



OUR
WORLD,
OUR
BRAND





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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," "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 as filed 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 US) or its applicable subsidiaries, mainly Guess? Canada Corporation (Guess Canada) and Guess Europe Sagl (Guess Europe). In the section "Our Carbon Footprint" and "Diversity and Inclusion", we have also included data for our Asia subsidiaries in China, Korea and Japan (Guess Asia). Any use of "GUESS," "we" or "our" herein refers collectively to Guess US, Guess Canada and Guess Europe unless otherwise indicated.

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 "FY2016" mean the period beginning February 1, 2015 and ending January 30, 2016, and references to "FY2017" mean the period beginning January 31, 2016 and ending January 28, 2017. 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).

Message from our CEO, VICTOR HERRERO

It is with great pride and pleasure that I present our second GUESS sustainability report.

This report details our progress toward a higher standard for social and environmental performance, and provides the first formal GUESS Sustainability Plan - a milestone for our brand. Through my experience leading this truly global company, I see one constant across borders: people, particularly the younger generation, are deeply concerned about the future of this planet. At GUESS, we understand that we must continue to grow and contribute to the global community with increasing care for people and the environment; we aim to embrace existing solutions as well as try new ones to address the social and environmental challenges of our time.

Two principles drive our sustainability efforts. The first is transparency – our determination to provide an open and honest account of our sustainability journey. We have made good progress in understanding our current performance and what really matters to the future success of our business. In this report, you'll see year-over-year data covering more issues in more locations throughout our operations and supply chain. And as a member of the Global Reporting Initiative (GRI)'s Standards Pioneers

Program, we are among the first organizations to adopt GRI's rigorous international sustainability reporting standards. To aim for the balance and completeness that GRI encourages, we have also had our data externally validated. As you can see, our commitment to transparency is foundational to our strategy.

The second principle is purpose – we stay true to the GUESS brand and vision of creating a positive impact in the world through the products we sell and the organizations and people we work with. In 2016, we talked to people inside and outside the business about how they see the future fashion industry. This exercise highlighted the need to continue our efforts to protect workers in the supply chain and focus on diversity and inclusion. It also identified other priority topics such as water stewardship, reducing energy use and carbon emissions throughout our extended value chain, and raising awareness through sustainability education and engagement with our associates and partners.

I am proud to be a part of the GUESS brand and company, which continues to be a richly diverse, inclusive and community-focused organization; we value the perspectives and creativity this brings to our business.

SUSTAINABLE GROWTH FOR GUESS IS
BUILT ON TRANSPARENCY, PURPOSE, AND

**creating
positive impact**

FOR OUR WORLD AND OUR BRAND.

I am also proud of the progress we're making to achieve the environmental goals outlined in this report. For example, this year we assessed the water footprint of our denim as an important first step to better manage our impacts, and created the company's first carbon emission reduction goal. We have also joined a global industry pledge to advance a circular fashion system – the idea that fashion should last, and be continuously repurposed, reused and recycled. As you'll read in the pages ahead, we are working on these initiatives and more to adapt our company and engage our employees, customers, and community on developing a more sustainable fashion industry.

Our customers continue to raise their expectations of us, and we at GUESS are keen to meet and succeed in this challenge. We are building sustainable foundations for our journey ahead and I am more excited and optimistic than ever that we will continue to create positive impact for our world and our brand.



VICTOR HERRERO

*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 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, kids and infant's 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).

Our mission statement

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

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

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

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

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

"My brothers and I created Guess to change the world by helping people feel confident, independent and beautiful. But beauty is not just skin deep: it must run through everything we do. What goes on behind the label gets more important every year as the next generation of GUESS customers look for brands that share their values.

It may seem a long way from the glamour, romance and dreams of La La Land, but making progress on empowering people and protecting the environment lies at the heart of our commitment to sustainability and our future success as a company, and I believe it is an important part of what GUESS will come to mean to our customers around the world."

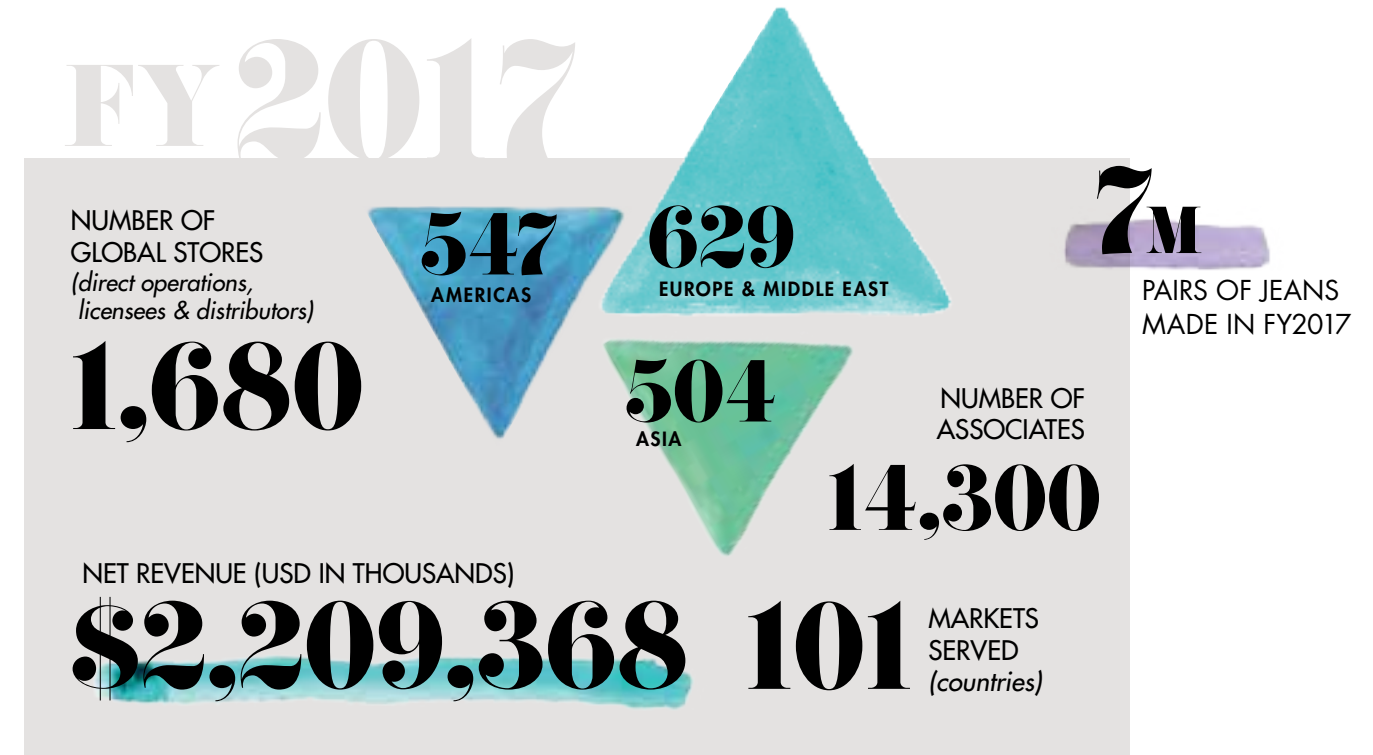
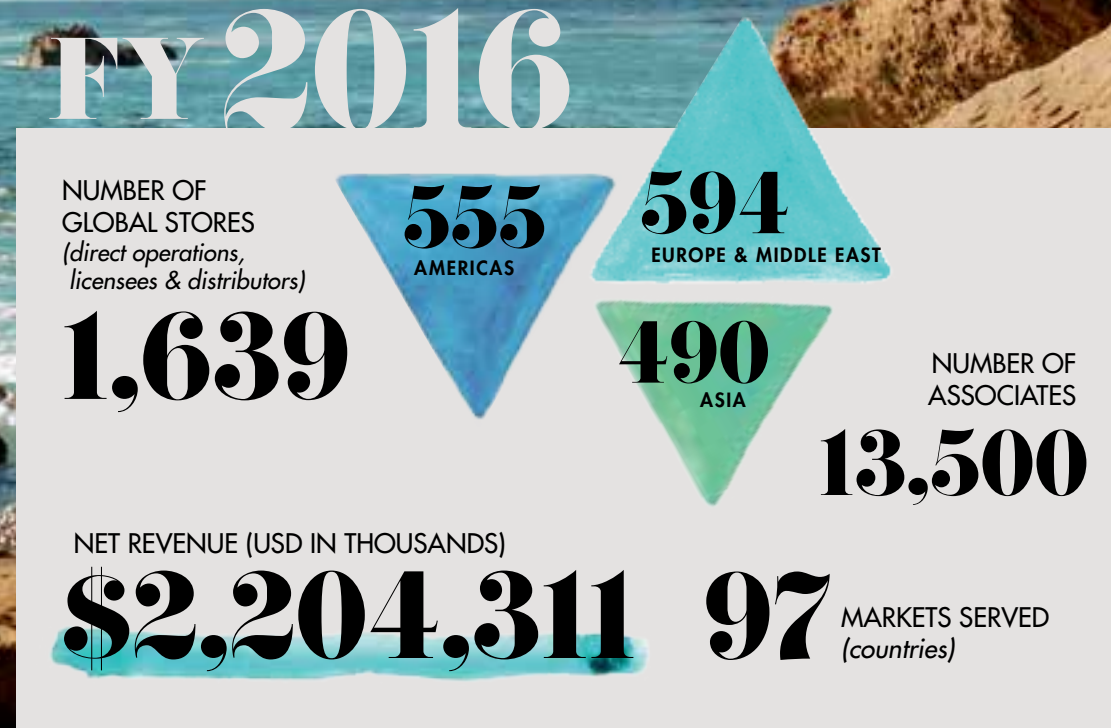
PAUL MARCIANO

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

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



GUESS?, INC. KEY FACTS*



EMPLOYEES BY CONTRACT & EMPLOYMENT TYPE

		FY2016	FY2017
ASSOCIATES IN GUESS US & GUESS CANADA⁺			
Regular	Female	73%	72%
	Male	27%	28%
Temporary	Female	82%	78%
	Male	18%	22%
Full Time	Female	73%	73%
	Male	27%	27%
Part Time	Female	73%	71%
	Male	27%	29%
ASSOCIATES IN GUESS EUROPE⁺			
Regular	Female	80%	80%
	Male	20%	20%
Temporary	Female	86%	90%
	Male	14%	10%
Full Time	Female	76%	76%
	Male	24%	24%
Part Time	Female	88%	89%
	Male	12%	11%

		FY2016	FY2017
ASSOCIATES IN GUESS ASIA			
Regular	Female	77%	82%
	Male	23%	18%
Temporary	Female	85%	74%
	Male	15%	26%
Full Time	Female	77%	82%
	Male	23%	18%
Part Time	Female	84%	68%
	Male	16%	32%

* Apart from GUESS associate data, numbers are taken directly from Guess?, Inc.'s Annual Report on Form 10K that include some entities such as Guess Asia, 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 our fiscal year calendar.

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

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.



GUESS?, INC. RETAIL STORES ARE IN MORE THAN
100 countries

GLOBAL STORES

GUESS

GUESS, the flagship brand for Guess?, Inc., is a lifestyle collection of contemporary apparel, denim, handbags, watches, footwear and other related consumer products. GUESS products are distributed through GUESS stores as well as better department and specialty stores around the world.

www.guess.com



GUESS Factory

GUESS Factory

GUESS Factory, under the Guess?, Inc. umbrella, 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

G by GUESS

Vintage California lifestyle makes G by GUESS fashion for the next generation. As the latest brand from denim pioneer Guess?, Inc., G by GUESS 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



G by GUESS

shop.guess.com

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

www.shop.guess.com

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

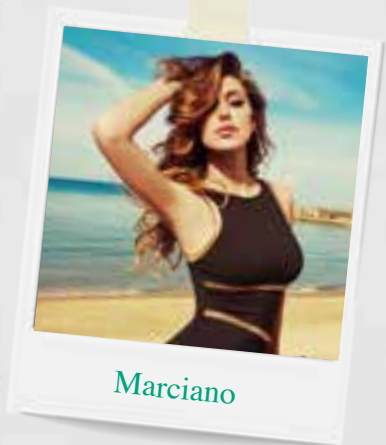
GUESS Accessories

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

Marciano

Marciano, the first brand extension from Guess?, Inc., follows suit in true GUESS style with apparel and accessories that are on the edge of the fashion forefront. The Marciano brand offers a fashion-forward collection designed for trend-setting women and men. Marciano designs, markets and distributes full collections of apparel as well as accessories. Marciano boutiques are located in North America, as well as international metropolitan centers throughout the globe. The Marciano collection can also be found in select GUESS store locations, specialty stores and online.

www.marciano.com



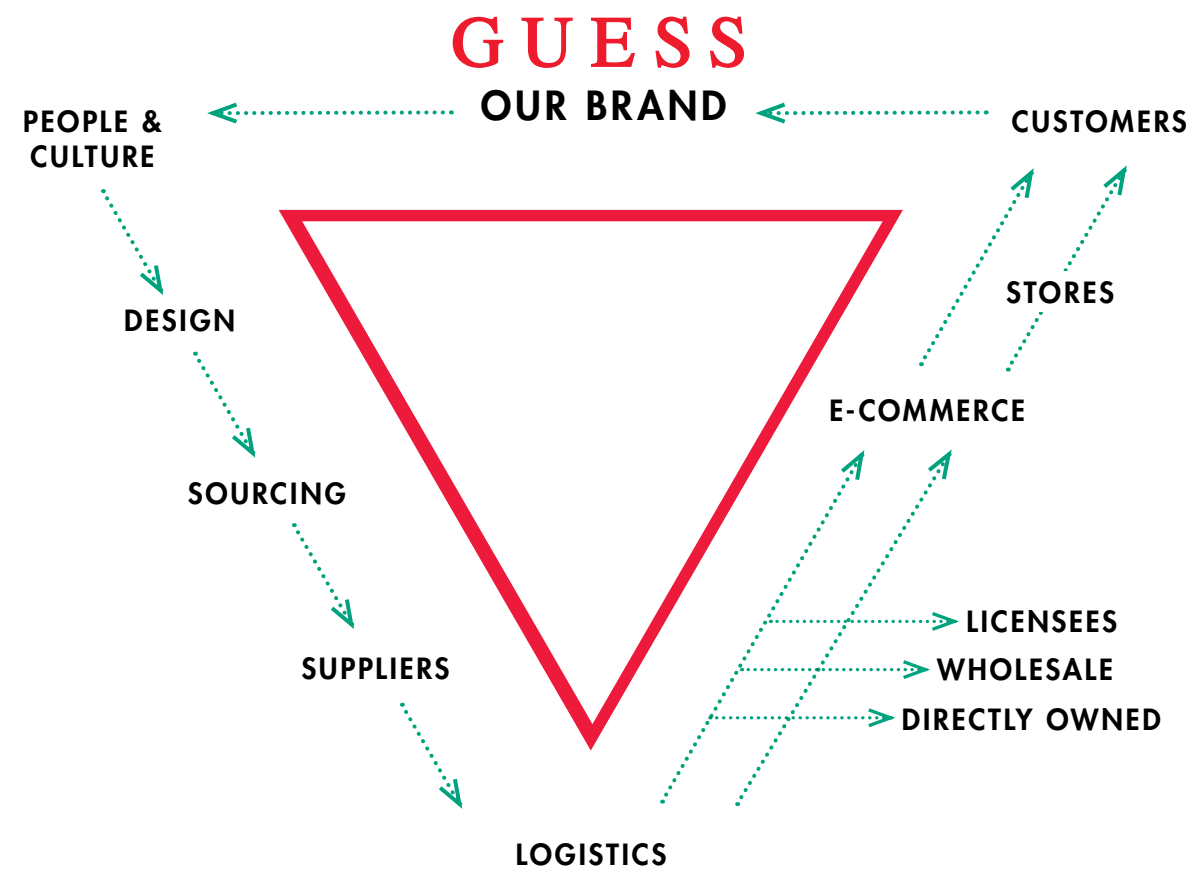
Marciano

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 new fabrics that inspire new lines and collections.

