

Respect nature

ENVIRONMENT

GUESS campaign, spring 2023; Capri, Italy.
Men's jacket is made of organic cotton; Women's tops are made
of recycled polyester and pants made of organic cotton.

Committed to being a part of the solution

Taking care of our planet and respecting our environment are essential parts of the way GUESS does business. Through our operations and supply chain, we are committed to expanding our assortment of apparel that has a lower impact on our environment.

The majority of environmental impact occurs in the supply chain process, and one of the most effective ways we can reduce our footprint is through our choice of materials. This is why at GUESS, we consciously choose materials produced with less water usage, fewer chemicals, and that are sustainably sourced.

In truth, we don't yet know all the ways our environment can be negatively affected, but we're committed to being a part of the solution. We take a precautionary approach to developing products, striving to protect the environment even in the absence of scientific certainty or regulatory requirements.

This world belongs to us all, and at GUESS we are determined to do our part to keep our planet safe.

Sustainable Development Goals



We align with **SDG 6 Clean Water and Sanitation**, **SDG 12 Responsible Production and Consumption** and **SDG 13 Climate Action** of the UN 2030 Agenda. We are committed to reducing our carbon footprint through a science-based approach, and by incorporating climate risks into our strategic thinking; we place great focus on circularity and the sourcing of responsible materials for our collections; we maintain a strong commitment to water-saving practices in our production; and we are increasing our efforts to protect nature and preserve biodiversity.

Key topics

- Climate
 - » Read about on pages 14-16
- Responsible materials and products
 - » Read about on pages 17-23
- Circular economy, packaging, and waste
 - » Read about on pages 24-26
- Chemicals, pollution, and water stewardship
 - » Read about on pages 27-29
- Nature and biodiversity
 - » Read about on pages 30-31

CLIMATE

Working in synergy with our customers, suppliers, investors, and associates to reduce our impact

GUESS recognizes the impact the fashion industry has on the environment and climate change. We are committed to addressing that impact by reducing greenhouse gas (GHG) emissions across our operations and supply chain, working with suppliers, and identifying our climate risks and opportunities.



GUESS Via del Corso
Rome, Italy.

Goals

- Reduce Scope 1 + 2 GHG emissions by 50% vs baseline FY2019 (2030)
- 100% renewable electricity in company operated facilities (2035)
- Reduce Scope 3 GHG emissions by 30% vs baseline FY2019 (2030)
- Climate Positive: exceeding carbon neutrality by removing additional CO₂ from atmosphere (2035)
- Announce roadmap to achieve SBTs (2024)

CLIMATE continued
GRI 302-1, 302-4, 305-1, 305-2, 305-3, 305-5

Reducing our carbon footprint

In our FY2020-2021 Sustainability Report, we announced that our greenhouse gas emissions reduction targets were approved by the Science Based Targets initiative (SBTi) that recognizes our commitment to reducing our absolute emissions by 50% across Scope 1 and 2 and by 30% in Scope 3 (Category 1 – Purchased Goods and Services) by 2030 from our FY2019 baseline.

Our previous goal on Scope 1 and 2 energy intensity reduction of 15% from baseline FY2016 was achieved in FY2021 and therefore no longer put forth again. Our SBTi goals are now based on FY2019 baseline.

The base year was chosen in accordance with the GHG Protocol guidance for tracking emissions over

time as Management believes FY2019 provides an accurate reflection of our overall emissions profile, boundaries and current methodology. The Scope 2 indirect emissions for the base year were calculated using the market-based methodology.

We are proud to be a Business Ambition for 1.5°C campaign member and a signatory of the Fashion Industry Charter on Climate Action, part of the UN Framework Convention on Climate Change. The Charter is guided by its vision to drive the fashion industry to net-zero greenhouse gas emissions no later than 2050 with the aim of keeping global warming below 1.5°C.

Since FY2019, we have reduced our Scope 1 and 2 GHG emissions (market based) by 50% by making our stores

more energy-efficient while increasing our use of renewable energy through the purchase of renewable energy credits (RECs)¹. In fact, from FY2022, GUESS partnered with an external provider to purchase renewable energy attribute certificates across multiple markets to reduce our Scope 2 emissions. As a part of setting our new roadmap to achieve our SBTs, we are continuing to develop our renewable energy purchasing strategy in FY2024, which we will share publicly next year. This strategy will set out our plans to reduce the number of credits we buy, and plans to implement a thoughtful and impactful renewable energy purchasing strategy.

Focusing on our apparel Purchased Goods and Services, we have committed to reducing Scope 3 emissions by 30% against our FY2019 baseline by 2030 as part of our SBTs.

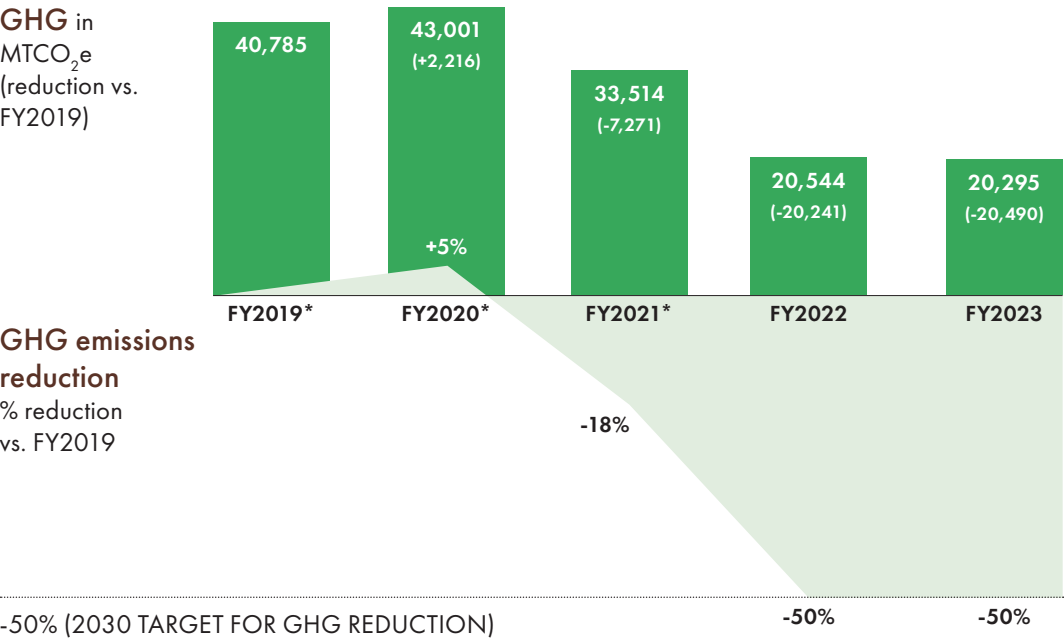
Many of the decisions we make on a day to day basis can impact Scope 3 emissions, so we will continue to make educated choices in terms of the materials we use, sustainable product design, and increased durability for our products.

