Risk Factors Comparison 2024-04-01 to 2023-03-27 Form: 10-K

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Investing in our securities involves risk. The following risk factors should be read carefully in connection with evaluating our business and the forward- looking statements contained in this Annual Report on Form 10- K. Any of these risk factors could lead to material adverse effects on our business, operating results and financial condition. Additional risks and uncertainties not currently known to us or that we currently do not view as material may also become materially adverse **to** our business in future periods or if circumstances change. MACROECONOMIC AND INDUSTRY RISKS . Changes in global economic and financial...... and adversely impact our results of operations . Failure to engage our customers, anticipate customer demand and changing fashion trends, and manage our inventory commensurately could have a material adverse impact on our business. Our success largely depends on our ability to anticipate and gauge the fashion preferences of our customers and provide merchandise that satisfies constantly shifting demands in a timely manner. Because we may enter into agreements for the manufacture and purchase of merchandise well in advance of the applicable selling season, we are vulnerable to changes in consumer preferences and demand, pricing shifts, and the sub- optimal selection and timing of merchandise purchases. ~~Abercrombie & Fitch Co. 122022 Form 10- KMoreover~~ - **Moreover** , there can be no assurance that we will continue to anticipate consumer demands and **macroeconomic events or to be successful in** accurately ~~plan~~ **planning** inventory ~~successfully~~ in the future. Changing consumer preferences and fashion trends, and our ability to anticipate, identify and **swiftly** respond to them, could adversely impact our sales. Inventory levels for certain merchandise styles no longer considered to be " on trend " may increase, leading to higher markdowns to sell through excess inventory and, therefore, lower than planned margins. Conversely, if we underestimate consumer demand for our merchandise, or if our manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages **that we cannot adequately mitigate through expedited inventory production and delivery** , which may negatively impact customer relationships, diminish brand loyalty and result in lost sales. We could also be at a competitive disadvantage if we are unable to **effectively** leverage data analytics to retrieve timely, customer insights to appropriately respond to customer demands and improve customer engagement **through efforts such as marketing activities** . Any of these events could significantly harm our operating results and financial condition. We are also vulnerable to factors affecting inventory flow ~~that are outside our control, such as~~ **and availability of inventory. Impacts may be caused by** natural disasters ~~or other unforeseen~~ **, unanticipated climate patterns and** events ~~that~~ **, or inventory shrinkage due to theft (including by our employees, customers, or through organized retail crime). Such events** may significantly impact anticipated customer demand **or may impact availability of our inventory** . If we are not able to adjust appropriately to such factors, our inventory management may be negatively affected, which could adversely impact our performance and our reputation. Our failure to operate effectively in a highly competitive and constantly evolving industry could have a material adverse impact on our business. The sale of apparel, personal care products and accessories for men, women and kids is a highly competitive business with numerous participants, including individual and chain specialty apparel retailers, local, regional, national and ~~international~~ **global** department stores, discount stores and online- exclusive businesses. Proliferation of the digital channel within the last few years has encouraged the entry of many new competitors and an increase in competition from established companies. These increases in competition could reduce our ability to retain and grow sales, resulting in an adverse impact to our operating results and business. We face a variety of challenges in the highly competitive and constantly evolving retail industry, including: • Anticipating and ~~quickly~~ responding to changing consumer shopping preferences ~~better~~ **more quickly** than our competitors; • Maintaining favorable brand recognition; • Effectively marketing our products to consumers across diverse demographic markets, including through social media platforms which have become increasingly important in order to stay connected to our customers, as our digital sales penetration has increased. **Individual country laws and regulations governing the use and availability of these social media platforms continue to evolve, and if we are unable to effectively use social media platforms as marketing tools our ability to retain or acquire customers and our financial condition may suffer;** • Retaining customers, including our loyalty club members, and the resulting increased marketing costs to acquire new customers; • Developing innovative, high- quality merchandise in styles that appeal to consumers and in ways that favorably distinguish us from our competitors; • Countering the ~~aggressive~~ pricing and promotional activities ~~of many~~ of our competitors without diminishing the aspirational nature of our brands and brand equity; and **Abercrombie & Fitch Co. 132023 Form 10- K** • Identifying and assessing disruptive innovation, by existing or new competitors, that could alter the competitive landscape by: improving the customer experience and heightening customer expectations; transforming supply chain and corporate operations through digital technologies and artificial intelligence; and enhancing management decision-making through use of data analytics to develop new, consumer insights. In ~~addition, in order to compete in this highly competitive and constantly evolving industry, at times, we may launch and / or acquire new brands to expand our portfolio. This could result in significant financial and operational investments that do not provide the anticipated benefits or desired rates of return and there can be no guarantee that pursuing these investments will result in improved operating results. In~~ light of the competitive challenges we face, we may not be able to compete successfully in the future. ~~The~~ **Changes in global economic and financial conditions, including the** impact ~~of war~~ **on consumer confidence and spending** , ~~acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience~~ could have a material adverse impact on our business ~~.Changes in global economic and financial conditions could have a material adverse impact on our business~~ .Uncertainty as to **,and** the state of **,** the global economy and global financial condition could have an adverse effect on our operating results and business.Our business is subject to factors that ~~affect~~ **are impacted by** worldwide economic conditions,including ~~rising~~

heightened inflation **levels** (which has occurred ~~and is occurring~~),unemployment levels,consumer credit availability,consumer debt levels,reductions in consumer net worth based on declines in the financial,residential real estate and mortgage markets, ~~recent~~ bank failures,sales and personal income tax rates,fuel and energy prices,global food supplies,interest rates,consumer confidence in future economic and political conditions,consumer perceptions of personal well- being and security,the value of the U.S.dollar versus foreign currencies,geopolitical conflicts,and other macroeconomic factors. ~~Actual events involving limited liquidity,defaults,non- performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally,or concerns or rumors about any events of these kinds,have in the past and may in the future lead to market- wide liquidity problems and volatility,such as the events in March 2023 wherein certain financial institutions were placed into receivership.~~ Changes in global economic and financial conditions could impact our ability to fund growth and our ability to access external financing in the credit and capital markets **.In addition,our business depends on consumer demand for our merchandise.Consumer confidence and discretionary spending habits,including purchases of our merchandise,can be adversely impacted by recessionary periods,inflation and other macroeconomic conditions adversely impacting levels of disposable income.We may not be able to accurately anticipate or predict consumer demand and behavior,such as taste and purchasing trends,in response to adverse economic conditions,which could result in lower sales,excess inventories and increased mark- downs,all of which could negatively impact our ability to achieve or maintain profitability.In the event that the U.S.and global economy worsens,or if there is a decline in consumer spending levels or other unfavorable conditions,we could experience lower than expected revenues,which could force us to delay or slow the implementation of our growth strategies and adversely impact our results of operations** .The economic conditions and factors described above could adversely impact our results of operations,liquidity and capital resources,and may exacerbate other risks within this section of " ITEM 1A.RISK FACTORS ". ~~Consumer confidence and spending~~ **The impact of war,acts of terrorism,mass casualty events,social unrest,civil disturbance or disobedience** could ~~be~~ **have a** ~~materially~~ -- **material** ~~impacted by economic conditions,which could adversely~~ -- **adverse** impact **on** our ~~results of operations.Our~~ business ~~depends on consumer demand for our merchandise~~ . ~~Consumer confidence and discretionary spending habits,including purchases of our merchandise,can be adversely impacted by recessionary periods,inflation and other macroeconomic conditions adversely impacting levels of disposable income.We may not be able to accurately anticipate or predict consumer demand and behavior,such as taste and purchasing trends,in response to adverse economic conditions,which could result in lower~~ In the past, the impact of war, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience and the associated heightened security measures taken in response to these events have disrupted commerce. Further events of this nature, domestic or abroad, including international and domestic unrest and the ongoing ~~conflict~~ **conflicts** ~~in~~ **between Russia and** Ukraine **or Israel and Hamas and the surrounding areas** , may disrupt commerce and undermine consumer confidence and consumer spending by causing a decline in traffic, store closures and a decrease in digital demand adversely affecting our operating results. Furthermore, the existence or threat of any other unforeseen interruption of commerce **, including as a result of geopolitical or armed conflict and the possible interference with