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.



Design

GUESS, G by GUESS and MARCIANO apparel products are designed by in-house design teams located in Los Angeles, California; Ticino, Switzerland, and Seoul, South Korea. The Guess?, Inc. brand teams create the design aesthetic for apparel products, jewelry and some accessories.

Global sourcing and 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 the clothing designs and the raw material specifications. We also will review and select supplier offerings as needed to help round out our product portfolio. The supplier procures the raw materials, manufactures and delivers 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 largest, which services our US stores and is owned by Guess?, Inc., is a 506,000 square foot facility in Louisville, Kentucky. Other major distribution centers include our facility in Montreal, Canada, which we directly operate, and our facility in Piacenza, Italy which is owned and operated by a third party. We also contract third parties to operate distribution warehouses in Hong Kong, South Korea and China.

Licensing and 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 and 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 are not included in the scope of this report.

OUR SUSTAINABILITY COMMITMENTS



OUR SUSTAINABILITY STRATEGY:

Our world, our brand

Protecting the environment, supporting and empowering our retail and corporate employees (hereinafter referred to as 'associates'), and listening to our customers have been central to GUESS since the inception of our business. Since publishing our first sustainability report in 2015, we have worked to develop our company's first formal sustainability strategy and commitments, and established new goals and initiatives that will guide our business in the coming years.

Our sustainability strategy 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.** These goals will drive our efforts over the next five years to enhance the sustainability of our global operations and communities, and connect our customers with more sustainable fashion choices. In our next sustainability report, we will report on the progress of the initiatives aimed toward achieving these goals.

Our approach is aligned with the principles established by 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 to protecting the environment. This means we strive to take action to address environmental issues even in the absence of scientific certainty or regulatory requirements.

operating with integrity

- Stakeholder Engagement
- Good Governance
- Ethics and Integrity
- Risk Management
- Transparency & Assurance
- Industry Collaboration
- Customer Experience

empowering people

CREATING A GREAT PLACE TO WORK

Champion 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 to our business.

PROTECTING WORKERS IN THE SUPPLY CHAIN

Improve Transparency and Social Responsibility

We will continue to expand and strengthen our supply chain corporate social responsibility program, striving for improved transparency, training and oversight to protect the safety and dignity of people making our clothes.

DEVELOPING SUSTAINABLE COMMUNITIES

Promote Sustainability Education and Engagement

We will harness the creativity and passion of our retail and corporate associates through learning and collaboration to address our environmental and social challenges. We will also engage with our customers and communities to support solutions to their sustainability challenges.

protecting the environment

MAKING SUSTAINABLE STYLE SEXY

Ensure Stewardship of Products Throughout the Life Cycle

We recognize the role we have in creating a more sustainable fashion industry, and will collaborate with other industry stakeholders to extend product life and recycling, and prioritize responsible chemicals management.

MANAGING ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Use Responsibly Sourced Materials and Be Good Water Stewards

The GUESS brand was founded on denim, a material reliant on water from cotton growing to fabric washing to customer care. GUESS will continue its industry leadership ambition by focusing on water stewardship in denim production, as well as responsible sourcing of other materials used to make our products.

GREENING OUR OPERATIONS

Reduce Energy Use and Carbon Emissions

Carbon emissions and climate change are global issues of concern to our stakeholders and bring business risk. We will contribute by reducing our use of fossil fuels and minimizing our climate impacts.



OUR SUSTAINABILITY GOALS

To be completed by 2021

empowering people

Champion Diversity and Inclusion

- Review and update current practices to ensure inclusive atmosphere and diversity throughout the organization.
- Increase associate opportunities for global work experience.

Improve Transparency and Social Responsibility

- Complete and publicly release a multi-tier supply chain map.
- Strengthen vendor training program and civil society participation.

Promote Sustainability Education and Engagement

- Create global opportunities for sustainability education for our associates, and sustainability engagement for our customers and community.

protecting the environment

Ensure Stewardship of Products Throughout the Life Cycle

- Fulfill our pledge to advance towards a circular fashion system.
- Assure adherence to and continuously improve our global List of Restricted Substances and Materials.

Use Responsibly Sourced Materials and Be Good Water Stewards

- Improve responsible raw material sourcing practices.
- Implement a Water Management Action Plan to be disclosed in 2018.

Reduce Energy Use and Carbon Emissions

- Reduce scope 1 and 2 carbon emissions per square foot by 15% by 2021; expand carbon footprint baseline to include scope 3 emissions.
- Transition current emissions reduction goals to align with science based targets.

Commitments Timeline

We are taking a phased approach—described below—to advance our sustainability commitments. Starting with a crucial first step, **Education**, we are building the foundation for continued responsible growth in the coming decades. During this phase, we are evolving our management systems, reporting processes, and culture to provide the data-based evidence and learning

needed to make lasting, positive impact. The second phase, **Action**, will be focused on implementation and achieving measurable performance improvement against our commitments, with greater focus on our products and customers. In the third phase, **Positive Impact**, we expect to show significantly better performance and demonstrable results.



PHASE 1 education

- Reporting
- Systems
- Culture

Information building through data & learning

Publicly disclose sustainability goals

PHASE 2 action

- Reporting
- Program Development
- Product & Customer

Internal capacity building & creating measurable improvement

Publicly disclose status of goals & supporting initiatives

PHASE 3 positive impact

From Action to Positive Impact

Publicly disclose evaluation of goals & achievements, create new approach for positive impact



operating with integrity



STAKEHOLDER ENGAGEMENT

We regularly engage with a wide range of stakeholders that are important to the success of our business, including investors, customers, suppliers, non-governmental organizations and our industry peers. Stakeholders are profiled according to the nature of their relationship, interest, willingness to engage and influence on the company.

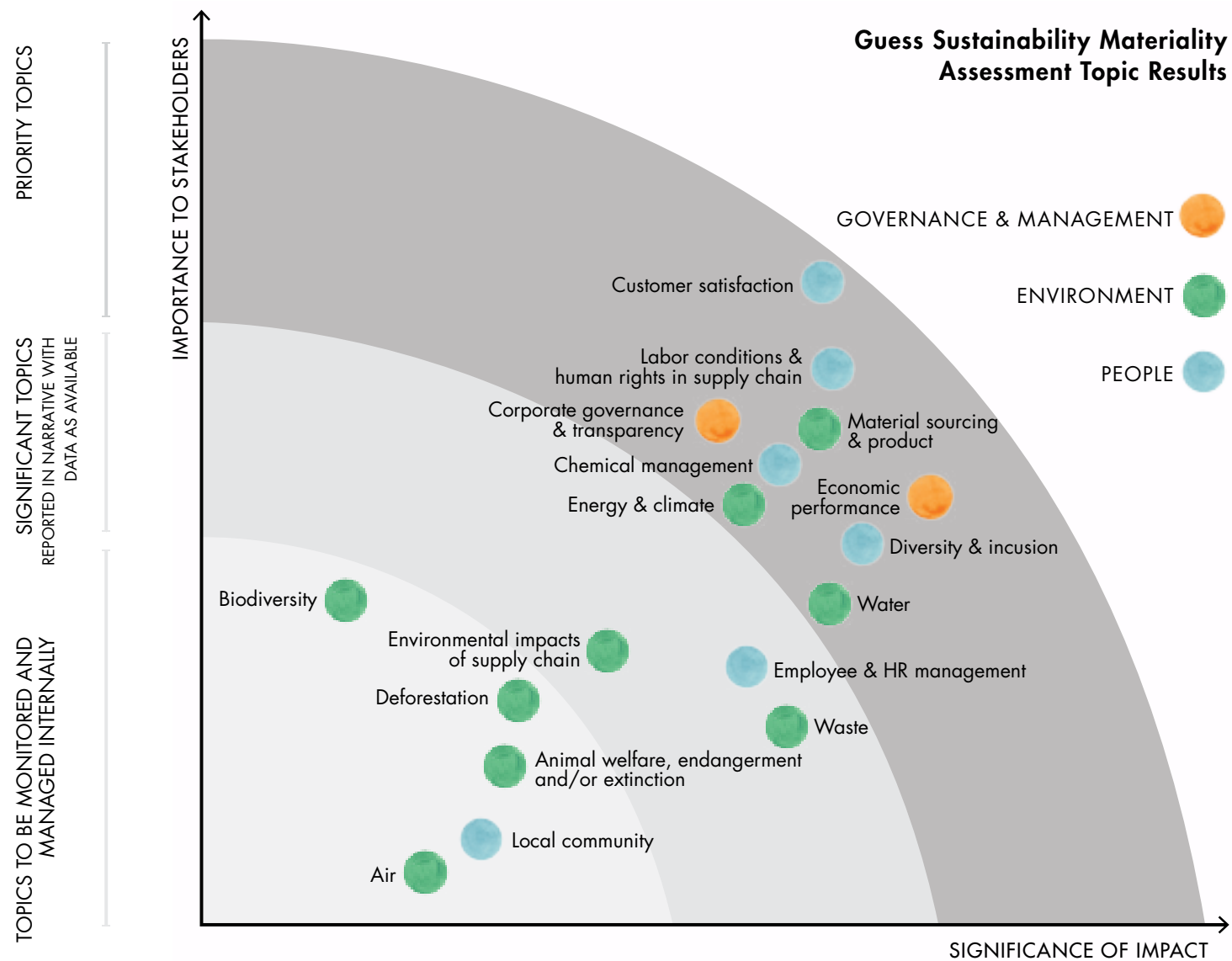
Our stakeholder engagement methods help us take the pulse of the organization and understand which issues are most urgent and important. To do this, we summarize and prioritize topics raised by stakeholders as part of our ongoing engagements through annual associate surveys; year-round volunteer events; company town hall meetings; routine business relations and interactions with vendors, customers and investors; and specific requests and inquiries received from community groups and not-for-profit organizations.



Stakeholder engagement methods and topics raised

STAKEHOLDER	ENGAGEMENT METHODS	TOPICS RAISED
Company Leadership	Interviews Meetings	Associate retention Supply chain strategy and management Governance and investor relations
Associates	Online surveys Interviews Volunteering and training	Associate training Career development and retention Product integrity Reputation Human and labor rights
Investors	Investor relations communications Company research	Governance Climate Human rights
Customers	Customer surveys and feedback GUESS Customer Care Blog sites & social media	Product quality Privacy and security Women's issues Philanthropy and community Human and labor rights Animal welfare
Suppliers	Direct product sourcing and business relationships Surveys, audits and trainings	Business relationship Labor and environmental issues
Communities	GUESS Foundation partnerships Guest speakers	Education Poverty Climate Water
Non-Governmental Organizations (NGOs)	Research Events Inbound communications	Human and labor rights Water Climate Animal welfare Deforestation
Media and Industry	Industry associations and meetings	Chemicals management Circular economy and waste Sustainable sourcing Human and labor rights Energy and climate
Regulators and Government	Regulatory reporting and compliance	Health and safety Climate Human rights

SUSTAINABILITY MATERIALITY ASSESSMENT



Sustainability Materiality Refresh

To refresh our sustainability materiality assessment and develop our commitments and goals, we reviewed input from a wide range of stakeholders. Guided by AA1000 standards for stakeholder engagement, this refresh built on an earlier assessment carried out in 2014 and included reviewing best practices within our industry. We conducted workshops, interviews and online surveys with management and associates to evaluate and prioritize risks and opportunities related to the sustainable growth of GUESS. Through this process, we identified the spectrum of sustainability topics that our stakeholders care about and are relevant to our business, and mapped them in a matrix (see left) to provide a snapshot of our key challenges and opportunities.

Our sustainability materiality assessment and resulting matrix indicate that several topics continue to be of high importance to GUESS and our stakeholders, and are reported in full in this report. These include:

- Customer satisfaction
- Labor conditions and human rights in supply chain
- Corporate governance and transparency
- Material sourcing and product
- Chemicals management
- Energy and climate
- Economic performance
- Diversity and inclusion
- Water

The results of the sustainability materiality assessment refresh were reviewed by our Chief Executive Officer, Sustainability Steering Committee, and Associate Sustainability Committee and evaluated against a set of criteria (e.g. magnitude of risk or opportunity, GUESS' 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 development of our sustainability strategy which identifies commitments on diversity and inclusion, social responsibility in the supply chain, education and engagement, product stewardship, water, and climate and energy. These topics are at the heart of bringing sustainability further into our business operations and culture, and cultivating a purpose-driven brand.

“By understanding and prioritizing our social and environmental impacts, we will create a stronger brand that will continue to be a worldwide leader, shaping the fashion industry.”

VICTOR HERRERO

Chief Executive Officer & Director, Guess?, Inc.

GOOD GOVERNANCE

The sustainability and corporate social responsibility team operates globally, with directors and senior managers in the US, Europe and Asia reporting to our Vice President, Internal Audit and Corporate Social Responsibility, who directly reports to our Chief Executive Officer.

To ensure that sustainability is embedded into our decision-making process, we've also created a Sustainability Steering Committee to guide our sustainability strategy, identify priorities and discuss opportunities. Committee members are also tasked with integrating sustainability into the operations of their respective departments.

The committee, which meets twice a year and additionally as needed, is led by our Chief Financial Officer, is joined by Guess Europe's Chief Financial Officer and Chief Administrative Officer, and includes top leaders from the following GUESS 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. We also have regional sustainability committees in Guess Europe and Guess Asia comprised of top leaders in the region. For more information on our management approach for priority sustainability topics, please visit *the GUESS Sustainability website*.

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

ETHICS AND INTEGRITY

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 the Guess?, Inc. Code of Ethics ("The Code"). The Code also applies to all facets of our business, guiding how we operate internally and externally with suppliers and business partners. The Code, which is used globally but with minor regional differences, is explained to all new associates at new-hire orientation and is publicly available on our *Investor Relations website*.

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. Internal audit conducts a global risk assessment annually which encompasses all 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.

TRANSPARENCY AND ASSURANCE

In 2016, we joined the *Global Reporting Initiative (GRI)'s GOLD Community* to demonstrate our commitment to transparently reporting our sustainability strategy and performance to stakeholders. We also opted into GRI's *Standards Pioneers Program* to adopt the latest international standards in sustainability reporting and enhance global comparability and quality of our sustainability report. This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Please see our GRI Content Index which specifies each of the GRI Standards and lists all disclosures included in the report.

In both our inaugural 2014 sustainability report and this current report, we hired an independent third party to review key metrics (identified throughout the reports with the '+' symbol) and ensure conformity with GRI. Please see our Independent Accountants' Report for more information.

INDUSTRY COLLABORATION

At the corporate level, we have been members of the *Sustainable Apparel Coalition (SAC)* since 2015, enabling us to leverage industry collaboration and tools, such as the SAC's *Higg Index Facility Environmental Modules* we use with our suppliers. At a regional level, Guess Europe is a member of *TICINOMODA*, a local industry association that brings together representatives of all the major fashion companies with headquarters in Ticino Canton (Switzerland). The aim of TICINOMODA is to promote and improve the fashion sector in the area through peer collaboration, dialogue with institutions, training opportunities and events. Guess Europe's Chief Financial Officer and Chief Administrative Officer is currently participating on the TICINOMODA members' committee.

GUESS also aligns with a number of other externally-developed sustainability initiatives identified throughout the report that are relevant to specific sustainability topics (see our *GRI Content Index* for a list of our external initiatives). As we develop our sustainability program, information on new memberships will be made available at sustainability.guess.com.

We joined the Global Reporting Initiative's GOLD Community and Standards Pioneers Program to enhance global comparability & quality of our sustainability report.



