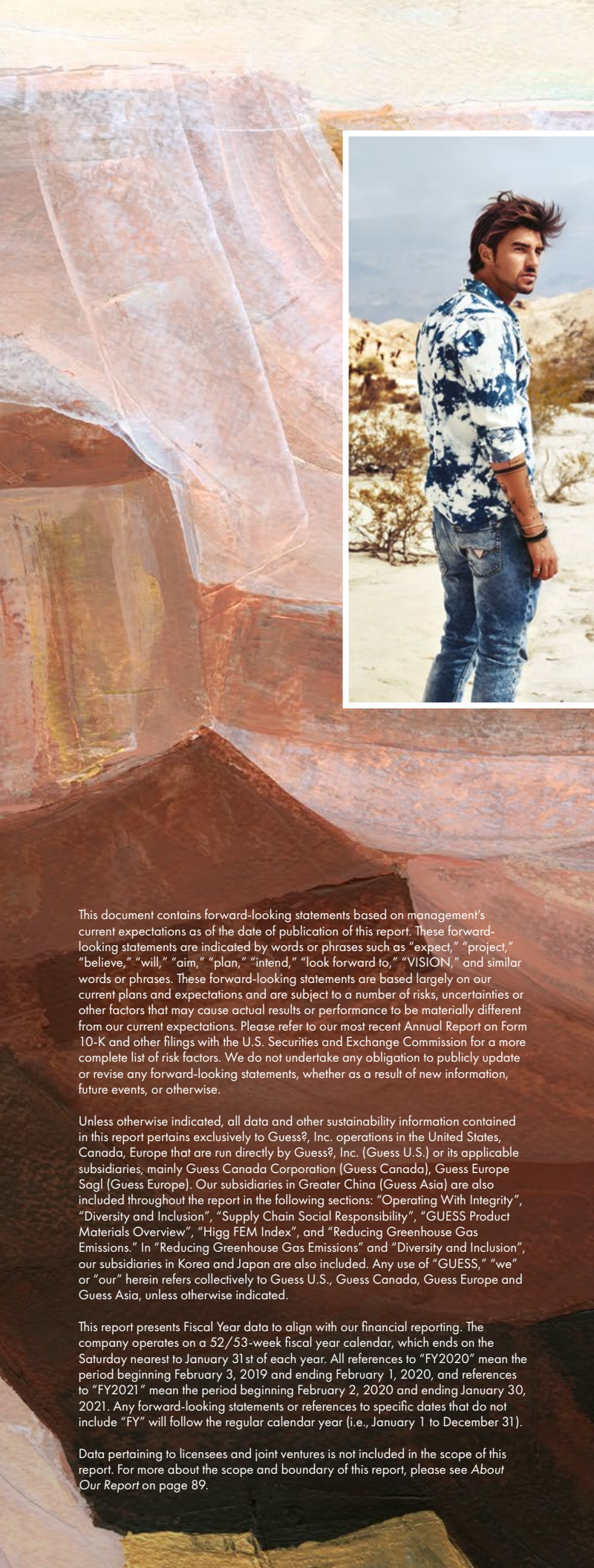


# VISION GUESS

SUSTAINABILITY REPORT  
FISCAL YEARS 2020 – 2021







# Fiscal Years 2020 – 2021 Highlights



**12%**  
of global materials  
sourced from  
environmentally  
preferred materials



**18%**

increase of denim offered  
as part of our eco SMART  
GUESS collection



**33%**

female representation on Board of Directors

## Achieved gender pay parity

for Guess U.S. corporate and  
retail locations in FY2021



## Science Based Targets for emissions reduction approved

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

Unless otherwise indicated, all data and other sustainability information contained in this report pertains exclusively to Guess?, Inc. operations in the United States, Canada, Europe that are run directly by Guess?, Inc. (Guess U.S.) or its applicable subsidiaries, mainly Guess Canada Corporation (Guess Canada), Guess Europe Sagl (Guess Europe). Our subsidiaries in Greater China (Guess Asia) are also included throughout the report in the following sections: "Operating With Integrity", "Diversity and Inclusion", "Supply Chain Social Responsibility", "GUESS Product Materials Overview", "Higg FEM Index", and "Reducing Greenhouse Gas Emissions." In "Reducing Greenhouse Gas Emissions" and "Diversity and Inclusion", our subsidiaries in Korea and Japan are also included. Any use of "GUESS," "we" or "our" herein refers collectively to Guess U.S., Guess Canada, Guess Europe and Guess Asia, 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 "FY2020" mean the period beginning February 3, 2019 and ending February 1, 2020, and references to "FY2021" mean the period beginning February 2, 2020 and ending January 30, 2021. 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).

Data pertaining to licensees and joint ventures is not included in the scope of this report. For more about the scope and boundary of this report, please see *About Our Report* on page 89.

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# A Message from our CEO, Carlos Alberini



Dear GUESS stakeholder,

**I hope this message finds all of you safe and healthy. Over the past 18 months, we all have been tested in ways we could not have imagined in our lifetimes. Along with the COVID-19 health crisis, together we have faced global economic challenges, social justice concerns and political turmoil in many parts of the world.**

At GUESS, throughout this difficult time, we have focused on the things we could control and I have been immensely proud of our team and our GUESS family that proudly rose to every challenge and excelled at every turn. Our associates have accomplished the unimaginable, managing the Company well, developing exciting new collections and transforming the business into a more efficient and digital model. During this challenging time, our teams displayed their trademark passion, courage and unwavering commitment to our shared purpose and mission. I want to thank every GUESS associate in our stores, distribution centers, showrooms and headquarters all over the world. It has been inspiring to witness your relentless dedication to our customers, to our Company's future, to each other and to the communities where we live, work and serve. Your love for our Company and our brand humbles me.

Early in 2020, as we watched the dire COVID situation begin to unfold, it was clear we had to take swift action to protect our Company's stability and future. This included numerous store closures, painful layoffs, furloughs and progressive pay reductions, to mention a few of the tough actions we needed to take. We are pleased to say that, as we adapted our organization to address the economic realities of the pandemic, we built a stronger foundation for the future.

As the pandemic progressed, our focus remained on our people, customers and communities. We launched #InThisTogether, our campaign to provide hope and inspire people to take meaningful actions during the crisis. Among other outreach activities, we donated funds, clothing and masks in Europe, Asia and the U.S., hosted a blood drive at our Los Angeles campus and launched a campaign to raise awareness about the power blood donations have to save lives.

At GUESS, we believe in justice, equality, and community. Last year, as a result of the increased calls for social and racial justice in the U.S., we directed our Council on Diversity & Inclusion to conduct a business review of how we can better serve our associates and our communities that come from historically marginalized groups. We also issued a statement about solidarity, initiated meaningful relationships with local Black community groups, facilitated donations and declared Juneteenth an annual Company holiday—you can learn more about our efforts in the Diversity and Inclusion section of this report. We believe it is time to build a more loving, respectful, unified world and we are committed to doing our part.

Furthermore, during this challenging year we continued to make solid progress toward our sustainability objectives and we remain fully committed to our three main goals I shared with you in the past:

1. Operating With Integrity, 2. Empowering Our People, and 3. Protecting Our Environment.

While store closures delayed a few of our initiatives, such as expanding RESOURCED, which is our customer recycling program, I am pleased with what we have achieved in other areas. For instance, we developed Science Based Targets for climate action that will lead GUESS to a low-carbon future. We also expanded SMART GUESS, our eco collection offerings, with more denim options meeting our eco guidelines and more opportunities for customers to help us make the world a better place.

The severe impact of the pandemic in the world has only strengthened my belief in conscious capitalism—in which capitalism serves as a powerful force for good that elevates humanity and the environment. In this, our fourth global sustainability report, we highlight some of the key areas we are focusing on, in order to address the needs of all GUESS stakeholders, from our own operations to our supply chain. I am very proud of this approach and of our strong sustainability reporting, which incorporates tested metrics, transparent disclosures, respected standards and external assurance.

This report also marks the completion of our 2016 – 2021 sustainability strategy and introduces our new strategy for the future, VISION GUESS. We drew from our sustainability materiality assessment to develop VISION GUESS, prioritizing critically important topics like diversity and inclusion and deeper partnerships with suppliers on urgent issues such as climate change, sustainable materials and social responsibility in the supply chain. We plan to continue our sustainability journey with ambitious, purpose-driven commitments that focus on actions to address the vital need for change in our industry and the transformation of our business for good. This means investing in sustainably made and lasting fashion, using innovation to protect the environment and driving our continued evolution to a truly sustainable Company with the drive and commitment of our talented teams worldwide.

We have entered a critical decade of action to regenerate environmental resources and address climate change. VISION GUESS provides the roadmap for us to do our part in helping to solve some of the world's most pressing issues. As we look to the future, I am highly confident in our GUESS family. At GUESS, every decision we make and action we take, are with the long term in mind. We are very resilient and adaptable and we are committed to operating our business in a way that ensures this generation can experience this beautiful world as we know it—or better yet, as we dream it. I extend my gratitude to our incredible associates, our valued vendor partners and our licensees, our shareholders, our customers and the communities we serve. We thank you all for sharing this sustainability journey with us and we look forward to keeping you updated on our progress.

**Carlos Alberini**  
Chief Executive Officer and Director, Guess?, Inc.



# About Our Company

**GUESS was established in 1981 by the Marciano brothers, who left the South of France in pursuit of the American Dream.**

Inspired by European influence, the Marciano's redefined denim, quickly growing the company's jeans and other products into a well-known symbol of a young, sexy, adventurous lifestyle. The GUESS brand, which has been consistent over the years, invites people to dream, and inspires customers to feel confident and passionate about themselves and their future.

Through the decades, the company has built on its strong founding values to expand with new concepts and brands. For instance, the Marciano brand for trendsetting women and men was launched in 2004. The next decade, GUESS launched a series of brands, GUESS Originals, GUESS Jeans U.S.A., and GUESS Vintage, inspired by GUESS' heritage, but reinterpreted for the younger generation. Most recently, in 2020 GUESS launched GUESS Activewear, designed for high performance, comfort, and fashionable athleisure style.

Today, GUESS is still located in Southern California—headquartered in Los Angeles—and is a truly global lifestyle brand with a full range of denim, apparel, and accessories offered in approximately 100 countries around the world.

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

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

As of January 30, 2021, as reported in its annual financial statement, the company directly operated 1,046 retail stores in the Americas, Europe and Asia. The company's partners and distributors operated 524 additional retail stores worldwide. Guess?, Inc. is listed on the New York Stock Exchange (NYSE: GES).

In 1981, as now, all of us at GUESS are united by a set of shared values that guide our day-to-day actions and operations.

## GUESS Values

1. Belief.
2. Hope. Never Give Up.
3. Destiny.
4. Trust.
5. Never Forget Your Roots.
6. Respect Others.

## Our Mission Statement

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

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

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

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

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

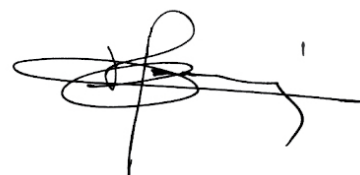




# Making Real Change



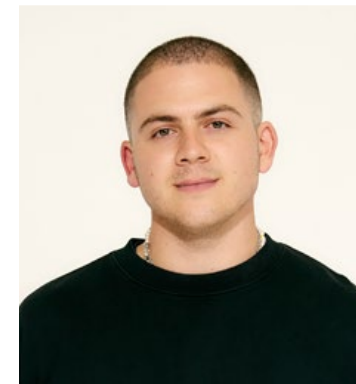
“This year we celebrate 40 years at GUESS! As we look back, there is one thing that never changes—it is all about the GUESS family. The world’s most concerning issues—like climate change—concern our family at GUESS, and everyone all around the world. There is no time to waste, and there is no time like the present! That is why we at GUESS are making real change, right now—for our world and our future!”



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



1988: Los Angeles headquarters (clockwise, starting at the top) Maurice, Georges, Armand and Paul Marciano, Co-Founders, Guess?, Inc.



“After such a difficult year for everyone all around the world, it’s been really important for us at GUESS to inspire hope through our art, our fashion and partnerships. We want our clothes to provoke a sense of celebration. We aim to get people excited not just about the product, but about their own creative expression. Personally, I am really excited about the continued growth of the GUESS Vintage line, as it reflects the GUESS roots of the 1980s and 1990s while nodding to a more sustainable present and circular future. At GUESS, our clothes mean something, and they last for more than just a moment, for multiple generations. GUESS is a family, and I am proud to reflect our core values in our fashion.”

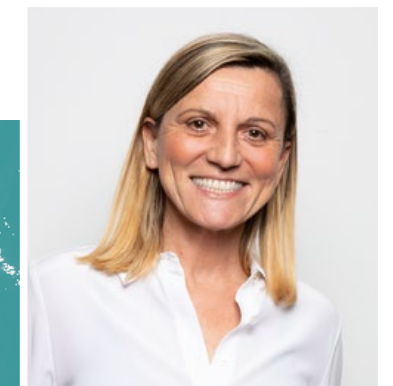


**Nicolai Marciano**  
Director, Brand Partnerships, Guess?, Inc.

“At GUESS we are responsible for the products we make and place in the global markets. We all know that these products must be more and more sustainable. Our eco SMART GUESS collections continue to grow thanks to the contribution and commitment of all our teams, who have embraced this conscious approach and evolution as a top priority. I am proud of the incredible leap forward we were able to make in such a short time. Our products are increasingly made from recycled, organic and responsibly sourced materials and we are working to continuously raise the standard for what ‘sustainability’ means at GUESS.”



**Roberta Gandolfi**  
Vice President, Product Development and Apparel Operations





# GUESS?, Inc. Key Facts

## Number of Global Stores (direct operations, licensees, and distributors)



FY2020  
**509**  
in Asia

**745**  
in Europe & the  
Middle East

**475**  
in the Americas

FY2021  
**413**  
in Asia

**725**  
in Europe & the  
Middle East

**432**  
in the Americas

## Net revenue (USD, thousands)

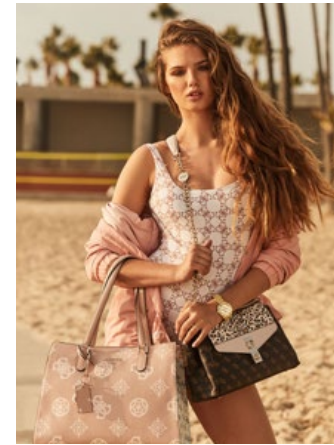
FY2020  
**\$2,678,109**

FY2021  
**\$1,876,529**



Data provided on this page are in reference to the numbers provided in GUESS' Annual Financial Statements.

## Our Brands



GUESS designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, denim, handbags, watches, footwear, and related consumer products. GUESS products are distributed through branded GUESS stores as well as department and specialty stores around the world.

### GUESS Kids

GUESS Kids leads in tween, kids, and baby apparel, providing eye-catching fashion for the next generation of trendsetters. A global brand designed in Europe, GUESS Kids is the first tween/kids brand to offer flash collections to its global customers, delivering the latest trend-defining styles.

### GUESS Factory

GUESS Factory follows suit in true GUESS style with apparel and accessories at must-shop prices. GUESS Factory designs, markets, and distributes full collections of men's and women's apparel as well as accessories.  
[www.guessfactory.com](http://www.guessfactory.com)

### GUESS Accessories

GUESS Accessories stores sell GUESS and Marciano-labeled accessory products, such as jewelry, watches, scarves, belts, wallets, handbags, backpacks, and other accessories.

### GUESS Originals

Powered by the past, improved by the future. GUESS Originals is a heritage-inspired division that aligns to contemporary fits and fabrications. Collections are created to serve an emerging customer base with marketing and experiential moments to support strategic retail partners.



### Marciano

Marciano, the first brand extension from GUESS, follows suit in true GUESS style with apparel and accessories on the edge of the fashion forefront. This contemporary runway-inspired collection, designed for the fashion-forward woman and man, is sexy with an elegant, sophisticated style that represents pure glamour in everyday fashion. Marciano designs, markets and distributes full collections of women's apparel as well as accessories. Marciano boutiques are located in North America, as well as international metropolitan centers throughout the globe. The Marciano collection can also be found in select flagship GUESS store locations and specialty stores.  
[www.marciano.com](http://www.marciano.com)

### GBG

Vintage California lifestyle makes GBG fashion for the next generation. GBG was created for young, hip, and trendy men and women with an eye for the freshest looks and hottest styles.

### GUESS Activewear

Designed to maximize performance, comfort, and style, GUESS Activewear is both technical and fashionable in its approach to athleisure.

### GUESS Jeans U.S.A.

Designed in Los Angeles and drawn out of the rich archives of the '80s and '90s. Carefully curated each season, GUESS U.S.A. is the top-tier division of GUESS, featuring iconic and timeless designs and premium essentials. GUESS U.S.A. leans into collaborations with cultural opinion-leading artists. Also working with brands that offer exclusive pieces, often reinterpreted and reintroduced through their unique perspectives.  
[www.guessjeans.com](http://www.guessjeans.com)

### [www.guess.com](http://www.guess.com)

In addition to retail, we sell products online and through wholesale and licensing channels. [www.guess.com](http://www.guess.com)



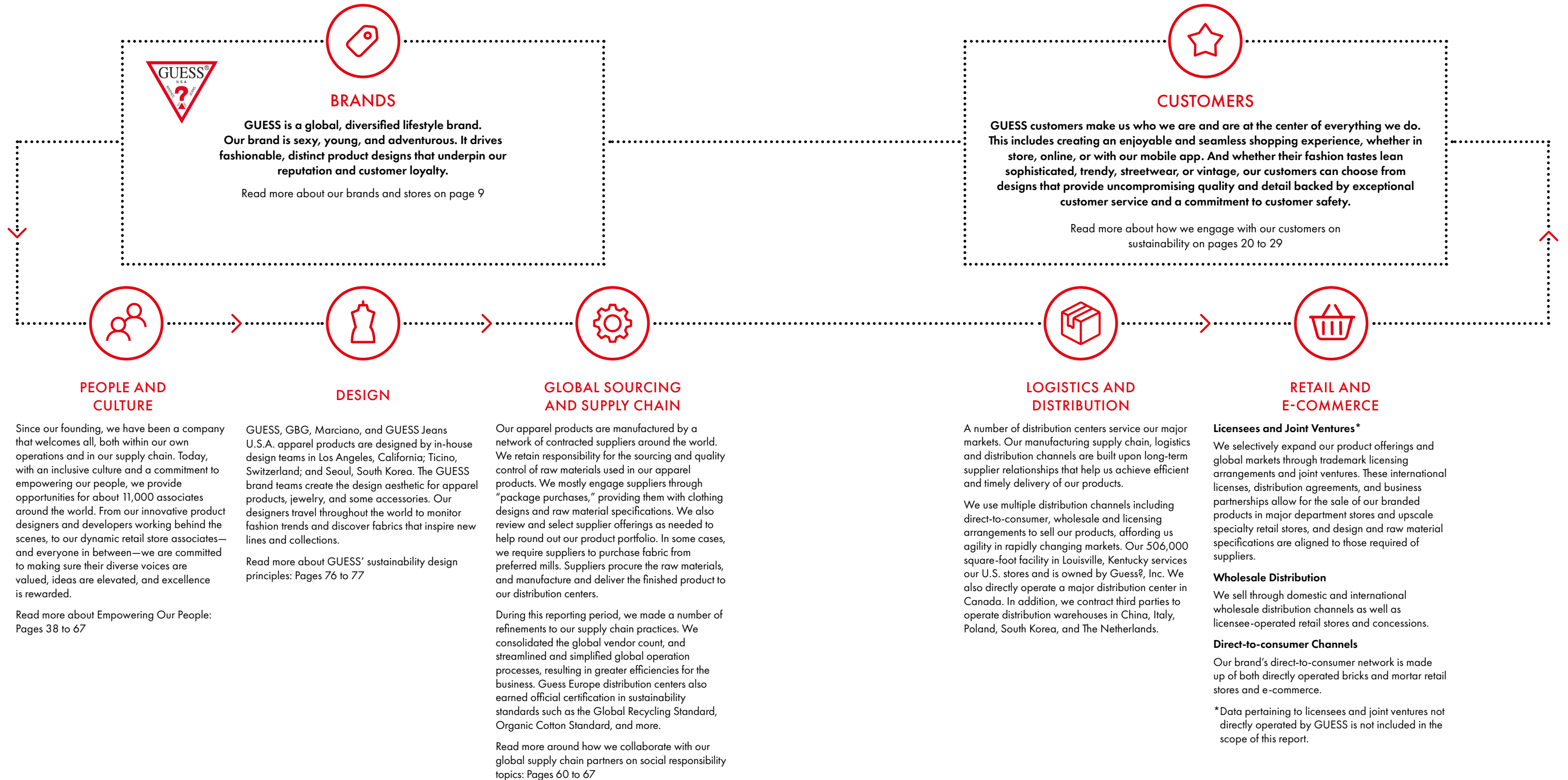
### Eco is the smart choice

SMART GUESS, our collection of environmentally conscious clothing, is made with less water, fewer chemicals, and sustainably sourced fabrics. Organic cotton, polyester recycled from plastic water bottles, and cellulose fibers from sustainably managed forests are just a few of our more sustainable materials.  
[www.guess.com/smartguess](http://www.guess.com/smartguess)

For more about our SMART GUESS line of more sustainable clothing, see Protecting Our Environment, page 74.



# Our Business Model



As a global, diversified fashion company and brand, we operate in fast-moving global markets, serving the style-conscious consumer through the iconic GUESS brand image. But the impact of our value chain is more far-reaching, and we recognize the people who contribute to our business throughout the supply chain, from raw materials to fabric mills to the final product.



# Our Sustainability Plan and Progress

Our sustainability approach was formed by considering the interests of our diverse stakeholders, the factors contributing to the sustainable growth of our business, and by several sustainability reporting and disclosure platforms. These include the *Global Reporting Initiative (GRI) Standards*, as well as the *SASB Apparel, Accessories & Footwear Sustainability Accounting Standard* and the *SASB Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard*. The United Nations Sustainable Development Goals (UN SDGs) were also considered in developing our sustainability plan, with SDGs highlighted throughout this report. For details about how this report adheres to the GRI and SASB Standards, please see the Content Index on page 93. Just as these platforms influence our overall sustainability strategy, they also guide our environmental, social, and governance disclosures.



## Contributing to the UN SDGs

We are committed to the UN SDGs, 17 ambitious goals developed by the United Nations in 2015 to address the world's most pressing challenges and build a more sustainable future by 2030. Our 2021 goals have contributed to the SDGs and driven our efforts to empower GUESS associates, enhance the sustainability of our global operations, our supply chain, and the communities where we live and work; and connect our customers with more sustainable fashion choices. Specifically, we are contributing to 10 of the SDGs that reflect our material sustainability topics. Since our previous sustainability report covering FY2018 – 2019, we have focused our efforts toward two additional SDGs:



– SDG 3, which reflects our enhanced efforts during the pandemic to support the health and wellbeing of our associates and certain communities affected by the COVID-19 crisis. We consider this in our employee engagement approach.



– SDG 15, which reflects our commitment to do our part in ending and protecting biodiversity through responsibly sourced raw materials. We now consider this also as part of our product responsibility pillar.

## Our World, Our Brand 2021 Goals

Since we launched our first sustainability strategy in 2016, sustainability at GUESS has continued to evolve, becoming integrated into the core of the business and contributing even more to our collective success. Our sustainability work—Operating With Integrity, Empowering Our People, and Protecting Our Environment throughout our operations and supply chain—creates growth opportunities for our associates, our suppliers, our company, and the communities we serve. This current strategy comes to an end this year, in FY2021, so in this report we will focus on the performance against these commitments, reflect on what we have achieved and set out even greater ambitions for what comes next.

### Awards and Recognition

We don't pursue sustainability performance for the accolades, but we are pleased when our hard work is recognized.

The GUESS FY2018 – 2019 Sustainability Report, *Evolution! Change for Good*, earned the following awards:

#### Winner

**Innovation in Reporting**  
Corporate Register Reporting Awards 2020



#### 1st Runner Up

**Credibility through Assurance**  
Corporate Register Reporting Awards 2020

#### Winner

**Best Sustainability/CSR Report**  
PR News 2020



## GUESS scored 90 (of 100)

on the annual Human Rights Campaign (HRC) Corporate Equity Index, for the second year in a row

## Operating With Integrity



### Good Governance and Ethics

Strengthen sustainability oversight at Board level

●●●●● *Achieved*  
See more Page 33



### Transparency and Verification

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

●●●●● *Achieved*  
See more Page 35

## Empowering Our People



### Diversity & Inclusion

Review and update current policies and practices to ensure inclusivity

●●●●● *Ongoing*  
See more Page 41

Expand Diversity Council internationally

●●●●● *In Progress*  
See more Page 41



### Sustainability Education & Engagement

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

●●●●● *Ongoing*  
See more Page 55

100% of North America stores engaged on sustainability

●●●●● *Ongoing*  
See more Page 55



### Supply Chain Social Responsibility

Strengthen vendor training and factory worker grievance program

●●●●● *Ongoing*  
See more Page 61

Publish multi-tiered supplier map

●●●●● *Achieved*  
See more Page 61

## Protecting Our Environment



### Product Responsibility\*

– 10% certified sustainable materials

●●●●● *Achieved*  
See more Page 71

– 20% of cotton sourced as Better Cotton

●●●●● *In progress*  
See more Page 71

Achieve our commitment to circular fashion with Global Fashion Agenda

●●●●● *Achieved*  
See more Page 71



### Water Stewardship

25% of denim to meet eco SMART GUESS guidelines

●●●●● *Almost there*  
See more Page 79

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

●●●●● *Almost there*  
See more Page 79



### GHG Emissions Reduction

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

●●●●● *Achieved*  
See more Page 85

Implement the transition to Science Based Targets (Scope 1 to 3)

●●●●● *Almost there*  
See more Page 85

\* Our previous goal was to achieve 20% sustainable materials, and would have required the combination of unlike datasets.

## Goal Status

We've worked hard to achieve our 2021 goals and are incredibly proud to share the progress we've made. Here, we've provided a summary snapshot of the status of our Sustainability Plan and the progress made against our goals. More detailed information can be found throughout the report.

**In progress:** We've made good progress against the goal, but still have some work to do to ensure global success\*\*.

**Ongoing:** We've implemented changes but our work here is ongoing as new information or employees come into the business (e.g. training, engagement or reviewing policies).

**Almost there:** We're nearly there and are on track to achieve in the next 12 months.

**Achieved:** We have proudly achieved our goal for 2021.

\*\*Progress against some of our goals has been delayed due to the pandemic, and where we still have work to do we have reflected this in our new VISION GUESS strategy.



# VISION GUESS

Rooted in our heritage but fueled by a new energy.

We're creating iconic GUESS fashion with a focus on sustainability — made by a family of empowered people, with minimal waste.

Upholding the same GUESS DNA: this is our world.

But we are dreaming bigger: this is our future.

## Introducing VISION GUESS – Our New Sustainability Plan

With even more ambitious commitments and goals, VISION GUESS will move our journey forward over the next decade so that we are a business and brand that integrates sustainability within our operations and value chain, promotes diversity and inclusivity as a value and culture within our global workforce and supply chain and creates fashion that contributes to a climate positive, circular economy.

Throughout this report in Operating With Integrity, Empowering Our People, and Protecting Our Environment, we provide a view into how our current sustainability work will be carried forward under the new strategy, building on the strengths of our achievements over the past five years and creating a brighter future for our stakeholders, our company, and the apparel industry. We anticipate sharing our progress toward VISION GUESS in future sustainability reports.



### CLEAR ABOUT REAL CHANGE

We are making real, bold changes in sustainability at GUESS, with a commitment to integrity in how we communicate our progress.



### ALIVE WITH DIVERSE VOICES AND IDEAS

We welcome everyone everywhere—diversity makes us GUESS, so we want to ensure every voice, across the globe, has a place in our workforce and our communications.



### CONNECTED WITH OUR SUPPLIERS

We are everyone in our supply chain—we are all part of GUESS. We work with our global partners on training and supporting best-in-class practices at all levels.

## OUR WORLD



## OUR FUTURE



### CREATING WITH SUSTAINABLE MATERIALS

We will continue to use more organic, recycled, and responsibly sourced materials. GUESS is working to ensure that all plastic-based materials are recycled.



### OPTIMIZING FASHION WITH MINIMAL WASTE

We are introducing new product designs and ideas around how we make and sell, to be more sustainable and waste less, reimagining fashion.



### PART OF THE CLIMATE SOLUTION

We take the climate crisis seriously, and have set ambitious targets to reduce carbon emissions at GUESS and in our supply chain.





