance and standards; investor surveys, ratings and rankings; and peer reports. Through this process, we identified topics that are significant to stakeholders and our business (see pages 20 - 23). Key changes in the list of significant topics from FY2015 to FY2019 are noted below:

TOPIC	CHANGE	REASON FOR CHANGE
Climate resiliency	Added to list of significant sustainability topics	Added based on increasing investor interest, however this topic remains low in importance to stakeholders overall. Covered in this report on page 23.
Product circularity & take back	Added to list of significant sustainability topics	Added based on increasing stakeholder interest in companies transitioning to a circular economy. Covered in this report on page 66.
Customer satisfaction	Removed as sustainability topic	Core to our business, but not highlighted in research as a sustainability topic. Covered in this report on page 30.
Economic performance	Removed as sustainability topic	Core to our business, but not highlighted in research as a sustainability topic. Covered in this report on page 8 to provide context to sustainability information.
Environmental impacts in supply chain	Value chain impacts are covered in this report under other topics such as water stewardship and human rights	We plan to manage each significant sustainability topic from a value chain perspective. As such, GRI Disclosures are being reported under those sustainability topics; we continue to engage suppliers on environmental management with the Higg Index as disclosed on page 74.
Employee and HR management	Changed to talent management and raised to priority topic	The shift in topic naming reflects a more strategic, forward-thinking approach to attracting and retaining world class talent by making GUESS a great place to work. This topic encompasses employee benefits, training and development as well as company culture.

Reporting Changes or Misstatements

If material reporting errors are discovered in previous reports, or there are significant changes to our business, we will transparently disclose any necessary corrections or restatements. Scope changes or corrections have been made on the following GRI disclosures as noted in the GRI Content Index on pages 86-91:

- 305-2: Emissions baseline and gross emissions have been updated
- 405-1: Diversity of governance bodies and employees

Please contact sustainability@guess.com if you have a question or feedback on sustainability at GUESS.

2019 KEY PERFORMANCE DATA

GENERAL INFORMATION

	UNITS	FY2017	FY2018	FY2019
Net Revenue	$M USD	2,209	2,364	2,610
Global Associates	#	14,300	14,700	15,700

GLOBAL DIVERSITY

	UNITS	FY2017	FY2018	FY2019
Global Executives Female	%	42	41	39
Global Executives Male	%	58	59	61

SUPPLY CHAIN

	UNITS	FY2017	FY2018	FY2019
Supplier Social Compliance Audits	#	372	407	368
Total Factories Audited	#	209	384	343

PLANET

	UNITS	FY2017	FY2018	FY2019
Water Withdrawal	Million L	29.5	21.2	27
Scope 1 Emissions	MTC02e	1,223**	1,375	1,539
Scope 2 GHG Emissions (location-based)	MTC02e	38,117**	34,962	34,910
Scope 2 GHG Emissions (market-based)	MTC02e	39,303**	38,217	39,246
Total Scope 1 and 2 (market-based) Emissions	MTC02e	39,907**	39,592	40,785
Total Scope 1 and 2 (market-based) Emissions per square foot	MTC02e	0.0085**	0.0075	0.0078
Total Scope 3 Emissions	MTC02e	N/A	44,306	95,655
Total Non-renewable Energy Consumption	MwH	105,839	104,801	105,265
Waste to Landfill	Lbs	298,720	236,280	232,600