CUSTOMER EXPERIENCE

Our customers are at the heart of what we do, and caring for them means protecting their safety and privacy, and having an uncompromising approach to quality. We hope this care is reflected in the level of satisfaction our customers feel when they engage with GUESS.

Customer satisfaction

GUESS has a number of mechanisms for receiving customer feedback, communicating improvements, and rewarding our most loyal customers.

Guess Customer Care

For Guess US and Canada, we have a phone number widely advertised for easy access to our customer call center. For Guess Europe, this hotline is in the form of an online inquiry submission.

Guess Loyalty Program

In FY2017, for Guess US and Canada, we combined the loyalty program across brands so our customers could accumulate points more quickly, and spend at the store of their choice. We also offer surprise and personalized rewards on occasion, to show our appreciation to our most loyal customers. We coordinate between online and retail to ensure a seamless customer experience. Guess Europe also has a loyalty program with benefits across brands as well.

Direct customer interaction

GUESS associates go through rigorous and frequent training on customer communication, needs and latest trends. Associates in Guess US and Canada write daily reports that are submitted to managers and detail any customer feedback. If an issue requires immediate attention, there are a variety of ways the associates will take the issue up through their managers or to corporate as needed.

Guess app

Customers can chat with a stylist while shopping online or in store, track orders, sign up to the loyalty program, receive personal recommendations based on likes and dislikes as well as talk to a customer care representative. This has been launched in the US and is available in Apple Store and Google Play.

Social media

Our presence on [Instagram](#), [Facebook](#), [Pinterest](#), [Twitter](#), [YouTube](#) and [Snapchat](#) allows customers to provide direct feedback and receive information on inquiries related to product availability, issues, or special events.

Customer privacy

Protecting customers' personal and financial data is a priority for us. We use a multi-layer firewall to protect data and rigorous testing systems to ensure security of our customer's data. We protect customer information in accordance with the [Privacy Policy](#) set out on our website. In FY2016-2017 and at the time of publishing this report, there were no known breaches of our online information systems and customer databases.

Customer health and 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 center arrival. 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 [Chemicals Management](#).





empowering people

highlights

CREATING A GREAT PLACE TO WORK

- Completed **diversity assessment** for senior leadership and associates
- Launched **Leadership Development Program**
- New retail assistant manager positions were **>55% internal promotions**



GUESS Retail
Future Leaders

PROTECTING WORKERS IN THE SUPPLY CHAIN

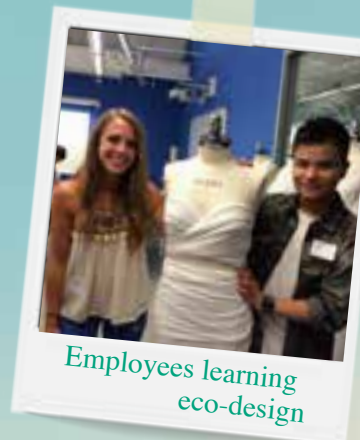
- Developed **supplier factory training** program and held 3 training sessions with over 75 participants total
- Expanded program to **Tier 2 fabric mill suppliers** with launch of training and auditing pilot project



Worker sewing
GUESS apparel

DEVELOPING SUSTAINABLE COMMUNITIES

- Launched **associate engagement program** and **sponsored sustainability classes** for students and associates
- Contributed more than **\$1.2 million to over 50 US non-profit organizations** through the GUESS Foundation
- Planned events for and provided **volunteer time and funds to more than 10 non-profit organizations** through employee-driven Guess Cares program



Employees learning
eco-design



Creating a great place to work

We owe our iconic brand and global presence to our passionate and talented associates, and we aim to create a great place for them to work. To do this, we focus on the following areas:

- Diversity and inclusion
- Associate attraction and retention
- Talent development and training

DIVERSITY AND INCLUSION

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 company culture throughout the business.

All associates have the right to work in an environment free from harassment or discrimination. We expect everyone to cultivate a fair and inclusive workplace, and promptly investigate and act on 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 with management or with human resources, while our global whistleblower hotline also enables associates to report unethical behavior or other potential conflicts.

Championing diversity and inclusion

OUR COMMITMENT: 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 to our business.

- 2021 GOALS:**
- Review and update current practices to ensure inclusive atmosphere and diversity throughout the organization.
 - Increase associate opportunities for global work experience.

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

- reviewing and updating current practices to ensure an inclusive atmosphere and diversity throughout the organization;
- increasing associate opportunities for global work experience through opportunities to work abroad as well as encouraging communication and collaboration between associates in different regions;
- expanding diversity education and training in the workplace;
- 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 strengthen our company culture of respecting and empowering all people.



**ASSOCIATES PER EMPLOYMENT CATEGORY*
BY AGE AND GENDER**

		FY2016	FY2017	
ASSOCIATES IN GUESS US & GUESS CANADA⁺				
MANAGEMENT	<i>By gender</i>	Female	82%	79%
	<i>(Retail Stores)</i>	Male	18%	21%
	<i>By gender</i>	Female	63%	65%
	<i>(Corporate)</i>	Male	37%	35%
	<i>By age</i>	Under 30	32%	41%
	<i>(Retail Stores)</i>	30 – 50	67%	58%
	Over 50	1%	1%	
<i>By age</i>	Under 30	5%	10%	
	<i>(Corporate)</i>	30 – 50	75%	72%
	Over 50	20%	18%	
<i>By gender</i>	Female	74%	72%	
	<i>(Retail Stores)</i>	Male	26%	28%
<i>By gender</i>	Female	68%	67%	
	<i>(Corporate)</i>	Male	32%	33%
NON-MANAGEMENT	Under 30	86%	88%	
	<i>By age</i>	30 – 50	13%	11%
	<i>(Retail Stores)</i>	Over 50	1%	1%
Under 30	27%	31%		
<i>By age</i>	30 – 50	49%	45%	
<i>(Corporate)</i>	Over 50	24%	24%	



**ASSOCIATES PER EMPLOYMENT CATEGORY*
BY AGE AND GENDER**

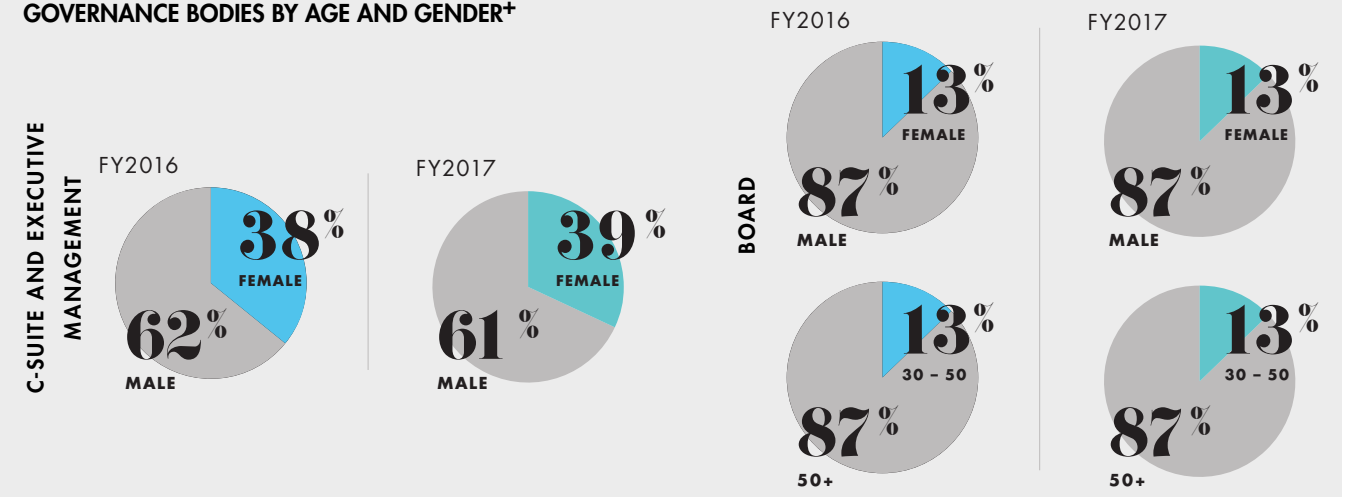
		FY2016	FY2017	
ASSOCIATES IN GUESS EUROPE⁺				
MANAGEMENT	<i>By gender</i>	Female	81%	82%
	<i>(Retail Stores)</i>	Male	19%	18%
	<i>By gender</i>	Female	54%	52%
	<i>(Corporate)</i>	Male	46%	48%
	<i>By age</i>	Under 30	32%	33%
	<i>(Retail Stores)</i>	30 – 50	68%	66%
	Over 50	0%	1%	
<i>By age</i>	Under 30	4%	4%	
	<i>(Corporate)</i>	30 – 50	90%	88%
	Over 50	6%	8%	
<i>By gender</i>	Female	87%	88%	
	<i>(Retail Stores)</i>	Male	13%	12%
<i>By gender</i>	Female	73%	69%	
	<i>(Corporate)</i>	Male	27%	31%
NON-MANAGEMENT	Under 30	71%	59%	
	<i>By age</i>	30 – 50	29%	40%
	<i>(Retail Stores)</i>	Over 50	0%	1%
Under 29	29%	19%		
<i>By age</i>	30 – 50	66%	75%	
<i>(Corporate)</i>	Over 50	5%	6%	

		FY2016	FY2017	
ASSOCIATES IN GUESS ASIA				
MANAGEMENT	<i>By gender</i>	Female	74%	89%
	<i>(Retail Stores)</i>	Male	26%	11%
	<i>By gender</i>	Female	62%	57%
	<i>(Corporate)</i>	Male	38%	43%
	<i>By age</i>	Under 30	44%	46%
	<i>(Retail Stores)</i>	30 – 50	56%	54%
	Over 50	0%	0%	
<i>By age</i>	Under 30	8%	13%	
	<i>(Corporate)</i>	30 – 50	82%	85%
	Over 50	10%	2%	
<i>By gender</i>	Female	84%	89%	
	<i>(Retail Stores)</i>	Male	16%	11%
<i>By gender</i>	Female	73%	75%	
	<i>(Corporate)</i>	Male	27%	25%
NON-MANAGEMENT	Under 30	77%	71%	
	<i>By age</i>	30 – 50	22%	29%
	<i>(Retail Stores)</i>	Over 50	0%	0%
Under 30	26%	38%		
<i>By age</i>	30 – 50	72%	60%	
<i>(Corporate)</i>	Over 50	2%	2%	

ASSOCIATE ETHNIC DIVERSITY⁺



GOVERNANCE BODIES BY AGE AND GENDER⁺



* Employment category refers to a breakdown of associates by level (management and non-management) and function (retail and corporate).

ASSOCIATE ATTRACTION AND RETENTION

We believe that the entrepreneurial spirit on which Guess?, Inc. was founded is the basis of our success. This entrepreneurial spirit lives on today as we empower associates to take ownership of their work and pursue new ideas. To recruit and retain talented individuals that are a good fit within our company culture, 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 United States, we offer full-time and eligible part-time associates medical, dental and vision coverage, flexible spending accounts and 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, disability coverage, adoption and parental leave, retirement provisions, life insurance, bonus plans and lunch allowances. GUESS offers discount cards to all associates.

Wellness program

Our Guess US 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, healthy cooking demonstrations or nutrition seminars, optional medical physical exams, and meditation classes.

Dedicated walking groups are a popular part of the program with small groups taking walks at 15-minute intervals and earning points during their lunch, morning and afternoon breaks. To support healthy food choices, the GUESS Café at our headquarters provides fresh lunch options at discounted prices. We also have a fully equipped gym at our headquarters campus offering an extensive line-up of workout equipment and daily classes in activities like cycling and yoga. We further expanded the program in FY2017 by launching a pilot partnership with HealthCheck360 to bring free biometric screenings with detailed health reports on site for associates, and providing a web portal for personalized health management.

Based on the success of the GUESS Wellness Program in Los Angeles, we launched similar programs at the corporate level at our Kentucky distribution center and New York showroom. Associates at these locations are embracing healthier lifestyles and earning the company local awards for the program's success.

Attracting talented students

We aim to attract, educate and retain talented students right out of college. Below are two examples of programs we have developed to give students on-site work experience:

Leadership Development Program – Guess US has a six-month rotational program for top college students to work in different departments and learn all aspects of the business, both in the field and in the corporate setting. Upon program completion, the student may receive an offer for full-time employment based on personal preference and company need.

GUESS Internship Program – Guess US offers a ten-week summer program for talented students to gain hands-on experience in the fashion industry. Program highlights include industry insider discussions with different Guess departments and experience creating customized denim jeans at a local denim laundry. Our Internship Program has launched many successful careers, with our top performing interns often finding immediate or eventual employment at Guess?, Inc.



Associate recognition

While the retail industry experiences higher staff turnover than most, we consistently explore new opportunities to promote long-term retention. In Guess US and Guess Canada, we foster store-level, as well as peer-to-peer recognition through the following programs:

- 1. Top Team by District** – recognizes the top performing store in each district every month.
- 2. Performer of the Month** – recognizes top performing retail associates in each store, district and region every month.
- 3. Corporate Recognition Program** – encourages peer-to-peer appreciation and awards excellent performance with company-wide recognition and gifts.

More recognition programs are currently in development to build upon the positive response from our associates.



TALENT DEVELOPMENT AND TRAINING

Developing our people is a top priority for GUESS because we know that our success depends on having a talented, confident and motivated workforce. To continuously engage our associates, 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. Our global training programs include the following topics:

- Leadership development
- Coaching and delegation
- Goal setting
- Communications
- Customer service
- Industry and product knowledge
- Compliance
- Online privacy
- Career paths and professional development
- Recruitment
- Foreign language skills
- Team building
- Time management
- Sales
- Safety and occupational risk prevention
- Excel
- Manager d'Univers Marchand (official Retail Store Manager certification in France)

Additional topics are added to the library every year. By 2018, our e-Learning platform will be expanded to cover a broad range of topics including career development at GUESS, the Employee Stock Purchase Plan (GUESS US only), and safe practices in the workplace.

We aim to inspire actionable results, peer-to-peer learning, and opportunities for leadership and coaching across the company. In addition, 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 – a six-month program developed in FY2016 to support new US managers learning leadership skills such as effective communications, coaching, conflict resolution and teambuilding through instructor-led sessions and on-the-job activities. In FY2016-2017, 65 managers participated in the program.

Because of our Future Leaders Program, >55% of new retail assistant manager positions came from internal promotions rather than external hires

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 results in-store. 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 US 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. From FY2016 to FY2017, over 55% of our new assistant managers were promoted internally as a result of this program.

Career Development Plans – launched in FY2016 for all retail positions in the US, Career Development Plans provide associates with step-by-step guidance, checklists and e-Learning resources that help associates understand how to advance to the next level in their careers.

In addition to the training programs described above, we created a **Top Talent Program** in the US to recognize exceptional district managers, as well as a **Senior Training Managers Program** to support the consistent roll out of corporate training programs in the field.

We also provide **tuition reimbursement** for approved external courses that nurture professional growth at our Los Angeles headquarters. Through these training programs, we are developing the future leaders of the fashion industry and ensuring they will be able to thrive in a fast evolving market environment.



Protecting workers in the supply chain

We share a connection with the people around the world who farm the cotton, work in the mills, or cut and sew our garments with such skill and dedication. GUESS has had a longstanding commitment to sourcing apparel and accessories in a responsible manner.