In FY2022 GUESS saw its Scope 3 (Category 1 – Purchased Goods and Services) emissions increase proportionally with the increase in production and sales during that same fiscal year. For FY2023, to evaluate their impact, we took into consideration the switch to environmentally preferred materials on our Scope 3 emissions. A more detailed and thoughtful strategy will be disclosed in 2024.

¹ Certificates included guarantee of Origin in EU, I-RECs in China, REGO in UK, RECs in North America.

GHG Emissions

Scope 1 and Scope 2 (Market Based)



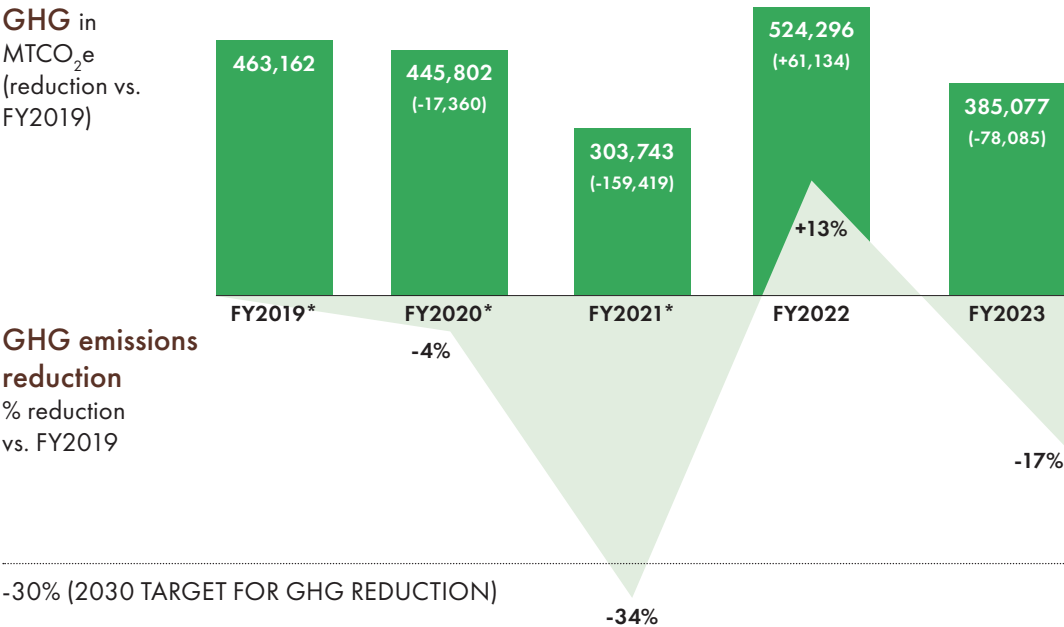
-50%
Scope 1 and 2 emissions reduced by 50% since FY2019

-17%
Scope 3 (Category 1 – Purchased Goods and Services) emissions reduced by 17% since FY2019

* Prior periods are covered by previous KPMG assurance reports; FY2019 at the limited assurance level and FY2020-2021 at the reasonable assurance level.

GHG Emissions

Scope 3 (Category 1 – Purchased Goods and Services)



CLIMATE continued
GRI 302-1, 302-4, 305-1, 305-2, 305-3, 305-5

Reducing our carbon footprint continued
CDP results

Reporting since 2018, GUESS is committed to continue responding to the CDP on an annual basis. The scoring of our climate change report ranges within the top tier, between “A” and “B”. Any variance is primarily due to more stringent scoring related to impact measurement in the supply chain and climate-related risks governance.

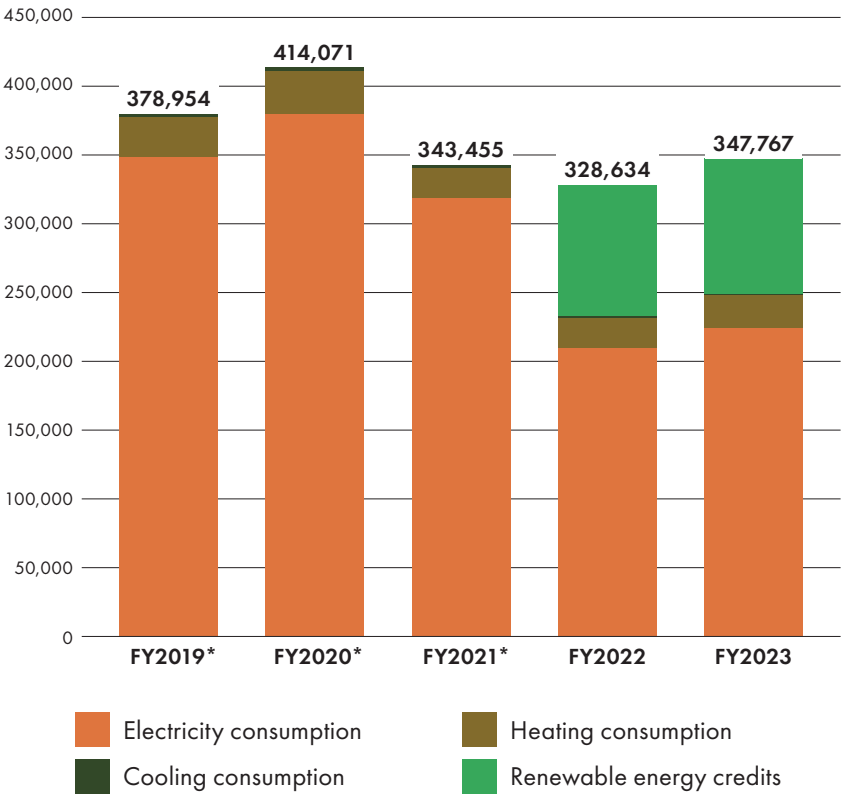
We continue to strive for excellence in impact and reporting, both in this ESG Report and in our CDP responses. As part of our commitment to transparent reporting, we obtained reasonable assurance related to our Scope 1, 2, and 3 GHG emissions prior to submission of our FY2022 CDP response. In addition, management’s assertion over FY2023 Scope 1, 2, and 3 GHG emissions was subject to KPMG’s assurance engagement, as described in the Independent accountants’ report on page 80.