# OUR WORLD

## Upholding the same GUESS DNA: this is our world

From the very beginning, GUESS has been built on a foundation of doing the right thing, doing it in our own unique and creative way, and doing it as a family. This is who we are and this will never change, only improve—because this how we can make progress for everyone.



### CLEAR ABOUT REAL CHANGE

**2022**

Connect Environmental, Social, and Governance (ESG) performance with new incentive structures

**Ongoing**

Continuously Improve our Internal Audit protocol to maintain highest standards for ESG data quality

**2022**

Develop implementation roadmap to engage key business affiliates (JVs and licensee) on key sustainability goals



### ALIVE WITH DIVERSE VOICES AND IDEAS

**2021**

Connect D&I results with annual review and compensation

**2021**

Deliver D&I training & accountability, starting from the top

**Ongoing**

Prioritize gender parity and increase ethnic diversity in executive leadership positions (VP+)



### CONNECTED WITH OUR SUPPLIERS

**Ongoing**

Continuously increase transparency in our supply chain

**2022**

Partner with key vendors on disclosures and programs that will lead to positive change for women

**2024**

Establish training program for 100% factory owners in key regions

**Ongoing**

Increase factory employee access to trainings, development opportunities and grievance mechanism



### CREATING WITH SUSTAINABLE MATERIALS

**2023**

30% of our global materials portfolio will be more sustainable

**2024**

75% of GUESS denim mainline will be SMART GUESS

**2024**

100% recycled or biobased polyester for mainline

**2029**

100% recycled or biobased polyester for all brands



# OUR FUTURE

## Dreaming bigger: this is our future

We all will create our own future—a future where the value of actions can be seen, measured, felt and shared by everyone. We see a brighter future for fashion and we will play our part in helping the industry create what is needed for everyone to thrive.



### PART OF THE CLIMATE SOLUTION

**2021**

Announce roadmap to achieve SBTs

**2030**

Reduce Scope 1 + 2 greenhouse gas emissions by 50%

**2030**

Reduce Scope 3 (supply chain) by 30% by 2030



### OPTIMIZING FASHION WITH MINIMAL WASTE

**2023**

Circular product design available for every major category

**2023**

Circular or more sustainable systems and models will be an increasingly significant part of our business

**2023**

100% of accessories and footwear, and 50% of ecommerce shipments will be recycled or recyclable packaging

**2025**

100% of product packaging to be recycled or recyclable





# Engaging Our Stakeholders

Who and How We Engage (page 20)

Sustainability Materiality Assessment (page 22)

Customer Satisfaction and Engagement (page 26)

Industry Collaboration (page 28)

## OUR APPROACH

Staying in touch with our stakeholders is second nature at GUESS. Our investors, our suppliers, our industry peers, the communities we serve, the non-governmental organizations we partner with, the media, and government agencies are all valuable external stakeholders.

We consider our customers and associates to be valuable internal stakeholders due to their close interactions with our brands and our company. Across all these important stakeholder groups, we regularly seek their input to better understand what matters most to them and to strengthen our approach.



# Who and How We Engage

## Customized Communications

All GUESS stakeholders are critical to our business success, but each has a different level of interest when it comes to engaging with us and influencing our sustainability journey.

Some prefer regular contact and opportunities to provide their perspectives on issues of importance, whether through surveys, focus groups, interviews, social media, or other direct communications.

Others prefer to be kept informed through product communications, sustainability reports, and our website. Within specific stakeholder groups, too, we use different communications platforms to keep in touch. For instance, our core customers are style-conscious consumers in three primary groups—Heritage, Millennials, and Generation Z—and each group engages with us through different media. We engage, collect feedback, and share information with different stakeholders in different ways, making sure we keep up with our stakeholders’ changing perspectives.



The GUESS Council on Diversity and Inclusion at our global headquarters in Los Angeles, California. Learn more about our D&I efforts on page 42.

Our FY2020 – 2021 engagement platforms for each stakeholder group, along with the topics they raised, are summarized below.

### Stakeholder Engagement Methods and Topics Raised

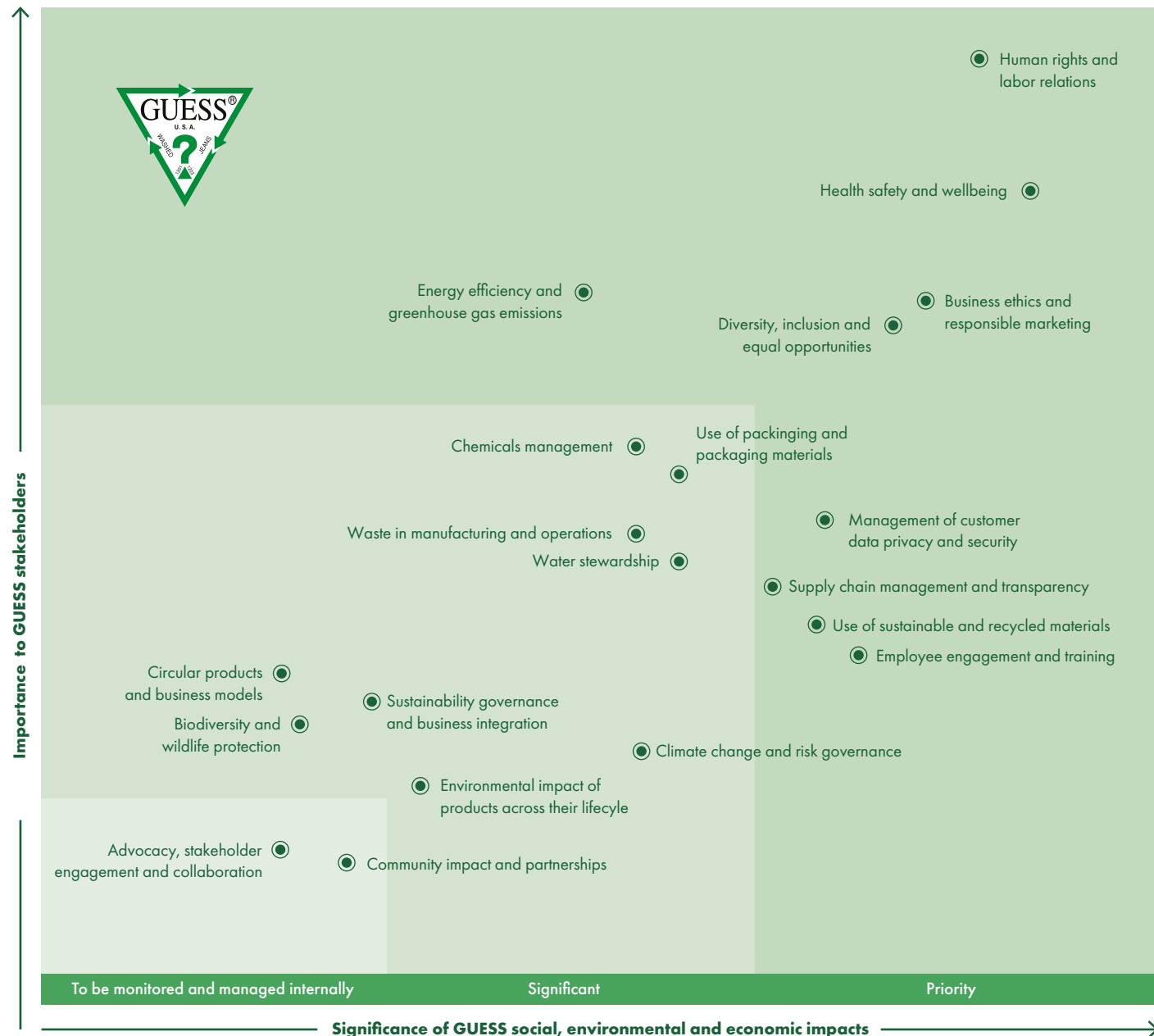
Stakeholder type	Engagement methods	Key topics raised
<b>Customers</b>	<ul style="list-style-type: none"> <li>– Customer surveys and feedback</li> <li>– Social media</li> <li>– Focus groups</li> <li>– Email and phone</li> <li>– Industry</li> <li>– Company research</li> </ul>	<ul style="list-style-type: none"> <li>– Diversity, inclusion and equal opportunities</li> <li>– Data privacy and security</li> <li>– Human rights and labor relations</li> <li>– Use of sustainably sourced materials</li> </ul>
<b>Associates</b>	<ul style="list-style-type: none"> <li>– Online surveys</li> <li>– Interviews</li> <li>– Volunteering and training</li> </ul>	<ul style="list-style-type: none"> <li>– Human rights and labor relations</li> <li>– Health, safety and wellbeing</li> <li>– Employee engagement and training</li> <li>– Diversity, inclusion and equal opportunities</li> <li>– Data privacy and security</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>– Investor surveys, reports</li> <li>– Direct communications</li> <li>– Industry</li> <li>– Company research</li> </ul>	<ul style="list-style-type: none"> <li>– Energy efficiency and GHG emissions</li> <li>– Supply chain management and transparency</li> <li>– Sustainability governance and business integration</li> <li>– Human rights and labor relations</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>– Direct communications</li> <li>– Surveys, audits, trainings</li> </ul>	<ul style="list-style-type: none"> <li>– Human rights and labor relations</li> <li>– Health, safety and wellbeing</li> <li>– Supply chain management and transparency</li> <li>– Stakeholder engagement and collaboration</li> </ul>
<b>Communities and NGOs</b>	<ul style="list-style-type: none"> <li>– GUESS Foundation</li> <li>– Partnerships and sponsorships</li> <li>– Interviews</li> <li>– GUESS Cares</li> <li>– Events</li> <li>– Research</li> <li>– Email</li> </ul>	<ul style="list-style-type: none"> <li>– Circular products and business models</li> <li>– Energy efficiency and GHG emissions</li> <li>– Chemicals management</li> <li>– Human rights and labor relations</li> </ul>
<b>Media and industry</b>	<ul style="list-style-type: none"> <li>– Industry associations</li> <li>– Industry initiatives, conferences, meetings</li> <li>– Interviews</li> <li>– Company research</li> <li>– Press events and communication</li> </ul>	<ul style="list-style-type: none"> <li>– Health and safety</li> <li>– Climate change</li> <li>– Human rights and labor relations</li> <li>– Use of sustainably sourced materials</li> </ul>
<b>Regulators and Government</b>	<ul style="list-style-type: none"> <li>– Regulatory reporting and compliance</li> <li>– Meeting on emerging regulations and government initiatives</li> <li>– Work with industry associations</li> </ul>	<ul style="list-style-type: none"> <li>– Health and safety</li> <li>– Climate change</li> <li>– Human rights and labor relations</li> <li>– Use of sustainably sourced materials</li> </ul>
<b>Leadership</b>	<ul style="list-style-type: none"> <li>– Interviews</li> <li>– Surveys</li> <li>– ESG meetings</li> </ul>	<ul style="list-style-type: none"> <li>– Circular products and business models</li> <li>– Use of packaging and packaging materials</li> <li>– Use of sustainably sourced and recycled materials</li> <li>– Diversity, inclusion and equal opportunities</li> <li>– Stakeholder engagement and collaboration</li> </ul>



# Sustainability Materiality Assessment

In FY2021, we conducted a sustainability materiality assessment to identify, update, and prioritize sustainability topics, and to guide our approach to the new GUESS sustainability strategy. Stakeholders evaluated and

prioritized topics related to the sustainable practices and growth of our business, and offered ideas for increasing our positive impact.



## Our Approach

As with our previous sustainability materiality assessments, the process was guided by the Global Reporting Initiative (GRI) Reporting Principles. We also considered the Sustainability Accounting Standards Board (SASB) Conceptual Framework and relevant SASB Standards in identifying topics for inclusion in the assessment. It built upon the previous assessments conducted for our previous three sustainability reports, while introducing seven new topics for our stakeholders to consider. The FY2021 sustainability materiality assessment included desk research of peers, macro trends, sustainability industry standards, and investor sustainability assessments. We also surveyed internal and external stakeholders, with over 900 employees from our three key GUESS regions completing the survey, along with 20 external stakeholders representing licensees and vendors, as well as NGOs and academia. We applied weightings to help balance the results between internal and external voices. A series of interviews with GUESS regional and global leadership provided additional insights and perspectives, and results of the assessment were reviewed by our Chief Executive Officer as well as our Sustainability Steering Committee.

900+ employees surveyed

## Material Sustainability Topics

This analysis guided the development of VISION GUESS, our new sustainability plan. The sustainability materiality assessment results also identified emerging trends and topics to be considered in the future – and we will continue monitoring to determine where we should take action. The following topics are important to stakeholders and significant to our business, with some changes since the FY2018 – 2019 Sustainability Report:

### Priority Topics

- Human rights and labor relations
- Health, safety, and wellbeing
- Diversity, inclusion, and equal opportunities
- Business ethics and responsible marketing
- Supply chain management and transparency
- Management of customer data privacy and security
- Use of sustainable and recycled materials
- Employee engagement and training
- Energy efficiency and greenhouse gas emissions

### Significant Topics

- Chemicals management
- Use of packaging and packaging materials
- Waste in manufacturing and operations
- Water stewardship
- Circular products and business models
- Sustainability governance and business integration
- Climate change and risk governance
- Environmental impact of products across their lifecycle
- Biodiversity and wildlife protection

### Topics to be Monitored and Managed Internally

- Advocacy, stakeholder engagement, and collaboration
- Community impact and partnerships



Group photo of Guess Europe employees at our headquarters in Lugano, Switzerland.



### Continued Evolution in Material Sustainability Topics

The sustainability materiality assessment identified topics that are significant to stakeholders and our business, including some changes since our previous assessment in FY2019. Key changes in the list of significant topics from FY2019 to FY2021 are shown below. Our FY2021 sustainability materiality matrix (see page 22) shows all topics assessed and their relative significance to our stakeholders and our business.

Topic	Change	Reason for Change
<b>Business ethics</b>	Changed to “business ethics and responsible marketing” and moved from significant to high priority.	Responsible marketing was specifically highlighted by peers and key indices.
<b>Climate resiliency</b>	Changed to “climate change and risk governance.”	Risk and governance in climate resiliency is seen as a key issue, especially by indices.
<b>Supply chain management and transparency</b>	Added to list of significant sustainability topics.	Transparency is elevated across competitors and fashion standards.
<b>Sustainability governance and business integration</b>	Added to list of significant sustainability topics.	We are integrating sustainability (environmental, social, and governance topics) into our business through leadership and governance structures (e.g., incentives and compensation).
<b>Advocacy, stakeholder engagement and collaboration</b>	Added to list of significant sustainability topics.	Advocacy through communication and lobbying, as well as stakeholder engagement and industry collaboration, were common issues raised by peers and standards.
<b>Waste (e.g. corporate and manufacturing waste, packaging waste)</b>	Split as two separate issues: “waste in manufacturing and operations” and “use of packaging and packaging materials.”	Most competitors make a distinction between these issues, and they take on different importance levels for stakeholders.
<b>Biodiversity and wildlife conservation</b>	Added to list of significant sustainability topics.	This issue is rising in prominence and highlighted by sustainable fashion standards.
<b>Sourcing sustainable materials (e.g., innovative materials, sustainable agriculture, deforestation, etc.)</b>	Changed to “use of sustainable and recycled materials.”	The title of this topic has been renamed to better define the objective. Unless otherwise noted, this name change did not result in a change of definition and therefore did not alter the comparability of data year over year
<b>Product circularity and take-back (e.g., product quality, durability, repairability, reuse, recycling)</b>	Changed to “circular products and business models.”	Product circularity is a broad concept that starts with product design, but requires new business processes, in addition to “take-back,” to be fully achieved. Changing from take-back to business model reflects this systems-change approach.
<b>Reducing the environmental impact of products across their lifecycle</b>	Added to list of significant sustainability topics.	Having a lifecycle view of environmental impacts of products is strongly valued across frameworks.
<b>Talent management (e.g., associate engagement, retention, training and professional development, benefits)</b>	Changed to “employee engagement and training.”	“Talent management” is a broad category that needs additional specificity.
<b>Health, safety and wellbeing</b>	Added to list of high priority sustainability topics.	Health and safety has been elevated by COVID-19 and is an issue currently under scrutiny.
<b>Diversity and inclusion</b>	Changed to “diversity, inclusion, and equal opportunities” and moved from significant to high priority.	Issues such as no discrimination, equal opportunities, and equal pay are trending and receiving increasing prominence.
<b>Community giving and partnership</b>	Changed to “community impact and partnerships.”	This change reflects our shift from an output approach toward an outcome approach.
<b>Management of customer data privacy and security</b>	Moved from significant to high priority.	This change in priority is due to the increase of digital transactions over the past 12 months.

### Alignment with Enterprise Risk Management

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

### Key Actions to Address Concerns in FY2020 – 2021

Our regular sustainability materiality assessments guide our sustainability strategies and actions. During FY2020 – 2021, we took the following key actions—and many others not listed here—in response to what we learned from our FY2019 sustainability materiality refresh. For more about each action, please see the relevant chapters of this report.

2019 Priority Topics	Key Actions to Address Concerns
<b>Human rights and labor relations</b>	<ul style="list-style-type: none"> <li>– Developed new supplier training</li> <li>– Rolled out new vendor scorecard to evaluate supply chain for social responsibility</li> <li>– Continued worker grievance program in key sourcing country</li> </ul>
<b>Sourcing sustainable materials</b>	<ul style="list-style-type: none"> <li>– Continued responsible sourcing policies for commonly used materials</li> <li>– Provided training to product design and development teams in SMART GUESS criteria and certifications</li> <li>– ~12% environmentally preferred materials in global portfolio</li> <li>– ~13% of cotton sourced as Better Cotton</li> </ul>
<b>Energy efficiency and GHG emissions</b>	<ul style="list-style-type: none"> <li>– Met goal of reducing GHG emissions from direct operations by over 15% since our FY2016 baseline</li> <li>– Received approval on our Science-Based Targets (SBTs) by the Science Based Targets Initiative</li> <li>– Initiated roadmap to meet new SBTs by 2030</li> </ul>
<b>Talent management</b>	<ul style="list-style-type: none"> <li>– Increased number of associates participating in training by 357% from FY2020 to FY2021</li> <li>– Increased number of training topics covered by 96% from FY2020 to FY2021</li> <li>– Added Training Tuesday, monthly Master Class, and more interactive e-learning</li> <li>– Provided additional associate resources and engagement to support wellbeing and safety during the pandemic</li> </ul>
2019 Significant Topics	Key Actions to Address Concerns
<b>Diversity and inclusion</b>	<ul style="list-style-type: none"> <li>– Reviewed compensation to ensure gender pay parity</li> <li>– Increased female representation on Board of Directors to 33%</li> <li>– Forged new partnerships with organizations strengthening black communities</li> <li>– Launched Guess Europe Diversity Council, began diversity and inclusion training</li> </ul>
<b>Product circularity and take-back</b>	<ul style="list-style-type: none"> <li>– Fulfilled our 2020 Commitments to a Circular Fashion System with Global Fashion Agenda</li> <li>– Continued RESOURCED take-back program</li> <li>– Trained denim designers on circularity for GUESS Jeans Redesign project</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>– Launched corporate recycling program across 90% of headquarter campuses</li> <li>– Increased waste diversion at distribution centers</li> <li>– Improved product packaging to help minimize waste</li> </ul>
<b>Water stewardship</b>	<ul style="list-style-type: none"> <li>– Partnered with vendors in developing denim made with water saving denim technologies to reduce water and chemical use</li> </ul>
<b>Chemicals management</b>	<ul style="list-style-type: none"> <li>– Increase number of suppliers completing the Higg Index Survey by 10 since FY2019, over 20% increase by volume</li> <li>– Increased GUESS direct suppliers that completed Higg FEM Survey in FY2020 by 6%</li> <li>– Increased number of suppliers meeting SMART GUESS production criteria, and launched GUESS Jeans Redesign project, to further reduce chemical use in supply chain</li> </ul>
<b>Business ethics</b>	<ul style="list-style-type: none"> <li>– Among other longstanding ethics policies and procedures, developed rigorous internal auditing program for sustainability metrics and disclosure</li> <li>– Demonstrated leadership as the first fashion company to subject its sustainability report to reasonable assurance review</li> </ul>
<b>Climate resiliency</b>	<ul style="list-style-type: none"> <li>– Evaluated climate-related risks as part of annual enterprise risk assessment</li> <li>– Assessed feasibility and impact of climate change, including risk and opportunity, and refined climate management plan as needed to address product development, retail planning, procurement, and others</li> <li>– Conduct an annual GHG inventory and assessment program</li> </ul>
2019 Topics to be Monitored, Managed Internally	Key Actions to Address Concerns
<b>Customer data privacy and security</b>	Continued robust customer data protection and privacy practices, informed by our “secure by design” approach to prioritize data security measures before implementing a new business practice
<b>Community giving and partnerships</b>	Supported communities hard hit by the COVID-19 crisis, such as by partnering with organizations to donate funds, clothing, and personal protective equipment, and to host a blood drive and promote blood donation



# Customer Satisfaction and Engagement

**GUESS customers make us who we are. From our humble beginnings in 1981, to our current status as an iconic global brand, we have placed our customers at the center of everything we do.**

This includes creating an enjoyable and seamless shopping experience, whether in store, online, or with our mobile app. And whether their fashion tastes lean towards sophisticated, trendy, streetwear, or vintage, our customers can choose from designs that provide uncompromising quality and detail backed by exceptional customer service and a commitment to customer safety.

### Communicating Product Sustainability

Pocket flashers—the removable tags placed on the back pocket of pants or jeans—provide an easy way for customers to learn about the sustainable features of our eco products. Our SMART GUESS jeans, for instance, include recycled paper pocket flashers that speak to what is special about the fabric, its water saving production methods, use of responsible manmade cellulosic fibers, or other attributes. Some of our clothing also includes sewn-in, embroidered, or printed labeling to identify more sustainable products. For our eco jewelry collections, we include a label on the 100% recycled pouch and insert a Forest Stewardship Council-certified paper card to identify the use of recycled materials in the jewelry itself.



We also continue encouraging customers to make more sustainable choices by bringing us their old clothing for recycling. RESOURCED, our clothing take-back program, is in all U.S. stores, but further expansion was put on hold due to the pandemic. Our GUESS Vintage line also promotes sustainability through product buy-back and resale, allowing customers to support circular fashion while enjoying classic GUESS looks.

### Eco is the Smart Choice

To raise awareness about our more sustainable eco collections, we launched a multichannel communications campaign to introduce customers to the eco SMART GUESS denim collection, which uses innovative fibers like LENZING™ ECOVERO™, made from certified renewable wood sources in a process that generates up to 50% fewer GHGs and uses less water usage compared to generic viscose. Through a dedicated e-commerce section for SMART GUESS, a digital mailer, social media push, press release, editorial publications, internal communications, and other measures, we reached customers with our messages of more sustainable fashion.

ECOVERO™ is a registered trademark of Lenzing AG.



Breakfast set up from our SMART GUESS zero waste, vegan brunch in Venice Beach, California—Fall 2019—which we hosted to communicate the intricacies of SMART GUESS and sustainability, and to increase awareness of eco issues with social media influencers and the GUESS social media community.



### Sustainable is Sexy

Getting word out to customers about our eco denim collection has included a multifaceted communications campaign, from product labeling and tags to videos, in-store displays and windows, and exclusive giveaways. Events at our European retail stores in six countries invited customers to learn more about our more sustainable denim offerings, receive a GUESS-branded backpack made of recycled paper, and earn the chance to have their favorite pair of old jeans renewed by a GUESS stylist.

### Customer Satisfaction

We use various channels to listen to our customers and tailor our products and services to their needs. GUESS takes customer feedback very seriously, and continues creating more channels for customers to engage with us at their convenience.

### GUESS Customer Care

On our website, customers can submit comments through our OpinionLab software, request a call back, or chat with us online. We also solicit feedback with every order confirmation email. Since 2019, the GUESS Customer Care Better Business Bureau rating has held steady at an A+, reflecting the variety and quality of our customer feedback platforms.

### GUESS Loyalty Program

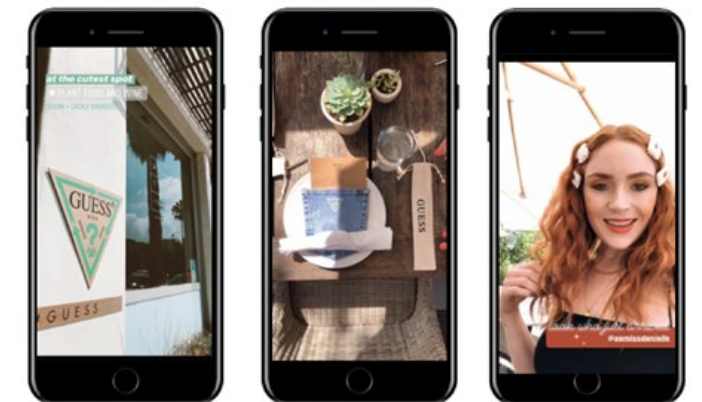
Our GUESS List loyalty program uses multiple channels to engage and update customers on the latest events, products and services. We also reward customers with points for purchases in store, on our app and online. In the U.S. and Canada, customers can accumulate points across GUESS brands and spend them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

### GUESS Mobile App

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

### Social Media

The GUESS Social Media platforms provide a direct line to our customers; providing a convenient place to connect with the brand, get answers to questions, provide feedback, and be part of the greater GUESS community. It's also where customers come to get inspired as we share style ideas. During 2020, the GUESS social channels became a community for our followers when community was needed more than ever. Reaching more than 14 million people around the world with relatable content, the core of our focus was providing our followers with more than just fashion during such difficult times. In the past year, we've launched four new franchises on our YouTube channel, releasing new videos every week. We also launched a brand new Instagram page solely for the GUESS Originals customer and revamped our TikTok channel, with a new generation of engaged fans in mind.



Instagram content from our #GUESSECO social media influencer brunch event

### Retail and Pop-Up Events

Retail events take place at select stores to showcase product releases, special initiatives, and collaborative partnerships to help create memorable customer experiences. For customers who can't make it in person, the events are live-streamed worldwide on social media. We also host special pop-up events in unique spaces.



# Industry Collaboration

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

## Sustainable Development Goals



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

Organization	Membership and Collaboration	Topics Working on Together
GRI COMMUNITY MEMBER 2021	We are a member of the GRI Community and support the mission of GRI to empower decision-makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action toward a more sustainable economy and world.	Transparency
	GUESS is a member of the SASB sector advisory group on consumer goods and actively engaged in our industry disclosures. This report was developed in keeping with two SASB Standards.	Transparency
	Since 2015, GUESS has been a member of the SAC, nearly 50% of our suppliers by volume completed the Higg Index Facility Environmental Module (FEM) self-assessments. As a company, GUESS also completes the Higg Brand and Retail Module (BRM) to assess the impacts of its operations. This tool includes environmental topics such as packaging, logistics, and chemicals management.	Sustainable sourcing through the Higg FEM Index for safer chemistry and chemicals management, packaging, logistics, and others
	Cotton is a water-intensive crop that comprises approximately half of our material use, 13% of which we sourced as Better Cotton in 2020. BCI helps farmers increase water efficiency, reduce pesticide use, and ensure fair treatment of workers.	Sustainable sourcing, sustainable raw materials
SIGNATORY OF THE 2020 CIRCULAR FASHION SYSTEM COMMITMENT	In 2017, GUESS became a signatory of the 2020 Global Fashion Agenda commitment to a circular fashion system, aimed at implementing sustainable design strategies, increasing the collection and resale of used clothing, and increasing the share of clothing made from recycled fibers. Global Fashion Agenda tracks and reports each signatory brands' commitments to circular fashion.	Circularity, product take-back, recycled materials

Organization	Membership and Collaboration	Topics Working on Together
	In 2019, GUESS joined Ellen MacArthur Foundation's Jeans Redesign project, as part of the Foundation's Make Fashion Circular initiative. This project uses the principles of circularity to ensure positive impacts for the environment, society, and the health of those people working in the fashion industry. Our first jeans developed with the Jeans Redesign guidelines will be part of our Summer 2021 collection in Guess Europe, and globally available in the Fall.	Circularity, sustainable materials, recycling
	GUESS submitted its first CDP Climate Change Report in 2018 and achieved leadership status in 2019. We continue to respond to CDP annually.	Climate change
	The Science Based Targets Initiative (SBTi) champions science-based target setting in the transition to a low-carbon economy. GUESS has set and received approval of its ambitious science-based targets for our corporate and supply chain greenhouse gas emissions for 2030.	Climate change
	In 2019, GUESS became a signatory of the UNFCCC Fashion Industry Charter for Climate Action. GUESS has since joined working groups to further contribute and learn how to implement the charter's principles and limit global warming to 1.5°C compared to pre-industrial levels.	Climate change
	In partnership with Good360, a global leader in product philanthropy and purposeful giving, Guess U.S. donated goods to its communities, including 45,000 pieces of apparel, such as activewear, outerwear and knitwear, as well as blankets and coloring books.	Community support
	Since 2016, GUESS has sponsored sustainability and fashion classes at the Los Angeles Fashion Institute of Design and Merchandising, educating hundreds of students and associates on material efficiency, circularity, sustainable denim, sustainable lifecycle, and other topics.	Sustainability education and engagement
	In China, we partnered with Inno Community Development Organization, a non-profit committed to improving workplace transparency, equality, and public health. We provided a confidential Handshake Worker's Hotline that enables 1,000+ workers to report any concerns anonymously.	Supply chain social compliance, workers grievance program
	GUESS donated proceeds from our 2020 mask sales and produced a GUESS Community Advocacy YouTube video in support of Homeboy Industries, an organization that provides hope, training, and support to formerly gang-involved and previously incarcerated individuals.	Community support
	In 2020, GUESS became a member of Textile Exchange, a non-profit organization positively impacting climate through accelerating the use of preferred materials across the global textile industry.	Sustainable sourcing, sustainable raw materials

### Stakeholder Engagement — What's Next?

Continuing to invite feedback, ideas, and concerns from our investors, customers, associates, and many other stakeholders is central to our sustainability journey. As part of VISION GUESS, we are taking our engagement approach a step further. We have committed to regularly engaging our customers and communicating the importance of "care and rewear," as well as apparel recycling, through our advertising, marketing, and communications. We also aim to annually train our

teams on circular and sustainable design to advance and encourage innovations in sustainable product development, which will not only increase their own awareness and engagement, but also give us additional opportunities to promote sustainable fashion choices among our customers. Of course, sustainability in the fashion industry will continue to be a collaborative effort, and we look forward to partnering with peers, suppliers, industry coalitions, and other stakeholders to support our collective progress.