international trade, supplier deliveries or freight costs** , could negatively impact our business by interfering with the availability of raw materials or our ability to obtain merchandise from foreign manufacturers. With a substantial portion of our merchandise being imported from foreign countries, failure to obtain merchandise from our foreign manufacturers or substitute other manufacturers, at similar costs and in a timely manner, could adversely affect our operating results and financial condition. ~~Abercrombie & Fitch Co. 132022 Form 10- K~~ Fluctuations in foreign currency exchange rates and our ability to mitigate the effects of such volatility ~~and our ability to mitigate the effects of such volatility~~ could have a material adverse impact on our business. Due to our ~~international~~ **global** operations, we are exposed to foreign currency exchange rate risk with respect to our sales, profits, assets and liabilities denominated in currencies other than the U. S. dollar. In addition, certain of our subsidiaries transact in currencies other than their functional currency, including intercompany transactions, which results in foreign currency transaction gains or losses. Furthermore, we purchase substantially all of our inventory in U. S. dollars. As a result, our sales, gross profit and gross profit rate from ~~international~~ **global** operations will be negatively impacted during periods of a strengthened U. S. dollar relative to the functional currencies of our foreign subsidiaries. Additionally, changes in the effectiveness of our hedging instruments may negatively impact our ability to mitigate the risks associated with fluctuations in foreign currency exchange rates. For example, changes in inventory purchase assumptions have resulted in changes in the effectiveness to certain of our hedging instruments, and we could see similar impacts in future periods. Fluctuations in foreign currency exchange rates could adversely impact consumer spending, delay or prevent successful penetration into new markets or adversely affect the profitability of our ~~international~~ **global** operations. Certain events, such as the ~~on- going conflict~~ **conflicts** ~~in~~ **between Russia and** Ukraine **or Israel** ~~, the ongoing impact of the COVID- 19 pandemic,~~ and **Hamas and the surrounding areas,** uncertainty with respect to trade policies, tariffs and government regulations and actions affecting trade between the U. S. and other countries, have increased global economic and political uncertainty in recent years and could result in volatility of foreign currency exchange rates as these events develop. ~~Pandemics, epidemics, or other public health crises such as the COVID - 19 pandemic may continue to materially adversely impact and cause disruption to our business. The COVID- 19 pandemic has had a material adverse effect on our business, including our financial performance and condition, operating results and cash flows, and may continue to materially adversely impact and cause disruption to our business in the future. Adverse impacts of the COVID- 19 pandemic experienced by the Company to date include supply chain disruptions, inflationary pressures including higher freight and labor costs, labor shortages, weak store traffic, temporary store closures and reclosures of factories in certain regions. Despite the availability of COVID- 19 vaccines, the pandemic continues to evolve, with resurgences and outbreaks occurring in various parts of the world, including those resulting from variants of the virus. A pandemic or other public health crisis, including the emergence of new COVID- 19 variants, poses the risk that we or our employees, customers, vendors and manufacturers may be prevented from conducting business activities for an indefinite period of time, including due~~

~~to the spread of the disease or shutdowns requested or mandated by governmental authorities. The impact of regulations imposed in the future in response to the COVID- 19 pandemic or other public health crises, could, among other things, require that we close our stores or distribution centers or otherwise make it difficult or impossible to operate our business. Other factors that would negatively impact our ability to successfully operate during the ongoing COVID- 19 pandemic include, but are not limited to: • Our ability to keep our stores open if there is a re- emergence or increase in infection rate; • Our ability to attract customers to our stores, given the risks, or perceived risks, of gathering in public places; • Supply chain delays due to closed factories, reduced workforces, scarcity of raw materials and scrutiny, as well as carrier constraints due to an increase in digital sales; • Delays in, or our ability to complete, planned store openings on the expected terms or timing, or at all based on shortages in labor and materials and delays in the production and delivery of materials; • Associates, whether our own or those of our third- party vendors, working offsite through work from home arrangements may rely on residential communication networks and internet providers and may be more susceptible to service interruptions and cyberattacks, and, this could result in an increase in phishing and other scams, fraud, money laundering, theft and other criminal activity; • Our ability to preserve liquidity to be able to take advantage of market conditions during periods of temporary store closures; and • Difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deterioration in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities. The factors described above may exacerbate other risks within this section of " ITEM 1A. RISK FACTORS ". Any future outbreak of any other highly infectious or contagious disease could also have a material adverse impact on our business. Our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around.