In the last CDP reporting period, GUESS was recognized on the Supplier Engagement Rating Leaderboard as being among the top 8% of companies for supplier engagement on climate change. The CDP Supplier Engagement Rating recognizes companies that are playing a crucial role in addressing their environmental impact and driving the transition to a net-zero sustainable economy across their supply chain. This rating is based on the four categories of governance, targets, reporting of Scope 3 emissions, and supplier engagement.

Managing climate-related risks and opportunities

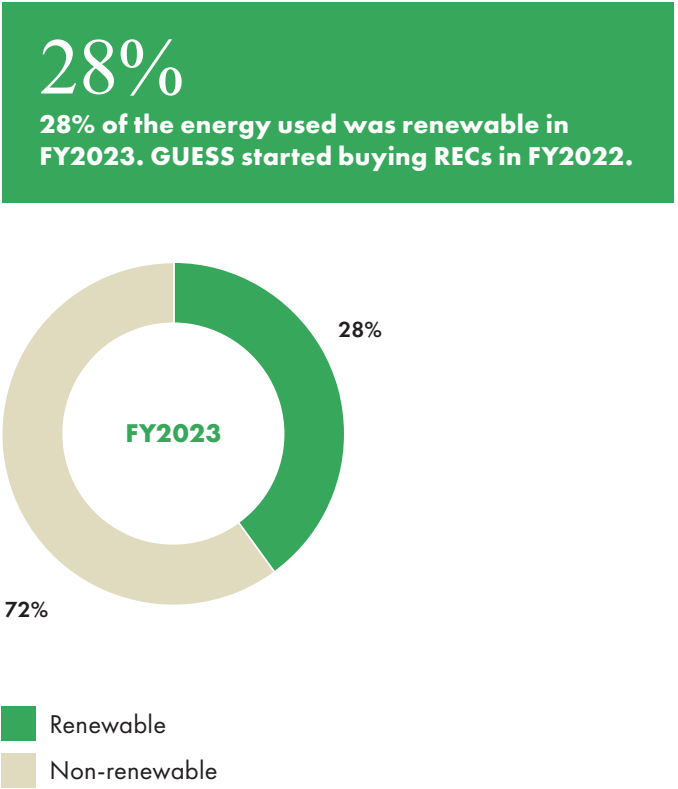
As a global brand in the fashion industry, our operations and supply chain are subject to various climate interruptions. Extreme weather can disrupt the typical cotton growing season, which critically affects our supply. To ensure our resilience to evolving times, we assess our climate-related risks annually. In addition, the global flexibility and diversity of our operations and supply chain help mitigate the risks of changing weather patterns in particular regions.

Total energy consumption (gigajoules**)



* Prior periods are covered by previous KPMG assurance reports; FY2019 at limited assurance, FY2020 and FY2021 at reasonable assurance.
** Energy from all sources have converted to gigajoules in line with GRI requirements.

Renewable vs. Non-renewable energy consumption



RESPONSIBLE MATERIALS AND PRODUCTS

Responsible materials and products

At GUESS, we are conscious of the environmental impact of the materials we use. Each material brings its own considerations, with cotton production requiring high water use; polyester being manufactured with non-renewable petroleum products, and high carbon footprint; and manmade cellulose carrying risks of deforestation. To increase our ability to innovate in Climate Positive fashion, it's imperative we increase our sourcing of environmentally preferred materials.

To that end, the impact of our clothing and the materials we use reach far beyond production. We must consider product transportation, the packaging we use, and what happens to our products at the end of their lifecycle. Having a well-rounded approach to responsibly sourcing materials and circularity of our products is an important part of our commitment to sustainability.

**Goals**

- 30% of GUESS global apparel materials portfolio will be environmentally preferred (2023)
- 75% of GUESS global apparel materials portfolio will be environmentally preferred (2030)
- 75% of all fibers used in men's bags main material will be environmentally preferred (2025)
- 80% recycled or biobased polyester will be used for the apparel mainline (2025)
- 80% recycled or biobased polyester will be used for all apparel brands (2030)
- 80% regenerative, recycled, or organic cotton will be used for all apparel brands (2030)
- 75% of GUESS denim apparel mainline will be GUESS ECO (2030)
- 50% of GUESS all apparel mainline will be GUESS ECO (2025)
- 35% of GUESS apparel Factory mainline will be Consciously Constructed (2025)
- 50% of GUESS men's bags will be GUESS ECO (2025)

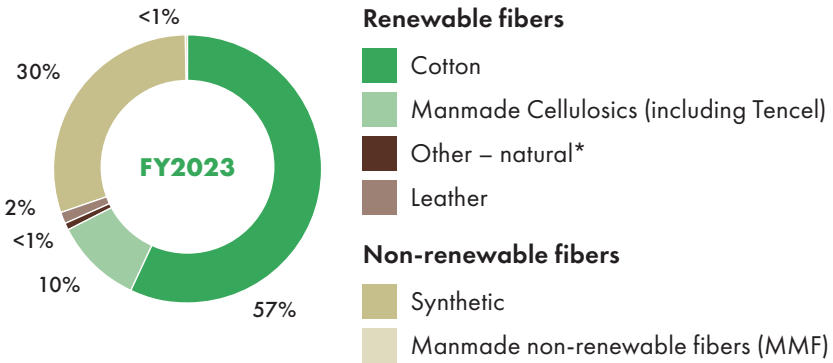
RESPONSIBLE MATERIALS AND PRODUCTS continued
SASB CG-AA-440a.1

Responsible material sourcing

Our products are comprised of a wide range of natural, synthetic, and manmade materials. Each material carries its own unique social and environmental impacts as well as risks around the ability to source them consistently and reliably. For each of our main material types, we are finding lower impact alternatives:

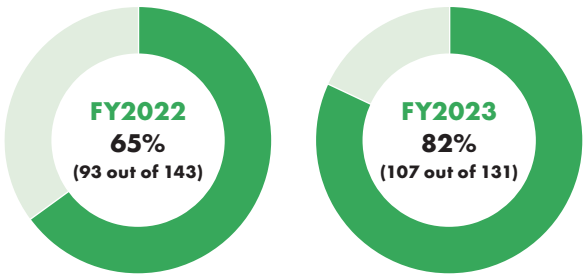
Main materials (top 3 materials by usage)	% of global material portfolio in FY2023	Alternative materials
Cotton – used to make our classic denim and logo tees	57%	We are making the move to using organic cotton, which avoids the use of pesticides and synthetic fertilizers that can be harmful to farmers, biodiversity, and soil. Our goal is to use 80% regenerative, recycled, or organic cotton for all apparel brands by 2030.
Synthetics such as polyester, nylon, and spandex	30%	We plan to increase our use of recycled polyester in place of virgin polyester as it uses less energy and supports circular principles. Our goal is to use 80% recycled or biobased polyester for apparel mainline by 2025, and for all apparel brands by 2030.
Manmade celluloseics such as viscose/rayon, modal, and lyocell	10%	To address deforestation risks associated with manmade celluloseics, GUESS uses more sustainable materials from producers Lenzing™ and Birla, which have pledged to manufacture viscose more sustainably. We aim to source all wood-based materials from only sustainably managed forests, sourcing materials certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).