*GUESS U.S. and Canada Corporate Facilities

**FY17 data outside review of report. Baseline year data for FY16 has been provided in its place

GRI CONTENT INDEX

UNIVERSAL STANDARDS

GRI 102 General Disclosures

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
Organizational profile	102-1	Name of the organization	✓	▼	pg 6	
	102-2	Activities, brands, products, and services	✓	▼	pg 6, 10-13	
	102-3	Location of headquarters	✓	▼	pg 6	
	102-4	Location of operations	✓	▼	pg 10, 13, 46	
	102-5	Ownership and legal form	✓	▼	pg 6, 83	
	102-6	Markets served	✓	▼	pg 6, 8-11	
	102-7	Scale of the organization	✓	▼	pg 8-9	The quantity of products sold is considered confidential and is therefore omitted from this report.
	102-8	Information on employees and other workers	✓	▼	pg 9	
	102-9	Supply chain	✓	▼	pg 46	
	102-10	Significant changes to the organization and its supply chain	✓	▼		No significant changes beyond business as usual changes; for example, purchasing an immaterial number of licensed retail stores for direct ownership.
	102-11	Precautionary Principle or approach	✓	▼	pg 14	
	102-12	External initiatives	✓	▼	pg 28-29	
	102-13	Membership of associations	✓	▼	pg 28-29	
Strategy	102-14	Statement from senior decision-maker	✓	▼	pg 4-5	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	✓	▼	pg 17, 25	
Governance	102-18	Governance structure	✓	▼	pg 25	
Stakeholder engagement	102-40	List of stakeholder groups	✓	▼	pg 8, 20-21	
Stakeholder engagement (cont.)	102-41	Collective bargaining agreements	✓	▼	N/A	100% of employees in Switzerland, Italy, Belgium, Spain, Austria, France, Finland and the Netherlands are covered by collective.
	102-42	Identifying and selecting stakeholder	✓	▼	pg 20	
	102-43	Approach to stakeholder engagement	✓	▼	pg 20-21	
	102-44	Key topics and concerns raised	✓	▼	pg 20-21	
Reporting practice	102-45	Entities included in the consolidated financial statements	✓	▼	pg 83	
	102-46	Defining report content and topic Boundaries	✓	▼	pg 20-21	See sustainability.guess.com for a complete summary of GRI Topics and Management Approach.
	102-47	List of material topics	✓	▼	pg 20	
	102-48	Restatements of information	✓	▼	pg 83	The following scope changes or corrections have been made on the following GRI disclosures: 305-2: Energy indirect (Scope 2) GHG emissions. 405-1: Diversity of governance bodies and employees.
	102-49	Changes in report	✓	▼	pg 84	Changes in reporting topics due to the FY2019 sustainability materiality refresh are explained in the "About the Report" section. As a result of these changes, a management approach for Climate Resiliency and Product Circularity and Take Back has been added to the GRI Topics and Management Approach supplemental document available on sustainability.guess.com, and is described on pages 23 and 67, respectively, of this report. Disclosures for Economic Performance, Supplier Environmental Assessment, and Employment (201-1, 308-2, 401-1) have also been removed as explained on page 84. Changes in scope for 405-1 Diversity of governance bodies and employees have also been noted in this index.

KEY	REPORT COVERAGE	▼ FULL ▽ PARTIAL

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
Reporting practice (cont.)	102-50	Reporting Period	✓	▼	pg 83	
	102-51	Date of most recent report	✓	▼	pg 83	
	102-52	Reporting cycle	✓	▼	pg 83	
	102-53	Contact point for questions regarding the report	✓	▼	pg 84	
	102-54	Claims of reporting in accordance with the GRI Standards	✓	▼	pg 83	
	102-55	GRI content index	✓	▼	pg 86-90	
	102-56	External assurance	✓	▼	pg 19, 93	
GRI 103 Management Approach						
Management approach	103-1	Explanation of the material topic and its boundary	✓	▼	See notes	For an explanation of how we evaluate our management approach related to each material topic (e.g. mechanisms for evaluating effectiveness), please visit sustainability.guess.com - "Reports and Resources".
	103-2	The management approach and its components	✓	▼	See notes	For information on our management approach, such as policies or specific actions related to each material topic disclosure, please visit sustainability.guess.com - "Reports and Resources".
	103-3	Evaluation of the management approach	✓	▼	See notes	For an explanation of how we evaluate our management approach related to each material topic (e.g. mechanisms for evaluating effectiveness), please visit sustainability.guess.com - "Reports and Resources".

