

VISION GUESS

SUSTAINABILITY REPORT HIGHLIGHTS
FISCAL YEARS 2020 – 2021



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.

Making Real Change



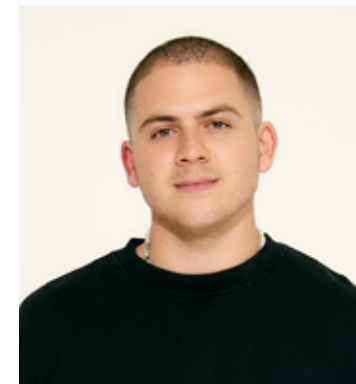
“This year we celebrate 40 years at GUESS! As we look back, there is one thing that never changes—it is all about the GUESS family. The world’s most concerning issues—like climate change—concern our family at GUESS, and everyone all around the world. There is no time to waste, and there is no time like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

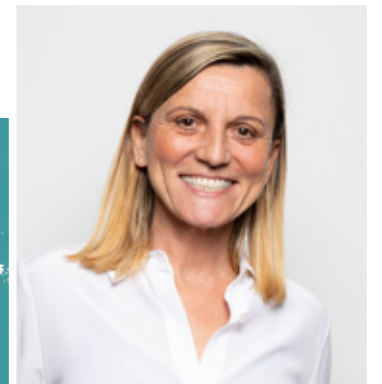


Nicolai Marciano
Director, Brand Partnerships, Guess?, Inc.

“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



Introducing our new sustainability plan

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.

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.

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.



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 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 global materials portfolio to be more sustainable

2024

75% of GUESS denim mainline will be SMART GUESS

2024

100% recycled or biobased polyester for GUESS mainline

2029

100% recycled or biobased polyester for all brands



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

Our 2016-2021 Sustainability Plan and Progress

Our sustainability approach was informed 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. Just as these platforms inform our overall sustainability strategy, they also guide our environmental, social, and governance disclosures.

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 the 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, and in our new Vision GUESS Sustainability Plan, we have set out even greater ambitions for what comes next.



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 priority 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.

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 (2020)
Corporate Register Reporting Awards 2020



1st Runner Up

Credibility through Assurance (2020)
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*



Transparency and Verification

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

●●●●● *Achieved*

Empowering Our People



Diversity & Inclusion

Review and update current policies and practices to ensure inclusivity

●●●●● *Ongoing*

Expand Diversity Council internationally

●●●●● *In Progress*



Sustainability Education & Engagement

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

●●●●● *Ongoing*

100% of North America stores engaged on sustainability

●●●●● *Ongoing*



Supply Chain Social Responsibility

Strengthen vendor training and factory worker grievance program

●●●●● *Ongoing*

Publish multi-tiered supplier map

●●●●● *Achieved*

Protecting Our Environment



Product Responsibility*

~ 10% certified sustainable materials

●●●●● *Achieved*

~ 20% of cotton sourced as Better Cotton

●●●●● *In progress*

Achieve our commitment to circular fashion with Global Fashion Agenda

●●●●● *Achieved*



Water Stewardship

25% of denim to meet eco SMART GUESS guidelines

●●●●● *Almost there*

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

●●●●● *Almost there*



GHG Emissions Reduction

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

●●●●● *Achieved*

Transition to Science Based Targets (Scope 1 to 3) approved by SBTi

●●●●● *Almost there*

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 snapshot of the status of our Sustainability Plan and the progress made against our goals.

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.

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
	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 completing 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
	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
	In 2019, GUESS joined Ellen MacArthur Foundation's Jean 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 Jeans Redesign will be part of our Summer 2021 collection in Guess Europe, and globally available in the Fall.	Circularity, sustainable materials, recycling

Organization	Membership and Collaboration	Topics Working on Together
	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, Inc. 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

Operating With Integrity



GUESS is the first fashion company to have its sustainability report undergo reasonable assurance by a third party auditor - ensuring the utmost integrity and accuracy of our reporting.

Good Governance and Ethics

🕒 Commitments

– Good governance and ethics

🎯 Goals

Strengthen sustainability oversight at Board level

●—●—●—●—● *Achieved*

★ FY2020 – 2021 Achievements

Further engaged with the Board of Directors and Nominating and Governance Committee on sustainability priorities, risks, and opportunities

Transparency and Verification

🕒 Commitments

– Transparency and verification

🎯 Goals

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

●—●—●—●—● *Achieved*

★ 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

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 sustainability 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.

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 Guess Europe 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.



CLEAR ABOUT REAL CHANGE

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 connecting such ESG priorities with GUESS' approach to incentive structure and performance evaluation.