# Operating With Integrity

Good Governance and Ethics (page 32)  
 Transparency and Verification (page 34)

## OUR APPROACH

Honesty and integrity are cornerstones of ethical behavior at GUESS—and ethical conduct is foundational to our company. Everywhere we operate, and at all times, we strive to do what is right. Of course, we also work to continuously improve and evolve. This involves regularly monitoring and measuring our performance, collaborating with stakeholders throughout

the value chain, and reporting our progress openly and transparently. We recognize that trust and dependability are essential to the lasting, productive, and mutually rewarding relationships we enjoy with our associates, suppliers, and other partners.



# Good Governance



# and Ethics

  
**Commitments**  
– Good governance and ethics

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**Goals**  
Strengthen sustainability oversight at Board level  
  
Achieved

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**FY2020 – 2021 Achievements**  
Further engaged with the Board of Directors and Nominating and Governance Committee on Environmental, Social, and Governance (ESG) priorities, risks, and opportunities

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**Sustainable Development Goals**

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

### Code of Ethics

Everywhere we operate globally, we conduct our business ethically and with integrity. Every Guess?, Inc. director, officer, and associate is held to our Code of Ethics. And every facet of our business is guided by the Code of Ethics. It guides how we operate both internally and externally with suppliers and business partners, and is used globally with minor regional differences. The Code of Ethics is explained to all new associates upon joining the company and each is expected to read it promptly and begin applying its guidance immediately. By clearly articulating our expectations on topics such as personal responsibility, conflicts of interest, confidentiality, treatment of employees, and many others, the Code of Ethics emphasizes a standard of ethical conduct that must permeate all business dealings and relationships.

### Sustainability Governance

Our Sustainability and Corporate Social Responsibility Team works to ensure that environmental and social responsibility is embedded into decision-making processes across the company. This global team is made up of directors and senior managers in the U.S., Europe, and Asia reporting to our Vice President, Internal Audit and Corporate Social Responsibility, who administratively reports to our Chief Executive Officer and directly reports to the Board of Directors' Audit Committee. This organizational structure—in which the people responsible for internal auditing and sustainability performance tracking report directly to the Board of Directors—provides for additional independence among our auditors and our sustainability team. Ours is one of the few sustainability programs reporting into the internal audit function, and we believe it strengthens our approach and the integrity of our data.

The GUESS Sustainability Steering Committee reviews our sustainability plans, identifies priority risks and opportunities, and monitors progress against our commitments and goals. The Committee, which meets one to two times each year, and additionally as needed, is led by our Chief Executive Officer, is joined by our Chief Financial Officer and our global Executive leadership, and includes Corporate Social Responsibility, Product Development, Supply Chain, Finance, Retail and E-Commerce, Logistics, Internal Audit, Inventory, Human Resources, Legal, and Advertising. Committee members are responsible for integrating sustainability into the operations of their respective departments.


In addition, regional sustainability committees support implementation of our sustainability strategy and goals at the local level. For more information on our management approach to various sustainability topics, please visit [sustainability.guess.com](https://sustainability.guess.com).

The Guess?, Inc. general approach to Corporate Governance is publicly available on our Investor Relations at [investors.guess.com](https://investors.guess.com).

Conscious Capitalism is a way of doing business that reflects where we are in the human journey, the state of the world, and the potential for business to make a positive impact. Conscious leadership reflects service to the company's purpose, the people the business touches, and the planet we all share:

**It is our purpose at GUESS to inspire our customers to feel confident and passionate about their style and their future... At GUESS, we dare to dream!**

We believe that conscious businesses will help evolve our world so people can prosper, creativity can flourish, and all of us can enjoy greater harmony.

  
**CLEAR ABOUT REAL CHANGE**

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**Governance and Ethics — What's Next?**

During our previous sustainability reporting period, we strengthened sustainability oversight at the Board of Directors level. To further demonstrate our commitment to sustainability as well as diversity and inclusion, we have committed to incorporating such ESG priorities into GUESS our company's annual review and compensation structure.



# Transparency



# and Verification

**Commitments**  
– Transparency and verification



**Goals**

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



**FY2020 – 2021 Achievements**

**Rigorous internal auditing program**

developed and applied for our sustainability metrics and performance data

**Obtained external assurance**

for our FY2016 – 2017, FY2018 – 2019, and FY2020 – 2021 sustainability reports and our greenhouse gas (GHG) inventory reported to CDP annually

**Complete, accurate, and balanced sustainability reporting is a fundamental commitment at GUESS.**

Each year, we engage a third party to review our greenhouse gas inventory, which is included in our sustainability report and other related reporting avenues, such as CDP. In addition, we have engaged KPMG LLP, beginning with our first sustainability report for calendar year 2015, to perform assurance procedures. FY2020 and 2021 marks the first time we have obtained reasonable assurance indicating that our report was prepared in accordance with GRI and SASB Standards. This is an even more rigorous review than the limited assurance we accomplished for our past three sustainability reports. Please see our Independent Accountants' Report on page 91 and our Content Index on pages 1 for more information.

**We strive to be an industry leader in transparency through our continued membership of the Global Reporting Initiative's GOLD Community our membership on the SASB Advisory Group for the Consumer Sector, and our commitment to achieving third-party assurance for sustainability reporting. GUESS is the first fashion company to subject its sustainability report to reasonable assurance procedures to help ensure the accuracy and integrity of this report.**

**GUESS Sustainability Assurance Framework**

In keeping with our commitment to continuous improvement and transparency in reporting, in 2020 we undertook a significant internal auditing process that provides more robust sustainability reporting and even greater confidence in our performance data. This practice, which is recommended by Global Reporting Initiative (GRI) Standards to enhance overall report integrity and credibility, now underpins our reporting. Our rigorous auditing and testing approach enables us to continue providing GUESS stakeholders with verified, quantified, and reliable assessments of our sustainability performance that they can trust.

Our first step was to create a comprehensive internal sustainability reporting framework, the GUESS Sustainability Assurance Framework, that identified all the key performance indicators (KPIs) needed to provide a complete accounting of our sustainability performance. We also took this opportunity to link internal GUESS KPIs with disclosures and metrics in the GRI Standards and industry relevant standards developed by the Sustainability Accounting Standards Board (SASB): Apparel, Accessories & Footwear Sustainability Accounting Standard, and the Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard.

A team of internal sustainability specialists and internal auditing experts collaborated on the framework to make sure it includes the most relevant and holistic metrics and indicators. This approach leveraged the knowledge and expertise of our sustainability team and that of our internal auditors, while also drawing from well-established internal auditing methodologies. The resulting framework includes nearly 100 indicators, disclosures, and metrics that are disclosed throughout this report.



Next, we conducted internal testing of the sustainability KPIs and other disclosures to verify them before including the data in our sustainability report and obtaining third-party assurance. Sustainability team members calculated the KPIs, and the internal auditing team tested the KPIs to verify that all KPIs are complete, correctly obtained, thorough, accurate, and include the relevant supporting documentation to confirm the calculations. For some KPIs, such as those related to product composition and certifications, as well as supplier monitoring, we went a step further, verifying in detail the database used to record our vendor monitoring, and conducting additional tests on a randomly selected sample of the information in the database, in line with the auditing best practices.

Any identified discrepancy was shared with the team member who calculated the KPI for clarification or correction. All testing was documented and provided to KPMG, our external assurance provider, for their examination of this FY2020 – 2021 sustainability report. This is our first report for which the metrics and disclosures have been thoroughly tested using our new internal framework and for which we have obtained reasonable assurance from KPMG, our external assurance providers. We look forward to using this internal and external auditing process for other sustainability reports in the coming years.

In addition, we hope to share our knowledge with peers and encourage its adoption as a best practice for sustainability reporting. Already, as a result of key findings identified during this project, we were able to significantly contribute to SASB's review on the sustainable materials disclosure for our industry. We are proud that our work will contribute to improved environmental, social, and governance data quality for the apparel industry and beyond.



## CLEAR ABOUT REAL CHANGE

### Transparency and Verification — What's next?

We will continue to advance our rigorous practices for data accuracy and disclosure, and will expand the scope of our work to include additional GUESS business partners.

## Security and Safety

Protecting our customers' personal and financial data, as well as their health, is of critical importance to GUESS. We maintain strong data security processes and infrastructure, as well as exacting health and safety checks of our products.

### Secure by Design – Our Approach to Data Protection and Privacy

Over the past 3 to 4 years, the global focus on cybersecurity and data protection has increased dramatically, as companies find additional ways to safeguard digital data. Globally, we have upgraded to the Palo Alto firewall in addition to upgrading cybersecurity tools to protect and secure customer data and information.

Across our operations, our security systems are data-centric, with security protocol, policies, and infrastructure in place to address the multiple channels where data now exists. This means addressing potential security challenges and regulations so we are ready with the right security measures. And while we update our data security rules, policies, and technology when we anticipate a need for increased measures, our underlying philosophy and commitment have not changed: prioritizing the protection of customer and company data. Our GUESS Security Policies are always subject to review and modifications to ensure alignment with best practice.

For every global region where we operate, we also stay abreast of relevant regional regulation, such as the EU General Data Protection Regulation (GDPR) and California Consumer Protection Act (CCPA).

Going forward, we will continue to closely monitor emerging cybersecurity risks, available security technologies, and legislation to ensure the customer, associate, and company data handled by GUESS remains safe and protected.

### Product Compliance, Communication and Safety

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

In addition to robust quality checks, we also take great care to ensure compliance with marketing regulations in every region in which we operate. In North America, while we have not experienced any formal incidents by local body enforcement, on occasion a product may have potential issues related to specific state requirements. If there is any question related to compliance, we err on the side of caution and immediately recall the product as needed.







# Empowering Our People

Diversity and Inclusion (page 40)

Attracting, Developing and Retaining Top Talent (page 50)

Engaging and Educating on Sustainability (page 54)

Community Giving and Volunteering (page 58)

Supply Chain Social Responsibility (page 60)

## A COMPANY FOR ALL

Since our founding, we have been a company that welcomes all, both within our own operations and in our supply chain. Today, with an inclusive culture and a commitment to Empowering Our People, we provide opportunities for about 11,000 associates around the world. From our innovative product designers and developers working behind the scenes, to our dynamic retail store associates—and everyone in between—we are committed to making sure their diverse voices are valued, ideas are elevated, and excellence is rewarded.

But GUESS is more than our direct workforce. We're also the people who contribute to our business throughout the supply chain, from raw materials to fabric mills to the final product. We value the work they do and recognize that, together, each and every one of us plays an important role in our shared success. To that end, we collaborate with our global supply chain partners to help them maintain the best labor practices and inspire the positive changes that will move fashion forward.



# Diversity



# and Inclusion



## Commitments

- Celebrate our diverse workforce
- Foster inclusive culture and policies in the workplace



## 2021 Goals

### Review and Update

current policies and practices to ensure inclusivity

●—●—●—●—  
Ongoing

### Expand Diversity Council Internationally

●—●—○—○—  
In Progress



## FY2020 – 2021 Achievements

- Added diversity and inclusion to annual performance review
- Initiated review of gender pay parity
- Updated benefits communication to be more inclusive
- Increased partnerships and recruiting practices for diversity

### Launched Diversity and Inclusion Council in Europe in late 2019 (FY2020)

However, implementation plans to launch in Guess Asia were delayed due to the pandemic

## Sustainable Development Goals



The content in this section supports United Nations Sustainable Development Goal #5 to achieve gender equality and empower all women and girls. The specific target addressed is 5.5, which aims to ensure full participation in leadership and decision-making. We are working to develop equity and opportunities for women in leadership within our supply chain.



The content in this section also supports United Nations Sustainable Development Goal #8, which aims to promote inclusive and sustainable economic growth, employment, and decent work. Specifically, we address Target 8.5 to achieve full employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



# Celebrating Diversity and Inclusion

Our longstanding commitment to diversity and inclusion comes to life each day as we work together to maintain a fair and inclusive workplace.

Our aim is for all GUESS associates to feel comfortable and safe bringing their authentic selves to work and contributing fully to our shared success. Building on the example set by the Marciano brothers and their belief that a diverse organization is a strong and creative one, we have embedded diversity and inclusion principles and practices throughout the company. Over nearly 40 years, this has created a rich, vibrant culture that respects—and benefits from—different personal attributes, backgrounds, ideas, and perspectives. Today, diversity is a key facet of our company-wide culture, informing our values, recruiting, talent development, and associate advancement, among other operations.

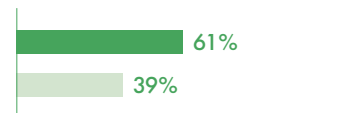
Our aim is for all GUESS associates to feel comfortable and safe bringing their authentic selves to work and contributing fully to our shared success.

Our expectations of everyone at GUESS to support a diverse and welcoming workplace are spelled out in the GUESS Code of Ethics. We expect all at GUESS to promptly report and investigate concerns about possible discrimination, as appropriate, and to facilitate this, we maintain an open-door policy that fosters honest and open communication. GUESS associates are encouraged to discuss work-related concerns or issues with their manager, department head, Human Resources, or Executive Management without fear of repercussion. In addition, our global whistle-blower hotline allows associates to report concerns about unethical behavior or other potential conflicts.

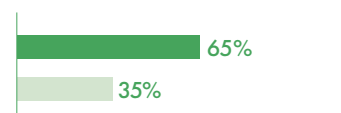
## GUESS Global Executive Leadership

### Executive Management

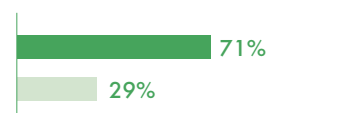
By Gender



FY19



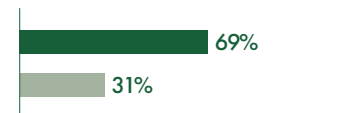
FY20



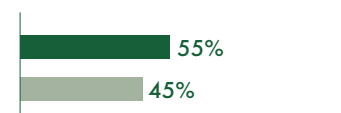
FY21

● Male ● Female

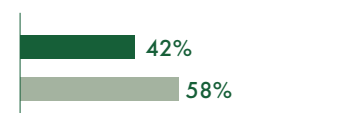
By Age



FY19



FY20

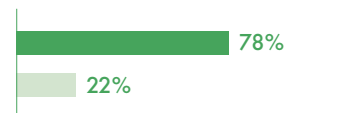


FY21

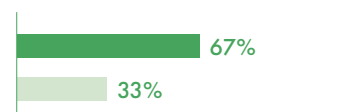
● 30-50 ● Over 50

### Board of Directors

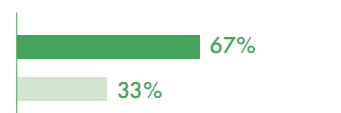
By Gender



FY19



FY20



FY21

● Male ● Female

By Age



FY19



FY20



FY21

● 30-50 ● Over 50

## Increasing Our Focus on Ethnic Diversity

We added specificity to our ethnicity tracking beginning in FY2020 to reflect the continued importance of diversity and inclusion and its value to our organization. And, we believe that publicly sharing this data is an important piece of our overall efforts to maintain diversity and inclusion and improve diverse representation in a few key areas. For instance, while our global organization is quite diverse, we have opportunities to increase the number of Black and Indigenous executive leaders. We will continue to refine our diversity and inclusion metrics as needed to make sure they remain meaningful as we work to foster an inclusive workplace where all GUESS associates thrive. The right metrics can help us prioritize actions, assign accountability, and measure the impact of various initiatives.

We are also leveraging external events such as Black History Month, to continue engaging all associates in the celebration of our diverse organization. For instance, in early 2021, we issued daily communications featuring Black leaders and innovators, and launched a video for The World Stage, a Los Angeles-based non-profit that celebrates and preserves African American music and art. In addition, we've continued more direct outreach with organizations that support Black community members, and cultivated closer relationships with organizations that specialize in recruiting Black employees.

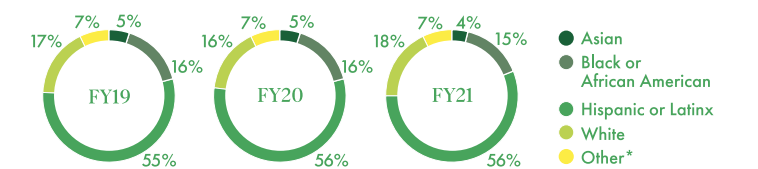
### From the GUESS Code of Ethics

#### Diversity and Inclusion

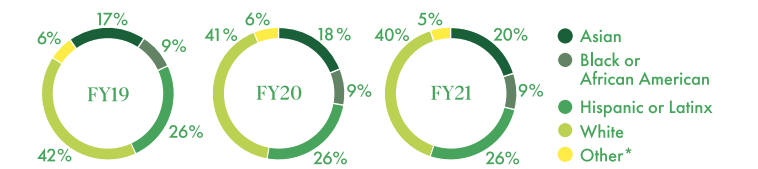
The company is committed to embracing and respecting the diversity and inclusion of every employee, officer, director and business partner of the company. The company values what makes each of the company's customers, employees, officers, directors and business partners unique, and is committed to promoting a culture of diversity and inclusion.

## GUESS U.S. Ethnicity

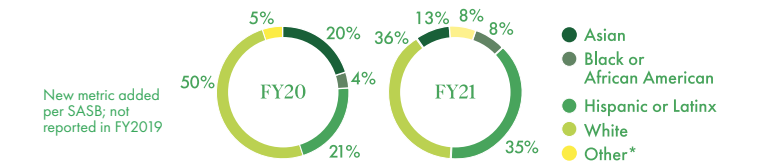
### Retail - All



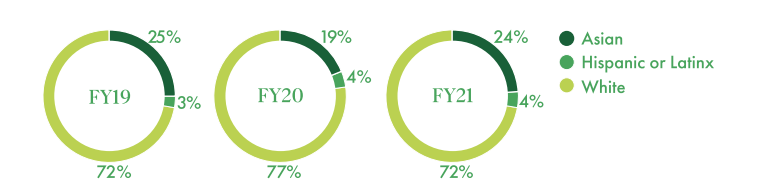
### Corporate - All



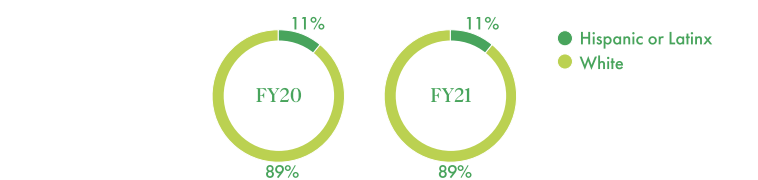
### Management - Retail and Corporate\*\*



### Executive Management



### Board of Directors



\* The "other" category includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and those who identify with two or more races.  
 \*\* Management as defined by SASB. See SASB chart for more information.



### Addressing Racial Justice & Disparity

When calls for racial and social justice intensified in the wake of the killings of George Floyd and others in the U.S. in 2020, the Diversity & Inclusion Council guided the company in taking several steps. GUESS issued a social media community response in solidarity with the Black Lives Matter movement. We also coordinated with the GUESS Foundation to donate to national and local Black community groups, such as the NAACP, The Umoja Center, and The World Stage—with a pledge to donate \$1 million over the next 5 years. The Umoja Center is a multi-use organizing, meeting and event space, and The World Stage is an educational and performance art space, both located in Leimert Park Village, the heart of Los Angeles' Black cultural community. As part of its Community Advocacy series on the GUESS YouTube channel, we also produced a video for The World Stage, highlighting its history and unique story as racially inclusive jazz club in Los Angeles. We conducted a business review, analyzing how we can implement more rigorous practices for inclusion throughout the business. In 2020 we communicated to employees and our social media community regarding the significance of Juneteenth, dismissed associates early from work that day, and have since declared Juneteenth a company holiday with a formal day off.

Photo Credit: Chuck Koton



(Above) Legendary American saxophonist Azar Lawrence performs at The World Stage livestream concert on January 15, 2021.

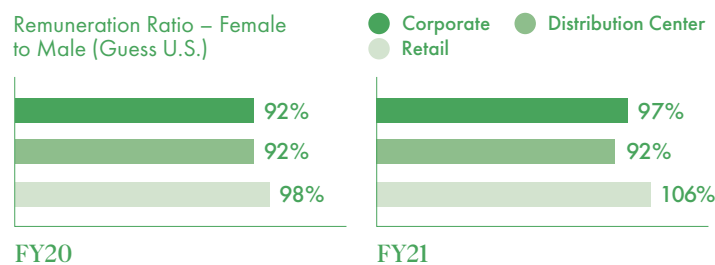
(Left) Musicians Jacques Lesure (guitar), Nolan Shaheed (trumpet), and Dale Fielder (saxophone) perform at "Jazz Stand Musicians United Against Racism" livestream concert at The World Stage on August 6, 2020.

### Gender Parity in Pay

Our sustainability materiality assessment identified diversity and inclusion as a priority topic, and so during this reporting period we have tracked a new metric: the ratio of female pay to that of male pay (for Guess U.S. only). For our corporate and retail locations in FY2021, we were pleased to see that we achieved gender parity\*. We will continue to monitor gender parity at all locations, particularly the distribution center, as part of our commitment to equal pay for equal work.

Guess U.S. has reported its wage data by gender in alignment with other human resources disclosure for this global region. Our corporate category includes corporate associates working at our global headquarters in Los Angeles and our showroom in New York; our distribution center category includes those working at our distribution center in Louisville, Kentucky; and our retail category spans all retail across the United States.

\*defined by the United Nations as ratios between 97% – 103%.



### Cultivating Diversity, Equity, and Belonging through Focused Councils

In part because we have always valued diversity as a core, defining characteristic of our company, we did not formalize our diversity and inclusion efforts under a single group or committee until recently. Prompted by our sustainability commitment on this topic, in 2018 we launched our corporate Diversity & Inclusion Council, and evolved further in 2019 (our FY2020) with the launch of our Guess Europe Diversity & Inclusion Council. Both of these groups are becoming integrated throughout our business, where they help foster a workplace in which employees enjoy a sense of community, belonging, and opportunity for dialogue. The work of the councils also supports our company-wide commitment to the principles of Conscious Capitalism, provides an additional level of coordination and structure in our diversity and inclusion practices, and enhances our focus on diversity and inclusion at the highest levels, including presentations to the Guess?, Inc. Board of Directors. For more on Conscious Capitalism, see Operating With Integrity.

**As part of its Community Advocacy series on the GUESS YouTube channel, in February 2021, GUESS released a video for The World Stage, highlighting its history and its mission to secure, preserve, and advance African American music, art and culture.**

We have **increased representation of women** on our Board of Directors to **33%** in the last two years

More than **50%** of our organization at the corporate, retail, and manager levels **identifies as female**

With the help of the two councils, our diversity and inclusion efforts focus on inclusive leadership, employee training, and a work environment that promotes growth and opportunity for all. Initiatives include training for associates and managers, community support through GUESS Foundation and GUESS Cares, greater diversity in advertising and marketing, training and compliance programs in our supply chain, and celebrations of multicultural and inclusive holidays or other days of observance. For example, in FY2021, Guess U.S. participated in the United Nations International Day for the Elimination of Violence against Women. We developed a video and distributed a newsletter to associates, offering concrete ways to get involved in ending domestic violence, with helpline information for anyone needing immediate assistance.

The Guess Europe Diversity & Inclusion Council has completed a valuable set of planning and research exercises to develop its overall strategy and goals in preparation for launching specific initiatives to support employee engagement, implementation of the Conscious Capitalism principles, and others. Among these planning activities was a review of the different diversity and inclusion rules and cultures in various countries across Europe, as well as a compilation of the many internal initiatives already underway in our many European locations. Understanding this baseline and adopting a careful and thorough approach to our strategy will be key to developing a comprehensive vision that covers all our geographic locations in Europe and paves the way for success in future diversity and inclusion activities. Key areas of focus will include potential updates to policies and marketing, as well as associate interviewing and onboarding, performance appraisals and benefits, growth opportunities, and satisfaction.

### Updating Human Resources Tools

During FY2020 – 2021, we continued reviewing and updating various human resources tools to better reflect our ongoing focus on diversity and inclusion:

- **Job descriptions** – We are updating the language in recruiting job descriptions to make sure they are inclusive of everyone, reflect our diverse brand, and state our commitment to diversity and inclusion.
- **Performance appraisals** – Performance appraisals are also being updated to ask what the associate has done during the year to encourage and integrate diverse ideas into the company culture.
- **Health benefits** – We have clarified the language used in our benefits plans to better describe our coverage of gender transition services. These benefits have been available to our associates for years, but now they are more clearly defined and communicated, which helps to normalize this health topic.

- **FIDM student scholarship** – We revised our scholarship write-up to be more inclusive and welcoming to all applicants and to support recruitment of under-represented groups. We also partnered with Gyril Wonder, a professional pipeline initiative focused on young women of color. The organization is helping us identify Black, female students for our talent pipeline, which will ultimately help us increase the role of Black, female associates in key positions.
- **Diversity and inclusion training** – Some members of the D&I Council have already completed a six-part virtual diversity and inclusion training program with Cornell University, and we are exploring other diversity training options, such as training that will be available to associates at their convenience on an ongoing basis.

### Enhanced Parental Leave in Europe

As part of our expanded focus in Europe on policies and practices that help make all Guess Europe associates feel welcome, we extended the time offered for maternity and paternity leave. The new leave program offers new parents more time off than the minimum provided by law, and includes time off for adoptive parents as well.

### Exploring the World of GUESS through Food and Culture

This monthly partnership between GUESS Cares and GUESS Café at our Los Angeles headquarters celebrates cuisines from around the world that reflect our diverse group of associates. The popular "culture tastings" have featured cuisines from China, Greece, and Spain, as well as holiday dishes from traditions around the world so participants can interact with the global influences of their peers. The World of GUESS Food and Culture program was suspended due to the pandemic, but will return when it is once again safe for associates to work at our Los Angeles campus.