~~ Abercrombie & Fitch Co. ~~142022~~ **142023** Form 10- K **Our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around.** Our stores are primarily located in shopping malls and other shopping centers. Our sales at these stores, as well as sales at our flagship locations, are partially dependent upon the volume of traffic in those shopping centers and the surrounding area which, for some centers, has been in decline. Our stores may benefit from the ability of a shopping center' s other tenants and area attractions to generate consumer traffic in the vicinity of our stores and the continuing popularity of the shopping center. We cannot control the loss of a significant tenant in a shopping mall or area attraction, the development of new shopping malls in the U. S. or around the world, the availability or cost of appropriate locations or the success of individual shopping malls and there is competition with other retailers for prominent locations ~~. Prior to the onset of the COVID- 19 pandemic, the retail industry generally was facing declines in shopping mall traffic, and if the popularity of shopping malls declines among our customers, our sales may decline, and it may be appropriate to exit leases earlier than originally anticipated. While U. S. Company- operated stores have been fully reopened for in- store service following widespread temporary store closures due to the COVID- 19 pandemic, we may see additional temporary closures in certain geographic areas as outbreaks of COVID- 19 cases could continue to occur and localized responses remain unpredictable. Furthermore, declines in store traffic beyond our current expectations could result in additional impairment charges. While we were successful in obtaining certain rent abatements and landlord concessions of rent payable as a result of COVID- 19 store closures, we may be limited in our ability to obtain rent abatements or landlord concessions of rent otherwise payable going forward~~ . All of these factors may impact our ability to meet our productivity or our growth objectives for our stores and could have a material adverse impact on our financial condition or results of operations. Part of our future growth is dependent on our ability to operate stores in desirable locations, with capital investment and lease costs providing the opportunity to earn a reasonable return. We cannot be sure when or whether such desirable locations will become available at reasonable costs. The impact of natural disasters, negative climate patterns, public health crises, political crises and other unexpected and catastrophic events could result in interruptions to our operations, as well as to the operations of our third- party partners, and have a material adverse impact on our business. **.** Our retail stores, corporate offices, distribution centers, infrastructure projects and digital operations, as well as the operations of our vendors and manufacturers, are vulnerable to disruption from natural disasters, such as hurricanes, tornadoes, floods, earthquakes, extreme cold events and other adverse weather events; negative climate patterns, such as those in domestic and global water- stressed regions; public health crises, such as pandemics and epidemics ~~(including the ongoing COVID- 19 pandemic)~~ ; political crises, such as terrorists attacks, war, labor, unrest and other political instability; significant power interruptions or outages; and other unexpected, catastrophic events. These events could disrupt the operations of our corporate offices, global stores and supply chain and those of our third- party partners, including our vendors and manufacturers. In addition to immediate impacts on global operations, these events could result in a reduction in the availability and quality **, and as a result pricing volatility** of **,** raw materials used to manufacture our merchandise, delays in merchandise fulfillment and deliveries, loss of customers and revenues due to store closures and inability to respond to customer demand, increased costs to meet consumer demand (which we may not be able to pass on to customers), reduced consumer confidence or changes in consumers' discretionary spending habits. ~~Historically,~~ **Other factors that would negatively impact** our ~~operations have been seasonal, and~~ **ability to successfully operate due to the impact of** natural disasters ~~or unseasonable weather conditions~~ , ~~may diminish demand~~ **negative climate patterns, public health crises, political crises, significant power interruptions or outages, and other unexpected, catastrophic events and other unexpected and other catastrophic events include, but are not limited to: • Supply chain delays due to closed or reduced capacity** for **trade routes and factories, reduced workforces,** ~~our~~ - **or scarcity of raw materials; •** ~~seasonal merchandise and could also influence consumer preferences and fashion trends, consumer traffic and shopping habits. In addition, to the extent natural disasters cause physical~~ **Physical** losses to our stores, distribution centers or offices **that** ~~, we~~ may incur costs that exceed our applicable insurance coverage for any necessary repairs to damages or business **disruptions caused by natural disasters or other unexpected and catastrophic events; • Our ability to keep our stores open if there are severe weather or climate conditions, stay- at- home orders, social distancing requirement, travel restrictions, or other concerns related to physical safety; • Our ability to attract**