AN OVERVIEW OF OUR SUPPLY CHAIN

Most of our apparel is designed at GUESS, with the finished items manufactured and delivered by our suppliers. 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	FY2015**	FY2016	FY2017
China	Asia	42.6%	47.1%	46.9%
Guatemala	C. America	10.7%	12.6%	12.5%
India	Asia	10.0%	10.4%	7.7%
Bangladesh	Asia	<1.0%	<1.0%	5.8%
Vietnam	Asia	4.1%	4.6%	5.1%
Mexico	C. America	7.8%	5.6%	3.2%
Italy	Europe	1.7%	1.6%	3.1%
Turkey	Middle-East	2.8%	3.0%	2.5%
Tunisia	Africa	2.6%	2.1%	2.4%
Indonesia	Asia	3.0%	3.0%	2.4%
US	N. America	3.0%	2.2%	1.7%
Peru	S. America	5.3%	2.5%	1.6%
Other		<6.4%	<5.3%	<5.1%

Improving transparency and social responsibility

OUR COMMITMENT: We will continue to expand and strengthen our supply chain corporate social responsibility program, striving for improved transparency, training and oversight to protect the safety and dignity of people making our clothes.

2021 GOALS:

- Complete and publicly release a multi-tier supply chain map.
- Strengthen vendor training program and civil society participation.

In FY2016-2017, we also sourced apparel from the following countries (<2% from each country):

Europe – Albania, Bulgaria, Macedonia, Portugal, Romania, Spain, United Kingdom, Kosovo

Asia – Cambodia, Pakistan, Philippines, Sri Lanka, South Korea, Thailand, United Arab Emirates

Africa – Mauritius, Morocco, Kenya, Madagascar

South America – Colombia

*Jewelry and accessories directly sourced by Guess Europe only. Accessories include jewelry, handbags and footwear.

**Calendar Year 2014 data is used for FY2015 performance. For more information please see [About this Report](#).

We are committed to expanding and strengthening our supply chain management program through improved oversight, capacity building and transparency. To achieve our goals, we maintain skilled sourcing teams in North America and Europe, and work to foster long-term relationships with our suppliers — some of which span over a decade. We believe that a balanced global supply chain, with deep supplier partnerships, provides us with a competitive advantage and the flexibility to respond to increased demand throughout the world.

IMPROVING TRANSPARENCY AND SOCIAL RESPONSIBILITY

As a condition of doing business, GUESS requires that suppliers comply with all applicable laws in the country in which the merchandise is manufactured. However, we believe that issues of business ethics, human rights, health, safety and environmental stewardship transcend geographic boundaries and we recognize that some countries have more stringent regulations than others. Therefore, in recent years we have evolved our Social Compliance Program to take a more proactive approach to supply chain management by focusing on supplier education and training, sharing best practice resources, action planning and continuous improvement.

To further ensure the protection of workers, GUESS has adopted and issued a detailed Supplier Code of Conduct and Global Sourcing Vendor Manual, which covers human rights; health and safety; labor, ethics and decent work; and payment and administrative issues in the supply chain. These standards are the foundation of our Social Compliance Program, which is administered through our Corporate Social Responsibility office. We ensure conformance with the standards by focusing on four core areas:

- Supplier factory approvals
- Supplier education
- Supplier factory monitoring
- Remediation

Supplier factory approval

Before a supplier factory is authorized to work with GUESS, the supplier factory's management must review and sign our Supplier Code of Conduct. In addition, 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.

For supplier factories located in high risk areas, an initial social compliance audit must also be conducted in accordance with the GUESS Supplier Code of Conduct. These audits not only assess compliance, but are also a key way for us to engage and educate new suppliers on our standards and create the groundwork for strong relationships based on continuous improvement.



Supplier education

We have developed a supplier factory training program to increase supplier awareness and understanding of the Guess?, Inc. Code of Conduct, with the goal of preventing social and environmental issues before they occur. The program emphasizes taking a collaborative approach to capacity building through performance gap analysis, root cause identification and training.

During FY2016-FY2017 we held three formal training sessions in China, where we source nearly 50% of our products. One training was for key fabric mills and our internal fabric sourcing and audit teams, and the other two were for strategic suppliers, agents and factories, with a total of over 75 participants in all. The Guess?, Inc. Vendor Summit in Hong Kong culminated the series, providing updates on our social compliance program to key suppliers.

Supplier factory monitoring

The ongoing monitoring and auditing of supplier factories is a fundamental component of our global Social Compliance Program. We assess finished product manufacturing factories, excluding licensee and private label vendor factories, for compliance with our Supplier Code of Conduct on a regular basis. The frequency of audits is determined by a supplier or specific supplier factory's compliance history and assessed level of risk. To conduct audits, we use internal or accredited third-party

auditors that reflect our standards outlined in the Supplier Code of Conduct. In addition, the Social Compliance Team conducts oversight audits on a regular basis at key supplier factories.

Frequently, we require suppliers to purchase fabric from specific mills selected by GUESS ("nominated" mills). In FY2016, we expanded our audit program beyond Tier 1 suppliers from which we source directly to include key Tier 2 nominated fabric mills. These nominated mills have undergone several audits and are engaged in the corrective action plan process.

For facilities located in areas where a high level of risk has been identified, we take extra precautions to ensure adherence to standards. For example, in some cases, we have certified fire, health and safety, and building structure auditors regularly visit factories, in addition to standard monitoring. In Guess Europe, we developed a new approach to focus on auditing key suppliers based on volume of goods purchased and the risk level determined at both the factory and country level.

Guess US has also conducted security audits of its overseas factories as part of the *Customs-Trade Partnership Against Terrorism (C-TPAT)* program since 2006. 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.

Industry Collaboration to Improve Factory Monitoring and Remediation

We believe that a collaborative approach to addressing systemic social challenges within the industry will produce more sustainable solutions. For the last several years, we have reached out to like-minded brands using the same garment factories to share audits and coordinate remediation efforts. Working together with a consistent approach improves the efficiency and effectiveness of supplier factory 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. For example, we accept factory certificates issued by the non-profit Worldwide Responsible Accredited Production (WRAP).

Audit findings

In FY2017, 372 audits were conducted for 354 supplier factories globally covering labor, health, safety and environmental compliance. Thirty-four percent (34%) 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 SA8000, or by select, like-minded peer companies accounted for the remaining 66% of audits.

SOCIAL COMPLIANCE AUDITS OF SUPPLIER FACTORIES+

AUDIT TYPE	FY2015*	FY2016	FY2017
Total Number of Audits			
	317	410	372
GUESS Supplier Code of Conduct Audits			
GUESS auditor	7%	2%	3%
External auditor	46%	36%	31%
Industry Partner Audits			
Third-party certification auditor	35%	36%	43%
Peer Auditor	12%	26%	23%

*Calendar Year 2014 data is used for FY2015 performance. For more information please see About this Report.

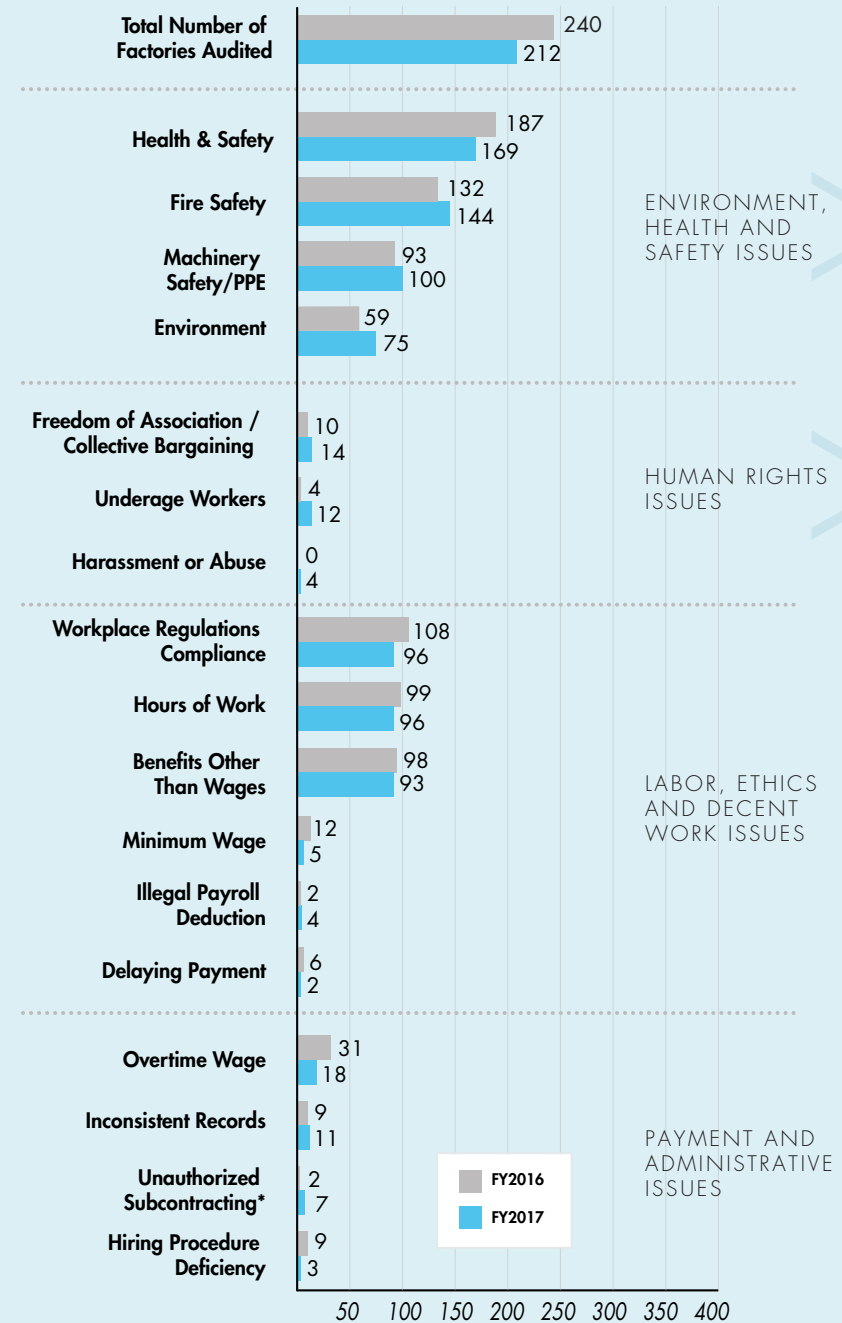
Remediation

We believe that remediation of issues is preferable to terminating relationships with suppliers. Many improvement opportunities or noncompliance issues reflect wider social conditions in developing countries such as a culture of excessive working hours or local labor shortages. In these cases, it can take time for supplier factories to address environmental and social issues.

We work with our supply chain partners to build trusting relationships where compliance issues can be discussed openly and remedied in collaboration. When issues cannot be addressed immediately, we work closely with suppliers, and sometimes factories directly, on the remediation process which includes root cause analysis, goal setting and corrective action planning, follow-up and on-site training. Fifty-nine percent (59%) of audited suppliers in FY2016 and 56% in FY2017 were issued corrective action plans. Several factors contribute to these numbers, including changes in the supply chain and our auditing program's increased focus on higher risk areas. However, we do not overtly aim to reduce this number as we want to encourage open dialogue and transparency. Therefore we will continue to focus on preventing issues before they occur by improving the frequency and effectiveness of supplier trainings and working with suppliers on improved working environments and management systems.

Because the type and frequency of these issues have remained relatively consistent over the last three years, we are continuing to broaden the scope of our social compliance program to create tangible improvements for workers. Please refer to the *Looking Forward* section on page 43 for a summary of our planned next steps.

NUMBER OF SUPPLIER FACTORIES REPORTING COMPLIANCE ISSUES+



The most frequently cited compliance issues identified by audits of supplier factories were health and safety, fire safety, machinery safety, working hours, and local workplace regulation compliance. Examples of industry health and safety issues – the most commonly cited compliance challenge – include availability of first aid kits, chemicals management, and hygiene and sanitation.

Issues identified under “underage workers” were related to inappropriate policies or procedures, or employment of young workers that may legally work in their home country but are not legally adults according to global standards.

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

GUESS SOCIAL COMPLIANCE PROGRAM:

Show-stoppers

On occasion, 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 seven supplier factories from our supply chain in FY2016, and eliminated another seven in FY2017 due to show-stopper non-compliances, representing less than 2% of our total 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



LOOKING FORWARD

We rely on many suppliers around the world to make our clothing and accessories while helping to control costs, improve quality, and operate in a responsible and sustainable way. It is a complex system that requires collaboration and continuous improvement of our sourcing policies, monitoring systems, education programs, and remediation practices. Going forward, we aim to do the following by 2021:

- Complete a multi-tier supply chain transparency map;
- Strengthen auditing program for Tier 2 supplier factories (e.g. mills);

- Strengthen our supplier training program by increasing the number of sessions conducted, as well as the quality and format of the training;
- Develop partnerships with local Civil Society Organizations in key supplier regions to improve our positive impact on the workers, families, and communities; and
- Publicly report our progress.

CONFLICT MINERALS SUPPLIER REQUIREMENTS

The mining of “conflict minerals” – tantalum, tin, tungsten, and gold – from the Democratic Republic of the Congo and the surrounding region has contributed to violence and human rights violations. 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 adopted a comprehensive [GUESS Conflict Mineral Policy](#) in FY2015 in support of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Companies that supply or manufacture components, parts or products for GUESS containing conflict minerals are expected to purchase those minerals from socially and environmentally responsible sources that do not directly or indirectly contribute to conflict, as per our policy. In addition, suppliers are also encouraged to support industry efforts to enhance transparency and traceability in the supply chain.



Developing sustainable communities

Guess is committed to doing its part to advance sustainable development by working to integrate sustainability into our organizational culture and engage with customers and communities to address their most pressing social and environmental challenges. To date, our programs have focused on:

- Promoting sustainability education and engagement for our associates, customers and communities
- Creating positive social change in our communities through the GUESS Foundation
- Volunteering and giving back to the community through the Guess Cares program
- Partnering with Good360® to facilitate product donations to community-based non-profits

PROMOTING SUSTAINABILITY EDUCATION AND ENGAGEMENT

Sustainability education

We aim to create diverse sustainability learning opportunities for associates and engage them in fun and interactive ways. Below are two examples of our academic partnerships that support the continuous development of sustainability-related skills, knowledge and experience:

Promoting sustainability education and engagement

OUR COMMITMENT: We will harness the creativity and passion of our retail and corporate associates through learning and collaboration to address our environmental and social challenges. We will also engage with our customers and communities to support solutions to their sustainability challenges.

- 2021 GOALS:**
- Create global opportunities for sustainability education for our associates, and sustainability engagement for our customers and community.

Smart E-Fashion – This course was developed for the fashion industry by the *Ticinomoda Association* in partnership with the *Department of Innovative Technologies* (University of Applied Sciences and Arts of Southern Switzerland, or SUPSI). In FY2017, Guess Europe enrolled five associates in the course to earn a Certificate for Advanced Studies. The one-year course is structured into four modules related to the future world of fashion: corporate social responsibility, new technologies, supply chain, and data mining.

Sustainable Product Lifecycle Course – Guess US partnered with the *Fashion Institute of Design & Merchandising (FIDM)* in Los Angeles to sponsor a new class on ‘The Sustainable Product Lifecycle’. The class was offered in both Summer and Winter FY2017 at no cost to students selected through a competitive application process. While the primary goal of the class is to inspire the next generation of students to embrace sustainable fashion and design, it is also open to GUESS US associates – with approximately 50 attending at least one class session between July and September 2016. The course explores the environmental and social impacts of products from field to consumer and encompasses a variety of topics including eco-friendly textiles, embedding sustainability thinking into product development processes, and post-consumer care.



Associate engagement

Our associate engagement program at the Guess US and Guess Europe corporate offices aims to inspire a global mindset and culture of sustainability beyond the job requirements. We believe increasing awareness on environmental and social issues and engaging associates in fun and interactive ways is key to advancing the company's sustainability goals and enhancing the overall company culture.

Our associate engagement program was officially launched in FY2017 and is regionally implemented. In the US, it's implemented through an associate action committee, and in Europe it is integrated into the region's larger associate engagement program. We foster engagement on sustainability through several programs, communication channels and special events to inspire and connect with associates.



