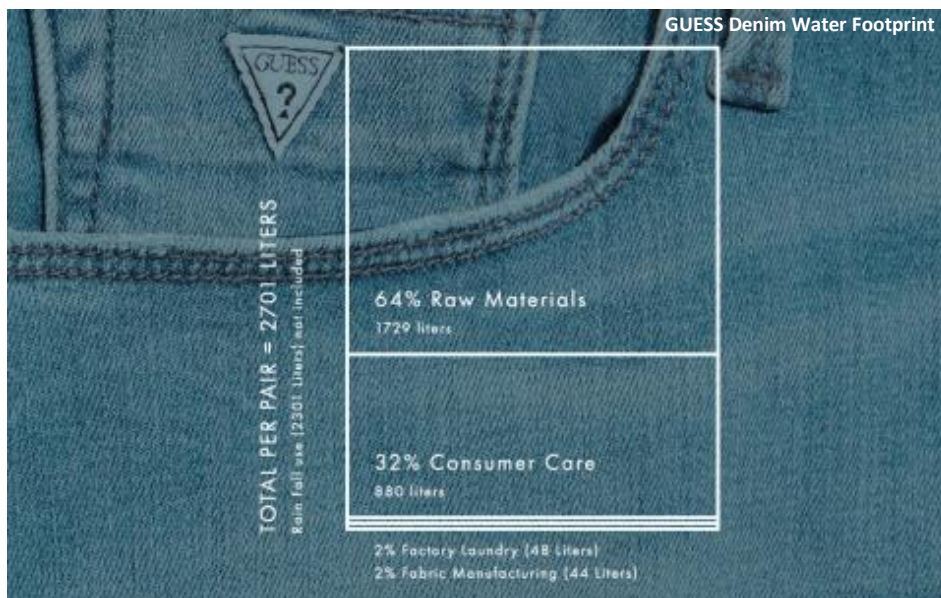# 2018 GUESS WATER ACTION PLAN

CONTENT

INTRODUCTION

As part of the GUESS FY16-17 Sustainability Report, we created a denim water footprint (below) to understand the water impact of our classic women's GUESS 1981 Skinny Jean. We found that for each jean, 2701 liters (715 gallons) of water is consumed. The GUESS Water Action Plan addresses each phase of the denim lifecycle, prioritizing water savings and water quality. We also emphasize the importance of water education with our employees, denim suppliers, customers and community.

Raw materials and home laundry habits are the most water-intensive phases in the denim lifecycle, which we address through Responsible Cotton Sourcing and Garment Care (Sections II and V, respectively). However, we have the most ability to positively affect changes in production by focusing on denim factory laundry and fabric manufacturing, which we address through the design and development of Guess Eco products as well as overall water and chemical management in the supply chain (Sections III and IV, respectively).

We have also added an additional component, community access to clean water (Section VI), to help assure we create direct, positive water impact for the communities in which we do business.

This document provides updates on the progress of our water actions to date and our roadmap for the future. Final data, additional targets and reporting will be publicly disclosed in our next biennial, externally assured sustainability report for FY18 -19 – to be published Fall 2019.

GUESS Denim Water Footprint

TOTAL PER PAIR = 2701 LITERS
Rain fall use (2301 Liters) not included

64% Raw Materials
1729 liters

32% Consumer Care
880 liters

2% Factory Laundry (48 Liters)
2% Fabric Manufacturing (44 Liters)

II. RESPONSIBLE COTTON SOURCING

In 2018, GUESS joined the Better Cotton Initiative (BCI), a global not-for-profit organization that is the largest cotton sustainability program in the world. BCI connects people and organizations from across the cotton sector, from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton-producing areas. This includes training farmers on water efficiency, decreased pesticide use, and improved protection of farm workers, communities and eco systems during cotton production. GUESS has committed to source enough better cotton to cover all denim products by 2020, and to reach at least 50% total global cotton procurement within the next five years.

We also are implementing a more comprehensive policy to increase both the environmental sustainability and social responsibility of cotton sourcing, which we will make public prior to our next fiscal year starting on February 3, 2019.

III. GUESS ECO PRODUCTS

The Guess Eco collection first launched in Europe in 2016, and starting Spring 2019, will be globally available. Guess is working with key vendors on advanced technology to produce denim with more water efficiency. To date, GUESS has saved over 2.5 million liters (660,000 gallons) of water with Guess Eco, and is aiming to save 5 million liters (1.3 million gallons) by 2021.

IV. WATER & CHEMICAL SUPPLY CHAIN MANAGEMENT

In 2018, Guess worked with a pilot group of key denim vendors to learn about their water and chemical management practices. With a commitment to equal partnership with our vendors, we wanted to test our water and chemical management policy to assure it creates positive impact while also realistically addressing the challenges our supplier partners face on the ground. We will make the denim water and chemical management policy public prior to our next fiscal year starting on February 3, 2019.

V. CUSTOMER ENGAGEMENT

The second largest water impact for denim comes during the use phase of the product: home laundry. As part of our commitment to sustainability education and engagement with our customer and community, we have developed three ways in which we aim to share best practices on laundering GUESS denim and other products at home: online Instruction, store associate training and informational garment care labels.

VI. COMMUNITY ACCESS TO CLEAN WATER

As GUESS makes strides throughout the value chain on water savings, water quality and water education, we are also taking immediate actions to contribute to more direct water benefits to the communities that need it most - prioritizing areas in which we do business. In 2018, we funded two water infrastructure projects to provide clean water to communities in need in Puerto Rico and India, both of which are areas with which we also do significant business. We are exploring ways to amplify our community impact, which will be announced in Spring 2019.