

# WATER AND CHEMICAL MANAGEMENT POLICY FOR DENIM LAUNDRY & WASH FACILITIES

## **Objective**

At GUESS, we aim to ensure that our denim products are produced in a manner that respects the natural environment and local waterways, as well as factory workers who make our products and their communities.

As outlined in the GUESS Sustainability Plan, we are committed to protect the environment through water stewardship and chemical management action in the supply chain. This policy and implementation thereof will help us work toward this goal.

## Scope

This policy is applicable to GUESS denim wash and laundry facilities from which we directly source.

We seek to work with business partners that employ responsible water use, water discharge and chemicals management practices that avoid negative impacts to valuable waterways and their surrounding communities.

## Implementation

GUESS will take a phased approach to implementing the requirements outlined in this policy.

**Immediate Action** requirements are expected at the time of policy publication. GUESS is working with existing and new vendors to assure compliance with this requirement.

**Continuous Improvement** actions will be immediately communicated to our business partners, and improvements will be made on a progressive timetable.

## Reporting

Aligned with our commitments to transparency, we intend to publicly report progress on the implementation of this policy in our biannual sustainability reports.

### FOR IMMEDIATE ACTION

# 1. Compliance with local environmental law and regulations

Facility shall comply with applicable local environmental laws and regulations, and shall provide any applications, notices, test data and reports provided by law upon request. Mandatory environmental permit disclosure is required for all new vendors.

# 2. Compliance with the GUESS List of Restricted Substances and Materials

GUESS requires finished products to meet the testing limits identified in its <u>List of Restricted</u> <u>Substances and Materials</u> (LRSM).

## 3. Higg Index Facility Environmental Module (FEM)

Guess finish laundries are required to complete the Higg FEM, an environmental self-assessment survey, to identify areas for improvement at the facility. A roadmap for continuous improvement may be requested. We may, at any time during our business relationship, request on-site verification of the site's Higg FEM to assure accuracy of data.

#### FOR CONTINOUS IMPROVEMENT

#### 1. Wastewater treatment

All wastewater shall be treated by an in-house wastewater treatment plan, or by a third-party plant of proper size with appropriate capacity to treat the discharge. Facility shall have the required mechanisms in place to assure internal control, or control from an independent third party and/or public administration for treatment plant. Evidence of wastewater testing must be provided upon request as well as any corrective action measures that may be necessary.

Facility is advised to comply with ZDHC Basic Expectations identified on page 6-7 of <u>ZDHC</u> Wastewater Guidelines.

## 2. Input Chemical Management

Facility should maintain a list of chemical formulations and regulated hazardous chemicals within those formulations to be made available upon request. Facility should work toward compliance with the ZDHC Manufacturing Restricted Substances List (MRSL).

# 3. Water Consumption, Recycling and Reuse

We aspire to have our facilities invest in a variety of new technologies and tools resulting in more efficient use of water.