Global materials portfolio



* Includes alpaca hair, cashmere, linen, wool, mercerized wool, virgin wool, recycled wool, other hair.

Percentage (number) of new suppliers screened using environmental criteria



» See Sustainable Vendor Rating on page 39 for additional information



GUESS campaign, spring 2023; Capri, Italy.
Women's shirt made of recycled polyester and pants made of eco Tencel™;
Men's shirt is made of eco viscose.

RESPONSIBLE MATERIALS AND PRODUCTS continued
SASB CG-AA-440a.1

Reduce vulnerability

To reduce vulnerability in cotton-growing regions, GUESS implements diversification strategies in sourcing practices. This approach considers direct concerns related to material production and indirect concerns related to garment production. By considering these various factors, GUESS aims to enhance supply chain resilience and minimize risks across all production stages.

From a material standpoint, GUESS focuses on exploring certified alternatives to conventional cotton, such as organic and recycled cotton, or other sustainable materials that can reduce the water footprint of cotton production. All responsible alternatives used are certified by standards that establish a consistent framework for evaluating materials.

As mentioned in the latest report published by the World Wildlife Fund (WWF) on June 5, 2023, titled “[Benchmarking of Sustainability Standards used in Cotton Production](#)”, it is crucial that sustainability efforts go beyond certification to ensure a holistic approach to improving sustainability throughout the entire cotton value chain.

As part of the risk assessment and in line with this approach, GUESS conducts a thorough assessment of its supplier base to gather information and evaluate the practices employed by its suppliers, with a specific focus on regions affected by water scarcity. The goal is to identify suppliers that demonstrate more sustainable water management practices and prioritize responsible water usage, contributing to mitigating the challenges posed by water scarcity in their regions.

Considering that denim production significantly impacts water use due to various manufacturing stages that require water, GUESS particularly focuses on denim suppliers that enhance water conservation measures. These measures may include implementing comprehensive water management strategies, optimizing processes, investing in water-efficient technologies, and implementing water recycling systems within production facilities. These actions help minimize water consumption, reduce freshwater usage, and minimize the discharge of polluted water into the environment throughout the denim manufacturing process.

This sourcing approach helps mitigate potential problems, ensuring a more secure and stable cotton supply, and aligns with GUESS’ commitment to responsible sourcing practices.

“GUESS aims to enhance supply chain resilience and minimize risks across all production stages.”

Mitigate the risk of price variability

To mitigate the risk of price variability, establishing and maintaining long-term supplier relationships is crucial for GUESS. By building stable partnerships, prioritizing loyalty and commitment, GUESS strengthens its position to effectively navigate price fluctuations and ensure a secure and stable cotton supply.

Building stable and enduring partnerships with vendors that produce cotton products offers enhanced security and stability in terms of pricing. Strong relationships with vendors reduce the uncertainty associated with fluctuating market conditions and help GUESS manage the risk of sudden price increases or fluctuations.

In addition, diversifying sourcing locations across different markets such as China, India, Pakistan, and Bangladesh allows GUESS to minimize risks related to relying solely on a single market, which can lead to disruptions in the supply chain. For example, reducing dependence on regions susceptible to water scarcity helps mitigate the impact on pricing. By exploring alternative regions that prioritize sustainable water management practices, the company can reduce vulnerability to localized water scarcity.

Moreover, different markets provide distinct advantages in terms of production expertise and sourcing options. By venturing into different markets, GUESS can identify the most suitable options that align with its internal cost considerations.

Policies

Our raw material sourcing and responsible production policies are at the heart of reducing our supply chain impacts. These policies help to protect the environment, workers, and communities by encouraging the use of raw materials produced with higher environmental and social standards.

Core policies

- **GUESS Responsible Cotton Sourcing Policy** – Aims to increase procurement of preferred cotton sources while working to improve traceability and keep prohibited cotton sources from entering our supply chain
- **GUESS Responsible Sourcing – Policy on Manmade Cellulosic Fabrics** – Aims to ensure responsible sourcing of rayon/viscose, modal, and lyocell fabrics, from sources which do not put at risk the world’s ancient and endangered forests
- **GUESS Denim Water and Chemical Management Policy** – Aims to address our product impact on water, with a focus on denim
- **GUESS Animal Welfare Policy** – Aims to protect the wellbeing of all animals in our supply chain

» All above policies are available at sustainability.guess.com

RESPONSIBLE MATERIALS AND PRODUCTS continued

Brand eco collections: GUESS ECO and Consciously Constructed

Creating more sustainable products for our customers begins with innovative design and responsible selection of materials. We currently offer two collections of more sustainable products:

- The Consciously Constructed range consists of products which are developed using at least 20% of environmentally preferred materials
- Whereas our GUESS ECO collection is specific to GUESS branded products that are not only made with at least 20% of environmentally preferred materials but can additionally use production methods that reduce their environmental impact

We developed internal guidelines for products in the GUESS ECO and Consciously Constructed collections that help support our product teams to choose environmentally preferred materials, avoid harmful processes and embellishments, and encourage the use of innovative production methods that reduce environmental impact.

Our guidelines help to ensure our product teams consider our commitments to sustainable materials. These guidelines are vital to develop goods that reflect our ESG Goals for apparel, accessories, and footwear without compromising the GUESS brand DNA.

* Percentage by receipt units; apparel mainline stands for mainline collection of GUESS branded clothes for adults, both women and men, that encompasses all apparel categories, from t-shirts to outerwear. Apparel mainline excludes other GUESS branded apparel categories (i.e. Kids, Athleisure, Underwear, Beachwear, Factory), other non-apparel product categories (i.e. Bags, Footwear, Small Leather Goods, Accessories, Home) and other brands (i.e. Marciano, GBG, GUESS Jeans U.S.A., GUESS Originals).