Locally sourced lunch at Guess Europe Earth Day

Earth Day – On April 22, 2016, GUESS celebrated its first Earth Day to encourage dialogue on environmental issues and remind everyone how daily decisions – things like purchasing local products, turning off lights and computers, or carpooling to work – can help protect the planet.

Speakers & Events – In 2016, GUESS US invited guest speakers to present on various sustainability topics such as responsible textile sourcing and our local *City of Los Angeles Sustainability pLAn*. We also hosted several farmers' markets to connect associates with local communities and healthy food, and held a fashion EXPO with the Fashion Institute of Design and Merchandising (FIDM) as part of our sponsored *Sustainable Product Lifecycle Course*. In Guess Europe, we offered special movie screenings exploring the science behind climate change as well as other educational campaigns.



Our sustainability class at FIDM



EV charging station at Los Angeles headquarters

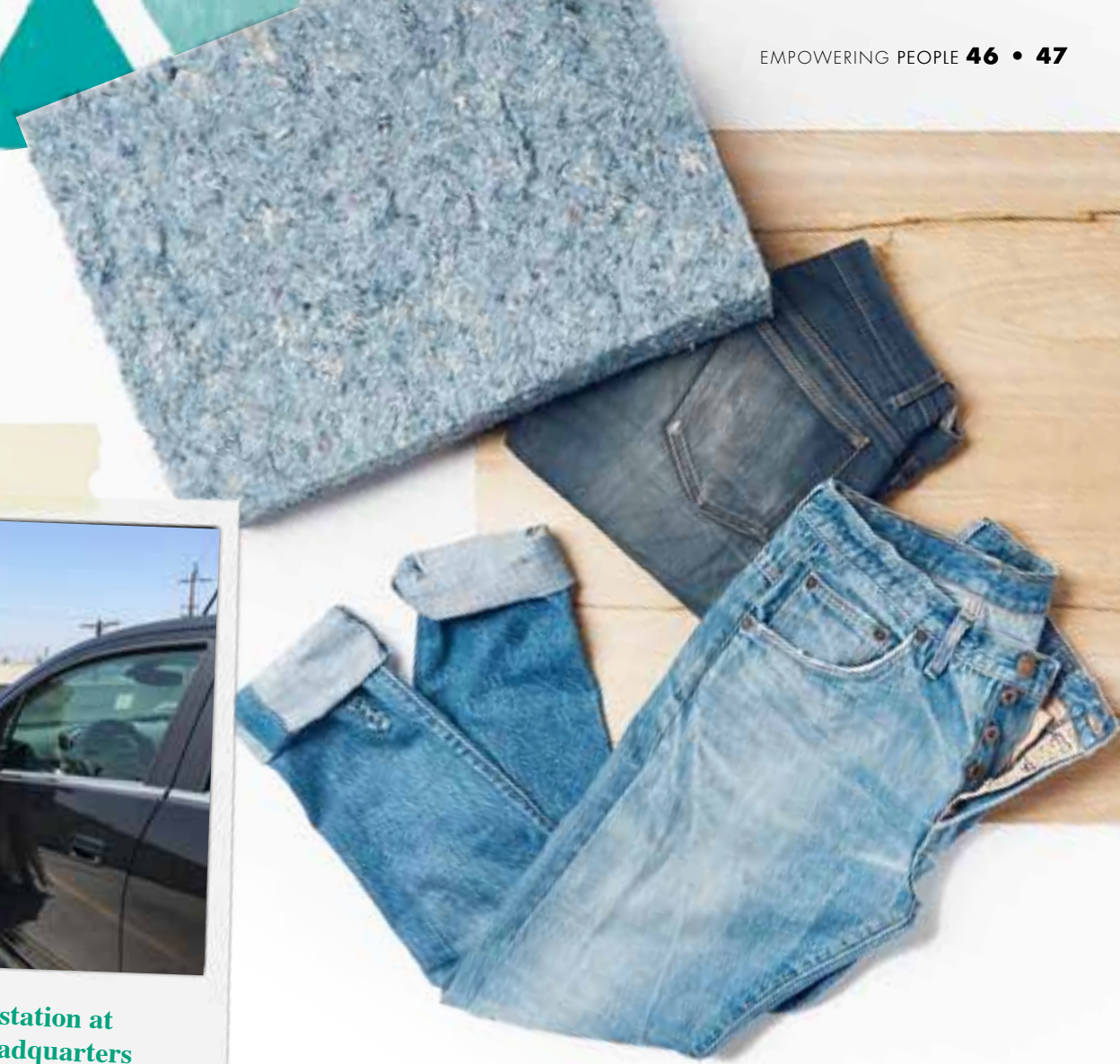
Electric Vehicle Charging Stations – available at no cost for associates to further encourage clean transportation at the Guess US headquarters in Los Angeles.

Green Mobility Program – launched by Guess Europe to encourage greener commuting, the Green Mobility Program offers discounts on public transport and reserves parking spots for associates who carpool to work.

Ride Share Program – offers incentives to Guess US associates for carpooling, taking public transit, and even cycling to work, and provides zip code matching for anyone wishing to carpool to work.

Denim Take Back – to support and spread awareness of the *Blue Jeans Go Green™ program* at our Guess retail stores across North America, our Guess?, Inc. headquarters in Los Angeles collected hundreds of denim jeans from our associates to participate in the program.

Through these and other initiatives, we will continue to challenge our associates to think about how they can make the world a better place by incorporating sustainability into their daily routines.





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 and promote our belief that every person deserves an equal chance to live the life he or she desires. After more than 20 years of community work, the GUESS Foundation has become an integral part of the GUESS culture and vision, and in FY2016 we expanded to create Guess Foundation Europe.

Charitable contributions

The GUESS Foundation contributed more than \$1.2 million to over 50 US non-profit organizations in FY2016-2017. Peace Over Violence for Denim Day, Safe Kids Worldwide, Autism Speaks, and The Rape Foundation are just a few examples of the recipients advocating for a wide array of important issues.

The GUESS Scholars Program, a partnership between the Fashion Institute of Design & Merchandising (FIDM) and the GUESS Foundation, also continues to be a highlight. Every year, the program grants two outstanding FIDM students a scholarship covering full tuition for the academic year.

GUESS Scholars program

“The GUESS Scholars Program changed my life! Not only did GUESS provide me with the opportunity for a high quality education at the Fashion Institute of Design & Merchandising (FIDM) in Los Angeles, but they also taught me first-hand design experience when I was a student in the GUESS Internship Program. Since then, many doors have opened for me. My work on printed garments with the Marciano team got me recognized in FIDM’s DEBUT 2016 Runway Show, and I was also chosen to participate in the 2016 Annual Supima Design Competition at New York Fashion Week. Talk about exciting! Thank you GUESS for investing in my future.”

DUSTON JASSO

GUESS scholarship recipient and student of GUESS Internship Program



“Violence against women is a global crisis. It is estimated that more than a billion women, or one in every three women worldwide, will experience physical or sexual violence in their lifetime. To spread the message of peace over violence, we partnered with GUESS to develop Denim Day, an educational awareness campaign to prevent sexual violence for women and men of all ages. GUESS is the first major fashion brand to join the conversation and we applaud them for their support! As the Official Fashion Sponsor of Denim Day for the past 3 years, GUESS has been integral to bringing the message of rape prevention mainstream.”

PATTI GIGGANS

Executive Director, Peace Over Violence and Founder of Denim Day USA

Denim Day

Denim Day, first hosted by the GUESS Foundation in FY2015 to support survivors of sexual assault and raise awareness of sexual violence, has grown exponentially to become one of our flagship events. Started in 1999 by LA-based nonprofit Peace Over Violence, the GUESS Foundation, along with Guess?, Inc., have been the Official Fashion Sponsors for the past three consecutive years. GUESS is proud to be the first major fashion brand to commit to the movement against sexual violence.

In FY2016, GUESS Foundation Europe expanded the campaign internationally in partnership with *The Circle Italia*, a group of women fighting poverty and injustice through fundraising and awareness, and created Denim Day Europe.

In FY2017, we focused on designing the event to be accessible to everyone, everywhere and encouraged people to take action to prevent rape and all forms of sexual violence. During the lead up to Denim Day, community members, elected officials, businesses and students were invited via a variety of communication channels, including a strong social media and experiential platform, to show solidarity with the cause by wearing jeans. We held a press event and participated in a fundraiser, all of which contributed to this message reaching hundreds of millions of people.

EMPOWERING PEOPLE 48 • 49

In addition to the awareness campaign, Guess US and Guess Canada contributed 10% of net profits on denim and select accessories sold between April 20 and 25, 2015 to the Guess Foundation, which then donated these proceeds to Peace Over Violence. Guess Europe contributed 10 Euros per denim pair sold in Italy and Spain between May 13 and 29, 2016 to Guess Foundation Europe. Guess Foundation Europe then donated these funds to Italian charity *D.i.R.e. Women’s Network against Violence*, whose centers provide support to women and children who are victims of violence, and Spanish nonprofit *Ana Bella Foundation*, whose peer-to-peer support networks of women survivors empowers formally abused women to become changemakers while encouraging victims to reach out.

Fundraising for victims of Italy earthquake

After the devastating earthquake that hit Italy on August 24, 2016 and badly damaged several villages, GUESS activated a fundraising campaign in GUESS Europe stores as well as on online where 5€ of each transaction was donated to the Guess Foundation Europe, which in turn donated the proceeds to the non-profit organization *WeWorld Onlus*. In total, the campaign raised €100,000 to support the affected communities.





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 and give back to the community. This associate-driven initiative harnesses the collective expertise, passion and enthusiasm of our associates to come together and work on social projects that have a meaningful impact. Every year we support a wide range of community initiatives that reflect the diversity of our associates and the issues they care about.



Examples of our many community partners and initiatives:

- Knit scarves every Thursday for troops overseas through *Operation Gratitude*
- Lemonade stands in the cafeteria supporting *Alex's Lemonade Stand Foundation* for childhood cancer
- Blood drives for the *Children's Hospital Los Angeles*
- Handmade blankets for *Soldiers Angels* and *Veterans Affairs Hospitals* knitted by our 'Hands to Hearts' crochet group
- Participate in *Denim Day* campaign for *Peace over Violence*
- Prepare dinner for families at the *Ronald McDonald House*
- Food baskets at Thanksgiving and toy drives at Christmas for local community members
- Special events for foster children placed in the *Violence Intervention Program (VIP)* at Los Angeles County General.
- Support annual 100-mile cycling event in support of *Best Buddies International*
- Raised thousands of dollars to donate to the *National Compassion Fund* and *Equality Florida* in honor of the victims of the 2016 Orlando Pulse Nightclub shooting and in support of the Lesbian, Gay, Bisexual, Trans and Queer (LGBTQ) community.
- Organized fundraisers for the *Los Angeles Food Bank*, *Make-A-Wish Foundation*, *Autism Speaks*, and many more.

Over the years, giving back has been an integral part of the company culture and the way GUESS does business. Many associates have told us that the GUESS Cares program helps them feel connected to a shared, greater purpose while simultaneously providing a fun team building experience and developing stronger communities.

Good 360®

Choosing from their network of more than 40,000 organizations, Good360® facilitates partnership and product donations between local stores and community-based non-profits. Since FY2015, Guess US and Guess Canada donated more than 290,000 items with a total retail value of nearly \$19 million through Good360®, which coordinated the distribution of items across hundreds of organizations focused on human services, community development, and arts and education.



DONATIONS THROUGH GOOD360®

<i>Women's Apparel</i>	# of Units	72,688	73,389	57,299
	Retail Value**	\$5,085,020	\$5,481,986	\$3,406,807
<i>Men's Apparel</i>	# of Units	16,988	15,977	26,176
	Retail Value	\$1,017,230	\$946,361	\$2,125,188
<i>Footwear</i>	# of Units	3,157	3,270	3,509
	Retail Value	\$106,287	\$112,533	\$237,787
<i>Kids</i>	# of Units	2,984	2,377	3,011
	Retail Value	\$75,921	\$67,192	\$82,003
<i>Accessories***</i>	# of Units	4,809	1,664	4,876
	Retail Value	\$71,232	\$55,704	\$112,481
<i>Other****</i>	# of Units	271	174	16
	Retail Value	\$160	\$268	\$984
Grand Total	# of Units	100,897	96,851	94,887
	Retail Value	\$6,355,850	\$6,664,044	\$5,965,250

* Calendar Year 2014 data is used for FY2015 performance. For more information please see *About this Report*.

** Original retail value

*** Accessories for Guess US and GUESS Canada includes handbags, jewelry, belts, and any other non-apparel items sold in stores.

**** Other includes Gift with Purchase and Giveaways

"Guess and Good360® teamed up in September 2006 to create a donation program aimed at helping transform lives through the distribution of high-quality clothing items to those in need in hundreds of local communities across North America. Our member nonprofits rely on the strategic and thoughtful giving of partners like Guess to fulfill their own local missions and to help elevate the quality of life of those they serve."

HOWARD SHERMAN

CEO of Good360



protecting the environment highlights



From the eco-collection

MAKING SUSTAINABLE STYLE SEXY

- Released the brand's first eco-collection—#GuessEco
- Pledged to a Circular Fashion System with the Global Fashion Agenda
- Reused and recycled products that were unsold to reduce waste to landfill



Cotton makes up 50% of our materials

MANAGING ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

- Banned angora fibers from GUESS collections
- Created our company's first Denim Water Footprint and Lifecycle Assessment
- Solicited top vendors, over 20% by volume, to complete industry's Higg Index environmental assessment



Efficient store lighting

GREENING OUR OPERATIONS

- Calculated our first global carbon footprint in FY2016
- Scope 1 and 2 carbon emissions per square foot reduced by 8%
- Diverted 90% of cardboard waste from landfill at our largest distribution center

Making sustainable style sexy

We believe clothing can be sustainable AND sexy, and we strive to consider both in the way we design, sell, and take back our products.

PRODUCT STEWARDSHIP

Guess Europe eco-collection

In FY2017, Guess Europe released the brand's first eco-collection called #GuessEco, which was sold starting in Spring/Summer '16 and created using production methods with reduced environmental impact. Sustainability attributes of this collection included:

- An average 57% water use reduction through a more efficient washing process during production.
- Our suppliers used Jeanology™ machines and innovative chemicals that require minimal use of water. This translates into using 20-50 liters less water for each garment.

Ensuring stewardship of products throughout the life cycle

OUR COMMITMENT: We recognize the role we have in creating a more sustainable fashion industry, and will collaborate with other industry stakeholders to extend product life and recycling, and prioritize responsible chemicals management.

2021 GOALS:

- Fulfill our pledge to advance towards a circular fashion system.
- Assure adherence to and continuously improve our global List of Restricted Substances and Materials.

- Energy and carbon footprint reduction resulting from new technology and decreased water use.
- Internal linings of garments made from polyester with 30% recycled content.

The results of the above analysis, which was conducted by the garment manufacturer, were verified in person by GUESS' internal CSR team.





Partnerships to Reuse and Recycle Unsold Goods

I:CO®, short for I:Collect, is a respected global solutions provider for product take-back, reuse and recycling. One of its services is I:CO Blue that provides retailers and manufacturers an environmentally conscious way to keep their unwanted, unsold branded clothing and shoes in use for as long as possible. This reduces the need for virgin raw materials and helps protect the environment by reducing waste and preserving valuable resources like water.

In FY2017, Guess Europe created a new partnership with I:CO utilizing the I:CO Blue service, where leftover and defective goods as well as returned products were collected from the third-party Guess Europe Distribution Center in Piacenza, Italy. This amounted to 49.6 tons (45 metric tonnes) of clothing, shoes and handbags being diverted from the landfill in 2016. I:CO transported these goods to a facility owned by its parent company, the SOEX Group in Germany, where they were sorted and categorized. Items in good condition were sold on the second-hand market, and those that could not be sold were recycled for further garment production or other uses. Through this process, 80% of the Guess Europe goods collected by I:CO were given a second life.