customers to our stores, given the risks, or perceived risks, of gathering in public places; • Delays in, or our ability to complete, planned store openings on the expected terms or timing, or at all based on shortages in labor and materials and delays in the production and delivery of materials; • Our ability to preserve liquidity to be able to take advantage of market conditions during periods of uncertainty and instability in the global financial markets; and • Difficulty accessing debt and equity capital on attractive terms, or at all, during periods of uncertainty and instability in the global financial markets, or a deterioration in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities. Historically, our operations have been seasonal, and natural disasters or unseasonable weather conditions, may diminish demand for our seasonal merchandise and could also influence consumer preferences and fashion trends, consumer traffic and shopping habits. In addition, to the extent natural disasters cause physical losses to our stores, distribution centers or offices, we may incur costs that exceed our applicable insurance coverage for any necessary repairs to damages or business disruption. **Abercrombie & Fitch Co. 152023 Form 10- K** STRATEGIC RISKS. Our failure to successfully execute on our **2025** Always Forward Plan. In 2022 we introduced our **2025** Always Forward Plan as our long- term strategic plan, as described in " ITEM 1. BUSINESS. " ~~Our~~ **While we have successfully executed certain goals in our 2025 Always Forward Plan, our continued** ability to ~~successfully~~ **effectively** execute on **and maintain the results of** our **2025** Always Forward Plan is subject to various risks and uncertainties as described herein. We believe that our **2025** Always Forward Plan will lead to long- term revenue growth and ~~increased~~ profitability, however, there is no assurance regarding the extent to which we will realize the anticipated objectives **or sustain the financial objectives** , if at all, or regarding the timing of such anticipated benefits. Our failure to realize the anticipated **objectives or sustain the financial** objectives, which may be due to our inability to execute on the various elements of our **2025** Always Forward Plan, changes in consumer demand, competition, macroeconomic conditions (including inflation), retention of key talent, and other risks described herein, could have a material adverse effect on our business. If the **continued** execution **and maintenance** of our **2025** Always Forward Plan is not successful, or we do not realize the **full** objectives to the extent or in the timeline that we anticipate, our financial condition and reputation could be adversely affected. **Our** ~~Failure to continue to successfully manage the complexities of our customers' omnichannel shopping experience, or~~ failure to **attract** ~~continue to successfully invest in customer~~ , ~~digital and omnichannel initiatives could have a material adverse impact on our business. Abercrombie & Fitch Co. 152022 Form 10- K As omnichannel retailing~~ --- **retain** ~~continues to evolve~~ , ~~our customers increasingly interact with our brands through a variety of media~~ and ~~expect seamless integration across all touchpoints. As our success depends on our ability to~~ effectively manage ~~the~~ **strategic partnerships with third parties. In order to compete in this highly** ~~complexities~~ - - **competitive** ~~of~~ **and constantly evolving industry, at times, we may launch new concepts** ~~our~~ - **or** ~~customers' omnichannel shopping experience~~ **brands to expand our portfolio, or we may also enter into strategic partnerships with third parties to expand our global brand reach. Such partnerships may include wholesale, franchise, licensing arrangements in which we license our brands and intellectual property for use on products produced and marketed by third parties, and licensing arrangements in which we license intellectual property from third parties. Such arrangements are subject to additional risks** , including our ability to **comply with obligations under license agreements that** ~~respond to shifting consumer traffic patterns and engage our customers,~~ we have ~~made significant investments and operational changes to develop our digital and omnichannel capabilities globally, including the development of localized fulfillment, shipping and customer service operations, investments in digital media to attract new customers and the rollout of omnichannel capabilities listed in " ITEM 1. BUSINESS. " While we must keep up to date~~ with ~~technology trends in the retail environment in order to manage our successful omnichannel shopping experience, it is possible these initiatives may not provide the anticipated benefits or desired rates of return. For example, we could be at a competitive disadvantage if we are unable to leverage data analytics to retrieve timely, customer insights to appropriately respond to customer demands and improve customer engagement across channels or if innovative digital products and features we develop are not utilized or received by customers as anticipated. In addition, digital