** Percentage by receipt equivalent units; environmentally preferred materials include both certified materials (i.e. organic and recycled materials for which we received/expect to receive a Transaction Certificate according to certification bodies guidelines) and more sustainable non-certified materials (e.g. hemp, linen, Lenzing™).

Since FY2020, we have increased the percentage of environmentally preferred raw materials for the two collections. More than 50% of apparel mainline products are now made with environmentally preferred materials.

Some of our brand eco collection materials include:

Cotton:

- Organic and recycled cotton, reducing agricultural pollution and waste to create butter-soft denim and natural fabrics

Cellulosics:

- Lenzing™ materials, such as Tencel™ and Ecovero™, extracted from sustainably grown wood sources and used primarily in our Kids’ collections

Synthetic:

- Repreve™, a performance fiber made from recycled materials such as plastic bottles
- Polylactide (PLA) fibers, a degradable¹ bioplastic fiber used to create an eco-denim fabric
- Roica V550, an innovative degradable¹ stretch fiber, that lends a great stretch to our denim products
- Recycled silicone and thermoplastic polyurethane, to replace PVC material for our rubber patches
- VIRIDIS, a biobased material, to replace leather patches on the back of our denim products

Leather:

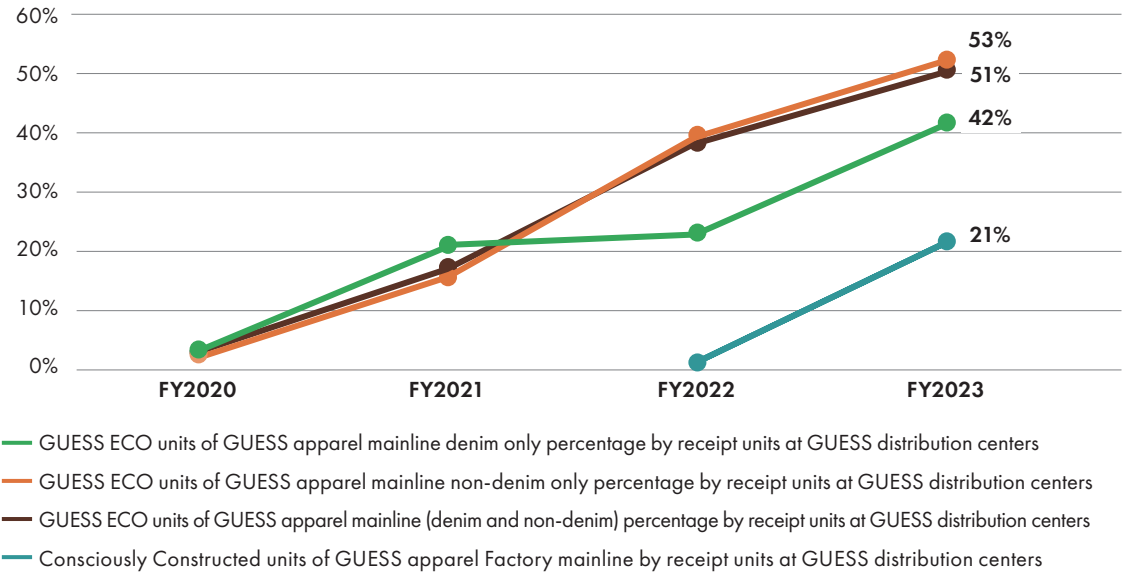
- Leather Working Group certified chrome-free leather used for actual leather patches

Other – non-natural:

- Recycled metals for our trims, including buttons, rivets, and plackets

¹ Degradable only under certain conditions.

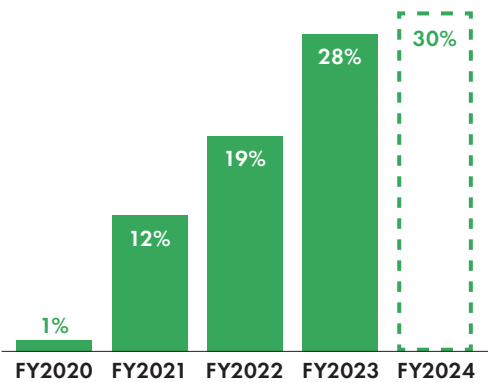
Percentage of brand eco collections
Percentage against total receipt units



51%
GUESS ECO accounts for 51% of apparel mainline products*

28%
Overall 28% of our global materials portfolio was environmentally preferred**

Environmentally preferred materials**



RESPONSIBLE MATERIALS AND PRODUCTS continued

Brand eco collections: GUESS ECO and Consciously Constructed continued

During FY2022-2023, we revised our requirements for items to be classified as GUESS ECO or Consciously Constructed by increasing the minimum content percentage of environmentally preferred materials. We are continuing our research in this area by assessing the environmental impact of the materials we use now and in the future.

Due to the success of our GUESS ECO collection, we began to expand the range in FY2024 to include handbags and more sustainable footwear options. Instead of nylon, leather, and polyurethane, the handbags and shoes will now include recycled polyester or recycled polyurethane.

Sustainable product initiatives

In order to uphold the integrity of our products, we consistently conduct meticulous assessments of their sustainability credentials while remaining vigilant in our pursuit of novel sustainable materials and technologies.

It's important to GUESS that we can still create products that align with our brand and carry the level of excellence our customers love. With every new material and process we pilot, we run testing to ensure quality is never compromised. When it comes to denim, which traditionally uses a large amount of water, energy, and chemicals, we have been using the Indigo Flow™ dyeing process, part of the Earth Feel Denim initiative. This process allows us to reduce water use and produce minimal waste while continuing to make the same high-quality fabrics and colors.

We are very selective about the sustainable product initiatives that we follow. We want to make sure that we embrace each one fully, apply it correctly, and collaborate with the right partners to achieve the best result in our finished products. To do this, we help our suppliers adopt new technologies that allow them to use less water, fewer chemicals, and less energy. We have also been using EIM technology throughout the manufacturing process to measure environmental impact and identify areas of improvement. We exercise discernment when choosing sustainable product initiatives to pursue. Our objective is to wholeheartedly embrace each initiative, implement it accurately, and foster collaboration with suitable partners to achieve optimal outcomes in our final products.

“We are committed to continuing our research in this area by assessing the environmental impact of the materials we use now and in the future, and using more sustainable materials where possible.”



RESPONSIBLE MATERIALS AND PRODUCTS continued

SASB CG-AA-440a.1

Using environmentally preferred materials

We use environmentally preferred materials across our brands, selecting fibers to create garments that have the distinctive GUESS look and quality our customers expect with a lower environmental impact. As well as using organic and recycled certified fibers in our main material categories, we also use a range of natural fibers, including linen, silk, and bamboo.



