

**GUESS FY2018-2019 Sustainability Report
GRI Topics and Management Approach**

No.	Topic	Category	Explanation of topic and its significance to our organization	Topic Boundary and Nature of Involvement	Limitations of reporting	Our management approach	How we continuously evaluate and improve our management approach	Topic specific requirements
1	Human Rights & Labor Relations	Social	As a global brand, we source our apparel from hundreds of supplier factories in approximately 30 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.	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.	Workers in our upstream supply chain, particularly Tier 1 vendors (those which GUESS directly buys from) are covered by our social compliance program. However, full visibility of supplier operations, particularly Tier 2 and 3 vendors (such as fabric mills), remains a challenge given the indirect nature of our relationship and large network of supply chain operations.	GUESS has adopted and issued a detailed Supplier Code of Conduct and Global Sourcing Vendor Manual, which covers human rights; health and safety; labor, ethics and decent work; and payment and administrative issues in the supply chain. These standards are the foundation of our Social Compliance Program, which is administered through our Corporate Social Responsibility office. We ensure conformance with the standards by focusing on four core areas: <ul style="list-style-type: none"> • Supplier factory approvals • Supplier education • Supplier factory monitoring • Remediation On occasion, significant and urgent concerns ("show-stoppers") that cannot be remediated may be identified. In these cases, we will cease working with a supplier factory pending investigation, or terminate the onboarding process. We have also initiated a partnership with INNO, a local civil society organization in China that provides a whistleblower hotline directly to workers. This is an expanding project as we explore how we can further deepen our commitment to worker protection and welfare beyond compliance. Our goals that focus on supply chain social responsibilities include: <ul style="list-style-type: none"> • Strengthen vendor training and factory worker grievance program • Publish multi-tier supplier map 	For Tier 1 suppliers, and increasingly Tier 2, we now publicly report our audit findings on a biennial basis. We use the trends found through audits 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. Going forward, we plan to use vendor scorecards to continuously improve the quality of our vendors, the relevance of supplier trainings and our supplier performance trends. In some higher risk countries, we know we will enhance the effectiveness of our program and have more impact by working with local or industry community groups such as INNO in China. We plan to expand the worker grievance hotline program to other countries next year which will better inform our understanding of the benefits of such a program in different locations. We also monitor our transparency scores and seek to steadily improve year over-year, as transparency will help our own accountability and visibility into this issue, as well as drive larger, systemic industry change. For suppliers beyond Tier 2, please see the descriptions of our management approaches for Water and Sustainable Materials Sourcing below.	Signed code of conduct required for new Tier 1 suppliers.
2	Energy Efficiency and Greenhouse Gas Emissions (previously reported as Energy & Climate)	Environmental	Climate change is one of society's most important challenges and we know we must play our part in reducing carbon emissions. This is a true risk to all markets, and does have implications for the apparel industry - mostly if extreme weather begins to disrupt the typical cotton growing seasons and geographies. In some cases changing weather patterns may affect consumer purchase decisions. Energy consumption as a retailer is directly linked to climate change, and also offers cost savings if reduced.	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 and will be addressed per the Guess Sustainability Goals. Our goals in reducing the emission of greenhouse gases include a 15% reduction in greenhouse gas (GHG) emissions (direct operations) and the implementation of Science Based Targets (Scope 1-3) approved by SBTi.	Invoices for electricity use are collected internally. When not available, we use best available estimates to fill any gaps. This topic also includes Guess Asia operations.	We are working towards achieving our goal to reduce scope 1 and scope 2-GHG emissions per square foot by 15% by 2021, and transitioning toward science based targets. We also identify and pursue projects based on potential emissions reductions as well as financial benefit.	We are aiming for year on year carbon footprint reductions and progressing on our energy efficiency activities tracked through annual global carbon inventory tracking. We track our energy savings by reviewing the electricity bills for stores that have been retrofitted to confirm that energy and cost savings, as well as associated GHG emissions reductions, are realized.	Currently, there are no regulations that directly apply to the business; however, we continue to monitor the evolving state and national policies as well as international agreements pertaining to this important issue.