ENVIRONMENTAL STANDARD

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
GRI 301 Materials						
	301-1	Materials used by weight or volume	✓ - Material topic disclosure	▼	pg 65	
GRI 302 Energy						
	302-1	Energy consumption within the organization	✓ - Material topic disclosure	▼	pg 79	0% of our energy consumption comes directly from renewable energy sources. We are currently unable to determine the mix of renewable vs. non-renewable energy generated at each grid location from which we source our electricity.
GRI 303 Water						
	303-1	Water withdrawal by source	X – included in narrative with data as available	▼	pg 70	
GRI 305 Emissions						
	305-1	Direct (Scope 1) GHG emissions	X – included in narrative with data as available	▼	pg 78	
	305-2	Energy indirect (Scope 2) GHG emissions.	✓ - Material topic disclosure	▼	pg 78	GUESS has re-baselined its carbon inventory, and restated emissions for FY16 due to changing from a location-based baseline to a market-based baseline. More details are provided on page 78 and 83.
GRI 306 Effuents & Waste						
	306-2	Waste by type and disposal	X – included in narrative with data as available	▼	pg 80-81	The following waste categories do not apply to GUESS operations and are therefore excluded: composting, recovery (including energy recovery), incineration, deep well injection, and on-site storage.

SOCIAL STANDARD

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
GRI 401 Employment						
	404-2	Programs for upgrading employee skills and transition assistance programs.	✓ - Material topic disclosure	▼	pg 42-43	
GRI 405 Diversity & Equal Opportunities						
	405-1	Diversity of governance bodies and employees	✓ - Material topic disclosure	▼	pg 36-39	It was stated on page 3 of our FY16-17 report that our Guess Asia subsidiary in Japan was in scope for the Diversity and Inclusion section on page 31. The data in this section did not include data from this subsidiary. Since the FY16-17 reporting period, we have removed the categorization of "managers" in the diversity section to more clearly focus on the most pertinent and definable employee categories: retail, corporate, executive management, and the board of directors. Executive management is defined as Vice President level or above for Guess U.S., Guess Canada, and Guess Europe. For Guess Asia, Executive management is defined as reporting to the country manager and also a department head.
GRI 414 Supplier Social Assessment						
	414-2	Negative social impacts in the supply chain and actions taken.	✓ - Material topic disclosure	▼	pg 50-51	
GRI 416 Customer Health & Safety						
	416-1	Assessment of the health and safety impacts of product and service categories.	X – included in narrative with data as available	▼	pg 31, 72	Data not available for % of significant product and services categories for which health and safety impacts were assessed for improvements. Guess? Inc. strives for 100% of our apparel to go through our quality and safety process.

** This report has been prepared in accordance with the* **GRI Standards: Core option**

KPMG

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Independent Accountants' Review Report

The Board of Directors and Management
Guess?, Inc.

We have reviewed management of Guess?, Inc.'s assertion that the accompanying GUESS Fiscal Year 2018-2019 Sustainability Report includes the required elements in accordance with the Global Reporting Initiative Standards: Core option (Assertion). In addition, we have reviewed the fiscal year 2018 and 2019 metrics identified in the Key Metrics and Reporting Criteria table on pages 94-95 of the accompanying GUESS Fiscal 2018-2019 Sustainability Report (Metrics). Guess?, Inc.'s management is responsible for its Assertion, the Metrics, and the Reporting Criteria. Our responsibility is to express a conclusion on the subject matter and management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion or the Metrics in order for the assertion to be fairly stated and for the Metrics referred to above to be presented in accordance with the Reporting Criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated and whether the Metrics referred to above are presented in accordance with the Reporting Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusions.

The preparation of the GUESS Fiscal Year 2018-2019 Sustainability Report requires management to interpret the criteria and make determinations as to the relevancy of information to be included.

Based on our review, we are not aware of any material modifications that should be made to management of Guess?, Inc.'s assertion in order for it to be fairly stated or to the Metrics referred to above to be stated in accordance with Reporting Criteria as described in the Key Metrics and Reporting Criteria table on pages 94-95 of the accompanying GUESS Fiscal Year 2018-2019 Sustainability Report. For certain metrics identified in the Key Metrics and Reporting Criteria table on pages 94-95, information for fiscal year 2016 and/or fiscal year 2017 was prepared to provide comparative information and only certain of those metrics were historically reviewed by us. Accordingly, such information should be read in conjunction with the GUESS Fiscal Year 2016 - 2017 Sustainability Report.