Employees by Employment Type \*

Guess U.S. and Canada

		FY2019	FY2020	FY2021
Total Workforce		8,020	7,173	5,254
Full Time	Female	71%	70%	68%
	Male	29%	28%	28%
	Undisclosed	0%	2%	4%
Part Time	Female	72%	66%	64%
	Male	28%	26%	23%
	Undisclosed	0%	8%	13%
Permanent		94%	99.9%	99.9%
Temporary		6%	0.1%	0.1%

Guess Europe

		FY2019	FY2020	FY2021
Total Workforce		5,287	5,107	4,233
Full Time	Female	76%	77%	77%
	Male	24%	23%	23%
	Undisclosed	0%	0%	0%
Part Time	Female	85%	87%	92%
	Male	15%	13%	8%
Permanent		79%	74%	91%
Temporary		21%	26%	9%

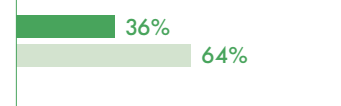
Guess Asia

		FY2019	FY2020	FY2021
Total Workforce		1,365	1,492	976
Full Time	Female	84%	84%	81%
	Male	16%	16%	19%
	Undisclosed	0%	0%	0%
Part Time	Female	72%	78%	85%
	Male	28%	22%	15%
Permanent		98%	92%	90%
Temporary		2%	8%	10%

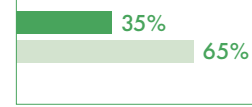
Associates in Guess U.S. and Canada \*

Corporate

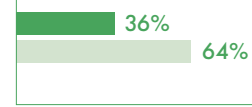
By Gender



FY19



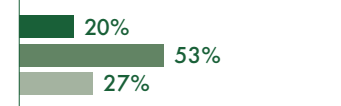
FY20



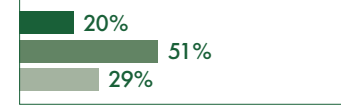
FY21

● Male ● Female

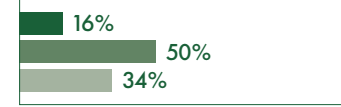
By Age



FY19



FY20

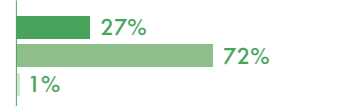


FY21

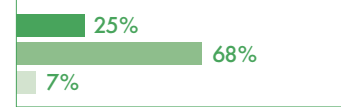
● Below 30 ● 30-50 ● Over 50

Retail

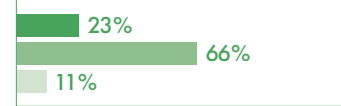
By Gender



FY19



FY20



FY21

● Male ● Female ● Unknown

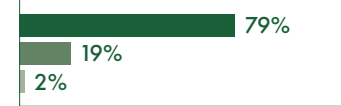
By Age



FY19



FY20



FY21

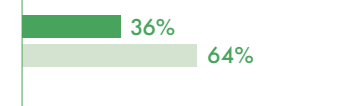
● Below 30 ● 30-50 ● Over 50

\*"Temporary" refers to seasonal workers and interns hired for specified amount of time; "Full Time" refers to associates that work a full week using country-specific definitions of full time or full time equivalent.

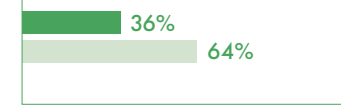
Associates in Guess Europe

Corporate

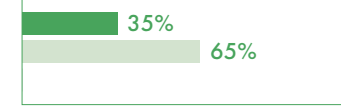
By Gender



FY19



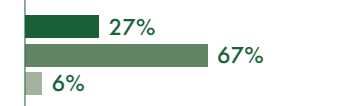
FY20



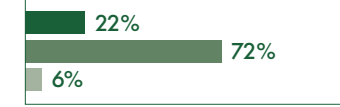
FY21

● Male ● Female

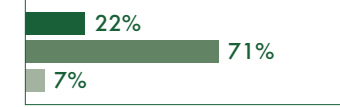
By Age



FY19



FY20



FY21

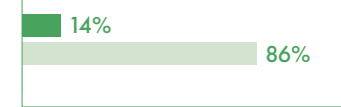
● Below 30 ● 30-50 ● Over 50

Retail

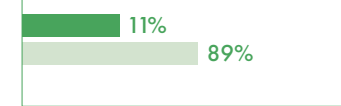
By Gender



FY19



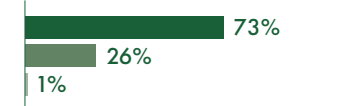
FY20



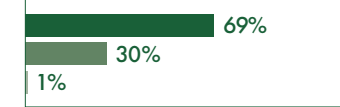
FY21

● Male ● Female

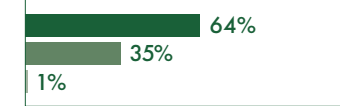
By Age



FY19



FY20



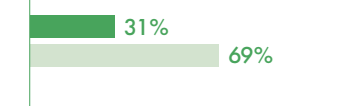
FY21

● Below 30 ● 30-50 ● Over 50

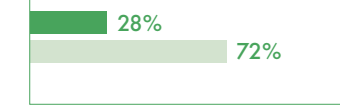
Associates in Guess Asia

Corporate

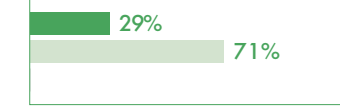
By Gender



FY19



FY20



FY21

● Male ● Female

By Age



FY19



FY20



FY21

● Below 30 ● 30-50 ● Over 50

Retail

By Gender



FY19



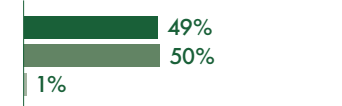
FY20



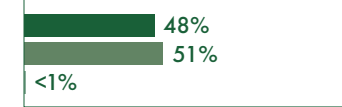
FY21

● Male ● Female

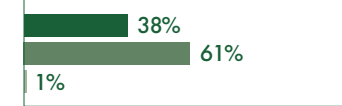
By Age



FY19



FY20



FY21

● Below 30 ● 30-50 ● Over 50





100+ countries  
represented by our customers.

Reflecting Our Diverse Customers

We recognize that our customers are diverse, representing more than 100 countries, many cultures, and at least three generations. But while we work with diverse celebrities of different ethnic backgrounds, shapes, sizes, and ages; feature diverse models online; offer diverse brands and collections; and engage in diverse partnerships, we also have identified opportunities for improvement, such as minority representation in major advertising campaigns. Addressing this and other challenges guides our diversity and inclusion aspirations for the future.



ALIVE WITH DIVERSE  
VOICES AND IDEAS

Diversity and Inclusion — What's Next?

With our Diversity & Inclusion Councils now well-established, we can focus even more closely on areas where we can continue strengthening our approach. For instance, Guess Europe is considering a program of diversity and inclusion ambassadors to further enhance employee engagement. In the U.S., we are developing additional training for leadership. Additional aspirations are detailed in VISION GUESS:

Connect diversity and inclusion results

with annual review and compensation

Deliver 100% employee and inclusion training

and accountability, starting from the top

Expand Diversity & Inclusion Councils

and action plans to expand to key business partners

Work toward gender parity

and increase ethnic diversity in executive leadership positions (VP+) to reflect the communities we serve

Detailed plans to address these are being developed, and we anticipate sharing their progress in future sustainability reports.





# Attracting, Developing



# and Retaining Top Talent

## Sustainable Development Goals



The content in this section supports the United Nations Sustainable Development Goal #3, which aims to ensure healthy lives and promote wellbeing. Specifically, we address Target 3.3 to fight communicable diseases (i.e., COVID-19) and Target 3.4, which in part focuses on promoting mental health.

Around the world, all of us at GUESS work in keeping with our values, which include belief, hope, and destiny, among others.

These values also guide our approach to attracting, developing, and retaining our talented team members. GUESS associates are empowered to drive their careers, with the company providing resources, training, and opportunities to advance and build a rewarding career within the GUESS community. We also maintain an early career development and associate recognition program to build early career engagement and success. In addition, our competitive benefits offerings help us attract and retain the best talent.

### Reaching Out to Talented, Diverse Students

Our quest for top talent begins at schools. In 2020, Guess U.S. joined forces with Gyr! Wonder, which fosters a professional pipeline for the next generation of Black female leaders. This partnership will give promising students the chance to explore career opportunities at Guess U.S. We are also expanding our collaborations with historically black colleges and universities for outreach to black students and invite them to participate in programs like our summer internship program.

The Guess U.S. internship program is a 10-week, full-time experience at our Los Angeles headquarters. It was scaled back in 2020 due to the pandemic, but we look forward to expanding the program as soon as it is safe to do so. These internships offer undergraduate students a first-hand look at the world of fashion, along with opportunities to build experience and develop marketable skills. Interns work closely with mentors at our headquarters offices and also participate in educational and social activities such as focus groups, discussion panels field trips, and workshops. The program has led to job offers at Guess U.S. for a number of participants.

### Leading Benefits

Our benefits package represents a wide range of services and offerings that play an important role in attracting and retaining talent, supporting associate health and wellbeing, and increasing satisfaction. Benefits vary by country, of course, but in the U.S., we offer a variety of benefits to both full-time and eligible part-time associates. These include medical, dental, and vision coverage; flexible spending accounts; retirement savings plans; and in some cases, bonus and associate stock purchasing plans. We also offer life and accident insurance, disability coverage and associate assistance programs. In Canada, Europe and China, benefits are country- or province-specific and include health care, life and disability insurance, and critical illness coverage, among others. In Korea, benefits include coverage of medical check ups, NP (National Pension), EI (Employment Insurance), Workers' Compensation Insurance, and a retirement gratuity system.

Associates at our Guess Europe headquarters participate in a yoga class for International Day of Yoga in June 2019. Participants received a complimentary GUESS yoga mat!



### Promoting Wellbeing

The Guess U.S. incentive-based wellness program has helped associates achieve their personal wellness goals through a variety of on and offsite opportunities for a healthy lifestyle. Associates can earn points for health-related activities like gym visits, nutrition seminars, meditation classes, and biometric screenings. We also make it more convenient for associates to participate in physical activities through our dedicated walking groups, gym at our headquarters campus, and classes like cycling and yoga.

### Supporting Our Associates During the Pandemic

To help associates cope with the many challenges of the pandemic, and to keep our associates safe, we implemented a host of new health and wellness measures. Guess?, Inc. created a global Covid Emergency Response Committee to prepare for the pandemic, including making work from home arrangements as well as creating a central repository for health and safety resources and information.

Our Health & Safety Hotline and email address—created to help associates through the pandemic—answered questions and provided customized, one-on-one advice. The hotline stayed busy advising associates on staying safe, answering questions about COVID symptoms, and helping associates take appropriate measures after possible exposures. Available 24/7, the hotline became a critical resource for communicating with our associates.

Early in 2020, we also began a twice-weekly series of health and safety emails covering topics like proper handwashing, mask reminders, social distancing, and how to safely care for sick family members, as well as practical tips on working from home, setting up a computer, and establishing a daily routine. These communications later expanded to daily emails about mental health, overall wellness, self-care, and related topics. We included daily positive messages and links to interesting articles or talks, as a way to help associates stay in touch with the company, with their colleagues, and with positive news.

At our largest, directly operated distribution center in Kentucky, where work resumed throughout the pandemic, we also enacted strict health and safety measures and introduced staggered scheduling. While we experienced higher than normal absentee rates in FY2021, no cases of COVID contracted at the office were identified.



# Associate Training and Development

## Sustainable Development Goals



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

Throughout our organization, we are committed to providing training and development opportunities at multiple levels, meeting the learning needs of associates along their career journeys.

An array of leadership and training opportunities—including instructor-led virtual and classroom courses, app-based e-learning, and external seminars—support various career stages. Our flexible learning management system also enables virtual and software-led training, which has allowed us to continue providing training safely during the pandemic. For younger generations of employees, we have begun offering micro-learning, or short snippets of information that associates can connect with quickly, reinforced with comprehensive communication and follow-up training programs. In some cases, paid external trainings may also be sponsored by GUESS for corporate associates to supplement their knowledge specific to their field of work.

From the earliest years of their career to retirement, GUESS associates benefit from a wide variety of training to support development.

Each GUESS region customizes its training for their associates and their operations, all designed to give our associates the resources and skills they need to advance and achieve their career goals. For example, GUESS offers training on IT policy and security globally, as well as language classes (Rosetta Stone classes in various languages are available for Guess US associates, while Guess Europe focuses on English Language specifically). Some of our training programs include:

### Corporate Training

- **The Management Development Program** provides essential leadership skills, including communication, coaching, conflict resolution and team building. During FY2020 – 2021, 45 U.S. managers participated in the six-month development program.
- **Training Tuesday**, a new initiative by Guess U.S., grew out of our various efforts to keep employees engaged, healthy, and productive during the pandemic in 2020. The Training Tuesday series offered a wide range of short courses designed to help us all stay connected during the pandemic and bridge the physical distance for those working remotely. Programs include short courses on goal setting, emotional intelligence, giving effective feedback, resilience and other timely topics.
- **Train The Trainer (TTT)** is a program for selected employees in Guess Europe to receive a comprehensive training on specific topics such as communication skills, leadership skills, conflict management and emotional intelligence, and is combined with curriculum on becoming an effective trainer. After this TTT training, the employees are then tasked to teach their new area of specialty, in coordination with the central training team, to a larger audience of corporate employees.

### Retail Training

- **The District Training Manager Program (US & Canada) / Store Manager Training Program (Guess Europe)** recognizes store managers with a passion for training and the ability to deliver exceptional results in-store. These managers receive continuous development in leadership to support their role of onboarding and training new managers in their districts.
- **The Future Leaders Program** aims to develop high-potential sales associates in the U.S. for succession into management. The program draws from the existing strengths among the store team to encourage internal promotions, and ultimately improve the customer retail experience. In FY2020 – 2021, 30.4% of those who participated in the Future Leader Program were promoted as a result of this program.

### Supporting Future Leaders

	FY2019	FY2020	FY2021
Future Leaders Identified	832	601	812
Number of Future Leaders Promoted Internally	275	166	264
Percentage of Future Leaders Promoted Internally	33%	28%	33%

### Field Training

- **The Master Class**, a monthly program, was launched in 2020. This popular series covered loyalty, loss prevention, customer experience, and other topics of interest to our employees in the field. Masterclass training topics were reinforced through monthly managers’ meetings to turn concepts into actions in each store.
- **Interactive Mobile E-learnings** – Through the Hub, a mobile communications and information sharing platform, we launched many interactive e-learning opportunities in 2020. The app provides content, tests knowledge, tracks usage, allows associates to comment on each other’s posts, increases engagement by assigning badges, and provides other interactivity, which was valuable during the pandemic.

### Increasing Training Opportunities

	FY2020	FY2021	Year-on-Year Increase
Number of Associates Participating in Training	3,198	14,628	357%
Average Number of Associate Training Hours	41,370	143,525	247%
Number of Topics Covered	23	45	96%
Number of Courses Available	94	67	-28%*

\* The number of available courses shows a decrease because we hosted fewer individual sessions when trainers could not travel to conduct sessions during COVID lockdowns. Nevertheless, we were able to reach more people with virtual training during 2020.

### Talent Development — What’s Next?

Future GUESS talent development initiatives include enhancing the learning management system to make it more engaging and interactive. This could also include more video, as well as gamification options, badging, and other interactive features. We also hope to offer more “pull content”—available to associates when and where they choose to access it—through a library of education opportunities. In addition, we plan to provide more video content for retail store associates.

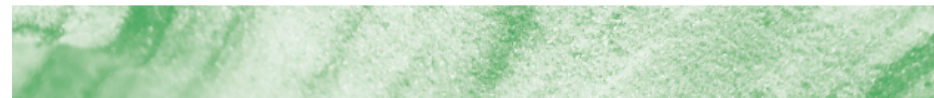
Eventually, our learning opportunities will be packaged into the GUESS University program, which will provide associates with even more convenience in finding the right education programs for their career interests, while also delivering more robust data about our training progress.



Retail training event in Guess Shanghai.



# Engaging and Educating



# on Sustainability



## Commitments

- Increase learning opportunities for associates
- Volunteer and invest in our communities
- Engage customers on sustainability



## Goals

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



Ongoing

100% of North America stores engaged on sustainability



Ongoing

Note: Because many of our training programs included in-person, instructor-led sessions and store associates complete their training in the stores, the 2020 pandemic delayed our progress on this goal. We shifted content to virtual platforms, but still were not able to deliver as much training as planned. The in-store Green Ambassador program was launched in 2019, but put on hold during 2020 due to temporary store closures and community lockdowns.



## FY2020 – 2021 Achievements

Developed video-based sustainable products training for store associates

Created a weekly and monthly training series and virtual and interactive e-learning opportunities during the pandemic

Over 75 retail store associates in Guess US and Canada participated in the Green Ambassador education program

Over 150 corporate associates in design, development and production were educated on sustainable design, materials and sourcing

## Sustainable Development Goals



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



# Sustainability Education and Engagement

For many GUESS customers, our store associates are a valued source of information about our products, including the sustainability features of our collections. That's why we are working to make sure in-store team members have the latest information about the materials and production processes that go into our SMART GUESS and other more sustainable clothing and accessories.

## Sharing Knowledge About Our Sustainable Products

A series of interactive training modules and videos developed by our product development and training experts for store associates in 2019 cover topics like eco-denim. The videos are part of the onboarding process for store associates, who must achieve a 100% pass rate and verify their sustainable product knowledge. The learning continues with about three product knowledge videos per GUESS brand each month, featuring GUESS buyers and designers. Although video development was halted during the 2020 pandemic, it resumed in 2021 and the videos remain available for store associates to become familiar with our work on product sustainability.



## OPTIMIZING FASHION WITH MINIMAL WASTE

### Sustainability Education — What's Next?

We will continue creating and delivering product knowledge training to store associates and product developers. This will become even more important as we continue to advance our use of sustainable raw materials and production methods. We also look forward to resuming our popular Associate Engagement Program as soon as our team members can safely gather in groups, and are implementing virtual opportunities for learning in the interim. As part of VISION GUESS, we have established a goal to regularly engage our customers and communicate the importance of garment "care and rewear." We plan to do this through our advertising, marketing, and communications, encouraging customers to make sustainable choices in their daily lives.

Since 2016, GUESS has supported sustainability education at the Fashion Institute for Design and Merchandising (FIDM) near our global headquarters in Los Angeles. Through the partnerships office, GUESS sponsors courses on sustainability and fashion at no cost to the students—who are selected to participate based on a competitive application process. Over the years, GUESS has sponsored over 8 classes for over 100 students, covering topics such as zero waste pattern making, innovative materials, responsible denim production, and lifecycle assessment.

During FY2020 – 2021, Guess U.S. sponsored two classes directly related to the GUESS commitment to circular fashion. In 2020, FIDM developed the first GUESS prototype for our partnership with Jeans Redesign (see page 76 for more), helping to share their key learnings and understanding with our teams, and are now completing the same type of project for non-denim. At the end of each course, students present their findings, and often create a fashion show, in a shared learning experience between the students, corporate associates and leadership.

Additional product knowledge training covers more in-depth discussions of GUESS sustainability goals and requirements, SMART GUESS initiatives, evaluating new material for sustainability, organic cotton, bio-based fibers, traceability, chain of custody, and sustainable material certification. These modules are designed for product development teams in the U.S. and Europe, so they can incorporate the information into all stages of product design, from research and development through the entire supply chain. First offered in late 2020, the virtual modules have continued in 2021.

## Green Ambassadors

This signature engagement program for retail store associates includes a dedicated network of internal sustainability ambassadors who learn even more details about our eco collections and SMART GUESS products so they can raise awareness among colleagues and customers. At the end of FY2020, associates representing more than 40 stores were Green Ambassadors, committed to sharing their enthusiasm and knowledge about GUESS product sustainability and our RESOURCED garment recycling program. The program was paused during the pandemic and we hope to resume it in the future.

## Associate Engagement

Another way we encourage a focus on sustainability across our organization is through the Associate Engagement Program, which began in 2016. This includes sustainability learning and growth opportunities through vendor presentations, educational events, and volunteering and opportunities. In FY2020 – 2021, many activities were canceled due to the pandemic, but associates still had a chance to participate in key activities beforehand.





# Community Giving



# and Volunteering

Pictured above is Lorena Rangel-Morales, Facilities Manager at the Global Headquarters and her family helping to beautify Dockweiler State Beach in Los Angeles. GUESS Cares has hosted an annual beach clean up there since 2017.

👁️

**Commitments**  
– Volunteer and invest in our communities

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📍

**FY2020 – 2021 Achievements**

\$1.5M+ donated by GUESS Foundation

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20 volunteering events, drives and fundraisers

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Over 3,000 items (backpacks, care packages, diapers, toys and socks) donated by GUESS Cares employee and corporate giving program

For almost 27 years, the GUESS Foundation has pursued social, health, and educational opportunities that enhance wellbeing, development, protection, and assistance among men, women, and children in our shared global environment.

The Foundation is deeply embedded in our company and our culture, as we contribute to organizations and programs that bring about positive social change, equality, and opportunity. In FY2020 – 2021, the GUESS Foundation contributed more than \$1.5 million to over 15 non-profit organizations in North America and Europe. These include, among many others, UNICEF, DirectRelief, Carousel of Hope, The World Stage, and the LA Regional Foodbank. In Europe, the Foundation supports organizations such as Fundación Ana Bella in Spain and D.i.Re in Italy that work to support women victims of domestic violence.

GUESS Cares is the organizing platform for our associate volunteer program. Established in 1996 in the United States and Canada to give our employees a chance to give back, GUESS Cares coordinates volunteering activities in the local communities where we live and work, usually one activity each month, including hands-on volunteering, fundraising, and collecting and distributing goods to people in need. Volunteering activities vary by location, but always reflect the diversity of important issues our team members care about and give them a chance to build stronger connections with each other and with the greater community.

**Highlights from FY2020 – 2021 include:**

**Basket Brigade** – Held annually around U.S. Thanksgiving, Guess U.S. associates support the Violence Intervention Program for at-risk children and families. Associates at our Los Angeles headquarters buy groceries for a family, then use their artistic talents to create beautiful gift baskets for recipients. The top three baskets win a prize and the receiving families get to enjoy Thanksgiving dinners with all the trimmings.

**Little Miss Flint** – In support of World Water Day, GUESS Cares provided clean drinking water to Flint, Michigan. Funds were raised through a raffle and sale of reusable water bottles. All proceeds went to Little Miss Flint and Pack Your Back, which provides resources to students and teachers in need.

**Toy Drive** – To the delight of foster care youth served by the Los Angeles Children’s Bureau, Guess U.S. associates donate toys and gift cards to make the holidays brighter each year.

**Pride Bingo** – Launched in 2020 to support the Trevor Project, this lavish event raises funds through bingo, with Guess U.S. sponsoring prizes. All the money collected goes to the Trevor Project, whose mission is to end suicide among gay, lesbian, bisexual, transgender, queer and questioning young people.

**Alex’s Lemonade Stand Foundation Competition** – The Guess U.S. summer internship program includes a friendly competition among interns, who bake and sell creative sweets to our on-campus associates, with proceeds going to Alex’s Lemonade. The organization aims to change the lives of children with cancer.

**Pandemic Relief Donations**

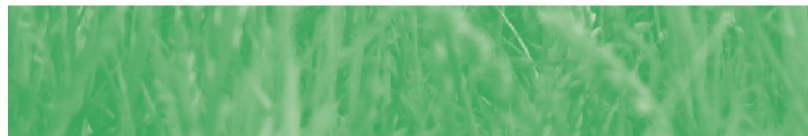
In 2020, GUESS and the GUESS Foundation launched multiple pandemic relief efforts. Together with the Foundation, we partnered with organizations to donate funds, clothing, and personal protective equipment—including 150,000 masks in Italy and Spain, which were hit especially hard in the early months of the pandemic. This included a donation of more than \$1.3 million, along with 45,000 pieces of apparel, as well as blankets and coloring books. We also used our communications platforms to encourage blood donations, host a blood drive at our Los Angeles campus, and inspire the public to take meaningful action during the COVID-19 crisis. At our global headquarters, we made clothing donations and partnered with the University of California – Los Angeles on blood drive education and awareness throughout 2020.

**Giving and Volunteering — What’s Next**

As we look ahead to a post-pandemic world, we anticipate leveraging GUESS Cares to provide additional volunteering support that helps communities and economies recover and rebuild. This will likely include outreach that supports housing, food, daycare, and other needs for community members hit hard by the pandemic.



# Supply Chain



# Social Responsibility



## Commitments

- Partner with supply chain facilities on continuous improvement
- Increase supply chain transparency



## Goals

Strengthen vendor training and factory worker grievance program

○-○-○-○  
Ongoing

Publish multi-tiered supplier map

●-●-●-●  
Achieved



## FY2020 – 2021 Achievements

### Grievance program continued

for a few key suppliers in China

### Expanded supplier training

in FY2020

### New vendor scorecard rolled out

in FY2021 to evaluate supply chain for social responsibility

## 100%

of Tier 1 supplier factories assessed

Published list of key Tier 1 and Tier 2 suppliers

Visit [sustainability.guess.com](https://sustainability.guess.com) for more information

## Sustainable Development Goals



The content in this section supports the United Nations Sustainable Development Goal # 8 to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. Specifically, we address targets 8.5 and 8.7 focusing on the protection of labor rights and promotion of safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. We are also committed to taking continued measures to make sure there is no forced or child labor in our supply chain.



# Improving Supply Chain Social Responsibility

From growing and processing raw materials, to spinning fibers into fabric, to producing our clothing and accessories, we represent everyone along our supply chain. This is both an opportunity and responsibility for us to help drive positive change in the fashion industry. That's why, as a global, iconic company, we apply our scale, resources, and expertise to help our supplier partners implement best-in-class practices each step of the way.

## Our Approach—Promoting Industry Improvements

The fashion industry supply chain has been improving working conditions, human rights, health and safety, work hours, and wages over the years. But ongoing improvements, training, and monitoring are still necessary. For more than a decade, our supply chain social responsibility program has reflected our strong commitment to help suppliers implement best practices in safe and fair labor and achieve meaningful improvements in the lives of their workers.

Our program highlights four areas—factory approvals, supplier training and education, factory monitoring, and remediation when necessary. Together, our emphasis on supplier engagement and collaboration with other brands helps to support and protect apparel industry workers.

## Conformity and Collaboration

All GUESS suppliers must sign and agree to our Supplier Code of Conduct, which details our requirements for human rights, health and safety, labor, ethics and decent work, payment, and administration. Our Supplier Code of Conduct is publicly available at [sustainability.guess.com](https://sustainability.guess.com) in the "Reports and Resources" section. We also require factories to provide evidence of their social compliance record with audit reports and certificates issued by peer companies, third-party audit and certification bodies, or multi-stakeholder organizations. Throughout our ongoing relationship with suppliers, we ensure continued conformity through our focus on education, monitoring, and remediation.

We also embrace the concept of equal partnership, as promoted by the Sustainable Apparel Coalition (SAC), which emphasizes working toward collective goals with respect for all in the supply chain. In this spirit, GUESS has partnered with hundreds of suppliers over the years and monitored 3,500 factories since our program started to support continued improvements in social and labor practices. Today, our supply chain social compliance program has become a significant asset, constantly evolving and expanding with new requirements and training each year.

## Protecting Workers through Responsible Sourcing

In addition to improving transparency, training and oversight in our supply chain, our raw material sourcing policies and initiatives help to protect workers and communities by encouraging the use of raw materials produced with higher environmental and social standards. For more, please see our *Responsible Cotton Sourcing Policy* and *Responsible Sourcing Policy on Manmade Cellulosic Fabrics* available on [sustainability.guess.com](https://sustainability.guess.com).

## Supply Chain Overview

Most of our apparel is designed at GUESS, then our suppliers produce and deliver the finished items to our distribution centers worldwide. GUESS does not own any manufacturing facilities and we source our apparel, bags, accessories, footwear, jewelry from hundreds of supplier factories. We do business both with vendors through a commercial relationship with GUESS, as well as with supplier factories owned or subcontracted by those vendors, and a vendor may work with more than one factory. Collectively, these represent our Tier 1 suppliers. The global nature of our supply chain enables GUESS to drive efficiency and quickly respond to changes in customer demand. In addition, we focus on trust building in our supplier relationships, which improves management of sustainability challenges, reduces risk for GUESS, and supports transparency and traceability through the extended supply chain. As of this report publication, for the first time, GUESS has published its list of key suppliers available on [sustainability.guess.com](https://sustainability.guess.com).

## GUESS Directly Sourced Apparel, Jewelry and Accessories by Country and Units Purchased \*

	FY2019	FY2020	FY2021
China	43.23%	42.34%	26.81%
Bangladesh	13.84%	14.74%	23.49%
India	12.39%	14.43%	17.63%
Guatemala	6.30%	7.35%	5.47%
Vietnam	3.56%	2.72%	5.24%
Myanmar	3.15%	2.77%	4.31%
Turkey	2.05%	1.67%	2.62%
Pakistan	2.05%	2.04%	2.42%
Tunisia	1.63%	1.56%	1.98%
Indonesia	1.14%	1.68%	1.68%
Mexico	1.92%	1.68%	1.54%
Italy	1.57%	1.39%	1.41%
Cambodia	<1.1%	0.38%	1.37%
Sri Lanka	<1.1%	0.64%	1.04%
Other	4.30%	4.61%	3.00%

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

In FY2020\*, GUESS completed supplier factory training in **3** key sourcing areas Turkey, Vietnam, and India, reaching **163** representatives from **80** suppliers or factories.