3	Sourcing Sustainable Materials (previously reported as Materials Sourcing & Product)	Environmental	Ethical sourcing of high quality products and materials from reputable vendors limits unnecessary harm to the environment and helps ensure we use raw material sources that are sustainable for years to come. Such efforts improve our responsibility as well as enhance the quality of our products.	GUESS designers directly 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.	We report on fabric composition chosen internally as part of our product portfolio. We also discuss impacts, based on industry knowledge, for various materials and processes that are outside of our organization.	Our fabric research and development team works directly with sustainability and product development as needed to ensure our Responsible Sourcing Policies are implemented appropriately. For our sustainable materials goals, our product development team leads work with design, production and fabric R&D to increase the development of product and sourcing of materials that adhere to the Guess standard for Guess Eco branded product as well as the requirements to be considered "certified sustainable". We have also developed a "GUESS Responsible Materials Sourcing Guide" as a quick reference for teams to assure global alignment and understanding. Whenever possible we work with relevant industry peers and NGOs to align on best practices. GUESS has set a sustainable materials goal of having 20% of global materials portfolio be certified sustainable by 2021. This also includes having 10% certified sustainable materials globally and 20% of cotton procured as Better Cotton by 2021. Our materials goals are tracked on a percent-unit equivalent basis. The 10% certified sustainable materials goal for 2021 means that an equivalent of 10% of total product units purchased would be 100% made with sustainable content.	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.	Certifications for materials are required for styles to be counted toward our certified sustainable materials goal. For our responsible manmade cellulose policy, we require that nominated mills source from a vendor that is positively rated by CanopyStyle, the non-profit that organizes industry audits for manmade cellulose, by 2020.
4	Talent Management (previously reported as Employees and HR)	Social	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.	Our human resources program exists internally to the organization and is something over which we have direct control.	Retention numbers are considered confidential and therefore have been omitted from our GRI report.	We are focused on creating an inclusive, cohesive and productive work environment through various policies and practices such as employee training and development, employee recognition, special programs and events.	We track the growth and improved quality of our benefits, education, career advancement opportunities and employee participation in our engagement programs. We track this data through our sustainability report and also submit relevant material to the Human Rights Campaign's Corporate Equality Index.	None
5	Diversity & Inclusion	Social	The various backgrounds of our 10,000+ associates in more than 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.	The diversity of our organization occurs internally within the organization, over which we have direct responsibility for recruitment and hiring.	We report on diversity of associates within our organization to the extent the data can lawfully be collected and reported.	We have a formal non-discrimination policy for hiring and career advancement as well as a corporate policy on diversity and inclusion. We aim to provide a global, multi-cultural environment for all associates, offer training, and track diversity at retail, corporate and executive levels. In FY19 we launched a Diversity Council to review and address current policies and practices to ensure inclusivity.	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. The Diversity Council, launched in the U.S., monitors diversity data and will take action based on emerging trends and insights. As we expand the Diversity Council globally, each council focus to be relevant to that region.	None
6	Product Circularity & Take Back	Environmental	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.	Much 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. Guess is a signatory of Global Fashion Agenda's 2020 Circular Fashion System Commitment aimed at implementing sustainable design strategies, increasing the collection and resale of used clothing, and increasing the share of clothing made from recycled fibers. 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 the global textile recycler I:CO to manage waste as a result of our direct operations for returned or damaged apparel, as well as for the collection of products through RESOURCED, our customer product take back program.	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.	As early signatories to Global Fashion Agenda's 2020 Commitment to a Circular Fashion System, GUESS has launched RESOURCED - a customer-facing clothing take-back program to help tackle our responsibility to educate and engage our customers. We have also launched a vintage clothing re-sale platform, GUESS Vintage. The initiatives take into account increasing stakeholder interest in companies transitioning to a circular economy. Our focus is to increase participation in RESOURCED as well as to increase education of our designers on circularity.	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. We will also explicitly track the education of 100% of our product teams on circularity, as well as the use of recycled materials (post-industrial and post-consumer) in our products; for example, as with our Guess Eco Luxe denim that contains upcycled cotton scraps from industry manufacturing.	None