operations are subject to numerous risks, including reliance on~~ third- party **licensors** ~~computer hardware / software and service providers~~ , ~~data breaches,~~ the ~~increased rate~~ **abrupt termination** of ~~merchandise returns~~ **such arrangements** , ~~violations~~ **or actions taken by third party wholesale, franchise, or licensee partners that may materially diminish the value** of **our intellectual property or our brands' reputations. These initiatives, and others that we may engage in to respond to the highly competitive and** evolving **industry** ~~laws and regulations, including those relating to online privacy, credit card fraud, telecommunication failures, electronic break- ins~~ - **in** ~~and similar compromises~~ **which we operate** , **could result** ~~and disruption of internet service. Changes~~ in ~~foreign governmental regulations may also negatively impact~~ **significant financial and operational investments that do not provide the anticipated benefits** ~~our~~ - **or desired rates of return and there can be no guarantee that pursuing** ~~ability to deliver product to our customers. Failure to successfully respond to~~ these **investments** ~~risks may adversely affect sales as well as damage the reputation of our~~ - **or** ~~brands~~ **strategic partnerships will result in improved operating results** . Our failure to optimize our global store network could have a material adverse impact on our business. With the evolution of digital and omnichannel capabilities, customer expectations have shifted and there has been greater pressure for a seamless omnichannel experience across all channels. As a result, global store network optimization is an important part of our business and failure to optimize our global store network could have an adverse impact on our results of operations. The ability to **modify existing leases, to remodel or repurpose existing locations, and to** open new stores experiences ~~and modify existing leases~~ requires partnership with our landlords. If our partnerships with our landlords were to deteriorate, this could adversely affect the pace of opening new store experiences and / or lead to an increase in store closures. In addition, if there is an increase in events such as landlord bankruptcies, or mall foreclosures, competition between retailers could increase for remaining suitable store locations. Pursuing the wrong opportunities and any delays, cost increases, disruptions or other uncertainties related to those opportunities could adversely affect our results of operations. If our investments in new stores or remodeling and right- sizing existing stores do not achieve appropriate returns, our financial condition and results of operations could be adversely affected. Although we attempt to open new stores in prominent locations, it is possible that locations which were prominent when we opened our stores may lose favor over time. Our **failure to realize the anticipated benefits of our recent transition to a regional- based organizational model could have a negative impact on our business. During the second quarter of 2023, to drive ongoing brand growth and leverage the knowledge and experience of its regional teams, the company reorganized its structure and now primarily manages its business on a geographic basis, consisting of three reportable segments: Americas; Europe; the Middle East and Africa (EMEA) and Asia- Pacific (APAC). As a result of our regional- based organizational model, we have decentralized execution of our commercial strategy in each international region from our global home office to our regional headquarters located in Shanghai, China and London, United Kingdom. Failure to realize the anticipated benefits of our recent transition to a regional- based organizational model could have a negative impact on our business. In addition, realization of the anticipated benefits of this new regional- based organizational model is dependent on the effectiveness of this new operating structure. Abercrombie & Fitch Co. 162023 Form 10- K Our** inability to effectively conduct business in ~~international~~ **global** markets, including as a result of legal, tax, regulatory, political and economic risks could have a material adverse impact on our business. We operate on a global basis and are subject to risks associated with ~~international operations~~ - **operating in different global markets** that could have a material adverse effect on our reputation, business and results of operations if we fail to address them. Such risks include, but are not limited to, the following: • addressing the different operational requirements present in each country in which we operate, including those related to employment and labor, transportation, logistics, real estate, lease provisions and local reporting or legal requirements; • supporting global growth by successfully implementing local customer and product- facing teams and certain corporate support functions at our regional headquarters located in Shanghai, China and London, United Kingdom; • **supporting global growth by decentralizing execution of our commercial strategy authority from our global home office to our regional headquarters located in Shanghai, China and London, United Kingdom; •** hiring, training and retaining qualified personnel; • maintaining good labor relations with individual associates and groups of associates; • avoiding work stoppages or other labor-related issues in our European stores, where some associates are represented by workers' councils