Empowering Our People



Diversity and Inclusion

🕒 Commitments

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

🎯 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

Achieved 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

Sustainability Engagement and Education

🕒 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

★ 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 design, development and production corporate associates educated on sustainable design, materials and sourcing

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 supplier (Visit sustainability.guess.com for more information)

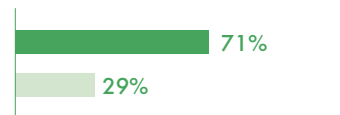
Empowering Our People Highlights

Diversity and Inclusion

GUESS Global Executive Leadership

Executive Management

By Gender

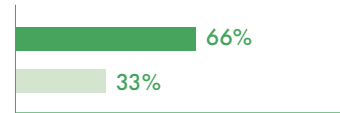


FY21

● Male ● Female

Board of Directors

By Gender



FY21

● Male ● Female

By Ethnicity

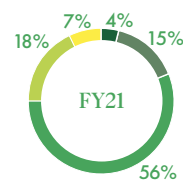


FY21

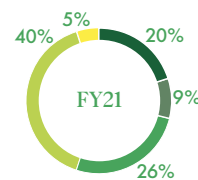
● White ● Hispanic

GUESS U.S. Associate ethnicity

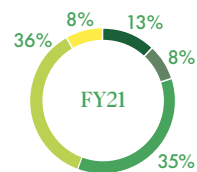
Retail – All



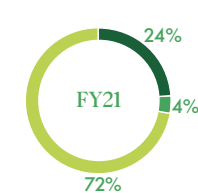
Corporate – All



Management – Retail and Corporate



Executive Management



* The "other" category includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and those who identify with two or more races.

● Asian ● Black or African American ● Hispanic or Latino ● White ● Other*

Remuneration

Compensation Ratio – Female to Male (Guess U.S.)



FY21

● Corporate ● Distribution Center ● Retail

GUESS U.S. achieved gender pay parity for our corporate and retail business



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

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 the first racially integrated jazz club in Los Angeles. We conducted a business review, analyzing how we can implement more rigorous practices for inclusion throughout the business, and are now formally recognizing Juneteenth as a company holiday. In 2020 we communicated to employees and our social media community regarding Juneteenth, dismissed associates early from work that day, and have since declared Juneteenth a company holiday with a formal day off.

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 identify a need to 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.

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.

Community Giving and Volunteering

\$1.5M+ donated by GUESS Foundation

20 volunteering events, drives and fundraisers

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



Pandemic Relief Donations

In 2020, GUESS and the GUESS Foundation launched our "In This Together" campaign, which coordinated multiple relief efforts to give, protect and inspire our community. 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.

Supply chain social responsibility

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

Protecting Our Environment



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 were certified sustainable in FY2021

~13% of cotton sourced as Better Cotton in FY2021

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

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*

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

★ FY2020 – 2021 Achievements

21% of GUESS denim meets our eco SMART GUESS guidelines

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

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
 ●—●—●—●—● *Achieved*

Transition to Science Based Targets for Scope 1, 2, and 3
 ●—●—●—○—○ *Almost there*

★ FY2020 – 2021 Achievements

Achieved 18% emissions reductions per square foot since our FY2016 baseline*

Received SBTi approval for our 2030 Science Based Targets

*With reduced store footprints due to Covid taken into account

Protecting Our Environment Highlights

Product Responsibility

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. Synthetics, such as nylon, polyester, and spandex 28%
3. Manmade cellulosics, such as viscose/ rayon, modal, and lyocell 10%

GUESS sustainable materials usage

	FY2020	FY2021
Environmentally preferred	1.00%	12.25%
BCI cotton	9.79%	12.74%

What is environmentally preferred material at GUESS?



NATURAL

Organic Cotton

- No pesticides
- Safer for People

Recycled Cotton

- Reduces waste
- Conserves natural resources



SYNTHETIC

Recycled polyester & recycled nylon

- Reduces waste
- Reduces carbon emissions



WOOD-BASED CELLULOSIC

TENCEL™ Lyocell & Modal, LENZING™ ECOVERO™ Viscose

- Made from renewable wood sources
- Sustainably managed forests protect ecosystems
- Lower emissions and less chemicals

TENCEL™ LYOCELL with REFIBRA™ technology

- All the benefits of original TENCEL™ Lyocell & Modal
- Uses recycled cotton from industry cutting scraps

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

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.

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. Therefore, we determined that the most sustainable approach is to create upcycled stainless steel jewelry with stamped designs, rather than jewelry that must be remelted. We will further evaluate these findings to achieve the right balance between style and sustainability.



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.

Fashion's Impact

85% of all clothing ends up in landfill

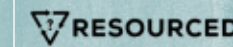
On average, people discard 70lbs (~30kg) of clothing each year

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

* At the time of print, RESOURCED is in the US only but will soon be expanded internationally

Water, Waste and Chemical Management

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.

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

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.

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%

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.

In addition to the requirements outlined in the LRSM, we also track 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.

Reducing Greenhouse Gas Emissions

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, and the Scope 3 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.

In FY2021, Guess reduced its GHG emissions per square foot by over 15% since FY2016

About Our Report

The GUESS FY20-21 Sustainability Report was prepared in accordance with the GRI Standards: Core option, as well as with the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard and the SASB Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard. Our contributions to the United Nations Sustainable Development Goals (UN SDGs) are also addressed. The Content Index in the full GUESS FY2020-2021 Sustainability Report details the GUESS key performance indicators as well as the GRI disclosures and SASB metrics.

sustainability.guess.com