Good360®, mentioned in the ‘Developing Sustainable Communities’ section of this report, provides another example of how unsold Guess products are donated to non-profit organizations to reduce waste and benefit our local communities.

Blue Jeans Go Green™

From August 16 – October 1, 2016, Guess US and Guess Canada retail stores promoted the *Blue Jeans Go Green™* denim recycling program. Customers who recycled their used denim clothing (both GUESS and non-GUESS branded) helped to convert denim into UltraTouch™ Denim Insulation for organizations such as Habitat for Humanity, which builds houses for communities in need. Since its

launch in 2006, Blue Jeans Go Green™ has collected over one million pieces of denim and diverted over 600 tons of denim from landfills.

During the Guess North America campaign, a variety of media channels were used to engage customers on the importance of recycling and donating clothing.

Circular fashion system

In FY2018 (June 2017), Guess joined the Global Fashion Agenda’s Pledge to a *Circular Fashion System* to demonstrate its commitment to advancing ‘circularity’ in the fashion industry. Circularity encompasses the idea that fashion should last, and be continuously reused, repurposed and recycled to minimize environmental impacts caused by use of virgin raw materials and apparel waste. Guess will expand its customer take-back programs and partnerships – the first step to “closing the loop” in fashion – and will announce a new program in support of our pledge in 2017.

Chemicals management

As the safety of our supply chain workers and consumers are at the heart of everything we do, we are working to actively manage the chemicals that are used in our supply chain and incorporated into our products. We are currently developing a Global List of Restricted Substances and Materials compliant with EU REACH and other countries’ stringent standards, and plan to publicly release the list in 2017. By requiring our suppliers to comply with this list, we will reduce environmental, health and safety risks and ensure our products meet customer expectations.



“GUESS’ partnership with Cotton Incorporated’s Blue Jeans Go Green™ program is a representation of what our brand believes in, which is preserving the environment and protecting its future. GUESS’ Fall Denim Recycling Program will provide our customers and the community with the resources to make a positive change.”

VICTOR HERRERO

Chief Executive Officer & Director, Guess?, Inc.



Managing environmental impacts in the supply chain

Our products are manufactured by a network of suppliers around the world. To understand and help reduce our suppliers' environmental footprint, we focus on areas where we can have the largest impact and influence:

- Responsible sourcing
- Water stewardship
- Supplier environmental assessments

RESPONSIBLE SOURCING

We make our products from a variety of natural and man-made materials. Cotton, the primary material used in denim, accounts for over half of the materials used by GUESS (see our Denim Water Footprint for more information). Synthetic materials such as nylon, polyester and spandex is the second largest category.

Rayon, our third largest category, is a cellulosic material made from wood. With many forests around the world under threat, we have established a company policy to trace the origin of the rayon in our products and to implement a system to eliminate rayon sourcing from any currently endangered forests.

While cotton and rayon sourcing will be important areas for action in coming years, in FY2017 we focused on removing angora from our supply chain. As GUESS Chief Executive Officer Victor Herrero put it, "while in the past, GUESS worked to ensure the small amount of angora used was ethically sourced, we feel the decision to eliminate angora moving forward is just the right thing to do."

Using responsibly sourced materials and being good water stewards

OUR COMMITMENT: The GUESS brand was founded on denim, a material reliant on water from cotton growing to fabric washing to customer care. GUESS will focus on responsible materials sourcing and water stewardship in production.

- 2021 GOALS:**
- Improve responsible raw material sourcing practices.
 - Implement a Water Management Action Plan to be disclosed in 2018.

GUESS MATERIALS OVERVIEW (by units purchased)**

MATERIALS OVERVIEW	FY2015**	FY2016 Total	FY2017 Total
RENEWABLE FIBERS			
Cotton	60.35%	52.60%	50.28%
Leather	1.46%	1.30%	1.53%
Angora	0.04%	0.03%	0.00%
Other ***	1.70%	1.88%	1.49%
Cellulosic and Tencel (includes rayon)	11.10%	15.49%	12.67%
NON-RENEWABLE FIBERS			
Synthetic	25.22%	28.51%	33.92%
Other (other man-made fibers include acrylic and metallic material)	0.12%	0.19%	0.11%

* Includes Guess Europe handbags and footwear, excludes Guess Europe jewelry

** Calendar Year 2014 data is used for FY2015 performance. For more information please see [About this Report](#).

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

WATER STEWARDSHIP

At GUESS, we are committed to being good water stewards. We are collecting data and measuring our water footprint to help guide a new water management action plan, which we plan to release in 2018.

Denim water footprint

Denim is a staple of GUESS's portfolio and part of our signature look. Primarily because of its high content of cotton, denim has a relatively high water footprint when compared to other apparel products.

With the help of an expert third party using the Water Footprint Network methodology, we traced the volume of water used in production of denim for GUESS and mapped it against regional water availability. With the help of our suppliers and various industry data, we estimated water use, which is the amount of water that is withdrawn from the environment at any point in our supply chain no matter how, if or when it is returned to the environment. While the results take into account

supplier data on denim fabric made for all GUESS jeans in FY2017, we have selected the Classic Core 1981 Skinny Fit jean, one of our best sellers, as a representative product for a basis of measurement and presentation of results.

The process of making and wearing a pair of Classic Core 1981 Skinny Fit jeans involves four major processes that use water: irrigating cotton for the raw materials, manufacturing fabric, washing in factories to get the right denim look, and washing by consumers at home. We found that for GUESS denim, the raw materials (64%) and the consumer wash (32%) use the most water. Dyeing and finishing the fabric in manufacturing use only 2% and the factory laundry also uses only 2%. This is consistent with other comparable, publicly available life cycle assessment studies.* Within the making of raw materials, irrigation in cotton production is responsible for 98% of the water used in the 1981 Skinny jean.

* Cotton Incorporated, *Life cycle assessment of cotton fiber and fabric*, VISION 21, a Project of the Cotton Foundation (2012); Levi Strauss and Company, *The life cycle of a jean: Understanding the environmental impact of a pair of Levi's 501 jeans* (2013). Both accessed March 15, 2017.

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)

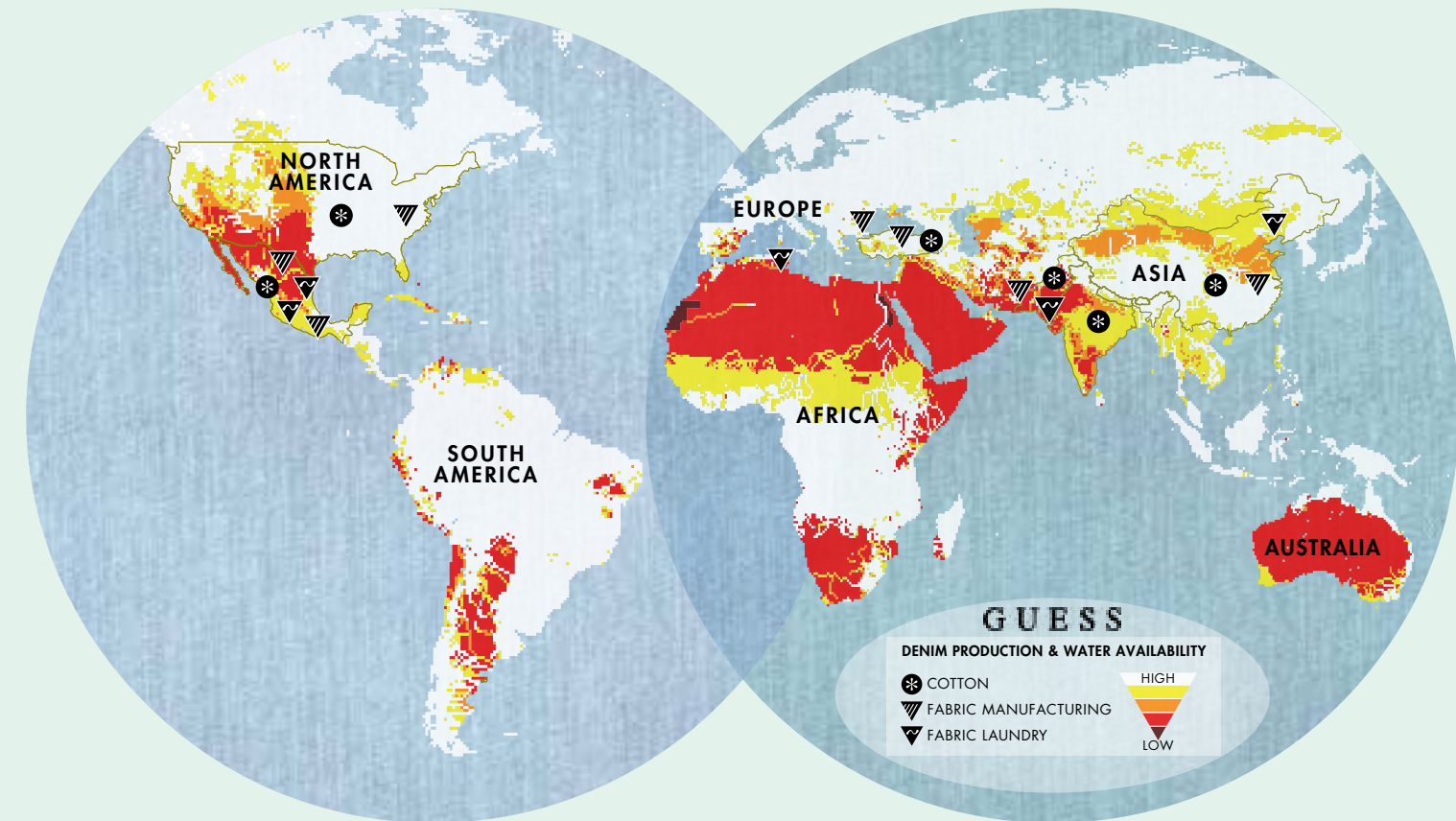
64% RAW MATERIALS
(1729 LITERS)

Total per pair = 2701 liters*

* Rain fall use (2031 liters) not included

GUESS Denim Water Use and Availability Map

for FY2017 units purchased for Guess US, Guess Canada and Guess Europe



GUESS has also mapped our denim production by regional water availability. Water availability is defined according to the Water Footprint Network Methodology as the amount of surface water available after existing human use and ecological needs are satisfied. Areas with low water availability leave little or not enough water to satisfy ecological needs. This is not the same as saying that areas with high water availability provide appropriate levels of clean water to meet all existing human needs. In some areas with high water availability, economic or political conditions may still prevent the construction of effective infrastructure necessary to bring clean water to all.

In the map above, the denim production icons represent the top regions or facility locations for their respective process in the GUESS value chain. The water availability scale colors represent levels of water availability in a region, with yellow indicating higher availability of water and the dark red indicating lower availability of water. Since consuming a given amount of water in an

arid region creates more stress on ecosystems than in a wet region, GUESS will pay particular attention to facilities located in arid regions in developing the water stewardship strategy. (The precise locations of facilities have been masked in the map.)

Although the exact locations of facilities like denim fabric laundries and fabric manufacturers that are direct suppliers to GUESS are known, cotton growing is estimated for each country. Full supply chain visibility in the cotton trade does not yet exist so conservative estimates for countries of origin were used in the study. The cotton growing symbols on the map represent the major countries from which cotton is sourced in the GUESS supply chain, but we do not know exactly where the cotton is grown for the GUESS supply chain within each country's borders. Geographically for GUESS, use of irrigation water is notable in Pakistan and Mexico, where water scarcity is particularly high in much of each country.

Next steps

With better context for regional water availability, we will tailor our Water Management Action Plan. This country level data will serve as a blueprint to identify regions on which to focus future initiatives related to more water-efficient cotton sourcing and supply chain management. Opportunities to improve water stewardship may include but are not limited to: sourcing more sustainable cotton, ensuring responsible water management practices of vendors, and communication with consumers on the impact of wash. We plan to publish a separate report on this topic in 2018.

GUESS water withdrawal

Part of the denim water footprint study included looking at the magnitude of GUESS’s direct and indirect water withdrawal, meaning the water withdrawn by GUESS owned operations and the rest of the supply chain, respectively.

FY2017 GUESS DIRECT AND INDIRECT WATER WITHDRAWAL (FY2017)

WATER SOURCE <i>(in millions of liters)</i>	GUESS CORPORATE FACILITIES ² <i>(direct)</i>	GUESS DENIM PRODUCTS <i>(indirect)^{3,4}</i>
Surface water	0	60.3
Ground water	0	252.8
Rainwater collected directly & stored	0	2.8
Waste water from other organizations	0	0
Municipal water	29.5	37.5
Irrigation Water ¹	0	6,702.7

¹ This is most likely a combination of ground water and surface water, but there is no reliable data to model the split.

² Based on meter records in kGal for monthly billing in FY 2017.

³ Based on the blue water footprint of the 1981 Skinny jean for FY 2017 normalized by mass and multiplied by the mass of the units of denim production for FY 2017, assuming an average mass of 0.6 kg per garment.

⁴ Split of water sources based on reporting from a representative sample of fabric mills and factory laundries that supply Guess®, Inc.

As the table below shows, almost all of GUESS’s water withdrawal, of any type, occurs in the supply chain. In fact, of the total of the estimated 6,022.2 million liters that is of water withdrawn in the GUESS supply chain, just 0.5% is withdrawn by GUESS’s corporate facilities.

The direct withdrawal of water related to GUESS corporate facilities includes water for landscape irrigation, bathrooms, and test laundries for GUESS corporate facilities in Los Angeles, New York, Montreal, and Louisville. The indirect withdrawal of water in the GUESS denim supply chain was modeled according to the water footprint – with cotton feedstock predicted to be mainly from USA, China, Mexico, Pakistan, and Turkey.

Protecting and conserving water in mills

We believe that the strength of our supply chain relationships and our ability to help our suppliers improve their environmental performance are key to our success.

Having previously focused on testing water quality at mills, we expanded our understanding of our supply chain water impact through the results of the Denim Water Footprint project and the Higg Index environmental surveys completed by select suppliers. This should encourage continuous improvement at all facilities, but will also help us to identify the regions or suppliers that need the most help.

Wastewater management program

In our 2014 sustainability report, we reported on the first round of effluent testing results we obtained for the 12 denim mills in China that represented 79% of denim sourced in 2014. In FY2016, we received testing reports for the remaining eight mills. Based on these results, two of our denim producers that supply 14% of denim for Guess US and Guess Canada, or 4% of total production, are already implementing environmental improvements.

We are working on a Water Management Action Plan which we plan to publish in 2018 to address this and other impacts identified through the Higg environmental surveys and Denim Water Footprint project, and transition from education to action on our sustainability timeline.



SUPPLIER ASSESSMENTS: HIGG INDEX

As is common in the retail industry, our supply chain is a major contributor to our organization’s overall environmental impacts. Water consumption, raw materials selection and sourcing, and manufacturing processes related to our suppliers’ activities represent the most common areas of improvement opportunity.

To further understand these impacts, GUESS joined the Sustainable Apparel Coalition (SAC) in 2015 and requested Higg Index Facility Environmental Module (Higg FEM) assessments of suppliers for that same year. The Higg Index is a suite of self-assessment tools for brands, retailers and manufacturers that was developed by SAC members, and is intended to be used as the industry standard for environmental and social performance improvement. Over the course of FY2016 and FY2017, 64 and 55 GUESS suppliers,⁺ respectively, have completed the Higg FEM assessments on environmental impacts, representing over 20% of product volume.