RECYCLED COTTON

Recycled cotton is commonly made using recycled industry fabric or scrap waste (pre-consumer). Progress is being made to make new materials out of pre-loved garments (post-consumer).

ORGANIC COTTON

This fiber is developed using organic grown crops that replenish and maintain soil health and fertility, whilst avoiding the use of toxic and persistent synthetic pesticides.

Did you know?
Organic cotton uses less water than traditional cotton and is treated with fewer chemicals, which is beneficial for people and the planet.

Tencel™ lyocell with Refibra™ technology uses recycled cotton from fabric cutting scraps.



RECYCLED POLYESTER

This fiber is made of recycled plastic and bottles, aimed at reducing waste and increasing diversion from landfill.

Tencel™, Lenzing™ and Ecovero™ branded fibers

Tencel™, Lenzing™ and Ecovero™ are trademarks of Lenzing AG. These fibers come from responsibly managed forests, are made of renewable materials, and are manufactured using processes with lower emissions.



RESPONSIBLE MATERIALS AND PRODUCTS continued

Innovating for sustainable jewelry

As consumer awareness regarding sustainable fashion continues to grow, the demand for sustainable jewelry has shown an increase. In recent years, we have diligently pursued the goal of enhancing the sustainability of our jewelry collections. Our efforts have entailed transitioning from varied metals to recycled stainless steel, thereby minimizing our reliance on virgin resources, and curtailed the use of non-branded crystals in our designs. We have also replaced water plating with ion plating techniques, resulting in reduced wastewater generation.

Although we are progressing with eco jewelry, the shift is not without its challenges. Sources of virgin stainless steel are finite. In response to this challenge, we have progressively increased our use of recovered raw material from sustainable sources. We have started using certified post-consumer recycled stainless steel in our jewelry, with some products containing up to 90% recycled material. With each roadblock we encounter, we're finding new ways to innovate sustainable goods.

Enhancing traceability in our supply chain

In our pursuit of responsible materials, traceability plays a pivotal role as it guarantees the authenticity and quality of our inputs and production procedures. Within the GUESS ECO and Consciously Constructed range, numerous products incorporate raw materials that have received certification from recognized third-party sustainability standards (e.g. Textile Exchange Content Claim Standard - CCS). These materials can be traced all the way from their source to the final garment.

Our approach includes:

- Rigorous internal processes to track and trace certified materials and fabrics used to manufacture our garments
- Respect for the chain of custody
- Collection and management of the supporting documentation
- Laboratory testing

Prior to placing the production order of goods made with certified materials, we maintain the chain of custody and the integrity of our sustainable sourcing practices by obtaining a third-party supplier plant-level certificate. We also secure a transaction certificate tied to the relevant GUESS purchase order. This allows us to confidently trace materials from production to final product delivery, ensuring fibers are correctly managed from a sustainability point of view.

For goods made with other environmentally preferred materials, such as the manmade cellulose developed by Lenzing™ and Birla, we also require our suppliers to unequivocally link the preferred fabric to the final garment to accurately trace the fabric along the apparel development process and enhance transparency and traceability across the supply chain. We also make sure to follow up with participating plants on a regular basis to verify their certification renewals.

Many of our suppliers already hold the necessary supporting sustainability documents. To encourage the use of more sustainable process and environmentally preferred materials, we are committed to raising awareness among our suppliers to apply for similar approvals not only for products but to extend to manufacturing processes. Although it requires resources, supporting and engaging more suppliers to make these improvements, ultimately it benefits the wider fashion industry.

» See Social section on page 34 for more details regarding traceability

GUESS Fine Jewelry campaign, fall 2023; Como, Italy.

CIRCULAR ECONOMY, PACKAGING, AND WASTE

Circular economy, packaging, and waste

Keeping materials in use for longer

GUESS is continually looking for new ways to promote the circular economy. What was once considered waste, is looped back into the system and transformed into fashionable, sustainable goods. This is the ultimate cycle of reuse.

Across our organization, the business case for circularity is clear: the materials used in our supply chain represent the largest part of our environmental footprint. By engaging the circular economy, we have an opportunity to reduce that footprint. We do this by sourcing more sustainable materials and implementing a circular approach that keeps materials in use for longer. By investing in, applying, sharing, and scaling circular business models, we can help our industry shift from linear to circular where the value of raw materials is maximized.

As we develop GUESS' circularity strategy, we've set out to define what "circularity" means for us. As the conversation continues, we have been able to relaunch our RESOURCED takeback program across our stores. This program provides space for customers to recycle unwanted apparel and footwear from any brand. Working in partnership with Homeboy Industries & Recycling at our US stores and I:Collect (I:CO®) in selected stores in Austria and Germany, the unwanted apparel and footwear is sorted, reused, and recycled, saving these items from landfills.

Expanding our RESOURCED recycling program is just one of the ways we are contributing to our Global Fashion Agenda's 2020 Circular Fashion System Commitment. For more information about RESOURCED, check out our video on the GUESS YouTube channel.

In FY2023, through our textile recycling, reuse partnerships, and customer takeback schemes, we diverted 101,515 kg of apparel, accessories, footwear, and jewelry from landfills.

Managing non-sellable products

Since FY2017 the SOEX Group and Saado Trading company have supported us with the management and reuse of non-sellable products. With the objective of diverting products from landfill or incineration, they have enabled us to responsibly locate both secondhand markets and recycling solutions for end-of-life items.

THE JEANS REDESIGN

Ellen MacArthur Foundation's Jeans Redesign

In FY2020, GUESS joined the Ellen MacArthur Foundation's Jeans Redesign project, which works to make the denim production process more sustainable and supports the health of garment workers. Part of the Foundation's Make Fashion Circular initiative, the project uses the principles of a circular economy and lays out guidelines for producers to ensure products are durable and made with recycled and recyclable materials. The project also creates guidelines to ensure products have a minimal social and environmental impact. Since FY2022, we have proudly offered a portion of our denim that meets these requirements.

GUESS Vintage

GUESS Vintage continues to be a driving interest among our valued customers. With over 40 years of product design, we're constantly looking for new ways to celebrate our rich history. We've started doing this by giving new life to vintage pieces through pop-up offerings, upcycling and recycling partnerships, and rounding out an extensive archive. Since FY2017, our designers have looked to vintage designs to gather inspiration for our brand divisions, GUESS Jeans U.S.A. and GUESS Originals. This focus on vintage apparel has led to increased demand in the resale market and success for our climate safe offerings.