KPMG LLP

Cambridge, Massachusetts
September 4, 2019

KEY METRICS AND REPORTING CRITERIA

NO.	IMPACT AREA	METRIC	REPORT CRITERIA	PAGE
1	Diversity & Inclusion	Employees by contract and employment type by gender for Guess U.S., Guess Canada, Guess Europe and Guess Asia, subsidiaries in China and Korea.	Percentage of regular (permanent) and temporary employees and percentage of full time and part time employees by gender as of the end of fiscal year 2018 and 2019 for Guess U.S., Guess Canada, Guess Europe and Guess Asia, subsidiaries in China and Korea.	pg 9
2	Diversity & Inclusion	Associate ethnic diversity for Guess U.S.	Percentage of permanent U.S. employees and executive management (Vice President + C-Suite) by self-declared ethnicity, as of the end of fiscal year 2018 and 2019 for Guess U.S.	pg 36
3	Diversity & Inclusion	Associates per employment category by age, gender, retail and corporate for Guess U.S., Guess Canada, Guess Europe, and Guess Asia, subsidiaries in China and Korea.	Percentage of employees by retail stores and corporate, by gender and by age category, as of the end of fiscal year 2018 and 2019, for Guess U.S., Guess Canada, Guess Europe and Guess Asia, subsidiaries in China and Korea.	pg 38
4	Diversity & Inclusion	Governance bodies by age and gender – C-suite and executive management.	Percentage of male and female executive leadership team employees as of the end of the fiscal year 2018 and 2019, combined for Guess U.S., Guess Canada, Guess Europe and Guess Asia, subsidiaries in China and Korea. Executive management for U.S., CA and Europe is defined as vice-president or above. Executive Management for Guess Asia is defined as country manager direct reports that are also heads of their respective departments.	pg 37
5	Diversity & Inclusion	Governance bodies by age and gender – board.	Percentage of male and female board members for Guess?, Inc. as of the end of the fiscal year 2018 and 2019.	pg 37
6	Supply Chain Management	Number of countries sourced for Guess U.S. and Guess Canada apparel, Guess Europe apparel and accessories and Guess Asia, China subsidiaries only.	Number of countries sourced for Guess U.S., Guess Canada and Guess Asia, China subsidiaries only apparel, and Guess Europe apparel and accessories.	pg 46
7	Supply Chain Management	GUESS directly sourced apparel for Guess U.S., Guess Canada and Guess Asia, China subsidiaries only apparel, and Guess Europe apparel and accessories which includes handbags, footwear and jewelry.	Percentage of apparel for Guess U.S., Guess Canada, and Guess Asia, China subsidiaries only apparel, and Guess Europe apparel and accessories, sourced by country by volume of units purchased in each fiscal year.	pg 46
8	Social Impacts in the Supply Chain	Social compliance audits of supplier factories.	Number of GUESS supplier factory code of conduct audits and percent of total audits completed by GUESS employees, external auditors contracted by GUESS, with recent certification by third-party certification auditors for compliance with WRAP, SEDEX, SEDICO or SA8000 standards, or by a like-minded peer company whose audit documentation meets or exceeds Guess' supplier code of conduct standards during each fiscal year.	pg 50
9	Social Impacts in the Supply Chain	Number of factories reporting compliance issues.	Number of compliance issues by Guess defined issue type identified during the most recent social compliance audits (excludes third-party certifications) during the fiscal year. Certain sites may have been audited twice during the fiscal year. Only the results from the most recent audit are included.	pg 51
10	Material Sourcing	GUESS materials (by units purchased).	Raw materials by type used for the manufacturing of apparel and accessories as a percentage of total raw materials purchased by Guess U.S., Guess Canada and Guess Europe during the fiscal year.	pg 65
11	Environmental Impacts of the Supply Chain	Number of supplier factories reported by Higg FEM to have completed environmental impact self-surveys.	Number of GUESS supplier factories in fiscal year 2018 and 2019 reported by the Higg Index to have completed the environmental self-surveys for calendar year 2018 and 2019, respectively.	pg 74

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Catalog #330

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Lithographix is an FSC certified printer with a reduced hazardous waste stream of less than 1% of its consumption, and recycles 98% of all consumable waste. Corporate Social Responsibility serves as the foundation of its business philosophy.

Paper: Neenah Classic Crest solar white. Paper is green-e certified. Made with 100% Certified Renewable Energy.

GUESS FY 2018 – 2019 SUSTAINABILITY REPORT