To get the most out of using the Higg Index, we encourage transparency and cooperation from suppliers at the outset. The environmental survey dives deep into topics that may not be addressed by local laws and therefore scores are likely to be low – which can be a deterrent to supplier cooperation. Thus, supplier trust, understanding and engagement are crucial first steps to ascertain a baseline and understand the environmental challenges in the supply chain. The next step is to expand our verification and capacity-building efforts, with the ultimate longer term goal of performance improvement. With this supporting program, we will be able to more definitively identify the number of supplier incidences of potential and actual negative environmental impact. For now, we assess supply chain environmental impacts based on broader knowledge of the supply chain as described above, and in the water and materials section of this report. We look forward to reporting progress on this program during the next reporting cycle.



Greening our operations

The fashion industry relies on the natural environment for its materials and resources. Protecting the environment and improving our resource efficiency is crucial to our business and important to our customers and associates. Through environmental programs at our corporate headquarters, distribution centers and retail stores, we are building a company culture with care for the environment at its heart.

OUR CARBON FOOTPRINT

Climate change is one of society's most important challenges, and we know we must play our part in reducing carbon emissions. In 2014, we reported our first carbon footprint for Guess US and Guess Canada. We have since calculated our first corporate-wide carbon footprint (US, Canada, Europe and Asia) for FY2016. This new global baseline year for annual carbon calculations will facilitate efforts to track progress in emissions reductions. Reference to GUESS in this section includes Guess US, Guess Canada, Guess Europe, and Guess Asia.

Our total carbon footprint in FY2017 for GUESS operations at 878 facilities was 36,669 metric tonnes of carbon dioxide equivalent (MTCO_{2e}), representing a 2% decrease in absolute emissions from our FY2016 baseline.

Our FY2017 GUESS global carbon footprint of 36,669 MTCO_{2e} is equivalent to:

87,882,965
MILES DRIVEN BY AN
AVERAGE PASSENGER
VEHICLE

CARBON CAPTURED BY
34,711
ACRES OF U.S.
FORESTS IN ONE YEAR

84,896
BARRELS OF
OIL CONSUMED

Reducing energy use and carbon emissions

OUR COMMITMENT: Carbon emissions and climate change are global issues of concern to GUESS and its stakeholders and pose business risks. We will contribute by reducing our use of fossil fuels and minimizing our climate impacts.

2021 GOALS:

- Reduce scope 1 and 2 carbon emissions per square foot by 15% by 2021; expand carbon footprint baseline to include scope 3 emissions.
- Transition current emissions reduction goals to align with science based targets.

Our reduction per square foot was approximately 8%, and that is an area of focus for us going forward.

Electricity consumption had the largest overall impact on our carbon footprint and accounted for 97% of total location-based emissions. Globally, operations in Asia had the largest amount of CO_{2e} per square foot. We will use this and other information gained from the assessment to help us reduce electricity use at our stores, distribution centers and headquarters, which will be a focus for us in the future.

To ensure our reduction trajectory continues, we have committed to reduce our scope 1 and 2 carbon emissions per square foot by 15% by 2021 compared with our FY2016 baseline. In coming years, we will expand this goal, as well as create a goal for scope 3 emissions, to align with science based targets.

Source: EPA (2017) Greenhouse Gas Equivalencies Calculator, May 2017 * GUESS Global means a reference collectively to Guess Canada, Europe, US and Asia. For more information please see [About this Report](#).

GUESS CARBON FOOTPRINT+

GUESS Corporate Offices, Distribution Centers and Retail Stores

ALL NUMBERS IN MTCO ₂ e <i>(metric tonnes carbon dioxide equivalent)</i>	FY2015**	BASELINE FY2016	FY2017
US & CANADA			
Scope 1 GHG Emissions	1275	1147	996
Scope 2 GHG Emissions <i>(Location-based)</i>	33186	28380	27018
Scope 2 GHG Emissions <i>(Market-based)</i> ***			
Total Scope 1 and 2 <i>(Location-based)</i> Emissions	34461	29528	28014
EUROPE			
Scope 1 GHG Emissions		57	64
Scope 2 GHG Emissions <i>(Location-based)</i>		6465	6746
Scope 2 GHG Emissions <i>(Market-based)</i>		8775	9172
Total Scope 1 and 2 <i>(Location-based)</i> Emissions		6522	6811
ASIA <i>(includes China, Korea* and Japan)</i>			
Scope 1 GHG Emissions		19	115
Scope 2 GHG Emissions <i>(Location-based)</i>		1528	1728
Scope 2 GHG Emissions <i>(Market-based)</i>		1529	1716
Total Scope 1 and 2 <i>(Location-based)</i> Emissions		1547	1844
Total Gross Emissions	34461	37597	36669
Total Gross Emissions per square foot	0.010	0.009	0.008

* GUESS in this instance includes Guess US, Guess Canada, Guess Europe and Guess Asia (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.

** Calendar Year 2014 data is used for FY2015 performance and excludes Guess Europe and Guess Asia.

*** As residual factors are not comprehensively available at the national level for the US or Canada, location-based eGrid factors are used as a proxy for market-based results.

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 from utilities and other energy providers.

Energy efficiency

Stores

Cutting our electricity use reduces our carbon footprint and saves money. In FY2015, we reported our efforts to improve store energy efficiency by replacing existing lighting systems with more efficient LED lighting. This effort has continued with the retrofitting of 71 stores, remodeling of 5 stores and relocating of 2 stores in FY2016 and FY2017; bringing the total number of upgraded stores in US and Canada to 286.

In the United States and Canada, we worked with our lighting vendors to provide LED lighting for our new and remodeled retail and factory stores. For the past two years, all new stores in the US, Canada and Europe have been built using LED lighting, including overhead and furniture lighting as well as graphic lightboxes. In California, Nevada, and our Canadian stores, we comply with regulatory requirements by installing lighting upgrades in our stores, including occupancy sensors, light dimmers and separate storefront lighting controls to maximize the use of natural daylight and minimize electricity use.

Distribution Centers

In addition to our stores, we manage the environmental impacts of our distribution centers in the United States and Canada, and work with a third party operator in Europe to service our retail stores, e-commerce and wholesale customers.

Our primary U.S. distribution center in Louisville, Kentucky, is a 506,000 square-foot facility that processes approximately 25 million units per year. In Montreal, Quebec, we have two neighboring facilities that combined are just over 200,000 square feet and process over 6 million units per year.



In FY2015, our Kentucky distribution center went through a series of energy efficiency projects including installing new HVAC units and upgrading LED lighting. With these measures, we realized a 1,596,603 kWh or 22% reduction in electricity use across FY2015 and FY2016, as well as a 37,403 CCF or 46% savings in natural gas consumption. We have maintained the same level of efficiency since then.

Our distribution center in Piacenza, Italy, which is managed by XPO Logistics, maintains its certification under the ISO 14001 standard for environmental management systems, ensuring effective management, measurement, and improvement of environmental impacts. ISO 14001 certification is part of XPO's wider commitment to good environmental management.

Headquarters

Our headquarters in Los Angeles, California has a small shipping warehouse on site. We are upgrading this warehouse to LED lighting and have a program for impact reduction that includes simple changes, such as turning off the lights at night, as well as more strategic changes such as reducing travel by increasing video conferencing.

Our Guess Europe headquarters in Ticino, Switzerland has also progressively installed LED lighting, which has reduced energy consumption by over 20% since the project's inception in FY2013.



Non-renewable energy consumption

ALL NUMBERS IN MWH (megawatt hours)	GLOBAL BASELINE		FY2017
	FY2015*	FY2016	
GLOBAL			
Electricity consumption	77,532	94,689	94,163
Heating consumption	5,015	6,777	6,449
Cooling consumption	146	159	84
Total non-renewable energy consumption	82,693	101,625	100,696

*Calendar Year 2014 data is used for FY2015 performance and excludes Guess Europe and Guess Asia. For more information please see About this Report.

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 33% of our European operations and 67% of our Asia operations. 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 report the consumption of renewable energy that is specific to GUESS.

Transportation and distribution

For all US locations, we use UPS for our U.S. e-commerce and outbound distribution center shipping. UPS is proactive in enhancing fleet efficiency, optimizing deliveries and improving road safety. Their proprietary route optimization software calculates the most fuel-efficient route; their use of telematics significantly reduces idling time; and their growing fleet of alternative fuel and advanced technology vehicles enable UPS to cut the environmental impact of our logistics operation.

UPS also makes safety a priority with over 3 million hours of safety training provided annually, supplementing stringent policies to prevent driver fatigue and using technologies such as Collision Mitigation Systems.

WASTE

In addition to reducing our carbon footprint and extending product life as demonstrated by our I:CO Blue and Blue Jeans Go Green™ product recycling and reuse initiatives, we are also embracing a culture of conservation inside the business. For example, starting in FY2017, we now separate and recycle the plastic bags suppliers use to send us samples.

Waste and recycling

Corporate Headquarters— Guess US and Guess Europe

Our Guess US corporate headquarters sent 488.5 tons of waste to landfill in FY2016 and 496.6 tons in FY2017, representing a 1.7% increase. We will continue to look for opportunities to increase reuse and recycling whenever possible to reduce our waste. For example, we have nearly doubled the recycling of paper and cardboard boxes from 24 tons in FY2016 to 46.12 tons in FY2017.

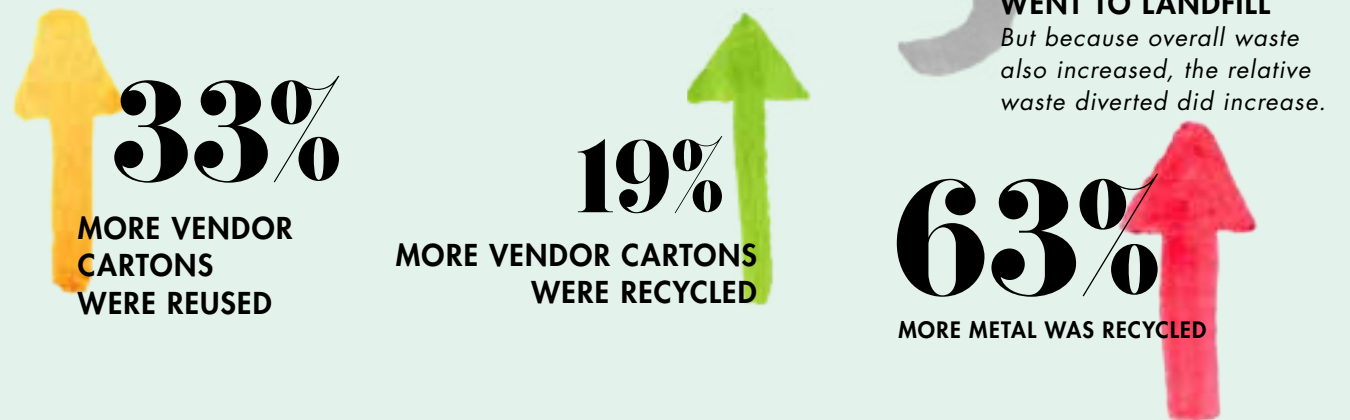
At our Guess Europe corporate offices, we recycled 10.84 tons of cardboard in FY2016 and 19.31 tons in FY2017, and aim to recycle 100% of our paper and cardboard going forward. We also recently implemented a program to recycle old printers.

At our corporate offices, we strictly adhere to safe handling practices for the small amounts of hazardous waste that are produced by on-site cleaning and maintenance. This includes ensuring waste is properly marked, separated and disposed of as required. In FY2016-2017, we recycled 870 light bulbs and 266 pounds of batteries* at our Guess US headquarters.

* Based on partially available vendor data.

RECYCLING AND REUSE (in pounds)	FY2016	FY2017
Vendor cartons reused	547,958	728,251
Vendor cartons recycled	1,956,640	2,331,134
Metal recycled	21,860	35,540
Waste to landfill	268,160	298,720

IN OUR LOUISVILLE DISTRIBUTION CENTER, IN 2017 AS COMPARED TO 2016,



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 and Marciano stores, and recyclable paper bags for G by GUESS and GUESS Factory stores.

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 began reusing and recycling vendor corrugated cartons in 2006. Over the course of FY2016 and FY2017, we diverted 90% of our carton waste from landfill through reuse and recycling efforts. We were also able to recycle 57,400 pounds of steel from various capital improvement projects in the facility, ensuring none of the recovered metal was sent to landfill. In addition, hangers are regularly saved for reuse at all of our distribution centers. Overall, the recycling and reuse efforts at our Louisville distribution center increased by 23% from FY2016 and FY2017.

Our Montreal distribution center recycles all corrugated cartons and reuses cartons whenever possible.

Packaging and paper use

Product packaging

We are keen to improve the sustainability of every aspect of our products, including the packaging. In the US and Canada, products that are shipped via the e-commerce route for our main Guess and Marciano brands are packaged using Sustainable Forestry Initiative certified corrugated cardboard boxes. For GUESS Factory and G by Guess brands, products are packaged in recyclable plastic bags containing varied amounts of post industrial waste.

Our Guess Europe e-commerce initiative is underway to switch all deliveries to 100% recyclable polybags, of which 60% of the materials are made with recycled plastic. From September 2016 to April 2017, we used the polybags for 60% of our shipments, enabling GUESS to save space, money, and maximize the efficiency of transportation.

Our paper use

Reducing the amount of paper we use helps to conserve energy and water needed for paper production. To decrease our reliance on paper, we continue to invest in electronic systems wherever possible to handle purchase orders, delivery documentation, invoicing and payments for goods.

For general paper use at Guess Europe's offices in Bioggio and Stabio, Switzerland we have participated in a project coordinated by *PrintReleaf*, an innovative program to mitigate impacts of unavoidable paper use. For each piece of paper printed at these locations, PrintReleaf plants trees at a rate of 1 tree per 8,333 sheets of standard letter paper*. Guess can track our own usage online, as well as choose our preferred reforestation project – potentially allowing us to focus on our primary sourcing locations. We began this partnership in November 2016, and aim to expand this kind of initiative throughout our GUESS corporate locations.

* Based on an open-source formula widely accepted as the industry standard as established by the Environmental Paper Network (<http://environmentalpaper.org>).



GUESS EUROPE PAPER-FREE PROCESS

Since FY2013 at our Guess Europe corporate office, the accounting team has been working toward the goal of 100% paper-free payment process, and as of FY2016-2017, the team has achieved a 95% paper-free payment process. Implementing this process to our country offices throughout Europe, we save over a million sheets of paper each year.





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.

Our inaugural sustainability report was issued in September 2015 and covered Calendar Year 2014. This report, our second report covering social and environmental topics related to our business, 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 “FY2016” mean the period beginning February 1, 2015 and ending January 30, 2016, and references to “FY2017” mean the period beginning January 31, 2016 and ending January 28, 2017. Where multi-year data is presented to show trends in sustainability performance, Calendar Year 2014 data is used as a proxy for FY2015 performance. We intend to issue future reports on a two-year cycle showing fiscal year data.

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

Any reference to “GUESS” means a reference collectively to Guess US, Guess Canada, and Guess Europe, except in the section “Our Carbon Footprint” and “Diversity and Inclusion” where reference to GUESS includes Guess US, Guess Canada, Guess Europe, and Guess Asia (see right). 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 US) 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:

Revenue Total	84%	85%
Associates	90%	88%
Number Directly Owned Retail Stores	93%	88%





KPMG LLP
One Broadway, 15th Floor
Cambridge, MA 02142

Independent Accountants' Review Report

In the section "Our Carbon Footprint", we have included data from Guess Europe (as per the scope of this report), as well as our Asia subsidiaries in China, Korea and Japan (Guess Asia) which was not included in our 2014 sustainability report. As our sustainability program continues to grow, we plan to include more information on our operations in Asia. Additional information about GUESS' operations and financial statements are available in our [Annual Reports*](#) on our investor website.

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 page 81 of this report.