7	Waste	Environmental	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 Product Circularity & Take Back topic above).	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, especially for our accessories, handbags and jewelry, and when procuring products with packaging from suppliers and licensee product partners.	Internal operations are tracked, however retail waste data is limited in availability. External waste impacts are not currently estimated. Licensee partners and non-apparel categories will be subject to reporting requests during the next sustainability reporting period.	We are constantly assessing opportunities to reduce waste within our operations. We engage relevant departments on initiatives that improve environmental impact.	Tracking corporate waste is a first step for us, and we will focus on retail waste management during the next reporting cycle (which will also include the practices of incoming product from suppliers and licensee partners). We see this 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.	None
8	Water	Environmental	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 and part of our business planning processes.	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 significant 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. However, we are seeking to improve and manage this impact through decisions related to fabric choice, vendor partnerships, and consumer-facing education.	Corporate water withdrawal is under operational management for GUESS U.S. and Canada only, and therefore we are only able to collect and report data from those regions. Estimates of water measurements in the value chain are external to the organization and rely on best available data, estimation techniques and vendor reporting.	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.	We conducted a product water footprint and lifecycle assessment in FY17, and are continuing to measure improvements throughout the lifecycle according to this baseline. In FY19, we completed a wastewater testing pilot project at our denim facilities. Our findings have informed new policies such as our Denim Water and Chemicals Management Policy, and product targets for Eco denim to increase the use of technologies that reduce water impacts.	None
9	Chemicals Management	Social	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.	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.	Our chemical testing program at present includes Tier 1 vendors and inbound logistics quality testing. We also launched a Denim Water and Chemical Management Policy in 2019.	We have a chemicals management program with a high global standard across brands, ensuring the most stringent requirements in our global markets is the standard for our products. For supply chain chemical management, we have been focusing on highest impact areas, starting with denim as described in our Guess Denim Water and Chemical Management Policy.	Our approach to chemical management ensures the safety of our products and our compliance with local regulation. In seeking to improve this program, GUESS created an updated supplier handbook as well as a new formal list of restricted substances to be required for vendor compliance. The GUESS List of Restricted Substances and Materials (LRSM) is subject to annual internal review and updates. An opportunity to improve end-product testing results is through the monitoring of inputs. GUESS is tracking the increased percentage of GUESS denim made with more environmentally responsible production methods and reduced chemical use.	Suppliers
10	Business Ethics (previously reported as Governance & Transparency)	Governance and Risk	Ethical behavior, corporate social responsibility and trust within the business for employees, suppliers and other stakeholders is critical to the longevity and health of the business. This topic is communicated with transparent reporting, and is reinforced and improved through aligning with best practices and standards.	Ethics, integrity, and social responsibility is internal to the organization. The ethics and integrity of each GUESS employee impacts the reputation, goodwill and trust of the business as a whole.	Some specific issues related to ethics and integrity may be subject to confidentiality or may be unreportable for other reasons.	Please refer to the Corporate Governance section of our www.investor.GUESS.com website. 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 Our goals include strengthening sustainability oversight at the Board level and achieving third party assurance of non-financial data to increase stakeholder confidence in our reporting.	We currently 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.	All new employees and suppliers sign our Business Code of Ethics, and corporate associates have compulsory annual training on the topic.
11	Climate Resiliency	Governance and Risk	As a global brand, our operations are subject to interruptions due to extreme weather events. Developing our competency to foster climate resiliency is imperative for the well-being of our business operations.	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.	Our projects for climate resiliency apply only to our directly-owned and operated retail and warehouse spaces.	GUESS has committed to creating science based targets that will address both owned operations as well as supply chain operations, which will contribute to the global effort to keep global warming under the threshold established in the Paris agreement. We complete the CDP Climate survey annually as well as conduct annual enterprise-level risk assessments. The global flexibility and diversity of our operations and supply chain helps to mitigate risks of changing weather patterns in any particular region.	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.	None