Goals

- Introduce or increase repair, resale, and upcycling initiatives in key markets, that truly drive a circular economy (2025)
- Develop circular strategy and policy to define circularity and what a circular product is to GUESS, supported by a circular design playbook for product designers (2025)
- Apply circular design playbook to one capsule per each season (2030)
- 100% product packaging to be recycled and recyclable for all apparel and men's bags (including primary and secondary packaging and hangtags) (2030)



CIRCULAR ECONOMY, PACKAGING, AND WASTE continued

RESOURCED program: Homeboy Takeback Program (US)

In April 2022, we established a new partnership with Homeboy Industries’ social enterprise, Homeboy Recycling. This partnership worked to launch a new in-store recycling program in US stores which in return creates new jobs for deserving people. Homeboy Recycling is a mission-driven business that provides jobs for formerly gang-involved and previously incarcerated people as well as providing customers with reuse and recycling solutions. The work that Homeboy Recycling and GUESS do together gives second chances to clothing and people.

Our new in-store recycling program allows customers to bring five items of clothing or more (including damaged items) from any brand to GUESS stores and in return, receive a 15% discount on their next full-priced qualifying purchase. All items are then sent to Homeboy Recycling to be sorted and processed for repair, resale, upcycling, and recycling. This program is valid at all GUESS, GUESS Accessories, GUESS Factory, GUESS Factory Accessories, GBG, and Marciano stores in the United States.

“Our partnership with Homeboy Recycling creates a pathway toward the development of more sustainable products. This initiative represents another strong step toward our ACTION GUESS commitment to develop more circular business models and creates economic opportunities for our Los Angeles community and offers a solution for apparel and textile waste.”

– Carlos Alberini, CEO, Guess?, Inc.



“For Homeboy Recycling, our focus is to develop businesses that create jobs and meaningful training opportunities in our community. After careful research and a pilot program with GUESS, Homeboy Recycling is thrilled to announce this new line of business. We learned that this type of program is aligned with the skill set of our workforce and fills a significant need for industry. We look forward to continuing this partnership and working with the industry to address textile waste.”

– Chris Zwicke, CEO, Homeboy Recycling



CIRCULAR ECONOMY, PACKAGING, AND WASTE continued
SASB CG-MR-410a.3

Enhancing our packaging
Packaging that is recycled and recyclable

The packaging customers take with them from our stores, or that is delivered to their door – including bags, boxes for wallets and shoes, jewelry pouches, and accessory inserts – are primary contributors to the waste generated by our retail operations around the world. We are developing strategies to help combat this, by adopting additional recyclable and recycled materials and making waste reduction improvements such as upgrading packing efficiencies in our distribution centers.

We are already making progress and introducing recyclable, recycled, and responsible materials, including:

- Recycled polyester, certified to the Global Recycling Standard (GRS) for certain labels and packaging items
- Recycled paper, certified by the Forest Stewardship Council (FSC) for hang tags, shipment packaging, and jewelry gift boxes
- Recycled PET polybags for jewelry purchases
- 100% recycled and recyclable packaging for our Europe e-commerce shipping boxes
- Water-based inks and vinyl glue on boxes, avoiding heavy metals or formaldehyde

In our stores, we have introduced a QR code as a paperless solution for marketing materials. We are also currently working on introducing another QR code as an alternative to printed return labels.

All of our shipping boxes and bags have been designed to be reused and, in case of disposal, are labeled with the appropriate EU regulated recycling symbol.

In FY2024, we plan to start using 100% recycled envelopes for small packages sent from our EU e-commerce and to introduce polybags that wrap all of our merchandise made from 80-100% pre-consumer recycled LDPE material, which is also recyclable.

GUESS Responsible Packaging Policy

For accessories, handbags, footwear, fragrance, and cosmetics, our global responsible packaging policy aims to reduce plastics and packaging overall. We ensure that packaging is recyclable and/or contains certified recycled content, and supports options for reuse.

This policy covers varied packaging types including airbag fillers, dust bags, jewelry boxes, polybags, hangtags, and other forms of packaging. The policy has been implemented globally by both GUESS and our largest licensee business partners.

Sustainable deliveries

The packaging our products are transported in and how they travel to our customers are both part of our vision to deliver more sustainable solutions. We have introduced new shipping options in Germany and Poland, such as lockers and options for pick-up and drop-off through PUDO, which we expect to help condense the number of delivery trips required and remove the tricky “last-mile” of deliveries. This has:

- Expectation up to a 75% reduction in CO₂ impact compared to home delivery due to optimized routes and reduced exhaust emissions – our logistic partner claims that each parcel locker reduces CO₂ emissions by up to 14 tons per year
- Reduced noise pollution as fewer trips are being made

We intend to roll out locker and PUDO options in more countries in the upcoming years.



CHEMICALS, POLLUTION, AND WATER STEWARDSHIP

Chemical and wastewater management

Chemicals that are used and end up in wastewater can contribute considerably to the pollution of nearby natural ecosystems and communities. Additionally, if wastewater is not managed, treated, and disposed of properly, these chemicals can pose a risk to the environment and workers' health.

We have chosen to take a cautious approach, restricting the chemicals used by our suppliers and using industry tools to monitor performance.

Dave Johnson, Senior Manager of
Laundry Operations, (Los Angeles HQ).



Goals

- Eliminate unnecessary use of persistent organic pollutants ("forever chemicals" / PFAS) in line with the requirements of our LRSM (2025)
- Be water positive in supply chain: replenishing more water than used in our supply chain (2035)
- Clean wastewater – Zero hazardous chemicals leaving wet processors (2030)
- Become signatory of ZDHC and adopt ZDHC MRSL (2026)
- All supply chain ZDHC approved (2030)

CHEMICALS, POLLUTION, AND WATER STEWARDSHIP continued
GRI 416-1, 416-2, SASB CG-AA-250a.1, CG-AA-250a.2, CG-MR-410a.2

Our approach to safe chemicals

To aid supply chain participants seeking to increase product safety and reduce their environmental impact, GUESS provides guidance on limiting the use of certain substances in apparel, accessories, footwear, and jewelry. To effectively manage the chemicals used in the manufacturing of GUESS products, we require suppliers to utilize our GUESS Apparel Performance and GUESS Accessories Performance Manuals as well as our category-specific List of Restricted Substances and Materials (LRSM). The GUESS LRSM has been developed in accordance with the strictest standards found in any of the countries where we operate. It identifies the chemicals that are limited, or prohibited in our products or in the production process due to their potential impact on consumers, workers, and the environment. This list also includes substances that may be present in finished materials alongside acceptable amounts of these substances.