If reporting errors are discovered in previous reports, or there are significant changes to our business, we will transparently disclose any necessary corrections or re-statements. We acknowledge the following misstatements in our previous 2014 sustainability report:

- On page 18 we reported that our Montreal Distribution Center was operated by a third party. It is in fact operated by Guess.
 - On page 64 we mentioned we planned to retrofit 106 stores in 2015. We have completed 71 to date.
- In addition, in FY2017 we changed our Guess Kids stores from a licensee partnership arrangement to directly designing and managing operations in-house.

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

The Board of Directors and Management
Guess? Inc.

We have reviewed management of Guess? Inc.'s assertion that the accompanying GUESS Fiscal 2016 – 2017 Sustainability Report includes the required elements in accordance with the Global Reporting Initiative Standards: Core option (Assertion). In addition, we have reviewed the metrics identified in the Key Metrics and Reporting Criteria table on pages 81- 82 of the accompanying GUESS Fiscal 2016 – 2017 Sustainability Report (Metrics). Guess? Inc.'s management is responsible for the Metrics, Reporting Criteria and the Assertion. 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 2016 – 2017 Sustainability Report requires management to interpret the criteria and make determinations as to the relevancy of information to be included. Further, greenhouse gas emissions and energy use data are subject to measurement uncertainties resulting from limitations inherent in the nature and methods of determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

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 the Reporting Criteria as described in the Key Metrics and Reporting Criteria table on pages 81 - 82 of the accompanying GUESS Fiscal 2016 – 2017 Sustainability Report.

KPMG LLP

Cambridge, Massachusetts
September 15, 2017

² The scope of our Annual Report on form 10-K for FY2017 includes Guess?, Inc. and all of its subsidiaries ("GUESS") on a consolidated basis. The scope of this sustainability report includes activities related to Guess? Inc. and its wholly owned and operated subsidiaries in Canada, Europe and Asia (carbon emission data only).

KEY	REPORT COVERAGE	▼ FULL	▼ PARTIAL	▼ NONE
	GUESS Sustainability website: sustainability.guess.com			

GRI CONTENT INDEX

UNIVERSAL STANDARDS

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
GRI 102 General Disclosures						
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, 37	
	102-5	Ownership and legal form	√	▼	pg 6, 73	
	102-6	Markets served	√	▼	pg 6, 8-11	
	102-7	Scale of the organization	√	▼	pg 8-9	Quantity of products provided is considered confidential and therefore number of denim jeans manufactured in FY2017 used to provide additional context for this indicator.
	102-8	Information on employees and other workers	√	▼	pg 9	Reporting change from last 2014 sustainability report: as per GRI Standard 102, we are now including data on total number of employees by employment contract (permanent and temporary) by gender, as well as total number of employees by employment type (full-time and part-time) by gender.
	102-9	Supply chain	√	▼	pg 37	
	102-10	Significant changes to the organization and its supply chain	√	▼	pg 74	In FY2017 we changed our Guess Kids stores from a licensee partnership arrangement to directly designing and managing operations in-house.
	102-11	Precautionary Principle or approach	√	▼	pg 14	
	102-12	External initiatives	√	▼	pg 23	Examples of voluntary external initiatives we participate in: <ul style="list-style-type: none"> • Global Reporting Initiative's Standards Pioneers Program • Sustainable Apparel Coalition • Blue Jeans Go Green™ • PrintReleaf • I:CO BLUE • TICINOMODA • Customs-Trade Partnership Against Terrorism (C-TPAT)
	102-13	Membership of associations	√	▼	pg 23	

	INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
Strategy	102-14	Statement from senior decision-maker	√	▼	pg 4 - 5	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	√	▼	pg 7, 22	
Governance	102-18	Governance structure	√	▼	pg 22	
Stakeholder engagement	102-40	List of stakeholder groups	√	▼	pg 18 - 19	
	102-41	Collective bargaining agreements	√	▼	N/A	100% of employees in Switzerland, Italy, Belgium, Spain, Austria and France are covered by collective bargaining agreements.
	102-42	Identifying and selecting stakeholders	√	▼	pg 18	
	102-43	Approach to stakeholder engagement	√	▼	pg 18 - 19	
	102-44	Key topics and concerns raised	√	▼	pg 19	
Reporting practice	102-45	Entities included in the consolidated financial statements	√	▼	pg 73	
	102-46	Defining report content and topic Boundaries	√	▼	pg 20-21	See GUESS Sustainability website for more details.
	102-47	List of material topics	√	▼	pg 21	
	102-48	Restatements of information	√	▼	pg 74	
	102-49	Changes in reporting	√	▼	pg 74	Expanded scope and added new data and information for the following indicators: 102-8, 302-1, 303-1, 305-2, 306-2, 404-2. New disclosure: 308-2 New material topic: 401-1 No longer included: 403-2 See notes on specific disclosures throughout this Content Index for more details.
	102-50	Reporting period	√	▼	pg 73	
	102-51	Date of most recent report	√	▼	pg 73	
	102-52	Reporting cycle	√	▼	pg 73	
	102-53	Contact point for questions regarding the report	√	▼	pg 74	
	102-54	Claims of reporting in accordance with the GRI Standards	√	▼	pg 73	
	102-55	GRI content index	√	▼	pg 76-80	
102-56	External assurance	√	▼	pg 24, 75		

GRI 103 Management Approach

Management approach	103-1	Explanation of the material topic and its Boundary	√	▼	See notes	For more information on our material topics and boundaries (e.g. where impacts occur), please visit our GUESS Sustainability website .
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INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
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 our GUESS Sustainability website .
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 our GUESS Sustainability website .

ECONOMIC STANDARD

INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
GRI 201 Economic Performance					
201-1	Direct economic value generated and distributed	√ - Material topic disclosure	▼	pg 8-9, Annual Report FY2017	Please see pages 36 and 39 of our Annual Report FY2017. Note: the scope of our Form 10-K includes Guess?, Inc. and all its subsidiaries and other business relationships on a consolidated basis. The scope of this sustainability report includes only activities related to Guess? Inc. and its wholly owned and operated subsidiaries in Canada, Europe and Asia (carbon emission and diversity & inclusion data only).

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 59	
GRI 302 Energy					
302-1	Energy consumption within the organization	√ - Material topic disclosure	▼	pg 68	Reporting change from last 2014 sustainability report: added data from Guess Asia (China, Korea and Japan). 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	√ - Material topic disclosure	▼	pg 62	Reporting change from last 2014 sustainability report: added Denim Water Footprint, which included an assessment of direct and indirect water withdrawal.
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GRI 305 Emissions

305-1	Direct (Scope 1) GHG emissions	X – included in narrative with data as available	▼	pg 66	
305-2	Energy indirect (Scope 2) GHG emissions	√ - Material topic disclosure	▼	pg 66	Reporting change from last 2014 sustainability report: added data from Guess Europe and Guess Asia (China, Korea and Japan). As residual factors are not comprehensively available at the national level for the US or Canada, location-based eGrid factors are used as a proxy for market-based results.

GRI 306 Effluents & Waste

306-2	Waste by type and disposal method	X – included in narrative with data as available	▼	pg 68-69	Reporting change from last 2014 sustainability report: added new information on waste and recycling. Information on hazardous waste from Distribution Centers not collected and included in this report. 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.
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GRI 308 Supplier Environmental Assessment

308-2	Negative environmental impacts in the supply chain and actions taken	X – included in narrative with data as available	▼	pg 63	Reporting change from last 2014 sustainability report: added information on the Sustainable Apparel Coalition's Higg Index which we use to assess environmental impacts in the supply chain. However, we are unable to report the granularity of the data provided through these assessments.
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SOCIAL STANDARD

GRI 401 Employment

401-1	New employee hires and employee turnover	√ - Material topic disclosure	▼	N/A	This topic was not included in our last 2014 sustainability report, but was added to this report as a significant topic as per our sustainability materiality assessment. However, this disclosure is prohibited as GUESS considers employee turnover proprietary information.
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KEY METRICS AND REPORTING CRITERIA

See accompanying Independent Accountants' Report on page 75.

INDICATOR	DESCRIPTION	GRI CORE REQUIREMENTS*	REPORT COVERAGE	PAGE	NOTES/OMISSIONS
GRI 404 Training & Education					
404-2	Programs for upgrading employee skills and transition assistance programs	X – included in narrative with data as available	▼	pg 34-35	Reporting change from last 2014 sustainability report: added information on our talent development and training programs.
GRI 405 Diversity & Equal Opportunities					
405-1	Diversity of governance bodies and employees	√ - Material topic disclosure	▼	pg 30-31	Reporting change from last 2014 sustainability report: as per GRI Standard 405, we are now including data on the percentage of individuals within the organization's governance bodies by age group. GRI also requires that other indicators of diversity are reported where relevant (such as minority or vulnerable groups). We provided ethnicity data for Guess US due to the relevance of equal employment and non-discriminatory practices in human resources management.
GRI 414 Supplier Social Assessment					
414-2	Negative social impacts in the supply chain and actions taken	√ - Material topic disclosure	▼	pg 40-41	Reporting change from last 2014 sustainability report: as per GRI Standard 414, we are now including data on the number of suppliers assessed for social impacts, and the number of suppliers identified as having significant actual and potential negative social impacts.
GRI 416 Customer Health & Safety					
416-1	Assessment of the health and safety impacts of product and service categories	√ - Material topic disclosure	▼	pg 25,57	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.
GRI 418 Customer Privacy					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	√ - Material topic disclosure	▼	pg 25	

No.	Impact Area	Metric	Reporting Criteria	Page
1	Diversity & Inclusion	Employees by contract and employment type by gender for Guess US, Guess Canada, and Guess Europe	Percentage of regular (permanent) and temporary employees and full time and part time employees by gender as of the end of fiscal year 2016 and 2017 for Guess US, Guess Canada, and Guess Europe.	9
2	Diversity & Inclusion	Associate ethnic diversity for Guess US	Percentage of permanent US employees, by management and non-management, by self-declared ethnicity, as of the end of fiscal year 2016 and 2017 for Guess US.	30
3	Diversity & Inclusion	Associates per employment category by age, gender, and management or non-management for Guess US, Guess Canada, and Guess Europe	Percentage of management and non-management employees, by retail stores and corporate, by gender and by age category, as of the end of fiscal year 2016 and 2017, for Guess US, Guess Canada, and Guess Europe.	30-31
4	Diversity & Inclusion	Governance bodies by age and gender – C-suite and executive management	Percentage of male and female executive leadership team associates (based on vice president level equivalent or higher title) as of the end of the fiscal year 2016 and 2017, combined for Guess US, Guess Canada, Guess Europe and Guess Asia.	31
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 2016 and 2017.	31
6	Supply Chain Management	Number of countries sourced for Guess US and Guess Canada apparel, and for Guess Europe apparel and accessories	Number of countries in which the contracted supplier factories were located from which Guess US and Guess Canada purchased apparel and Guess Europe purchased apparel and accessories (handbags, footwear and jewelry) during the fiscal year.	37
7	Supply Chain Management	Guess directly sourced apparel for Guess US and Guess Canada, and for Guess Europe apparel and accessories	Percentage of apparel for Guess US and Guess Canada and apparel and accessories (handbags, footwear and jewelry) for Guess Europe, sourced by country by volume of units purchased in each fiscal year.	37
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.	40
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.	41
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 US, Guess Canada and Guess Europe during each fiscal year.	59

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

11	Energy & Climate	Guess carbon footprint and non-renewable energy consumption	<p>Greenhouse gas emissions for fiscal year 2016 and 2017 from the use of natural gas in Guess owned and direct operated retail stores, headquarters, distribution centers, and warehouses in Guess US, Guess Canada, Guess Europe and Guess Asia. For natural gas and chilled water, energy usage was derived from invoices. For Guess US and Guess Canada electricity, energy usage was derived from a combination of invoices and, when invoices were not available, estimation techniques based on data from other buildings comparable in size and energy consumption. For Guess Europe and Guess Asia electricity, energy usage was derived from a combination of invoices and, when invoices were not available, estimation techniques based on a square foot intensity factor for a comparable location, if available, or, if sufficient information is not available, a CBEX factor for retail space.</p> <p>Emissions factors utilized are as follows:</p> <table border="1" data-bbox="531 358 1283 530"> <thead> <tr> <th>Natural Gas</th> <th>FY 2016</th> <th>FY 2017</th> </tr> </thead> <tbody> <tr> <td>Guess US and Guess Canada</td> <td>2015 Climate Registry Default Emissions Factors (April 2015)</td> <td>2016 Climate Registry Default Emission Factors (April 2016)</td> </tr> <tr> <td>Guess Europe and Guess Asia</td> <td colspan="2">Climate Registry 2016 Gen. Reporting Protocol - USA Commercial</td> </tr> </tbody> </table> <table border="1" data-bbox="531 556 1283 895"> <thead> <tr> <th>Electricity</th> <th>FY 2016</th> <th>FY 2017</th> </tr> </thead> <tbody> <tr> <td>Guess US (Location-based)</td> <td>US EPA eGRID 2012 v1.0</td> <td>US EPS eGRID2014 Year 2014 Data_Version 2 (rel. 2/27/2017)</td> </tr> <tr> <td>Guess Canada</td> <td>2015 Climate Registry Default Emission Factors (April 2015)</td> <td>2016 Climate Registry Default Emission Factors (April 2016)</td> </tr> <tr> <td>Guess Europe and Guess Asia (Location-based)</td> <td colspan="2">International Energy Agency (IEA) CO2 Emissions from Fuel Combustion 2016-Year 2014</td> </tr> <tr> <td>Guess Europe (Market-based), when available</td> <td colspan="2">European Residual Mix 2015 Version 1.0corr2</td> </tr> </tbody> </table> <table border="1" data-bbox="531 921 1283 1112"> <thead> <tr> <th>Chilled Water</th> <th>FY 2016</th> <th>FY 2017</th> </tr> </thead> <tbody> <tr> <td>Guess US and Guess Canada</td> <td colspan="2">U.S. Energy Information Administration Form EIA-1605 (2010)</td> </tr> <tr> <td>Guess Europe and Guess Asia</td> <td colspan="2">U.S. Energy Information Administration Form EIA-1605. Voluntary Reporting of Greenhouse Gases - Appendix N. Emission Factors for Steam and Chilled/Hot Water</td> </tr> </tbody> </table> <p>Global Warming Potentials used are the SAR (100-yr) from the International Panel on Climate Change Second Assessment Report.</p> <p>Environmental and energy use data are subject to measurement uncertainties resulting from limitations inherent in the nature and methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.</p>	Natural Gas	FY 2016	FY 2017	Guess US and Guess Canada	2015 Climate Registry Default Emissions Factors (April 2015)	2016 Climate Registry Default Emission Factors (April 2016)	Guess Europe and Guess Asia	Climate Registry 2016 Gen. Reporting Protocol - USA Commercial		Electricity	FY 2016	FY 2017	Guess US (Location-based)	US EPA eGRID 2012 v1.0	US EPS eGRID2014 Year 2014 Data_Version 2 (rel. 2/27/2017)	Guess Canada	2015 Climate Registry Default Emission Factors (April 2015)	2016 Climate Registry Default Emission Factors (April 2016)	Guess Europe and Guess Asia (Location-based)	International Energy Agency (IEA) CO2 Emissions from Fuel Combustion 2016-Year 2014		Guess Europe (Market-based), when available	European Residual Mix 2015 Version 1.0corr2		Chilled Water	FY 2016	FY 2017	Guess US and Guess Canada	U.S. Energy Information Administration Form EIA-1605 (2010)		Guess Europe and Guess Asia	U.S. Energy Information Administration Form EIA-1605. Voluntary Reporting of Greenhouse Gases - Appendix N. Emission Factors for Steam and Chilled/Hot Water		66 and 68
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12	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 2016 and 2017 reported by the Higg Index to have completed the environmental self-surveys for calendar year 2015 and 2016, respectively.	63																																	

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