\* All FY2021 trainings postponed due to COVID-19

In an effort to diversify the countries from which we source, and as a result of changing economic conditions and purchasing strategy, volume shifts occurred within our supply chain affecting our top 3 sourcing regions between FY2020 and FY2021. Furthermore, as a result of supply chain consolidation as mentioned in Our Business Model, GUESS has consolidated and streamlined its supply chain, which is evident in the reduced volume seen in the "other" country category in FY2021.

## Assessing Supply Chain Risks

GUESS internal and vendor operating guidelines, code of conduct, and monitoring programs promote ethical business practices and compliance with laws, and are used as a requirement for suppliers to do business with GUESS. However, for all our business partners—our suppliers as well as our licensees and joint ventures—our visibility into their everyday operation is limited.

## Supplier Factory Approval

All supplier factories go through a strict approval process before being authorized to work with GUESS. Those located in high-risk areas are asked to provide additional evidence of social, health and safety, or security requirements depending on the specific risk factors of the area where they are located. Initial audits assess compliance and allow us to engage and educate new suppliers on our standards and create the groundwork for strong relationships based on continuous improvement.

## Supplier Education and Knowledge Sharing

Training factory personnel helps to increase their awareness and understanding of the GUESS Supplier Code of Conduct, with the goal of preventing social and environmental missteps. By taking a proactive educational approach, we can help suppliers recognize their areas for improvement, identify root causes of any non-compliance issues, and build compliance capacity. We provide two main types of supplier training and education:

1. One-on-one initial training for every new supplier at onboarding. This introduces them to our social compliance program and details our requirements and expectations.
2. Continued onsite training for established suppliers. This training addresses specific practices at the factory level, with the aim of getting the best performance from suppliers throughout our relationship. In keeping with our desire to engage rather than continuously monitor suppliers, we expand and update training based on supplier needs and feedback.

We also believe it is valuable for suppliers to meet each other in an educational setting. As members of the GUESS supply chain, they are part of a team contributing to our shared success, so we bring various suppliers together for opportunities to openly discuss their challenges, experiences, and solutions with each other. Over time, this best practice can help improve practices across the fashion industry supply chain.

Although the pandemic halted all in-person training that was planned for 2020, we conducted one-on-one trainings for all vendors on-boarded during this period.



**Supplier Factory Monitoring and Assessment**

Transparency throughout our supply chain is central to our approach. We value trust and relationship building with our suppliers; however, monitoring also remains an important part of the social compliance process. Experienced factory auditors conduct supplier assessments at least once each year to evaluate status and identify any areas needing improvement, including both social and environmental issues. In 2020 (our FY2021), to comply with the COVID restrictions imposed by different countries, we applied special extensions and flexibility to our audit schedule. Even so, we maintained complete assessment of the active supply chain by the end of FY2021.

**Audits and Assessments**

The GRI and SASB standards view factory monitoring differently. We previously reported in alignment with the GRI standards, which uses the term “assessment” to describe the factory monitoring process, although our previous sustainability reports used the common term “audits” to describe these activities. The related GRI metric includes the number of assessments performed during the reporting period. The SASB standards use the word “audit” and also track completion differently. The difference between the two standards means that if we conduct an audit in the final month(s) of the previous fiscal year and assess the results in the current fiscal year, the number is included for GRI, but not for SASB. In addition, if GUESS does not use a supplier again in the new fiscal year, it is still counted as an active supplier under SASB. Following the GRI Standards, 100% of our supply chain tier 1 factories were assessed during FY2020 – 2021. Using the SASB metric, it would appear GUESS assessed 55% and 52% of factories in FY2020 and FY2021, respectively.

**Vendor Scorecard**

In FY2021, we rolled out a new tool for evaluating our supply chain at the supplier factory level. With more than 50 key performance indicators, this comprehensive vendor scorecard covers social responsibility, environmental management, innovation, and other topics. The tool includes historical results, corrective action plan outcomes, participation in GUESS training, productivity, and other measures so we can readily assess supplier performance and improvement over time.



Supplier training at supplier in Bangalore, India in November 2019.

**Amplifying Worker Voices**

Since 2018, we have maintained a supply chain worker grievance program for a few key supplier factories in China, a key sourcing country, that allows workers to report concerns anonymously. Our local non-governmental organization (NGO) partner then completes an internal review to assess the concern. Validated concerns are reported to factory management and to GUESS. We then connect with factory management to better understand and resolve the issue. As trust in the grievance program has grown over the years, factory managers recognize its value to help them improve. Our plans to expand the program to Vietnam and India—key sourcing countries where an NGO is available to support the process—were postponed due to the pandemic. We intend to be able to safely launch grievance mechanisms in these countries soon.

**Assessment Findings**

In FY2020 and FY2021, 354 assessments were conducted for 329 supplier factories and 258 assessments were conducted for 246 supplier factories, respectively. Of these, most assessments were conducted by peer auditors, while others were carried out by accredited external auditors appointed by GUESS, and a small percentage were conducted by internal GUESS auditors. More than one-third of assessments were conducted by third-party auditors approved by certification organizations such as WRAP, SA8000 Standard, and Seri.Co.

**Number of supplier factory assessments\***

Assessment Type	FY2019	FY2020	FY2021
Assessments	368	354	258
No. Factories Evaluated	343	329	246

\*Some plants are evaluated more than once.

**GUESS Supplier Code of Conduct Assessments Industry Partner/Certification Organization Assessments**

FY2020			
Audits	61.6%	GUESS audits	15.8%
		External auditors	15.5%
		Internal GUESS auditors	0.3%
		Peer auditors	45.8%
		Sedex	26.3%
		Other	19.5%
		WRAP	35.9%
Certifications	38.4%	SA8000	1.7%
		Seri.Co	0.8%
FY2021			
Audits	56.6%	GUESS audits	15.5%
		External auditors	15.5%
		Peer auditors	41.1%
		Sedex	24.8%
		Other	16.3%
		WRAP	40.7%
Certifications	43.4%	SA8000	1.6%
		Seri.Co	1.1%



Farm workers at a Better Cotton field in India.



A sewer for GUESS at a supplier facility in Bangladesh.



**CONNECTED WITH OUR SUPPLIERS**

**Supply Chain Social Responsibility – What’s Next?**

Among all our supply chain social responsibility programs, we see the greatest positive results from our factory training. This is one reason we continually assess our suppliers’ operations to determine which topics need additional training and then expand the program to meet those needs. We plan to expand our supplier training program to make it more turnkey in select key sourcing regions and to include convenient digital or virtual training solutions as well.

To advance our work in circular fashion, we plan to implement an integrated supplier impact program. This would involve piloting a new approach with key vendors with the necessary capabilities to support our most ambitious circular and sustainable fashion initiatives.

Since 2015, we have been members of the Sustainable Apparel Coalition (SAC), an industry alliance that brings together peers to advance sustainable production. Going forward, we plan to leverage the SAC Facility Social Labor Module (FSLM), which allows facilities to assess the social and labor conditions for its workers, helping ensure they’re creating safe and fair working conditions - in an effort to support industry alignment on this important topic. We will also explore ways to expand regional grievance mechanisms.

In the GUESS FY2018 – 2019 Sustainability Report, GUESS communicated its intention to expand its social compliance program to its Tier 2 suppliers. We planned to launch this program end of FY2020 or beginning of FY2021, but it was delayed due to the COVID pandemic. Managing the performance of our Tier 2 facilities is important for us to protect workers in our supply chain, and is also a requirement through our membership with the Sustainable Apparel Coalition. Within this next reporting period we aim to pilot Tier 2 factory assessments with strategic partners, with a focus on denim laundries and fabric mills. We will also expand the GUESS training program to include Tier 2 suppliers and address their specific needs.

Our additional aspirations are detailed in VISION GUESS, which includes a commitment to value everyone in our supply chain by extending our diversity and inclusion focus to our supply chain and increasing training for factory owners in key regions.



### Number of supplier factories reporting compliance issues

Issues*	Number of assessed suppliers presenting the issue			Comments
	FY2019	FY2020	FY2021	
Health and safety	190	186	123	
Wages and benefits	129	120	87	
Hours of work	135	121	80	
Laws and regulations	99	58	39	
Environment	38	47	33	
Freedom of association and collective bargaining	12	24	25	
Monitoring and compliance	partially tracked in FY19	33	21	
Health and safety – dormitories	not tracked in FY19	14	9	
Communication	not tracked in FY19	16	3	
Harassment	3	13	3	Findings related to monetary fine or lack of proper procedures
Child labor	6	7	2	Findings related to young workers overtime issue, missing procedures, document keeping
Non-discrimination	3	4	2	Findings related to discrimination policy and lack of disable workers
Forced labor	1	0	2	Findings related to excessive restrictions placed on basic liberties (clock-in-clock-out to go to toilet)
Subcontracting	2	3	2	
Women's rights	not tracked in FY19	4	0	

\* We previously reported assessment findings in four groups: (1) Environment, Health and Safety; (2) Labor, Ethics, and Decent Work; (3) Payment and Administrative; and (4) Human Rights. In FY2020, GUESS modified the categorization of issues to align more closely with industry practice. This leads to a more consistent reporting approach across suppliers and social compliance auditors. This change has resulted in a reclassification of issues identified for FY2019 as compared to the presentation in the GUESS FY2018-2019 Sustainability Report..

### Priority Issue Rate and Priority Corrective Action Plans

**Helping Our Suppliers Address Common Issues** – In FY2020, 96% and in FY2021, 94% of the assessments of the directly sourced suppliers detected some issues. The three issues most commonly identified during assessments of GUESS suppliers were: health and safety, wages and benefits, and hours of work, with hours and wages being closely linked. Overwhelmingly, the identified issues were more related to procedures and paperwork, rather than issues that could threaten worker safety, compensation, or wellbeing. We update our requirements annually, or as needed to align with changing country regulations, and provide outreach and training to suppliers to make sure they understand and can comply with the newest requirements. Even so, the increased stringency of new requirements can lead to non-compliance findings as suppliers adjust their processes to comply. In FY2020, GUESS did not permanently terminate our relationship with any suppliers for non-compliance, and we prioritized helping our suppliers to address the common issues.

**Health and safety** – GUESS suppliers manage health and safety well, including maintaining safe buildings and work environments and providing their workers with appropriate personal protective equipment (PPE) like masks, metal mesh gloves, protective shoes, and hearing protection where required. Despite this, our assessments still find issues because workers are expected to comply with the health and safety requirements in every workplace task, and their practices are sometimes inconsistent. We stress the importance of ongoing safety training to make sure suppliers maintain a high degree of compliance among their workers.

**Hours of work** – The GUESS Supplier Code of Conduct provides suppliers with some flexibility to set work hours appropriate to their needs, up to a maximum of 60 hours per week and a maximum of 6 days per week. Each GUESS supplier must comply with our limits or with those set by the country where they operate, whichever is stricter. In cases where individual country limits vary from our own, our assessments sometimes find compliance issues.

**Wages and benefits** – When assessments uncover working hour non-compliances with a GUESS supplier, we collaborate with them to understand their workers' needs. Often, we learn that workers have asked for more hours so they can earn more money. To help them address this challenge, we encourage factory managers to explore additional options for incentivizing and rewarding workers—emphasizing efficiency and productivity over number of hours. Improving workspace organization and workflow can increase factory productivity in less time, which then frees up funds to provide workers with premiums for efficiency, number of pieces finished, and quality. This approach boosts overall productivity without reducing worker income.

### Remediation

We want all GUESS suppliers to elevate their standards and improve their performance while also meeting our requirements. This involves working with suppliers in an atmosphere of support and trust in which we help them uncover any problematic issues, identify root causes, and develop solutions. In this environment, any compliance issues can be discussed openly and remedied in collaboration. The remediation process includes root cause analysis, goal setting, corrective action planning, follow-up, and onsite training.

In FY2020 and 2021, 98% and 100% of assessed suppliers, presenting issues, respectively, were issued corrective action plans. While these numbers are high, they reflect our attention to detail and strict compliance requirements. Our goal is to improve social and environmental issues in the supply chain, not necessarily to reduce the number of corrective action plans. Instead, we leverage these opportunities to encourage open dialogue and transparency. We also focus on issue prevention by improving training frequency and effectiveness, and supporting suppliers in creating better working environments and management systems. Please refer to the *SASB Index* to learn more about our audit findings and priority issue correction action rates.

### Regulatory Oversight

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

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

### Social Compliance Show-Stoppers

Occasionally our assessments and other supplier interactions identify significant and urgent concerns that cannot be remediated. When these "show-stoppers" are identified, GUESS either ceases work with a supplier factory pending investigation, or terminates the onboarding process for a new supplier. In FY2020 – 2021, we did not have to eliminate any supplier factories from our supply chain due to show-stopper non-compliances. However, in FY2021 we eliminated 1 supplier (0.4% of assessed suppliers in FY2021) from our supply chain due to a ban on sourcing from the geographical area where the supplier was located.

Show-stopper findings significantly declined during the FY2020 – 2021 reporting year. This can be associated with changes in the supply chain that had a positive effect on the number of critical issues found. In particular, GUESS consolidated its vendor base and increased the focus on quality. The company also enhanced supplier dialogue and upfront specifications through a pre-screen process, as a result of SMART GUESS production requirements and a new vendor scorecard. For more about changes to our supply chain, see Our Business Model on pages 10-11.

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





# Protecting Our Environment

Ensuring Product Responsibility (page 70)

Water, Waste and Chemical Management (page 78)

Reducing Greenhouse Gas Emissions (page 84)

## OUR APPROACH

The majority of the environmental impacts associated with our products occur in our supply chain. Growing cotton, for instance, requires a lot of water and has traditionally also used fertilizers, pesticides, and herbicides. Polyester is made from non-renewable petroleum products, and production of manmade cellulose in the past has sometimes come at the risk of forests and biodiversity.

At GUESS, we are committed to responsibly sourcing these and other raw materials as well as developing more sustainable products, such as laundering our denim with less water, fewer dyes, and fewer chemicals, while remaining true to the fashion looks our customers love. In addition, we use a precautionary approach, meaning we strive to protect the environment even in the absence of scientific certainty or regulatory requirements.



# Ensuring Product



# Responsibility

  
**Commitments**

- Increase use of responsible materials
- Promote circular fashion



### Goals

10% certified sustainable materials



Achieved

20% of cotton sourced as Better Cotton



In Progress

Achieve our 2020  
**Commitment to  
 Circular Fashion**  
 with the Global Fashion Agenda



Achieved



### FY2020 – 2021 Achievements

**~12%**

of materials in our global portfolio were certified sustainable in FY2021

**~13%**

of cotton sourced as Better Cotton in FY2021

Certified sustainable materials are calculated based on equivalent units. Better Cotton is calculated based on estimated weight of cotton lint consumption.

Launched **RESOURCED**, our customer take-back program and expanded internationally\*

\* delayed due to COVID-19

Trained our product and design teams in circular fashion

Continued **GUESS Vintage** product line to promote circular fashion through resale in stores and online

### Sustainable Development Goals



The content in this section supports the United Nations Sustainable Development Goal #12 to ensure sustainable consumption and production patterns. Specific targets addressed include 12.2 and 12.5 to encourage the efficient use of natural resources as well as waste reduction and reuse.



The content in this section also supports the United Nations Sustainable Development Goal #15 to protect life on land, including protecting, restoring, and promoting sustainable use of forests and halting biodiversity loss, among others. Specific targets addressed include 15.2, to end deforestation and restore degraded forests and 15.5 to protect biodiversity.



# Sustainably Sourced Materials

Our products feature various natural and manmade materials. The three materials used most for GUESS apparel and accessories are:

1. Cotton, which is in denim and our logo tees 60.2%
2. Synthetics, such as polyester, nylon and spandex 28.3%
3. Manmade cellulosics, such as viscose/ rayon, modal, and lyocell 9.8%

The ability to consistently and reliably source these materials could be affected by certain external factors. Cotton production relies on water, which can be adversely affected by climate change impacts. Human rights concerns at the farm level could also affect cotton availability. Since polyester is oil-based, we could face challenges meeting our Scope 3 science-based emission targets or negative public perception associated with plastics and microfibers. Our increased use of recycled polyester could help to mitigate these risks. To address potential risks associated with manmade cellulosics, we have been working with mills in the GUESS supply chain to determine the source of the tree pulp, increasing our sourcing from verified companies like Lenzing and Birla, and partnering with Canopy to avoid materials sourced from Ancient and Endangered Forests and in any manner that could be harmful to local indigenous communities. Risks are further detailed in the GUESS Form 10-K.

## GUESS Product Materials Overview by equivalent units purchased\*

Materials	FY2019	FY2020	FY2021
<b>Natural</b>			
<b>Renewable Fiber</b>			
Cotton	56.5%	59.2%	60.2%
Cellulosic (including Tencel)	10.4%	10.2%	9.8%
Other – Natural**	0.7%	0.7%	0.6%
Leather	1.0%	1.0%	1.0%
Angora***	0.0%	0.0%	0.0%
<b>Non-renewable Fiber</b>			
Synthetic	31.3%	28.8%	28.3%
Other – MMF	0.1%	0.1%	0.1%

\* Data calculated on 96% of Apparel and Accessories merchandise purchased by Guess US, Guess Canada, Guess Europe and Greater China.

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

\*\*\* Any yarn, fur or wool from the Angora rabbit was removed from our supply chain in FY2017.

## Our Approach to Sustainable Materials and Products

Making more sustainable products for GUESS customers begins with careful design and raw material selection in keeping with the SMART GUESS eco materials sourcing guide. We also focus on chain of custody, certifications, and the traceability of fibers through the supply chain so we can ensure their integrity in our finished products. As more sustainable fabrics and processing technologies emerge, we evaluate them for potential use by our suppliers. We also assess emerging approaches to make sure the fibers or fabrics they produce align with the well-known GUESS brand and our customers' high expectations for fit and fashion. In general, we are selective about the sustainable product initiatives we pursue so that we can embrace each one fully, apply it correctly, and include many partners to achieve the best result in our finished products.

Lifecycle analyses have shown that fiber and fabric production make up about half of a GUESS apparel's environmental impact. To that end, we have been working with our vendors to incorporate more sustainable materials and practices. And as our sustainable materials efforts have expanded and matured over time, we have begun shifting our focus from fibers to process. This includes, among other measures, helping suppliers adopt new technologies that allow them to use less water, fewer chemicals, and less energy.

## Sustainable Sourcing Policies and Practices

Our responsible sourcing policies are designed to increase visibility into the supply chain, from raw materials to product manufacturing.

**Responsible Cotton** – The GUESS Responsible Sourcing Policy on Cotton aims to increase procurement of preferred cotton sources while working to improve traceability and keep prohibited cotton sources from entering our supply chain. Our preferred cotton options include sourcing Better Cotton through the Better Cotton Initiative (BCI), organic cotton, and other alternatives to conventional cotton (e.g., recycled cotton). BCI takes a holistic approach to sustainable cotton production by working with farmers on environmental, social, and economic practices. We also favor organic cotton, which uses fewer chemicals and supports biodiversity, as well as recycled cotton sources.

**Synthetics** – To reduce waste generation and the reliance on natural resources, we incorporate recycled fibers into our products. Polyester provides necessary stretch and performance in many garments, and also works well in pocket linings, so we have begun using recycled polyester known as REPREVE®,\* which is made from PET – primarily plastic bottles – and certified to the Global Recycled Standard. In addition, some of the recycled material in GUESS outerwear is Thermore,\*\* a high-tech insulation designed to maintain a body's natural warmth. Because Thermore has a low density, with a volume made up mostly of air, less raw material is needed than in other insulation. Importantly, studies indicate that recycled materials shed fewer microfibers when laundered.



SMART GUESS eco guide.

We've updated our customer care guidance to help them make the best decisions about washing their garments. For more about the ways we engage customers, see page 26.

\* REPREVE® is a trademark of Unifi, Inc. in the U.S. and other regions.

\*\*Thermore® is a registered trademark of Fi.Si. Fibre Sintetice spa.

**Manmade Cellulosics** – The GUESS Responsible Sourcing Policy on Manmade Cellulosic Fabrics aims to ensure responsible sourcing of rayon/viscose, modal, and lyocell fabrics, which have been linked to the destruction of Ancient and Endangered Forests. According to Canopy, these are intact forest landscapes, naturally rare forest types and those made rare by human activity, and/or other forests that are ecologically critical for the protection of biodiversity. We're also increasing the amount of manmade cellulosic materials we procure from sustainably managed forests, closed loop systems, and innovative material sources by partnering with leading companies, suppliers, and organizations.

In partnership with Canopy, GUESS has committed to tracking and disclosing the origins of our viscose materials. Through the CanopyStyle initiative, we worked with key mills in the GUESS supply chain to trace their manmade cellulosic fibers upstream and identify the sources. Then we compared those mills with the Canopy Hot Button Report, which matches viscose providers with their forest management practices, including concerns such as using peat land or harvesting in endangered forests. Sourcing responsible manmade cellulose supports healthy ecosystems and biodiversity.

**Animal Health and Welfare** – We aim to protect the wellbeing of any animals in our supply chain through the GUESS Animal Welfare Policy. GUESS suppliers are prohibited from using any:

- Fur (including but not limited to mink, fox, lamb, racoon, rabbit, and dog)
- Angora fiber (hair or wool from Angora rabbit)
- Mohair (Angora goat hair)
- Exotic leather (other parts from vulnerable, endangered, or wild-caught species)

The use of down is permitted if it has been certified to the Responsible Down Standard (RDS). The following materials are permitted with caution:

- Leather (from cow, pig, lamb, or sheep, with Leather Working Group-certified facilities preferred)
- Wool (wool certified to the Responsible Wool Standard is preferred if available and wool from mulesing shearing is to be avoided)
- Other animal hair as a byproduct of the meat industry

## Achieving our Sustainable Sourcing Goals

In FY2021, our target for environmentally preferred materials was 10%. From FY2020 – 2021, we increased our environmentally preferred materials by over 10% and exceeded our goal by reaching 12% environmentally preferred materials.

For cotton sourced with the Better Cotton Initiative (BCI), our target was to achieve 20%, which we did not meet, sourcing 13% of our cotton as BCI in FY2021.

## GUESS Sustainable Materials Sourced

	FY2020	FY2021
Environmentally Preferred by equivalent units	1%	12%
<hr/>		
	FY2020	FY2021
BCI cotton Percentage of cotton sourced	10%	13%

GUESS has made sustainable material sourcing a top priority in the last two years. We have enacted standard operating procedures, regarding sustainable material management, updated our product management system to capture this detail, certified our distribution centers in Europe, and are vigilantly working to assure the best communication and best practices on this effort.

## What does equivalent units mean?

If a product is 40% recycled polyester, we include only 40% of that item's weight as sustainable. It is a true reflection of our overall materials portfolio.

## What is BCI?

**Better Cotton Initiative** – Better Cotton is not physically traceable to end products; however, BCI Farmers benefit from the demand for Better Cotton in equivalent volumes to those we source. BCI operates on a mass balance system where credits for orders placed result in credits received, even though what comes to the retailer and customer has been mixed with conventional cotton during its journey from field to product.



### Ensuring Traceability

Our eco-fashion SMART GUESS products are made with more sustainable raw materials, water-saving technology, alternatives to traditional chemicals or dyes, and less waste. Many of them also include raw materials that have been certified to a third-party sustainability standard and can be traced from the raw material source to our finished garment. This is important because it has been common in the apparel industry to mix fibers from many sources when weaving a fabric, making it hard to ensure sustainable practices were followed.

For all certifications, we maintain chain of custody and the integrity of our sustainable sourcing practices by obtaining a valid supplier plant-level certificate prior to placing the production order, as well as a transaction certificate tied to the relevant GUESS purchase order. This allows us to confidently trace materials from production through final product delivery, ensuring fibers are correctly managed from a sustainability point of view. For some certified products, such as the manmade cellulose developed by Lenzing, we also link the plant's certification number to accurately trace the fabric along the apparel development process. Finally, we regularly follow up with participating plants to verify their certification renewals.

While some GUESS suppliers already hold the necessary sustainability certifications, we work to raise awareness and encourage others to apply for these certifications, providing additional support and education so they can achieve certification. Although it can be time- and resource-intensive to get suppliers on board with sustainable processes and certifications, all of us in the apparel industry benefit when more suppliers participate in these programs.

Environmentally Preferred Options Used in SMART GUESS	Requirements
Natural fibers – Organic cotton, recycled cotton, alternative fibers such as hemp, linen, and jute	Organic cotton certification: Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS)  Recycled cotton certification: Global Recycled Standard (GRS) or Recycled Claim Standard (RCS)
Synthetic fibers – Recycled polyester such as REPREVE™, recycled nylon	Recycled polyester certification: Global Recycled Standard (GRS) or Recycled Claim Standard (RCS)
Wood-Based Cellulosics – TENCEL™ Lyocell, Modal, or LENZING ECOVERO™ viscose	Mill certification confirmation letter and product registration required. Confirmation required from Canopy audit of low risk of sourcing wood from priority Ancient and Endangered Forests

LENZING™, TENCEL™ and ECOVERO™ are trademarks of Lenzing AG.

### GUESS Eco Product Development Guides

Making sure that our product designers and developers understand our commitments and requirements for sustainable materials is the starting point for our eco collections of clothing, accessories, and footwear. Our SMART GUESS Materials Sourcing Guide for apparel provides the necessary guidance for Design, Product Development, Fabric R&D, and Production teams to develop items that reflect the GUESS brand and our sustainability goals, and helps them determine which products can be manufactured according to SMART GUESS requirements. The guide documents not only the sustainable materials and required third-party certifications, but also the eco-conscious production methods used by key suppliers and the marketing restrictions that apply to our SMART GUESS apparel. It supports sustainable product development, as well as our goal of educating 100% of our product and design teams on circularity and sustainability.

Likewise, the SMART GUESS Guide for Accessories & Footwear specifies raw materials requirements, such as certified organic cotton or linen, certified recycled or organic polyurethane, and recycled or regenerated leather, as well as the sustainable production methods required for SMART GUESS luggage, bags, wallets, belts, scarves, gloves, and hats. These include cleaner dye processes, digital print processes, water-based glues, and other processes.



**SMART GUESS denim contains at least 20% certified sustainable materials and uses production methods with reduced environmental impact.**

**30% average water savings per denim garment in eco collection.**

**SMART GUESS non-denim products contain 20%-100% certified sustainable materials.**

**In FY2021, 16% of our non-denim and 21% of our denim followed our SMART GUESS guidelines.\***

**For more information on our SMART GUESS denim production methods, see page 80.**

\*GUESS mainline, apparel only.

### Sustainable Shoes and Accessories

In Europe, our first collections of sustainable footwear and accessories will be delivered later in 2021, with the aim of offering one sustainable footwear option for each style. Guess Europe is working toward a SMART GUESS version of each style of men's and women's shoes. Instead of nylon, the shoes will include recycled polyester or recycled polyurethane. We will also make sure that suppliers manage and track the shoe production process carefully through the supply chain with the appropriate chain of custody, certification body, scope certification, and transaction certificates.

### Innovating for Sustainable Jewelry

In recent years, we have made several improvements to our jewelry collections in response to customer interests and in keeping with our sustainability aspirations. These included moving from varied metals to stainless steel, from water plating to ion plating, and from non-branded crystals to luxury crystals. In late 2020, we built on this by launching a jewelry sustainability project to evaluate the sustainability implications and benefits of changing plating technology for our jewelry products. In partnership with lifecycle analysis experts at Quantis, we determined that nearly half (48%) of our jewelry's environmental impact comes from the raw materials and production phase, mostly due to energy used during manufacturing. To help address this impact, GUESS has identified that by switching from water plating to ion plating, which uses no water or chemicals during production, we reduce our product's carbon footprint by 27% and its ecotoxicity impact on freshwater by 82%. As a result of this analysis, GUESS is now producing all of its jewelry with ion plating finishing.

We have also switched to recycled packaging for our jewelry, including recycled PET polybags and gift boxes made from Forest Stewardship Council-certified mixed paper sources.

While GUESS is moving ahead with eco-jewelry, sustainable change is not without its challenges. Sources of leftover stainless steel are finite, for instance, and recycling the steel often requires remelting and casting it into a new shape, which uses energy, creates emissions, and invalidates the environmental benefits we would normally gain with recycling. To help address this impact, GUESS has identified that by switching from water plating to ion plating, which uses no water or chemicals during production, we reduce our product's carbon footprint by 27% and its ecotoxicity impact on freshwater by 82%. As a result of this analysis, GUESS is now producing all of its jewelry with ion plating finishing.



Charms for our message collection of GUESS My Feelings jewelry are made from leftover manufacturing steel, reducing raw materials and minimizing waste, and packaged with 100% recycled PET.