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. All vendors receive complete documentation and are asked to confirm their full understanding.

Suppliers are required to confirm compliance with the GUESS LRSM through a written affirmation and the testing of either finished products or raw materials. In addition, we carry out independent testing, using accredited third parties, based on the product category and type.

For example, our products are tested according to all target markets’ regulations and vendors are asked to provide quality tests regarding raw materials, embellishments, and final product. In addition, GUESS performs random chemical testing of painted articles, plastic parts, metal and metalized articles in contact with skin, consumer articles, surface of coated materials, trims and leather. 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 adherence to legal requirements. The GUESS LRSM is reviewed and updated annually, in partnership with a third-party expert. Our approach in updating the LRSM is to ensure completeness and accuracy against the European Union’s REACH requirements and regulations in other markets. We also monitor industry developments regarding chemical risks through industry groups, vendor communications, etc. Our GUESS ECO products are on the cutting edge of this industry, with increasingly strict chemical management requirements.

To further support our commitment to reducing our chemical footprint, we started to track the vendors which are compliant with the Zero Discharge of Hazardous Chemicals (ZDHC) program for safer chemical use.

» The GUESS LRSM is publicly available at sustainability.guess.com

Dave Johnson, Senior Manager of
Laundry Operations, (Los Angeles HQ).



In FY2023, the number of our key denim mills suppliers reporting to Higg FEM has risen from 33% to 100% since FY2020.

CHEMICALS, POLLUTION, AND WATER STEWARDSHIP continued
GRI 303-1, SASB CG-AA-430a.1

Working with suppliers

To manage chemical and wastewater impacts, we focus on our denim supply chain and the industry-wide tools that are emerging to measure performance and build capacity in this area.

All suppliers are required to have appropriate environmental monitoring in place, as well as the legally required licenses. The GUESS Code of Conduct, signed by all GUESS business partners, specifies that suppliers procuring and disposing of wastewater or other types of waste, must be prepared to provide evidence of compliance by maintaining valid wastewater and waste disposal permits.

Beyond our Code of Conduct, we use two key tools to track and measure supplier chemical and wastewater management:

1. Higg FEM Index

All our denim mills and major suppliers with qualifying volumes, must complete the Higg FEM Survey, an industry-wide tool that enables us to track how supplier sites are performing on water and chemicals management.

Since FY2020, the number of our key denim mills suppliers reporting to Higg FEM has risen from 33% to 100%. 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.

2. Environmental Impact Measurement (EIM) scoring

EIM software was developed by Jeanologia to provide laundries and finishers with a tool to help them implement more sustainable processes. 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 stewardship at GUESS

From the growing of cotton to the washing of fabrics to customer care, denim can be water intensive to produce. In knowing this, water stewardship, tracking, and monitoring are fundamental to our environmental responsibility. As the effects of climate change increase, we also need to include water scarcity in our risk management processes.

With a focus on denim, our goal is to influence and improve water management throughout the life cycle. This is laid out in our Denim Water and Chemicals Management Policy which applies to all denim suppliers and their facilities.

Established in FY2019, the GUESS Water Action Plan addresses each phase of the denim life cycle to prioritize water savings and water quality. The plan also emphasizes the importance of water education with our employees, denim suppliers, customers, and community including garment care, and community access to clean water.

Water-saving technologies

Saving water, like many other aspects of sustainability, starts with responsibly growing and manufacturing fibers. In addition to sustainable fibers, we also focus on efficient and innovative garment production methods. Some of the approved water and chemical saving eco production methods for GUESS ECO products include:

- Ozone with e-flow for fabric softening
- Laser treatment to distress denim
- Stonewashing with reusable stones or without reusable stones through additional laser and ozone treatment
- Cleaner yarn and fabric dye processes
- Modern print processes, such as digital printing and water or soy-based ink

On the way to water-free denim

Many of our suppliers are using e-flow technology to reduce water and chemicals in the finishing processes. Using electromechanical shocks to create nano bubbles and a flow of wet air, e-flow breaks up the garment’s surface, resulting in a soft, high-quality feel with reduced shrinkage. This process requires a minimal amount of water and produces zero discharge.

Water use in own operations

Compared to the water used in our supply chain, corporate water use at GUESS-owned operations is minimal. This water use includes bathrooms, kitchens, test laundries, and irrigation. We monitor and manage water use locally as needed.

Wiser Wash

Wiser Wash is a new technique that gives gorgeous bleaching results without harming human health or the planet. Thanks to the ozone gas generated from oxygen, Wiser Wash provides abrasions and bright contrasts with reduced pollution. The technology behind Wiser Wash gives revolutionary results using up to 80% less water.



NATURE AND BIODIVERSITY

Protect nature and preserve biodiversity

The COP 15 UN Biodiversity Conference in 2022, communicated the bold steps needed to protect nature and preserve biodiversity in the coming decades. We recognize our part in this, and we are committed to developing a Science-Based Targets for Nature (SBTN) aligned biodiversity strategy over the next two years.

Our primary biodiversity impacts are through our materials choices, and as we increase our use of environmentally preferred materials – such as recycled or organic materials – we will continue to reduce our biodiversity impacts. Due to its deforestation risks, one of our top focuses is manmade cellulosics. To mitigate these risks, we are committed to sourcing cellulosic materials from responsibly managed forests. We are also experimenting with innovative materials such as recycled and alternative sources to help further relieve our dependence on natural resources.

**Goal**

- Develop a biodiversity strategy aligned with SBTN (2025)

NATURE AND BIODIVERSITY continued

Customer engagement

At GUESS, we believe we have a responsibility to help educate and inspire our communities to be active sustainability advocates with the wellbeing of the planet at heart.

Treedom

As part of this endeavor, we launched the campaign “Be(leaf) in Change” in partnership with Treedom, a tree-planting initiative that works closely with farmers in Italy, Africa, and South America. When customers purchase two products from our brand eco collection, they receive a code to claim a tree through Treedom’s website, which is then planted on their behalf. With the goal of building knowledge about nature and its value, customers can receive updates on the tree planting project, including the species and health of their tree.

The campaign launched on Earth Day in Italy in April 2022 and is present in 348 stores across Europe, as well as online. GUESS planted 5,000 trees as part of the project.

GUESS partnered with Urban Vision to help reduce pollution in the environment. Urban Vision specializes in air purifying advertising billboards using absorbent technology. The materials used in the billboards, which were erected in Italy, are crafted to absorb and break down polluting molecules, taking advantage of the natural movement of the air as it passes through the fabric.