### CREATING WITH SUSTAINABLE MATERIALS

#### Sustainable Materials — What's Next?

With our raw material sustainability guidelines, SMART GUESS requirements, and certifications in place for our own design practices and our suppliers' factories, we anticipate exploring more innovative approaches to save even more water, reduce chemicals, and use less energy. These and many other activities will help drive progress toward our VISION GUESS strategy and goals, which include:

- At least one-third of our global materials portfolio will be environmentally preferred materials or certified sustainable.
- We will eliminate oil-based materials, shifting to 100% recycled or biobased polyester.



# Toward Circular Fashion

Across the apparel industry, most products sold today involve just one consumer transaction.

When that product is no longer wanted or useful, it is often discarded. Across our own organization, the business case for circularity is also clear: the materials used in our supply chain represent the biggest part of our environmental footprint. Sourcing more sustainable materials and implementing a circular approach that keeps materials in use reduces our footprint. By investing in, applying, sharing, and scaling circular business models, we can help our industry shift from the current linear model to a circular approach where value is maximized in the clothing lifecycle. In FY2020 and in FY2021, through its textile recycling and reuse partnerships, as well as its customer take back program, GUESS diverted 31,374 and 27,670 kgs from landfill, respectively.

In 2019, GUESS joined the Ellen MacArthur Foundation's Jeans Redesign project, which brings together key players from across the fashion industry to put the circular economy into action. The project uses the principles of a circular economy to ensure positive impacts for the environment, society, and the health of people working in the fashion industry. To achieve the Jeans Redesign guidelines, all materials have to be responsibly sourced, durable, compostable, traceable, reusable, and recyclable. While the principles of circularity present some challenges for a brand like GUESS, which embodies a specific look, reflects fashion trends, and includes attention to design details, our first Jeans Redesign product is available Summer 2021.

We will continue to put circular design principles into action and contribute to a world where clothes are valued and never considered waste.



## Our Growing Take-Back Program, RESOURCED

We encourage customers to bring in their unwanted clothing and shoes—from any brand—to any GUESS store in the U.S. for recycling. Our signature take-back program, known as RESOURCED, allows for garment and shoe recycling through our continued partnership with I:Collect (I:CO®). This innovative collaboration means that the apparel and footwear we collect can be efficiently sorted, reused, and recycled, rather than disposed in a landfill, supporting our commitment to circular fashion.

The program is currently available in 100% of U.S. stores. We had planned to expand RESOURCED to our European stores in 2020, but have delayed due to the pandemic. Maintaining and expanding our product take-back program is just one way we contribute to our Global Fashion Agenda's 2020 Circular Fashion System Commitment. For more about RESOURCED, check out our video on the GUESS YouTube channel and at [www.guess.com/Resourced](http://www.guess.com/Resourced).

## Fashion's Impact

85% of all clothing ends up in landfill

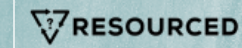
On average, people discard 70lbs (~30kg) of clothing each year

Wear your clothes longer to improve their environment impact

## Take Action



Shop mindfully for clothes you love!



Donate or recycle your unwanted clothing and shoes. Borrow, share, and swap clothes when possible!



Explore second-hand or vintage clothing

## GUESS Vintage

We love designing new fashion, but many of our customers also love classic GUESS clothing, including some of our earliest and most iconic designs. In 2019, Guess U.S. offered a number of authenticated vintage GUESS items sourced worldwide. In FY2020 and FY2021, we continued expanding our GUESS Vintage offerings to meet customer needs and contribute to circular fashion, without using any additional raw materials. We anticipate expanding GUESS Vintage online to customers in Europe as well.



## OPTIMIZING FASHION WITH MINIMAL WASTE

### Circular Fashion — What's Next?

We will continue working with the Ellen MacArthur Foundation's Make Fashion Circular initiative and others to identify new products for the Jeans Redesign project, beyond our first product in Summer 2021, and make ongoing progress in circular fashion. A number of new VISION GUESS goals will help drive our progress forward:

- Circular product design available for every major category.
- Circular or more sustainable systems and models will be an increasingly significant part of our business.



# Water, Waste and



# Chemical Management



## Commitments

- Adopt water-saving denim technology
- Manage environmental impacts in our supply chain



### Goals

25%

of GUESS denim to meet eco SMART GUESS guidelines



Almost there

100%

of key GUESS laundries\* to complete the Higg FEM Survey



Almost there

\*Key denim laundries are facilities where raw denim is washed, treated, and converted into final products, and meet a minimum volume threshold. During FY2020-2021, there were six key denim laundries.



### FY2020 – 2021 Achievements

21%\*

of GUESS denim meets our eco SMART GUESS guidelines

\*GUESS mainline, apparel only

75%

of key GUESS laundries completed the Higg FEM Survey during FY2021

48%

of GUESS directly sourced suppliers by volume completed the Higg FEM Survey during FY2021

## Sustainable Development Goals



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



# Water and Chemical Management

Throughout its lifecycle, a single pair of jeans uses 2,700 liters of water, from the water used in growing the cotton to producing the denim, and to customer care and washing.

Denim production also has historically released a lot of chemicals into the wastewater discharged from factories. We work to minimize both water quantity and quality impacts by supporting our suppliers in adopting water-efficient technology and using safer chemicals, as well as by communicating with our customers about sustainability.

### Our Approach

The GUESS Water Action Plan, established in FY2019, addresses each phase of the denim lifecycle to prioritize water savings and water quality, along with water education and community engagement. The plan addresses responsible cotton sourcing, product development, wastewater and chemicals management, garment care, and community access to clean water. Many water savings and chemical reductions can be achieved at the denim laundry stage through innovative technologies and manufacturing processes.

### Saving Water through Innovation

As with other aspects of sustainability, saving water starts with responsibly growing or manufacturing the fibers, whether that includes organic cotton, ethical manmade cellulose, or recycled polyester, all of which are specified in our SMART GUESS guidelines. In addition to the sustainable fibers, we focus on efficient and innovative garment production methods.

Some of the approved water- and chemical-saving eco production methods for SMART GUESS products include:

- Ozone with e-flow for fabric softening
- Laser treatment to distress denim
- Stonewashing with reusable stones
- Cleaner yarn and fabric dye processes
- Modern print processes, such as digital printing and water or soy-based ink

### Meeting our SMART GUESS Denim goals

Our achievement : 18% increase in the amount of denim offered as eco SMART GUESS between FY2020 – FY2021. Our goal: 25% of GUESS denim to meet GUESS Eco guidelines

These numbers refer to the strictest interpretation of our SMART GUESS guidance. Therefore, while we are nearing our 25% goal, we are confident that we have implemented the proper systems and training to reach and exceed this goal within the next year. We are now focused to reach 75% eco SMART GUESS by FY2025, and will also continue to raise the sustainability requirements for our SMART GUESS guidelines.

### SMART GUESS DENIM

	FY2020	FY2021
% of denim as SMART GUESS	3.0%	21.2%

\*GUESS mainline, apparel only

16% of our non-denim was also SMART GUESS. See page 74 for more information.

### On the Way to Water-Free Denim GUESS Off-Water Blue

Some of our suppliers have the ability to dye denim a deep blue with no water. Known as “Dry Indigo” and communicated to our customers as “Off-Water Blue,” the process uses an indigo foam in a specialized machine. Introduced in our Fall 2020 GUESS YC and Men’s collections, we plan to expand Off-Water Blue products to other collections as well.

**e-flow** technology is now being used by some GUESS suppliers to reduce water and chemicals in the finishing process. The technology introduces air into an electro flow reactor and subjects garments to electromechanical shocks that create nano bubbles and a flow of wet air. Developed by Jeanologia, e-flow essentially breaks up a garment’s surface, resulting in a soft, high-quality feel and reduced shrinkage. The process needs very little water and produces zero discharge.

### Our Approach to Safe Chemicals

GUESS requires suppliers to apply our GUESS Apparel Performance and GUESS Accessories Performance Manuals in addition to our category-specific List of Restricted Substances and Materials (LRSM) to manage the chemicals used in manufacturing our products. The LRSM is a comprehensive list of all chemicals and materials for which GUESS has set limits or prohibited in manufacturing our products, and includes substances that may be present in finished materials and products, along with the acceptable amounts of those substances.

The LRSM has been developed in accordance with the strictest standards found in any of the countries where we operate. All product requirements and compliance with the GUESS LRSM are covered in our factory vendor agreement, which is updated and managed in collaboration with our Legal Department, and all vendors receive complete documentation and have been asked to confirm their full understanding. Compliance with the LRSM is required by written affirmation as well as by testing, either on the finished product or on the raw material. Testing activities are conducted by third-party accredited testing laboratories. Products or raw materials that do not pass testing may be accepted with contingencies to be reserved or reworked and retested, or rejected depending on its adherence to legal requirements.

Also, starting in Spring 2020, a new Standard Operating Procedure (SOP) document describes the GUESS Product Compliance process, starting from the development of apparel collections through delivery to stores and customers. Under the scope of this SOP, we develop apparel collections in different regional headquarters in North America, Europe and Asia, and each region develops the collection for sale within its own market. Each regional headquarters may also purchase items from collections developed in other GUESS regions, and the SOP ensures a consistent risk-based approach for this process across the globe.

In addition to the requirements outlined in the LRSM, we have also begun tracking the number of vendors who are compliant with the Zero Discharge of Hazardous Chemicals (ZDHC) program for safer chemical use, as well as other sustainable processes our suppliers have adopted.

Formally on an annual basis, and informally throughout the year, GUESS monitors industry developments regarding chemical risks and hazards through various industry groups, trade shows, vendor communication, and news. Our LRSM is reviewed and updated annually in partnership with a third-party expert to ensure completeness and accuracy against the European Union’s REACH requirements as well as any updates on banned chemicals for our reference markets (including AATCC, GB, GOST, others). GUESS is proactively addressing other potential risks and hazards and increasingly strict requirements of chemicals in products through the development of our eco SMART GUESS products.

### Tracking Supplier Sustainability for Ongoing Improvement

Over the past two years, we have focused on expanding verification, capacity-building, and performance improvement in denim laundries, drawing on several tools to support stronger sustainability practices in the GUESS supply chain.

**Higg Index** **Higg FEM Index** – Denim laundries serving GUESS must complete the Higg FEM Survey. We also require all major suppliers with qualifying volumes and business relationships to complete the survey. From FY2019 to FY2021, we increased the number of suppliers completing Higg by 10, increased suppliers by volume by over 20%. In FY2021, 75% of our denim laundries completed the Higg FEM Survey. We attribute this to the improved relationships with our consolidated vendor base, as well as an increased prioritization of sustainability from our production team and vendors alike.

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

	FY2019	FY2020	FY2021
No. of Supplier Factories	33	37	43
Percentage of Total Volume	27%	33%	48%

### Key Denim Laundries Reporting to Higg FEM

	FY2019	FY2020	FY2021
Percentage of Denim Laundries Completing Higg FEM	n/a	33%	75%

Key denim laundries are facilities where raw denim is washed, treated, and converted into final products, and meet a minimum volume threshold. During FY2020-2021, there were six key denim laundries.

**Environmental Impact Measurement (EIM) Scoring** – EIM software was developed for the garment industry to provide laundries and finishers with a tool to help them incorporate more sustainable processes. Developed by Jeanologia, which also provides supplier training, the EIM platform allows laundry factory managers to enter information about the factory, the brand—such as GUESS—the wash formula, the machines, and production practices. Based on this input, the software calculates an environmental impact score that measures water, chemicals, and energy consumption as well as workers’ health. This EIM score is coded by performance, enabling factory personnel and our company to benchmark the product by its social and environmental impact.

### Water Use in Our Own Operations


Direct water withdrawal at GUESS-owned operations, are minimal compared to the water used in our supply chain. Water uses include bathrooms, kitchens, test laundries, and irrigation.

### Municipal Water Withdrawal (millions of liters)

	FY2019	FY2020	FY2021
Guess U.S. Headquarters and Distribution	27.0	29.9	30.3
Guess Europe Headquarters	not reported	7.9	6.5

### Customer Garment Care

Customer laundry habits are one of the most water-intensive phases in the denim lifecycle. To promote environmentally conscious behavior, we provide a denim garment care guide describing actions that reduce water and energy use while maintaining product durability. We also share best practices for laundering GUESS products at home through online instruction, store associate training, and informational garment care labels.



**OPTIMIZING FASHION WITH MINIMAL WASTE**

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**Water and Chemicals Management – What’s Next?**

We are looking into safe mineral-based dyeing processes for GUESS laundries, and evaluating anti-bacterial finishings that would allow customers to wash our garments less frequently at home. Now that our key suppliers are familiar with the Higg FEM Survey, we will begin asking them to submit verified Higg FEM data for water, emissions, and chemicals, which will provide us with added confidence in their sustainability performance. We have also established a goal as part of VISION GUESS that key vendors per category will have ZDHC certification for chemical safety.





# Reducing Waste in Our Operations

While our largest environmental impacts remain in the GUESS supply chain, we are committed to increasing recycling and reducing the waste sent to landfill from our offices, stores, distribution centers, and other operations.

### Recycling at Our Corporate Headquarters

Since we launched our corporate recycling program across our headquarter campuses in early 2019, we have continued to increase recycling rates with the help of ongoing communication, education, visual recycling aids, and convenient recycling bins to make it even easier for associates to practice good waste management.

At our Los Angeles global headquarters cafeteria\*, associates earn cash points for using reusable plates, and we have greatly reduced plastic plate and to-go container waste since launching the program in 2019. Similarly, the Guess Europe headquarters has switched from plastic to paper cups in all cafeterias, coffee areas, and water stations, and the café is now using recycled and recyclable food-based forks and knives instead of plastic. In the main cafeteria and canteen, all glasses, dishes, cutlery, and trays are reusable and nothing is disposable.

\*The café at our Los Angeles headquarters has since closed as a result of the pandemic.

### Waste by type and disposal method, Guess U.S. Headquarters and Distribution Center (Metric Tons)

	FY2019	FY2020	FY2021
<b>Hazardous waste</b>			
Recycled	not reported	1.2	1.3
<b>Non-hazardous waste</b>			
Recycled	2,001.9	924.6	760.8
Reused	not reported	311.5	90.0
Landfill	338.1	350.6	240.9

Data is calculated based off invoices from third-party providers

### Reducing Waste from Offices, Stores, and Distribution Centers

At the majority of our retail stores, waste is managed through centralized management systems offered by shopping malls, which typically include recycling. However, waste management practices at non-centralized mall locations are not being tracked, and this represents a continued opportunity for improvement.

Several of our distribution centers have increased their waste diversion efforts by recycling the corrugated cartons received from vendors, as well as clothing hangers. In Europe, where GUESS distribution centers are owned and operated by a third party, they are improving how they manage paper, cardboard, packaging, wood pallets, and metal from the steel bands around shipments so these waste materials can be easily separated and recycled.

### Guess U.S. Distribution Center Recycling, Reuse, and Waste to Landfill (Metric Tons)

	FY2019	FY2020	FY2021
Vendor cartons recycled	1,903.1	876.1	707.6
Waste to landfill	105.51	130.4	88.1

Data is calculated based off invoices from third-party providers

### Improving Our Product Packaging

The packaging customers take with them from our stores—including bags, boxes for wallets and shoes, jewelry pouches, and accessory inserts—is a primary contributor to the waste generated in our stores around the world. We use reusable totes for our GUESS stores, as well as recyclable paper bags for Marciano, GBG, and GUESS Factory stores, and in FY2021 implemented a comprehensive sustainable accessory packaging initiative. Polyvinyl chloride (PVC), a common packaging material, is prohibited from all GUESS packaging. And as of the Fall/Winter 2020 collections, the cardboard boxes that contain our shoes, wallets, and other accessories are Forest Stewardship Council (FSC)-certified, free of cement material, and printed with soy or other sustainable ink, as are hang tags, cardboard labels, and tissue paper.

We have also substituted recycled PET air bags for the paper stuffing that had been placed inside purses and backpacks to help them hold their shape. These PET air bags are now used in about 90% of our men’s bags, and we plan to expand their use to other collections. Recycled polyester is being used for the “duster” bags that protect some GUESS accessories, and our jewelry pouches are now made of recycled PET rather than virgin vinyl, which had been responsible for 80% of our jewelry’s climate impact. What’s more, for about 70% of GUESS products that are packaged with an anti-mold desiccant, we have begun using an innovative, organic plant material instead of silica gel. While these changes do not immediately reduce the amount of waste leaving our stores, they make some of it more recyclable or compostable, and raise awareness among our customers about the sustainable choices we can make together.

### GUESS Responsible Packaging Policy

In FY2020, GUESS implemented a new responsible packaging policy for accessories, handbags, footwear, fragrance, and cosmetics. Designed to help reduce (plastic)s packaging overall, ensure packaging is recyclable and/or contains certified recycled content, and explore options for reuse. The policy has been implemented globally, adopted by our handbag, jewelry and accessory lines that are sourced by GUESS and by our largest licensee business partners. Developed to meet customer inquiries about packaging sustainability, the comprehensive policy covers air bag fillers, dust bags, jewelry boxes, polybags, hangtags, and other forms of packaging.

Starting in November 2020 in Guess Europe, we have replaced all ecommerce shipping boxes and envelopes with 100% recycled and recyclable packaging, and our boxes and bags have been built for reuse. Our ecommerce packaging for Guess U.S. and Canada is working toward 100% recycled, recyclable and reusable materials as well, and will be at 50% by 2023.

### Responsible Paper Use – Guess Europe

Several initiatives help our offices reduce the amount of paper used. The Guess Europe corporate office accounting team has continued its paper-free payment process and expanded it to additional country offices throughout Europe. Established in FY2013, the process now saves over 2 million sheets of paper each year, as of FY2020 – 2021.

PrintReleaf, an innovative program to offset the impacts of paper consumption through certified global reforestation partners, has been an ongoing initiative for about 5 years. Initiated at two Guess Europe locations in Switzerland, we have since expanded PrintReleaf to all EU countries. As of FY 2021, 651 trees have been planted to offset unavoidable paper use at our European locations.

**OPTIMIZING FASHION WITH MINIMAL WASTE**

**Reducing Waste — What's Next?**

We anticipate building on our successful rollout of sustainable packaging for accessories and jewelry to expand this approach to other parts of the business. VISION GUESS includes the commitment to ensure that our product and ecommerce packaging will be made with recyclable and recycled materials.



# Reducing Greenhouse



# Gas Emissions



## Commitments

- Reduce Scope 1 and 2 emissions
- Transition to Science Based Targets, including Scope 3 targets



### Goals

# 15%

reduction in GHG emissions from direct operations



### FY2020 – 2021 Achievements

**Achieved**  
**over 15% GHG emissions reduction per square foot**  
 since our FY2016 baseline

Transition to  
**Science Based Targets**  
 for Scope 1, 2, and 3



**Received SBTi approval for our 2030 Science Based Targets**

### Sustainable Development Goals



The content in this section supports the United Nations Sustainable Development Goal #13 to take urgent action to combat climate change and its impacts. Specific targets addressed include 13.2 and 13.3 to develop climate change strategies and improve education and capacity to act on climate.



# Reducing Greenhouse Gas Emissions

## Taking Action on Climate

Although we publish our sustainability report every 2 years, we assess our climate-related risks annually. This includes measuring our carbon footprint, setting reduction targets—and as of 2021, Science Based Targets—and reporting progress against those targets in this report, through CDP, and through other channels.

## Meeting Our Carbon Footprint Goals

We are pleased that we reached our 2021 goal, a 15% reduction in GHG emissions from our direct operations on a per-square-foot basis. In FY2020, our total Scope 1 and 2 greenhouse gas (GHG) emissions for GUESS\* operations was 43,001 metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e), and we achieved a 12% reduction of GHG per square foot.\*\*

In FY2021, we exceeded our 15% goal to achieve a 29% reduction in GHG emissions from our direct operations on a per-square-foot basis. However, we are aware that some of this is due to COVID-related temporary store closures during the year, which disproportionately affected our energy use data for FY2021 (calendar year 2020). We estimated the impact of temporary store closures from COVID based on reductions in our retail revenue during FY2021. After accounting for this impact, our reduction in GHG emissions from our direct operations on a per-square-foot basis is estimated to have been 18% from our FY2016 baseline, still achieving our 15% reduction goal.

We started calculating our Scope 3 carbon footprint several years ago during the FY2018 – 2019 reporting period. This process includes waste data for our Los Angeles headquarters, U.S. Distribution Center, and global inbound and outbound transportation. We also began focusing on reducing carbon emissions at key supplier mills, with assistance from a project with the Environmental Defense Fund Climate Corps in China to develop this effort. This more in-depth Scope 3 assessment contributed to the development of our Science Based Targets addressing Scopes 1, 2, and 3.

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

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

## Setting Science Based Targets

Our new Science Based Targets were approved in FY2021, representing the next step in doing our part to address climate change. We are committing to a 50% reduction of absolute Scope 1 and 2 emissions, and a 30% reduction in absolute Scope 3 emissions by 2030, toward a 1.5-degree trajectory. We will work to achieve the Scope 1 and 2 targets through a combination of store energy efficiency changes and renewable energy agreements.

As required to implement our approved Science Based Targets, GUESS also calculated its Scope 3 emissions for purchased products and services. In FY2021, GUESS Scope 3 GHG emissions were 303,743 metric tons.\*\*\* We will achieve our Scope 3 Science Based Targets by making even smarter raw material choices, developing more sustainable product designs, and increasing the durability of our products. We also anticipate working with our key vendors to make sure they have energy efficiency or renewable energy plans in place.

## CDP

For 2019 and 2020, GUESS submitted annual survey responses to CDP, formally the Carbon Disclosure Project. The first year, we received an ‘A-’ score—and earned a ‘B’ the following year, partly due to more stringent scoring related to impact measurement in the supply chain and because our Science Based Targets had not yet been approved. Since the last CDP report, our Science Based Targets have been approved and we have made progress on developing our roadmap for achieving them. We continue to strive for excellence in impact and reporting, both in this sustainability report and in our CDP responses. To that end, GUESS annually engages a third party to provide limited assurance on our greenhouse gas inventory, further verifying its completeness and accuracy. For FY2020-2021 CDP reporting GUESS engaged third-party provider Lucideon to provide assurance on our GHG inventory.

## Energy Efficiency

The ongoing LED lighting upgrades at GUESS stores, distribution centers, and headquarters continue. Since we began this energy efficiency initiative in FY2017, over 50 stores in North America and Europe have been retrofitted or opened with LED lighting systems.

\*\*\*GUESS calculates its scope 3 footprint in alignment with the WRI/WBCSD GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. GUESS’ inventory is a hybrid approach as accepted by the Science-based Targets Initiative (SBTi), where non-material categories are screened with a hotspot assessment and material categories are calculated with further precision. GUESS also utilizes the Apparel and Footwear Sector Science-Based Targets Guidance as a supplement for calculating and assessing materiality of various scope 3 categories.

## GUESS Carbon Footprint\*

(all numbers in MTCO<sub>2</sub>e – metric tons carbon dioxide equivalent)

### GUESS Corporate Offices, Distribution Centers and Retail Stores\*\*

Global Operational Emissions	Baseline			
	FY2016	FY2019	FY2020	FY2021
Scope 1	1,223	1,539	1,576	1,137
Scope 2 (Market-based)	38,684	39,246	41,425	32,377
Total Scope 1&2	39,907	40,785	43,001	33,514
Total Emissions per square foot	0.0085	0.0078	0.0075	0.0060

Gases include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O  
Scope 2 Location-Based emissions in FY2020 and FY2021 were 37,497 and 29,694, respectively.

## Non-Renewable Energy Consumption

(all numbers in Gigajoules (Gj))

Global	Baseline			
	FY2016	FY2019	FY2020	FY2021
Electricity consumption	340,880	347,998	380,558	318,665
Heating consumption	22,997	30,427	31,305	22,590
Cooling consumption	392	529	2,208	2,200
Total non-renewable energy consumption	364,269	378,954	414,071	343,455

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

\*\*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. Per the composition of GUESS’ energy consumption and in alignment with GHG Protocol, the Scope 1 emissions refer to emissions generated as a result of building and space heaters, and Scope 2 emissions refer to emissions generated from energy that is purchased from the utility grid and is consumed onsite.



PART OF THE CLIMATE SOLUTION

## Reducing Greenhouse Gas Emissions — What’s Next?

Now that our Science Based Targets have been approved, we will continue implementing a variety of energy efficiency and renewable energy strategies to meet them. These are detailed in several goals as part of VISION GUESS:

- Announce roadmap to achieve SBTs.
- Reduce Scope 1 + 2 (corporate) emissions by 50% .
- Reduce Scope 3 (supply chain) emissions by 30% by 2030.







# About Our Report

**This report and the GRI metrics and disclosures, have been prepared in accordance with the GRI Standards: Core option. The SASB disclosures have been prepared in accordance with the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard or the SASB Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard. The supplemental key metrics have been prepared in accordance with our internally developed GUESS criteria.**

**Our contributions to the United Nations Sustainable Development Goals (UN SDGs) are also addressed. The Supplemental Key Metrics and Criteria, the GRI Content Index, and the SASB Index detail the GUESS key performance indicators as well as the material metrics included in the report, along with their locations.**

Our report content was further guided by our sustainability materiality assessment completed in late 2020 and early 2021, which identified those topics that are important to both our stakeholders and to the sustainable growth of our business.

We are also committed to transparently reporting our progress against our sustainability goals and these well-known sustainability standards and tools, and to achieving third-party assurance. We believe these added measures provide GUESS stakeholders with added confidence in the quality, completeness, and accuracy of our reports.

For the purposes of this sustainability report, GUESS business operations are grouped into the following segments: Guess U.S., Guess Canada, Guess Europe, and Guess Asia. Any reference to “GUESS” means a reference collectively to Guess U.S., Guess Canada, and Guess Europe, unless otherwise indicated. For example, our subsidiaries in Greater China (Guess Asia) are also included throughout the report in the following sections: “Operating With Integrity”, “Diversity and Inclusion”, “Supply Chain Social Responsibility”, “GUESS Product Materials Overview”, “Higg FEM Index”, and “Reducing Greenhouse Gas Emissions.” In “Reducing Greenhouse Gas Emissions” and “Diversity and Inclusion”, our subsidiaries in Korea and Japan are also included.

Data presented in this report includes the entities that are consolidated for financial reporting purposes, with a few exceptions for certain KPIs, including:

- Joint ventures (JVs) not directly managed by GUESS are generally excluded, primarily due to our limited influence on their operations, with the exception of JVs in Portugal and Canary Islands that are included in the section “Reducing Greenhouse Gas Emissions”.
- Our JV in Russia is included because it is operated by GUESS. Per the SASB requirement, we have included 100% of this JV’s data in our metrics, rather than make adjustments for minority interests.

The content of this report includes topics significant to GUESS stakeholders and the sustainable growth of the company, as well as the size, number of associates, and overall impact of our largest business units based on revenue. The scope of this sustainability report covers corporate offices, distribution centers, warehouses, and retail stores directly owned and operated by GUESS in the United States (Guess U.S.) and its subsidiaries in Canada (Guess Canada) and Europe (Guess Europe), unless otherwise indicated. Data for licensee operations, third parties to which GUESS grants the right to manufacture, distribute, or sell GUESS branded items are not included in this report.

We have selected this scope based on the availability and assurability of the data. We continue to increase the scope of our coverage over time.

We take responsibility for the completeness, accuracy, and validity of the metrics and disclosures contained in this report and included in the Supplemental Key Metrics and Criteria table, the GRI Content Index, and the SASB Index. Management is responsible for the collection, quantification, and presentation of the sustainability disclosures and for the selection of the criteria, which we believe provide an objective basis for measuring and reporting on the sustainability disclosures. Measurement of certain disclosures includes estimates and assumptions that are subject to inherent measurement uncertainty resulting for example from accuracy and precision of conversion and other factors. The selection by management of different but acceptable measurement methods, input data, or assumptions may have resulted in materially different amounts or metrics being reported.

Our internal audit team has reviewed our FY2020 – 2021 metrics and data for completeness and accuracy, including the methodology and calculations. The GUESS internal audit team operates under an Internal Audit Charter approved by the Board of Directors Audit Committee that defines the internal audit team’s purpose, as well as its authority, responsibility, and independent position within the organization. In addition, KPMG LLP performed an examination of this report, subjecting the report to reasonable assurance procedures in verifying its accordance with the GRI Core option, the GRI metrics, the SASB metrics, and supplemental metrics as disclosed. Senior executives, in particular the CEO and CFO, are involved in seeking external assurance. Please see page 91 for the Independent Accountants’ Report.



### Reporting Changes or Restatements

If material reporting errors are discovered in previous reports, or there are significant changes to our business, we will transparently disclose any necessary corrections or restatements. The following restatements have been made for the GUESS FY 2018-2019 Sustainability Report:

-GRI 414-2 - Supplier Social Assessment

### Contact Us

Please contact us at [sustainability@guess.com](mailto:sustainability@guess.com) if you have a question or feedback on sustainability at GUESS.



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## Independent Accountants' Report

### The Board of Directors and Management

Guess?, Inc.

We have examined management of Guess?, Inc.'s assertion that the Guess?, Inc. Fiscal Year 2020–2021 Sustainability Report for the fiscal years ended February 1, 2020 and January 30, 2021 (the "Sustainability Report") contains all the required elements of the Global Reporting Initiative Sustainability Reporting Standards (the "GRI Standards") under its Core option requirements (the "GRI Standards – Core option") and that the metrics and disclosures, as identified in the GRI Content Index on pages 93 – 97 of the Sustainability Report (the "GRI metrics"), are presented in accordance with the GRI Standards. We have also examined management of Guess?, Inc.'s assertion that the metrics included in the Sustainability Report, as identified in the SASB Index on pages 98–103 of the Sustainability Report (the "SASB metrics"), are presented in accordance with the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard or the SASB Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard, as applicable. In addition, we have examined management of Guess?, Inc.'s assertion that the supplemental key metrics included on page 92 of the Sustainability Report (the "supplemental key metrics") are presented in accordance with the criteria as defined in the Supplemental Key Metrics and Criteria table on page 92 of the Sustainability Report. Guess?, Inc.'s management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination 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 examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The preparation of the Sustainability Report requires Guess? Inc.'s management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain metrics includes estimates and assumptions that are subject to inherent measurement uncertainty. Obtaining sufficient, appropriate evidence to support our opinion does not reduce the inherent uncertainty in the metrics. The selection by management of different but acceptable measurement methods, input data, or assumptions may have resulted in materially different amounts or metrics being reported.

Our examination was limited to the reporting principles of the GRI Standards – Core option, the GRI metrics, the SASB metrics, and the supplemental key metrics for the fiscal years ended February 1, 2020 and January 30, 2021 included in the Sustainability Report. All other information presented within the Sustainability Report was not examined by us, and accordingly, we do not express an opinion on such information. For certain metrics and disclosures included in the Sustainability Report, information for previous fiscal years was presented to provide comparative information and only certain of those metrics and disclosures were historically reviewed by us. Such information should be read in conjunction with the respective Guess?, Inc. Fiscal Year 2016–2017 Sustainability Report or Guess?, Inc. Fiscal Year 2018–2019 Sustainability Report. Additionally, the Sustainability Report includes prospective information such as ambitions, strategy, plans, and expectations. Inherent to prospective information, the actual future results are uncertain. We do not express an opinion or any form of assurance on the assumptions and achievability of prospective information in the Sustainability Report.

In our opinion, management's assertions that the Sustainability Report contains all the required elements of the GRI Standards – Core option and that the GRI metrics are presented in accordance with the GRI Standards, that the SASB metrics are presented in accordance with the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard or the SASB Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard, as applicable, and that the supplemental key metrics are presented in accordance with the criteria as defined in the Supplemental Key Metrics and Criteria table on page 92 of the Sustainability Report, are fairly stated, in all material respects.

**KPMG LLP**

Boston, Massachusetts  
June 30, 2021

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



# Supplemental Key Metrics and Criteria

In addition to the metrics used to satisfy GRI and SASB reporting, the following supplemental key metrics were also subjected to reasonable assurance procedures as described in the Independent Accountant's Report on page 91.

No.	Impact Area	Metric	Criteria
1	Use of sustainable and recycled materials	% of received units of smart non-denim styles for GUESS mainline	Non-denim styles received at DCs that satisfy the minimum requirements established by the SMART GUESS guidelines and marketed as SMART for the brand's eco collection out of the total non-denim styles received at DCs during the reporting fiscal year. Scope includes GUESS mainline, apparel only.
2	Use of sustainable and recycled materials	% of received units of smart denim styles for GUESS mainline	Denim styles received at DCs that satisfy the minimum requirements established by the SMART GUESS guidelines and marketed as SMART for the brand's eco collection out of the total denim styles received at DCs during the reporting fiscal year. Scope includes GUESS mainline, apparel only.
3	Human rights and labor relations	Number and % of assessments performed by GUESS Auditors and Others on directly sourced suppliers	Identify and count the GUESS Supplier Code of Conduct Assessments for the period in scope and categorize by percent by type of auditor or certification type (Guess Auditors, External Auditors, Sedex and Other Audits, WRAP, SA8000 and Seri.co certifications).
4	Circular products and business models	Textiles diverted from landfill specific GUESS recycling partnerships	Weight, in kilograms, of unused, damaged and returned goods sent by GUESS directly to a third-party partner for reuse, repair or recycling.

# GRI Content Index

## GRI 102: General Disclosures 2020

Report coverage key  
● Full ◐ Partial ○ Omission

Indicator	Description	GRI Core requirements	Report coverage	Page/Section	Notes/Omissions
<b>Organizational profile</b>					
102-1	Name of the organization	✓	●	About Our Company	
102-2	Activities, brands, products, and services	✓	●	About Our Company	
102-3	Location of headquarters	✓	●	About Our Company	
102-4	Location of operations	✓	●	About Our Company	
102-5	Ownership and legal form	✓	●	About Our Company	
102-6	Markets served	✓	●	About Our Company	
102-7	Scale of the organization	✓	◐	About Our Company	The quantity of products sold is considered confidential and is therefore omitted from this report
102-8	Information on employees and other workers	✓	●	Empowering Our People, Employees by Employment Type	GUESS has restated a metric for FY2019. Details provided on page 46.
102-9	Supply chain	✓	●	About Our Company, Business Model ; Empowering Our People—Supply Chain Social Responsibility	
102-10	Significant changes to the organization and its supply chain	✓	●	About Our Company, Business Model—Global Sourcing and Supply Chain	
102-11	Precautionary principle or approach	✓	●	Our Sustainability Plan and Progress	
102-12	External initiatives	✓	●	Engaging Our Stakeholders, Industry Collaboration	
102-13	Membership of associations	✓	●	Engaging Our Stakeholders, Industry Collaboration	
<b>Strategy</b>					
102-14	Statement from senior decision-maker	✓	●	CEO letter	
<b>Ethics and integrity</b>					
102-16	Values, principles, standards, and norms of behavior	✓	●	About Our Company: Values and Mission Statement Operating With Integrity, Approach and Code of Ethics	
<b>Governance</b>					
102-18	Governance structure	✓	●	Operating With Integrity, Governance Structure	



Indicator	Description	GRI Core requirements	Report coverage	Page/Section	Notes/Omissions
<b>Stakeholder engagement</b>					
102-40	List of stakeholder groups	☑	●	Engaging Our Stakeholders, Stakeholder Engagement Methods and Topics Raised	
102-41	Collective bargaining agreements	☑	●	100% of employees in Switzerland, Italy, Belgium, Spain, Austria, France, Finland and the Netherlands are covered by collective bargaining agreements	
102-42	Identifying and selecting stakeholder	☑	●	Engaging Our Stakeholders, Stakeholder Engagement Methods and Topics Raised	
102-43	Approach to stakeholder engagement	☑	●	Engaging Our Stakeholders, Stakeholder Engagement Methods and Topics Raised	
102-44	Key topics and concerns raised	☑	●	Engaging Our Stakeholders, Stakeholder Engagement Methods and Topics Raised	
<b>Reporting practice</b>					
102-45	Entities included in the consolidated financial statements	☑	●	About Our Report	
102-46	Defining report content and topic boundaries	☑	●	Engaging Our Stakeholders, Material Topics, About Our Report	
102-47	List of material topics	☑	●	Engaging Our Stakeholders, Material Topics	
102-48	Restatements of information	☑	●	About Our Report, Reporting Changes or Restatements	
102-49	Changes in report	☑	●	Engaging Our Stakeholders section discloses changes in reporting topics due to the FY2021 sustainability materiality refresh.	
102-50	Reporting period	☑	●	Inside front cover, About Our Report	
102-51	Date of most recent report	☑	●	Inside front cover, About Our Report	
102-52	Reporting cycle	☑	●	Table of contents, inside front cover	
102-53	Contact point for questions regarding the report	☑	●	About Our Report, Contact Us Section	
102-54	Claims of reporting in accordance with the GRI Standards	☑	●	About Our Report	
102-55	GRI content index	☑	●	Included within report as "GRI Content Index"	
102-56	External assurance	☑	●	About Our Report	
<b>GRI 103: Management Approach 2016</b>					
103	Explanation of the material topic and its boundary	☑	●	Appendix: GRI Topic Supplemental Management Approach	
103	The management approach and its components	☑	●	Appendix: GRI Topic Supplemental Management Approach	
103	Evaluation of the management approach	☑	●	Appendix: GRI Topic Supplemental Management Approach	

**Environment**

Indicator	Description	GRI Core requirements	Report coverage	Page/Section	Notes /Omissions
<b>GRI 301: Materials 2016</b>					
301-1	Materials used by weight or volume	☑ Priority Topic	●	Protecting Our Environment—Sustainably Sourced Materials, GUESS Product Materials Overview	
301-2	Percentage of recycled input materials used to manufacture the organization's primary products and services	☑ Priority Topic	●	Protecting Our Environment—Sustainably Sourced Materials, GUESS Product Materials Overview	
<b>GRI 302: Energy 2016</b>					
302-1	Energy consumption within the organization	☑ Priority Topic	●	Protecting Our Environment—Reducing GHG Emissions, Non-Renewable Energy Consumption	Conversion Factors Used 1) Natural Gas: HHV of 10260 Btu/scf (US EPA Mandatory Reporting Rule (MRR), 2013; 2) Electric Power (Purchased): Standard energy conversions; 3) Chilled Water: 0.09532 GJ/m <sup>3</sup> , and from guidance from Energy Star; 4) Propane: HHV of 3.824 MMBtu/Barrel (Climate Registry Table 13.1 US Default CO <sub>2</sub> Emission Factors for Transport Fuels); Density of 4.12 lbs/gallon – (EPA Mandatory Reporting Rule (MRR)); Thermal expansion coefficient of 270
<b>GRI 303: Water 2018</b>					
303-1	Interactions with water as a shared resource	⊗ Significant Topic	●	Protecting Our Environment—Water Use in Own Operations	



**Environment (continued)**

Indicator	Description	GRI Core requirements	Report coverage	Page/Section	Notes /Omissions
<b>GRI 305: Emissions 2016</b>					
305-1	Direct (Scope 1) GHG emissions	☑ Priority Topic	●	Protecting Our Environment—Reducing GHG Emissions, Carbon Footprint Global Warming Potential: IPCC Fifth Assessment (AR5) 100-year time horizon  Scope 1 FY2020 Sources of Emission Factors FY2021  Natural Gas US EPA MRR, Final Rule (40 CFR 98) –Commercial Sector 2013 US EPA MRR, Final Rule (40 CFR 98) –Commercial Sector 2013  Propane US EPA MRR, Final Rule (40 CFR 98) –Commercial Sector 2013 US EPA MRR, Final Rule (40 CFR 98) –Commercial Sector 2013	
305-2	Indirect (Scope 2) GHG emissions	☑ Priority Topic	●	Protecting Our Environment—Reducing GHG Emissions Global Warming Potential IPCC Fifth Assessment (AR5) 100-year time horizon  Scope 2 FY2020 (Market-Based) Sources of Emission Factors FY2021  Chilled Water US EIA Emission Factors for Steam and Chilled Water; Emission Factors for Steam and Chilled/Hot Water US EIA Emission Factors for Steam and Chilled Water; Emission Factors for Steam and Chilled/Hot Water  Electricity Environment Canada; 2020 National Inventory Report (2018 Data) Association of Issuing Bodies RE-DISS Residual European Mix; European Residual Mix 2019 v1.0 US EPA eGRID; eGRID 2020 v2 (w/2018 Data) International Energy Agency (IEA); CO2 Emissions from Fuel Combustion 2019-Year 2017 Environment Canada; 2020 National Inventory Report (2018 Data) Association of Issuing Bodies RE-DISS Residual European Mix; European Residual Mix 2019 v1.0 US EPA eGRID; eGRID 2021 (w/2019 Data) International Energy Agency (IEA); CO2 Emissions from Fuel Combustion 2020-Year 2018	
305-3	Indirect (scope 3) GHG emissions	☑ Priority Topic	●	Protecting Our Environment—Reducing GHG Emissions Global Warming Potential IPCC Fifth Assessment (AR5) 100-year time horizon  Scope 3 Category 1 –Purchased Goods and Services Sources of Emission Factors  Tier 1 Higg FEM US EPA MRR; EIA; US EPA Hub 2021; US EPA EF Hub 2021; International Energy Agency, 2020 publication (with 2018 data)  Tier 2 Materials EcolInvent 3: Textile, knit cotton {GLO}   textile production, knit; Fabric pretreatment, dyeing and finishing, combined processes, US U; Textile, woven cotton {GLO}   production   Cut-off, S; Fabric pretreatment, dyeing and finishing, combined processes US U. US LCI 2.2: yarn production, cotton fibres/kg/GLO; Weaving, synthetic yarn, CN S; Knitting, circular, synthetic yarn/US US-EI U.  Tier 3 Materials EcolInvent 3: Viscose fibre {GLO}   viscose production,   Cut-off, S; Polyethylene terephthalate, granulate, bottle grade {GLO}   market for   Cut-off, S; Acrylonitrile {GLO}   market for   Cut-off, S; Nylon 6-6 {GLO}   market for   Cut-off, S; Polypropylene, granulate {GLO}  market for  Cut-off, S; Cotton fibre {US}   cotton production   Cut-off, S. US LCI 2.2: yarn production, cotton fibres/kg/GLO; Spinning fiber, synthetic/US U US-EI U. Wrap.org. SAC MSI. Invista LCA. Industry data 2.0. The Life Cycle Assessment of Organic Cotton Fiber - A Global Average. Summary of Findings. K. Joseph et al. (2009).  Tier 4 Direct Land Use FAOSTAT. EcolInvent v 3.3: Cotton fibre {US}   cotton production   Cut-off, S. Blonk Consultants: Direct Land Use Change Assessment Tool	
<b>GRI 306: Effluents &amp; Waste 2016</b>					
306-2	Waste by type and disposal	⊗ Significant Topic –included in narrative with data as available	●	Protecting Our Environment—Reducing Waste in Our Operations	

Indicator	Description	GRI Core requirements	Report coverage	Page/Section	Notes /Omissions
<b>GRI 308: Supplier Environmental Impact 2016</b>					
308-2	Number of suppliers assessed for environmental impacts	⊗ Significant Topic –included in narrative with data as available	●	Protecting Our Environment—Tracking Supplier Sustainability for Ongoing Improvement	
<b>Social</b>					
<b>GRI 401: Employment 2016</b>					
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	☑ Priority Topic	●	Empowering Our People, Attracting, Developing and Retaining Top Talent	
<b>GRI 404: Training 2016</b>					
404-2	Programs for upgrading employee skills and transition assistance programs	☑ Priority Topic	●	Empowering Our People, Attracting, Developing and Retaining Top Talent  GUESS does not typically provide additional training or assistance for retired or terminated employees beyond what is provided during their tenure; although severance pay is offered in some circumstances. However, associates furloughed in the U.S. during FY2021 as a result of the pandemic did retain access to their health care insurance coverage.	
<b>GRI 405: Diversity &amp; Equal Opportunities 2016</b>					
405-1	Diversity of governance bodies and employees	☑ Priority Topic	●	Empowering Our People, Diversity and Inclusion	
405-2	Remuneration women to men for US	☑ Priority Topic	●	Empowering Our People, Diversity and Inclusion	
<b>GRI 414: Supplier Social Assessment 2016</b>					
414-2	Negative social impacts in the supply chain and actions taken	☑ Priority Topic	●	Empowering Our People, Supply Chain Social Responsibility	
<b>GRI 416: Customer Health &amp; Safety 2016</b>					
416-1	Assessment of the health and safety impacts of product and service categories	⊗ Significant Topic –Included in narrative with data as available	○	Operating With Integrity, Product Compliance, Communication and Safety	
<b>GRI 417: Marketing and Labeling 2016</b>					
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling	☑ Priority Topic	●	Operating With Integrity, Product Testing and Safety Omission – Confidentiality Despite confidentiality constraints, we have disclosed our approach to marketing and labelling compliance on Page 36 – “Product Compliance, Communication and Safety” – and provide supporting detail in Appendix: GRI Topic Supplemental Management Approach.	
<b>GRI 418: Customer Privacy 2016</b>					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	☑ Priority Topic	●	Operating With Integrity, Security and Safety—Omission – Confidentiality Despite confidentiality constraints, we have disclosed our approach to cybersecurity and data protection on Page 36 – “Secure by Design – Our Approach to Data Protection and Privacy ” – and provide supporting detail in the Appendix: GRI Topic Supplemental Management Approach.	



# SASB Index

## Apparel, accessories and footwear

Accounting metric	Unit of measure	Code	Response									
<b>Management of Chemicals in Products</b>												
Discussion and Analysis	Discussion of processes to maintain compliance with restricted substances regulations	n/a	CG-AA-250a.1	Please refer to Product Responsibility>Water and Chemical Management>Our Approach to Safe Chemicals.								
Discussion and Analysis	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in product	n/a	CG-AA-250a.2	Please refer to Product Responsibility>Water and Chemical Management>Our Approach to Safe Chemicals as well as Product Responsibility>Designing Sustainable Products.								
<b>Environmental Impacts in the Supply Chain</b>												
Quantitative	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Percentage (%)	CG-AA-430a.1	Supplier factories are required per our Code of Conduct to be in compliance with all relevant laws and regulations. (1) While our supplier factories must adhere to the standard we require, our documentation only supports such evidence for 75% of our key denim suppliers. (2) GUESS has not yet started tracking compliance of its Tier 2 facilities. Risks related to supplier factory operations are discussed in the annual GUESS Form 10 - K.								
Quantitative	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Percentage (%)	CG-AA-430a.2	GUESS Tier 1 Supplier factory Higg Index Facility Environmental Module completion rate, based on number of supplier facilities: (1) <table border="1"> <thead> <tr> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>9%</td> <td>12%</td> </tr> </tbody> </table> (2) GUESS has not yet started to track the completion rate of its Tier 2 suppliers. For more information, please visit "Tracking Supplier Sustainability for Ongoing Improvement".	FY2020	FY2021	9%	12%				
FY2020	FY2021											
9%	12%											
<b>Labor Conditions in the Supply Chain</b>												
Quantitative	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Percentage (%)	CG-AA-430b.1	For full information on GUESS' overall supply chain social responsibility program, which includes supplier facility assessments and trainings in addition to supplier audits, and covers 100% of GUESS supplier factories, please visit Improving Supply Chain Social Responsibility. (1) Supplier factories that have been audited to the GUESS supplier code of conduct. <table border="1"> <thead> <tr> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>55%</td> <td>52%</td> </tr> </tbody> </table> (2) GUESS has not yet started tracking compliance of its Tier 2 facilities. (3) Audits conducted by third-party auditor. <table border="1"> <thead> <tr> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>99.6%</td> <td>100%</td> </tr> </tbody> </table>	FY2020	FY2021	55%	52%	FY2020	FY2021	99.6%	100%
FY2020	FY2021											
55%	52%											
FY2020	FY2021											
99.6%	100%											
Quantitative	Priority non-conformance rate and associated corrective action rate for suppliers' labor code	Rate	CG-AA-430b.2	6.9% in FY2020 and 6.4% in FY2021 of GUESS supplier factories were found to have priority issues of non-conformance, of which 100% were required to implement corrective action plans.								
Discussion and Analysis	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	n/a	CG-AA-430b.3	Please refer to Supply Chain Responsibility on pages 62-68.								

Accounting metric	Unit of measure	Code	Response																			
<b>Raw Materials Sourcing</b>																						
Discussion and Analysis	Description of environmental and social risks associated with sourcing priority raw materials	n/a	CG-AA-440a.1	Please refer to Supply Chain Responsibility>Assess Supply Chain risks available on page 72.																		
Quantitative	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Percentage (%) by weight	CG-AA-440a.2	<table border="1"> <thead> <tr> <th>Certification Standard</th> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>Organic Cotton*</td> <td>0.28%</td> <td>5.61%</td> </tr> <tr> <td>GRS*</td> <td>0.22%</td> <td>1.46%</td> </tr> <tr> <td>RCS</td> <td>0.00%</td> <td>0.01%</td> </tr> <tr> <td>Other environmentally preferred***</td> <td>0.38%</td> <td>2.80%</td> </tr> <tr> <td>BCI****</td> <td>9.79%</td> <td>12.74%</td> </tr> </tbody> </table> <p>Data calculated on apparel merchandise purchased in Guess U.S., Guess Canada and Guess Europe                      * OCS and GOTS certification are aggregated and presented as one certification, "Organic Cotton"                      ** GRS includes REPVEVE fabric                      *** Calculated based on equivalent units                      **** BCI differs from the other certifications listed, as BCI operates on a mass balance system for procured goods and is also reported in terms of total cotton lint consumption for the cotton category only, as opposed to global materials portfolio</p>	Certification Standard	FY2020	FY2021	Organic Cotton*	0.28%	5.61%	GRS*	0.22%	1.46%	RCS	0.00%	0.01%	Other environmentally preferred***	0.38%	2.80%	BCI****	9.79%	12.74%
Certification Standard	FY2020	FY2021																				
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BCI****	9.79%	12.74%																				

## Activity metric

Activity metric	Unit of measure	Code	Response							
Quantitative	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Number	CG-AA-000.A	<table border="1"> <thead> <tr> <th colspan="2">(1) Number of Tier 1 suppliers*</th> </tr> <tr> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>438</td> <td>358</td> </tr> </tbody> </table> <p>(2) GUESS is not currently able to provide an accurate number for its full list of Tier 2 suppliers at this time.                      *Please note that footwear, accessories, and jewelry product categories are included in this metric, but are excluded from CG-AA 440a.2 due to availability and reliability of data.</p>	(1) Number of Tier 1 suppliers*		FY2020	FY2021	438	358
(1) Number of Tier 1 suppliers*										
FY2020	FY2021									
438	358									

## Multiline and Specialty Retailers & Distributors

Accounting metric	Unit of measure	Code	Response										
<b>Energy Management in Retail &amp; Distribution</b>													
Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	Energy consumption for global retail and directly owned and operated distribution centers disclosed below. <table border="1"> <thead> <tr> <th></th> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>362,349 GJ</td> <td>294,317 GJ</td> </tr> <tr> <td>2</td> <td>93.3%</td> <td>93.5%</td> </tr> </tbody> </table> <p>3 While we are located in areas where renewable energy is present as part of the local grid, we do not currently have contracted renewable energy in our energy mix and are therefore unable to claim renewable energy as attributed to GUESS under the Scope 2 Guidance of the GHG Protocol. GUESS is evaluating its renewable energy strategy as part of achieving our science-based target.</p>		FY2020	FY2021	1	362,349 GJ	294,317 GJ	2	93.3%	93.5%
	FY2020	FY2021											
1	362,349 GJ	294,317 GJ											
2	93.3%	93.5%											



Accounting metric	Unit of measure	Code	Response																																																																																																						
<b>Data Security</b>																																																																																																									
Discussion and Analysis	Description of approach to identifying and addressing data security risks	n/a	CG-MR-230a.1 Please refer to the GUESS FY2020 – 2021 Sustainability Report Operating With integrity > Security and Safety section.																																																																																																						
Quantitative	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	CG-MR-230a.2 GUESS is committed to assuring the protection of personal information of our customers, and taking care to implement best practices and follow the regulatory safeguards within each country we operate. To learn more about our general data security program, refer to page 36 of the Sustainability Report. Any financially material disclosure on this matter would be included in our Form 10-K.																																																																																																						
<b>Labor Practices</b>																																																																																																									
Quantitative	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Reporting currency, Percentage (%)	CG-MR-310a.1 GUESS values our retail associates; they are the engine of our business and engage directly with our customers. We engage in a wide variety of training and engagement programs to support our team, which are detailed on pages 52-53, in the Associate Training and Development section. We pay competitive wages that largely exceed minimum wage.  <b>(1) Average hourly wage for retail and distribution center employees, by country (USD)</b>																																																																																																						
			<table border="1"> <thead> <tr> <th>Distribution</th> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>Guess Canada</td> <td>16.06</td> <td>20.19</td> </tr> <tr> <td>Guess US</td> <td>18.30</td> <td>24.59</td> </tr> </tbody> </table>	Distribution	FY2020	FY2021	Guess Canada	16.06	20.19	Guess US	18.30	24.59																																																																																													
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			<b>(2) In-store employees earning and exceeding minimum wage, by region (%)</b>																								
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Quantitative	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Rate	CG-MR-310a.2 Retail is an industry that experiences large turn over, in part because retail associates tend to be younger in age and are a more dynamic workforce group that is open to frequent relocation and transition as a result of career exploration. The U.S. National Retail Federation (NRF) states that average retail turnover is 60%. GUESS performed slightly better than this average as indicated below.  <table border="1"> <thead> <tr> <th></th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>(1) Voluntary Turnover</td> <td>36%</td> </tr> <tr> <td>(2) Involuntary Turnover</td> <td>15%</td> </tr> </tbody> </table> <p>We rely on reporting from store managers in the determination of the voluntary or involuntary terminations.</p> <p>NRF data source: <a href="https://www.dailypay.com/blog/employee-turnover-rates-in-retail/">https://www.dailypay.com/blog/employee-turnover-rates-in-retail/</a></p>		FY2021	(1) Voluntary Turnover	36%	(2) Involuntary Turnover	15%																		
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Accounting metric	Unit of measure	Code	Response
Quantitative	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Reporting currency	CG-MR-310a.3
			Guess?, Inc. operates in approximately 100 countries around the world, and is committed to provided a workplace where our associates thrive. We are proud of the investment we make to train and develop our associates, and create a culture that empowers our retail teams to take pride and ownership of the store in which they work. We have systems in place to assure that we uphold relevant labor laws in the jurisdictions in which we operate. However, Guess?, Inc. does on occasion receive lawsuits or demands related to wage and hour violations. Any financially material losses related to labor law violations would be disclosed in SEC reporting documents. To learn more about our employees and company culture, please refer to Empowering Our People section of this report.

**Workforce Diversity & Inclusion**

Quantitative	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Percentage (%)	CG-MR-330a.1	Our Commitment to diversity and inclusion (D&I) is a core value, and is fundamental to the way we do business. We appreciate and understand the importance of creating an environment in which all of our employees feel valued, included and empowered, and we strive to ensure that our workforce is reflective of the communities in which we live and work.
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Learn more about GUESS D&I on pages 40-49 of the GUESS FY2020 – 2021 Sustainability Report.

**Gender representation of global employees (%)**

FY2020	Female	Male	Unknown
(1) Management	71%	29%	0%
(2) All Other Employees	75%	21%	4%

FY2021	Female	Male	Unknown
(1) Management	73%	26%	<1%
(2) All Other Employees	75%	20%	5%

**Racial/Ethnic Group representation of the U.S. Employees (%)**

FY2020	Asian	Black or African American	Hispanic or Latinx	White	Other
(1) Management	20%	4%	21%	50%	5%
(2) All Other Employees	7%	15%	52%	19%	7%

FY2021	Asian	Black or African American	Hispanic or Latinx	White	Other
(1) Management	13%	8%	35%	36%	8%
(2) All Other Employees	7%	15%	52%	21%	5%

Ethnicity data only available and disclosed for our U.S. business.

Accounting metric	Unit of measure	Code	Response
Quantitative	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Reporting currency	CG-MR-330a.2
			Diversity and inclusion is a core value for GUESS, and is fundamental to the way we do business. We appreciate and understand the importance of creating an environment in which all of our employees feel valued, included and empowered, and we strive to ensure that our workforce is reflective of the communities in which we live and work. Guess?, Inc. is an equal opportunity employer that operates without regard to age, ancestry, arrest record, citizenship, race of color, marital or parental status, military discharge status, national origin, pregnancy, religion, sex, sexual orientation, gender identify, union activity, or physical or mental disability, or medical condition unrelated to the individual's ability to perform the job. Any financially material losses as a result of legal proceedings associated with employment discrimination would be reported in our SEC reporting documents. For more information about GUESS' commitment to diversity and inclusion, refer to pages 40-49 of the GUESS FY2020 – 2021 Sustainability Report.

**Product Sourcing, Packaging & Marketing**

Quantitative	Revenue from products third-party certified to environmental and/or social sustainability standards	Reporting currency	CG-MR-410a.1	Total revenues from third-party certified styles:				
				<table border="1"> <thead> <tr> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>\$15,999,575</td> <td>\$74,190,251</td> </tr> </tbody> </table>	FY2020	FY2021	\$15,999,575	\$74,190,251
FY2020	FY2021							
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Discussion and Analysis	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	n/a	CG-MR-410a.2	See response to CG-AA-250a.2 as provided for our primary industry: Apparel, Accessories and Footwear.
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Discussion and Analysis	Discussion of strategies to reduce the environmental impact of packaging	n/a	CG-MR-410a.3	Please refer to pages 82-83, Reducing Waste in Our Operations.
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**Activity metric**

Activity metric	Unit of measure	Code	Response	
Quantitative	Number of: (1) retail locations and (2) distribution centers	Number	CG-MR-000.A	Please refer to About Our Company as well as Our Business Model> Logistics section.
Quantitative	Total area of: (1) retail space and (2) distribution centers	Square meters (m <sup>2</sup> )	CG-MR-000.B	Approximate square footage is available in our annual financial report, Form 10-K. Our directly owned and operated distribution centers in the U.S. and Canada are approximately 65,000 square meters.



# Appendix – GRI Topic

## Supplemental Management Approach

### PRIORITY TOPICS

#### 1. Human Rights and Labor Relations

As a global brand, we source our apparel from hundreds of supplier factories in approximately 25 countries. GUESS does not own any manufacturing facilities and therefore does not have direct visibility over all of the workers making our products. It is imperative that we work with suppliers to ensure that the workers in our supply chain are treated with dignity, paid fairly, and provided with safe workplaces. **Boundary & Involvement:** Workers that are hired and managed by factories in our supply chain are external to the organization, and therefore we only have limited, indirect influence, particularly for sub-contracted suppliers with which we do not have a direct relationship; **Reporting Limitations:** Workers at our Tier 1 supplier factories (those from which GUESS directly buys) are covered by our social compliance program. However, full visibility of supplier operations, particularly Tier 2 and 3 vendors (such as fabric mills, spinners, weavers, etc.), remains a challenge given the indirect nature of our relationship and large network of supply chain operations.

**Management Approach:** See pages 62-67 **Evaluation & Improvement:** For Tier 1 supplier factories we publicly report our audit findings on a biennial basis. We use the trends found through audits and assessments to better inform our approach to training (content, format, participants and frequency), relationship building, supplier vetting and civil society engagement and positively impact workers beyond compliance. We are also continuing to monitor our program to align with best industry practice, which is why we have this year updated our audit and assessment categories to harmonize with the industry. In FY21 GUESS completed its new Vendor Scorecard program to evaluate its partners on key performance indicators that include social responsibility, environmental management, and innovation. The tool includes historical results, corrective action measures and GUESS training participation to ensure that the GUESS approach to vendor management and selection takes into account facility performance on these important topics. In some higher risk countries, we know that the effectiveness of our program will have more impact by working with local or industry community groups such as INNO in China. We intended to expand this program to Vietnam and India; however, our plans for FY21 were paused due to the pandemic. We also monitor our transparency scores and continue to improve year over year, as transparency helps facilitate accountability and visibility into this issue, as well as drive larger, systemic industry change. We measure continuous improvement by setting and reaching goals related to transparency, training and partnership. For example, in 2021, GUESS for the first time has made a list of key tier 1 and select tier 2 facilities available to the public, as we committed in the FY18-19 Sustainability report. We also continue to reach our partners through ongoing training, and in an effort to increase effectiveness of such trainings, assure that we meet directly with factory workers in addition to management. For suppliers beyond Tier 2, please refer to "Supply Chain Social Responsibility – What's Next" in the

FY20-21 Sustainability Report **Specific Requirements:** Signed code of conduct required for new Tier 1 suppliers.

#### 2. Health, Safety and Well-Being

As a result of a company-wide survey to assess the most important sustainability topics for our business and stakeholders, health and safety in FY21 emerged as a top priority. This came as a result of a survey that was completed during the pandemic, during which the health and safety of our entire organization - as well as our customers - became a significant area of importance. Emotional, mental and physical health of our associates are also important to the well-being, community, and productivity of our workforce. **Boundary & Involvement:** Directly owned operations at corporate, retail and distribution, where the company must take precaution to ensure a safe working environment, particularly during Covid **Reporting Limitations:** None **Management Approach:** See page 51 **Evaluation & Improvement:** The hotlines stayed busy during the pandemic, and we adjusted our resources available depending on the need. For example, once associates were settled working from home, in addition to the medical health resources and safety precautions, we also add communications to address additional needs as identified, such as mental health, overall wellness, self-care, and related topics. We included daily positive messages and links to interesting articles or talks, as a way to help associates stay in touch with the company and their colleagues. For the Kentucky Distribution center which stayed in operation throughout the pandemic as an essential service, we implemented staggered schedule, regular testing and contact tracing, with no work-related Covid-incidents identified. **Specific Requirements** Adherence to Occupational Health and Safety guidance, as well as the guidance of the CDC in the US, and local health and safety regulation for all of our localities around the world.

#### 3. Business Ethics and Responsible Marketing (previously labelled as Business Ethics)

GUESS is responsible for the products it puts into the marketplace, and properly communicating to its customers about the product whether it be a regulatory requirement or a marketing claim. Our company relies on the goodwill, reputation and trust in our brand with our customers, as well as with our business with business partners, employees and other stakeholders. Therefore, maintaining ethics and responsibility in how we communicate to our customers, and how we engage all of our stakeholders, is of a priority to the business. **Boundary & Involvement:** GUESS is responsible for the products it puts into the market and related requirements and expectations from our customer directly. GUESS is also responsible for acting as a responsible business to continue its operation and in obligation to shareholders. **Reporting Limitations:** Some specific issues related to ethics and integrity may be subject to confidentiality or may be unreportable for other reasons. **Management Approach** GUESS takes great care to adhere to regulatory requirements within each marketplace we operate globally. Our product compliance, legal and

customs teams manage various elements of regulatory monitoring, and work closely with our product teams, to assure consistent adherence with the law. We also conduct training for employees on general business ethics. Related to marketing claims pertaining to our eco SMART GUESS collections, we have issued multiple guidance on what and how to communicate the environmental improvements made, with language reviewed by legal and sustainability teams as a safeguard for responsible marketing. ESG scores, good governance and overall management improvement is enhanced by the accountability provided by our biennial, externally validated sustainability report, as well as our hiring practices, employee culture and training. For more related to governance and ethics, please refer to the Corporate Governance section of our [www.investor.guess.com](http://www.investor.guess.com) website. **Evaluation & Improvement:** From a regulatory perspective, we generally remain in compliance with marketing regulation globally. On occasion we may have an issue related to specific marketing laws in unique jurisdictions, which is typically a result of human error in our global operation. If such an incident occurs, we immediately act and rectify the situation. Related to SMART GUESS, in addition to the product communication, we support our communication through regular training and guidance updates, as well as increased communication to our retail stores, online and direct to consumer to help to increase education and provide context as necessary. We also benchmark our progress through continuous improvement of Bloomberg ESG Disclosure Score, Sustainability, Independent Shareholder Services (ISS) Quality Scores as well as continuous improvement of our hiring practices, employee culture and training **Specific Requirements:** Marketing communication requirements in specific localities, such as Prop 65 requirements in California. All new employees and suppliers sign our Business Code of Ethics, and corporate associates have compulsory annual training on the topic.

#### 4. Diversity, Inclusion, and Equal Opportunities

The various backgrounds of our 10,000+ associates in approximately 100 countries around the world fortifies our inclusive company culture, celebrating diversity and cultivating creativity throughout the business. Diversity and inclusion of all is essential to a healthy business environment that welcomes new ideas. **Boundary & Involvement:** The diversity of our organization occurs internally within the organization, over which we have direct responsibility for recruitment and hiring. **Reporting Limitations:** We report on diversity of associates within our organization to the extent the data can lawfully be collected and reported. **Management Approach:** See pages 43-48 **Evaluation & Improvement:** We review and identify opportunities for improvement as outlined in GRI Standard 405-1, as well as the effectiveness of and participation in trainings and events. In response to increased calls for social and racial justice in the US, GUESS grew membership of its council and conducted a business review through a D&I lens in 2020. We identified areas for action that include, but are not limited to, new partnerships for building diverse talent pipelines and increased communication, events and community outreach that support our objectives for corporate responsibility while reflecting our commitment to support an inclusive culture and community. As we expand the Diversity Council globally, each council's focus will be tailored to be most relevant and appropriate for that region. We track this data through our sustainability report and also submit relevant material to the Human Right Campaign's Corporate Equality Index. **Topic Requirements** Updated SEC guidance on general human capital disclosure that include diversity and inclusion topics.

#### 5. Energy efficiency and greenhouse gas emissions (previously reported as Energy & Climate)

Climate change is one of society's most important challenges and we know we must play our part in reducing greenhouse gas emissions. Energy consumption as a retailer is directly linked to climate change, and also offers cost savings if reduced. Reporting GHG emissions may become a regulatory requirement in the future, and the ability as a business to operate and compete with the expectations of a low carbon economy is also important to our business and our stakeholders. **Topic Boundary and Nature of Involvement:** Scope 1 (direct) and 2 (indirect, purchased electricity) emissions are considered internal to the organization in that we have operational control and influence over the energy consumption associated with such emissions. Scope 3 (indirect, other organizational and value chain activities) emissions occur outside the organization; however they are required for our Science Based Target goals and are linked with sustainable materials, products and business operation. **Limitations of Reporting** Invoices for electricity use are collected internally. When not available, we use best available estimates to fill any gaps. **Management Approach:** See pages 86-87 **Evaluation & Improvement:** GUESS includes climate change and energy use as part of its enterprise wide risk management evaluation, of which results go directly to our Board of Directors. We also report annually to CDP which ensures we stay current on best practices in terms of climate risk reporting in addition to reporting our improvements in overall GHG emissions. We track year on year greenhouse gas emission reductions and our progress on energy efficiency activities through our annual global carbon inventory tracking. Our Science Based Targets initiative is in direct response to the climate crisis, noting that incremental changes are insufficient to meet the needs of this decade. More robust operational policies, creative financing, and new supply chain programs and partnerships will be needed to achieve Science Based Target goals that we look forward to disclosing in FY22. **Specific Requirements** In the US, the SEC is currently reviewing new requirements related to climate-related financial risk as is the Secretary Treasury at the direction of the Biden administration. As such, we expect new regulation to emerge.

#### 6. Management of Customer Data Privacy & Security

Protecting our customers' personal and financial data is of critical importance to GUESS. We maintain strong data security processes and infrastructure. High-profile retail data breaches in the media have affected general customer trust, and are a risk to every consumer-facing business. **Boundary and Involvement:** We have direct influence over our privacy and security systems, however the sophistication and breadth of breaches is significant and constantly evolving. We are also subject to international regulation on this topic. **Reporting Limitations:** Our reporting scope is limited by confidentiality as well as legal considerations related to naming or detailing our privacy and security systems publicly. **Management Approach:** Over the past 3 to 4 years, the global focus on cybersecurity and data protection has increased dramatically, as companies find additional ways to safeguard digital data. Globally, we have upgraded cybersecurity tools to protect and secure customer data and information. Across our operations, our security systems are data-centric, with security protocol, policies, and infrastructure in place to address the multiple channels where data now exists. This means addressing potential security challenges and regulations so we are ready with the right security measures. And while we update our data security rules, policies, and technology when we anticipate a need for increased measures, our underlying philosophy and commitment have not changed: prioritizing the protection of customer and company data. **Evaluation &**



**Improvement:** We will continue to evaluate and improve our management approach to ensure we are staying current with the latest threats and key elements of compliance and security. For every global region where we operate, we also stay abreast of relevant regional regulation, such as the EU General Data Protection Regulation (GDPR) and California Consumer Protection Act (CCPA). Going forward, we will continue closely monitoring emerging cybersecurity risks, available security technologies, and legislation to ensure the customer, associate, and company data handled by GUESS remains safe and protected. **Specific Requirements** Adherence to employee regulations as relevant by region.

### 7. Use of sustainable and recycled materials (previously Sourcing Sustainable Materials)

See Page 72; **Boundary and Involvement:** GUESS designers select fabric for our apparel products. We use fabric choice, vendor communication and in some cases, mill communication, to indirectly influence our supply chain, but ultimately, raw material production occurs outside our business: **Limitations of Reporting** GUESS is not yet able to track and report on non-core fabric materials, such as the linings or embellishments used in our apparel products; nor are we able to fully disclose the full materials of our footwear beyond the main core body materials. **Management Approach:** See Pages 72-75: **Evaluation & Improvement:** We implement policies and initiatives starting with highest priority issue areas. We track improvements both qualitatively and quantitatively in biennial sustainability reporting as well as benchmarking with peers. For our FY21 goals, we have achieved our goal and exceed 10% environmentally preferred materials globally; however we only reached 13% of our 20% goal of better cotton procurement. We attribute our miss on our BCI goal to a change in internal operations as it relates to global production, and have improved our overall sustainable material sourcing, training and accountability system globally. Our global internal audit project, the "GUESS Sustainability Assurance Framework" has also helped to reinforce the importance of certification management with the team. Guess Europe distribution centers also earned official certification in sustainability standards such as the Global Recycling Standard, Organic Cotton Standard, and more, and Guess US and Canada will soon follow suit, which enhances our ability to effectively manage and communicate our sustainable materials certifications. **Specific Requirements** Certifications for materials, or other evidence of traceability systems are required for styles to be counted toward our certified sustainable materials goal.

### 8. Supply Chain Management and Transparency

See pages 10 and 62 **Boundary and Involvement:** Supply chain management is internal to our organization, while transparency is both; for Tier 1, we have direct relationships and are able to enact transparency to the degree to which we have permission or visibility into our partners internal operation. Management and disclosure related to this topic is at the will of our supplier partners, and their ability and willingness to collect, manage and disclose related issues of interest. **Reporting Limitations:** Transparency for any suppliers beyond tier 1 are typically partners with we don't have direct business relationships which makes for limited ability as it relates to management and disclosure; this is an area on which we strive to continuously improve. **Management Approach:** See pages 62-67 **Evaluation & Improvement:** We track the growth and improved quality of our benefits, education, career advancement opportunities and employee participation in our engagement programs. As a result of technology changes and expectation of our younger associates, we have begun offering microlearning, or short snippets of information that associates can connect with quickly, reinforced with comprehensive

communication and follow-up training programs. Each GUESS region customizes its training for their associates and their operations, all designed to give our associates the resources and skills they need to advance and achieve their career goals **Specific Requirements:** None

### 9. Employee Engagement and Training (previously Talent Management)

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 by offering benefits and various trainings and education opportunities. **Boundary and Involvement:** Our human resources program exists internally to the organization and is something over which we have direct control **Reporting Limitations:** Some specific issues related to employee and human resources may be subject to confidentiality or may be unreportable for other reasons. **Management Approach:** Pages 51 -56 **Evaluation & Improvement:** We track the growth and improved quality of our benefits, education, career advancement opportunities and employee participation in our engagement programs. As a result of technology changes and expectation of our younger associates, we have begun offering microlearning, or short snippets of information that associates can connect with quickly, reinforced with comprehensive communication and follow-up training programs. Each GUESS region customizes its training for their associates and their operations, all designed to give our associates the resources and skills they need to advance and achieve their career goals **Specific Requirements:** None.

## SIGNIFICANT TOPICS

### 10. Chemicals Management

It is important that chemicals and dyes used in manufacturing that could pose harm to the health of workers or the environment are properly monitored and managed; **Boundary & Involvement:** We have direct influence over our internal product quality testing and performance protocol program for our products, seeing this as a fundamental responsibility to our customers. External chemical testing in our supply chain is not under our direct influence though we are striving to extend our responsibility in this direction; **Reporting Limitations:** Our chemical testing program at present includes Tier 1 vendors and inbound logistics quality testing; **Management Approach; Evaluation & Improvement:** Pages 80-81; Specific Requirements: Required supplier agreements for our List of Restricted Substances and Materials, as well as additional requirements as needed as part of our eco SMART GUESS guidance

### 11. Use of Packaging and Packaging Materials

Responsible packaging and materials occur both inbound from suppliers and outbound to our retail stores, wholesale and ecommerce customers. With plastic waste accumulating in our environment, it is important that we transition our approach to packaging and materials to use more innovative solutions that are better for the environment and create less waste. **Boundary and Involvement:** We are directly responsible for the packaging of our ecommerce shipments and shipments to stores **Reporting Limitations:** Currently we do not have full visibility into our apparel, handbag and footwear licensee packaging data, nor do we have ability to fully track all inbound packaging from suppliers. **Management Approach:** In FY2020, Guess?, Inc. implemented a new responsible packaging policy for accessories, handbags, footwear, fragrance, and

cosmetics. Designed to help reduce plastic and use of packaging overall, and to ensure packaging is recyclable and/or contains certified recycled content. The policy has been implemented globally, adopted by our handbag, jewelry and accessory lines that are sourced by GUESS and by our largest licensee business partners. **Evaluation & Improvement:** We are currently asking for proper certification and evidence of compliance with our packaging policy. We also continue to expand the scope of the policy each year. For example in our new VISION GUESS sustainability goals, we have committed to transform be at least 50% of packaging to be recyclable and recycled by 2023, and we will required increased reporting from our business partners to ensure compliance with our policy over time. We will also revisit our policy as needed to continue to minimize packaging and incorporate reusable materials whenever possible. **Specific Requirements:** Collection of certifications as required for recycled materials.

### 12. Waste in Manufacturing and Operations

Waste is a natural result of our operations, but is also a direct impact we can work to improve, particularly as it relates to product, paper and packaging. Waste also exists throughout the product lifecycle and has prompted an industry-wide effort to address this issue (see Circular Products and Business Model). **Boundary & Involvement:** We have direct influence over our internal, day to day corporate activities. The handling and proper disposal of unused or unsold products is also our responsibility. We also generate waste when packaging our products, see Use of packaging and packaging materials for more. **Reporting Limitations:** Internal operations are tracked, however retail waste data is limited in availability. External waste impacts are not currently estimated. **Management Approach:** We are constantly assessing opportunities to reduce waste within our operations. We engage relevant departments on initiatives that improve environmental impact, such as corporate recycling and initiatives to be more digital and reduce paper use. **Evaluation & Improvement:** Tracking corporate waste was the first step for us, and we are now focused on implementing our responsible packaging policy, which we see as an opportunity to implement best practices at the retail level for packaging, and to reduce corporate waste. We also ensure that unsold or unused GUESS products are responsibly disposed of. We will use our Higg Index Environmental Brand Module scores on related topics and our associated improvement plan. **Specific Requirements:** None.

### 13. Water Stewardship

The GUESS brand was founded on denim, a fabric reliant on water from cotton growing to washing during the manufacturing process to customer care. Cotton can be a water intensive crop, and as GUESS' materials portfolio uses approximately 50% cotton, water stewardship, tracking and monitoring is fundamental to our environmental responsibility. We also see it as a risk management opportunity as water variability could become higher risk in areas in which we operate. **Boundary & Involvement:** Corporate water use occurs internal to the organization and is something over which we have direct influence, although given the nature of the retail business, is relatively small. The company's water impact occurs external to the organization throughout the product lifecycle – upstream in raw material sourcing and production, and downstream in consumer product care and washing - and is something over which we have indirect control that we continue to influence, especially through our increased focus on sustainable denim production. **Reporting Limitations:** Corporate water withdrawal is under operational management for Guess U.S. and Europe headquarter facilities only. Estimates of water measurements in the value chain are external to the organization and rely on best available data,

estimation techniques and vendor reporting. **Management Approach:** We have a targeted, strategic approach to reduce our products' impact on water, with an emphasis on denim, throughout the lifecycle based on high impact areas and opportunities for influence and improvement. This strategy has resulted in our Denim Water and Chemicals Management Policy which applies to all denim suppliers and their facilities. **Evaluation & Improvement:** We conducted a product water footprint and lifecycle assessment in FY2017, and are continuing to measure improvements throughout the lifecycle according to this baseline. In FY2019, we completed a wastewater testing pilot project at our denim facilities. Our findings have contributed to new policies such as our Denim Water and Chemicals Management Policy. Due to our agile supply chain, we find that focusing on supplier requirements related to sustainability and increased production of our eco SMART GUESS product, especially SMART GUESS denim that requires the use of technology that reduces water impact, helps us to have the most influence on our partners' practice. **Reporting Requirement:** None.

### 14. Circular Products and Business Models (previously Product Circularity & Take Back)

With the global rise in production and consumption of apparel, we aim to do our part to extend the lifecycle of clothing, increase re-use and recycling and divert product from landfill. **Boundary & Involvement:** Most product waste occurs external to our organization. For example, fabric waste in supplier factories and post-consumer waste at the end of a product's life. However, it should be noted that we have limited, indirect influence over our customer's decisions on what to do with products at end of life. GUESS has partnered with a textile recycler to manage product waste as a direct result of our operations, for returned or damaged apparel. **Reporting Limitation:** Although GUESS is able to report on the weight of products given to our textile recycling partner, I:CO, we have little to no visibility into the end of life stages of our own products after the point of sale. **Management Approach:** See pages 76-77. **Evaluation & Improvement:** We aim to increase customer participation in our RESOURCED program which encourages customers to exchange their old clothing and shoes for a discount on future purchases. By increasing customer participation in the program and committing to international expansion of the program, we help divert unwanted shoes and clothing that would have otherwise ended up in a landfill. To achieve this, GUESS is currently revisiting the program partnerships and communication to maximize effect with our customer. **Reporting Requirements:** None.

### 15. Sustainability Governance and Business Integration

Environmental, social and governance (ESG) factors of business are showing evidence of having impact on a company's financial performance. Given the structure of Guess?, Inc. as a public company, integrating ESG reporting and performance evaluation into the general business operation as well as governance and oversight is becoming increasingly important. Regulating bodies and international governments are also becoming more active with ESG reporting requests. **Boundary & Involvement:** This topic is related to how our business incorporates and incentivizes ESG priorities for our employees, executive management and Board of Directors. **Reporting Limitations:** Topics that may be considered proprietary or confidential, or that have data that is unavailable or pose legal challenges for disclosure. **Management Approach:** See page 33 **Evaluation & Improvement:** See page 33. Additionally, in the VISION GUESS sustainability plan, GUESS has committed to connecting ESG priorities with business performance incentive and evaluation metrics, and



has already implemented such connection with Diversity and Inclusion that is a topic of consideration for Guess US annual reviews starting FY22.

**Reporting Requirements:** The US SEC has expanded guidance on human capital disclosure which is reflected in our annual report, the FY21 GUESS Form 10-k. Some local governments where we operate also require ESG-related data as well.

### 16. Climate Change and Risk Governance (previously climate resiliency)

As a global brand, our operations are subject to interruptions due to extreme weather events. Climate change is a risk to all markets, and does have implications for the apparel industry – for example, if extreme weather begins to disrupt the typical cotton growing seasons and geographies. In some cases changing weather patterns could also affect consumer purchasing behavior. Developing our competency to foster climate resilience is imperative for the well-being of our business operations as the climate continues to change. **Boundary & Involvement:** Climate scientists agree that increasing global temperatures will likely result in more extreme weather patterns. Although the occurrence of such individual events is hard to predict in advance, we can keep several scenarios in mind for preparation. Extreme weather events could have an impact on both GUESS owned buildings, as well as supplier operations. **Reporting Limitation:** Our projects for climate resiliency apply only to our directly-owned and operated retail and warehouse spaces. **Management Approach:** See pages 86-87 for our greenhouse gas inventory management and emission reduction goals to transition to a low carbon economy. Additionally, the global flexibility and diversity of our operations and supply chain helps to mitigate risks of changing weather patterns in any particular region. We also anticipate reporting with the Task Force on Climate-related Financial Disclosure (TCFD) in the coming year which will further advance our climate planning and risk management capabilities.

**Evaluation & Improvement:** The CDP Climate Survey serves as a good industry benchmark for our climate risk and resiliency efforts. We have scored above industry average and aim for continuous improvement.

**Reporting Requirements:** The US SEC has expanded guidance on human capital disclosure which is reflected in our annual report, the FY21 GUESS Form 10-k. Some local governments where we operate also require ESG -related data as well.

### 17. Biodiversity and Wildlife Conservation

Environmental impacts of our products can directly contribute to issues related to biodiversity, wildlife and healthy ecological systems. From the materials we source, to inputs of production - our environmental impacts include impacts to greater ecological balance. **Boundary & Involvement:** The impacts are external to our organization, and even with our animal welfare and sustainable sourcing policies, GUESS only has indirect influence and impact on this topic. **Reporting Limitation:** Supply chain practices upstream, particularly beyond Tier 1 supplier factories with which we have direct relationships. **Management Approach:** Each material we source has an environmental impact, and many include the overall health on ecological systems. Learn more on pages 72-73.

**Evaluation & Improvement:** As GUESS increases its use of environmentally preferred materials, which is occurring through our eco SMART GUESS goals, we are increasing transparency of sustainable materials sourced- such as manmade cellulose coming from responsibly managed forests. Moreover, we are also experimenting with innovative materials such as recycled and alternative sources for cellulose that will further relieve our dependence on natural resources for our business.

**Reporting Requirements:** None.

### 18. Reducing Environmental Impacts of Products Across the Lifecycle

The production of GUESS products throughout its supply chain inherently impacts the environment – from the raw material sourcing to fabric production to dye process and cut and sew. For example, cotton is known to be a water-intensive material and denim a water-intensive garment, while polyester is known to have negative impacts downstream with microfiber shedding. As part of its overall sustainability program, GUESS aims to continuously improve and reduce the environmental impacts of its product throughout product lifecycle. **Boundary & Involvement:** GUESS has limited ability to direct suppliers to adopt certain production practices, but it does so through required policies as well as increased requirements for its eco SMART GUESS products. GUESS does have more direct control on its material selection. **Reporting Limitation:** Supply chain practices upstream, particularly beyond Tier 1 supplier factories with which we have only indirect relationships. **Management Approach:** See pages 72-81 **Evaluation & Improvement:** See pages 72-81; additionally, we also anticipate working with our key vendors to make sure they have energy efficiency or renewable energy plans in place, as part of our Scope 3 (supply chain) Science Based Targets for greenhouse gas emissions. **Reporting Requirements:** None.

## TOPICS TO BE MONITORED AND MANAGED INTERNALLY

### 19. Advocacy, stakeholder engagement and collaboration

To leverage industry best practice tools and guidance and maximize our sustainable development and impact, GUESS participates in several externally-managed sustainability programs in collaboration with industry peers, experts and other stakeholders. **Boundary & Involvement:** This is a topic on which GUESS has direct control and ability to report.

**Reporting Limitation:** The overall impact and specifics of our industry partners are best learned directly through inquiry with those partners.

**Management Approach:** See pages 28-29 **Evaluation & Improvement:** Depending on topics identified through our sustainability materiality assessment and our sustainability plan, we identify new partnerships as needed to gap fill where GUESS cannot act alone. For example in FY21, GUESS officially joined Textile Exchange to ensure best practices and alignment with its sustainable materials certification, as well as joining Ellen MacArthur Foundation's Make Fashion Circular Initiative to collaborate with industry on promoting circular fashion. **Reporting Requirements:** Requirements as indicated by our partners for continued membership such as Sustainable Apparel Coalition, Jeans Redesign and more.

### 20. Community Impact and Partnership

Our role in the global fashion community gives us the opportunity to promote responsible fashion, raise awareness of important social issues and facilitate positive social change in our communities. **Boundary & Involvement:** Local communities are external to our organization and something over which we have indirect influence through partnerships, fundraising, or volunteering efforts. Local communities in areas in which we source are also a part of this category, and are addressed through other topic-specific initiatives identified in the management approach.

**Reporting Limitation:** Reported in qualitative nature as per the results of our GRI Sustainability Materiality Assessment. **Management Approach:**

Integrating existing philanthropic and volunteer activities with overall sustainability plan efforts related to education and engagement. Local communities of our supply chain operations are also considered as part of the management of Social Supply Chain Assessments, Environmental Impacts of Supply Chain and Water. **Evaluation & Improvement:** Our longstanding relationship with many local partners, the cultivation of our 'give back to the community' mindset and corporate culture helps make a positive impact. For our employee GUESS Cares initiative, we have developed KPIs to enhance measurement and reporting of our program's impact from year to year. We have also introduced more opportunities as related to the topics identified in our management approach, such as our partnerships with The World Stage and Homeboy Industries that are both related to issues of social justice and inclusion in our community.

**Reporting Requirements:** None.

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