and unions; • retaining acceptance from ~~foreign~~ **local** customers; • managing inventory effectively to meet the needs of existing stores on a timely basis; • political, civil and social unrest, such as the ~~ongoing~~ **conflicts between Russia and Ukraine or Israel and Hamas and** conflict in **the surrounding areas** ~~Ukraine and escalating China- Taiwan tensions~~ ; • government regulations affecting trade between the U. S. and other countries, including tariffs and customs laws; • tax rate volatility and our ability to realize tax benefits resulting from non- U. S. operations; • managing foreign currency exchange rate risks effectively; • substantial investments of time and resources in our global operations may not result in achievement of acceptable levels of returns; for example, we recently have experienced year- over- year declines in revenues from our ~~international~~ **global** operations; and • continued and sustained declines in our ~~international~~ **global** revenues could lead to store closures, restructuring costs, and impairment losses, all of which could adversely impact our business, profitability, and results of operations. ~~Abercrombie & Fitch Co. 162022 Form 10- K~~ We are subject to domestic laws related to ~~international~~ **global** operations, including the Foreign Corrupt Practices Act, in addition to the laws of the foreign countries in which we operate. If any of our overseas operations, or our associates or agents, violate such laws, we could become subject to sanctions or other penalties that could negatively affect our reputation, business and operating results. Our failure to appropriately address Environmental, Social, and Governance (ESG) matters could have a material adverse impact on our reputation and, as a result, our business. There is an increased focus from certain government regulators, investors, customers, associates, business partners and other stakeholders concerning ESG matters. The expectations related to ESG matters are rapidly evolving ~~,~~ **. The increased focus by investors** and **other stakeholders on the ESG practices of publicly traded companies** , **like us** ~~from time to time~~ , **has included or may in the future include expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, human capital, labor and risk oversight, and could expand the nature, scope, and complexity of matters that we are required to control, assess and report. If** we announce certain initiatives and goals, related to ESG matters, such as those through our participation in the United Nations Global Compact ~~. We~~ **, we** could fail, or be perceived to fail ~~to act responsibly~~ , **to** ~~in our ESG efforts, or we could fail in~~ accurately **set, meet or accurately** ~~reporting~~ --- **report** our progress on such initiatives and goals **. We could fail, or be perceived to fail, to act responsibly in our ESG efforts** . In addition, we could be criticized for the speed of adoption of such initiatives or goals, or the scope of such initiatives or goals. As a result, we could suffer negative publicity and our reputation could be adversely impacted, which in turn could have a negative impact on investor perception and our products' acceptance by consumers. This may also impact our ability to attract and retain talent to compete in the marketplace. **In addition, we could be criticized by ESG detractors for the scope or nature of our ESG initiatives or goals or for any revisions to these goals. We could also be subjected to negative responses by governmental actors (such as anti- ESG legislation or retaliatory legislative treatment) or consumers (such as boycotts or negative publicity campaigns) that could adversely affect our reputation, results of operations, financial condition and cash flows.** There is also uncertainty regarding ~~potential~~ **the implementation of** laws, regulations, and policies related to ESG and global environmental sustainability matters, including disclosure obligations and reporting on such matters **, and appropriately responding to potentially competing and / or contradictory regulatory requirements and expectations in the jurisdictions in which we operate** . Changes in the legal or regulatory environment affecting ESG disclosure, responsible sourcing, supply chain transparency, or environmental protection, among others, including regulations to limit carbon dioxide and other greenhouse gas emissions, to discourage the use of plastic or to limit or to impose additional costs on commercial water use may result in increased costs for us and our business partners, all of which may negatively impact our results of operations, financial condition and cash flows. **Abercrombie & Fitch Co. 172023 Form 10- K** OPERATIONAL RISKS. Failure to protect our reputation could have a material adverse impact on our business. Our ability to maintain our reputation is critical and public perception about our products or operations, whether justified or not, could impair our reputation, involve us in litigation, damage our brands and have a material adverse impact on our business. Events that could jeopardize our reputation, include, but are not limited to, the following: • We fail to maintain high standards for merchandise quality and integrity; • We fall victim to a cyber- attack, resulting in customer data being compromised; • We fail to comply with ethical, social, product, labor, health and safety, legal, accounting or environmental standards, or related political considerations; • ~~Our associates' actions don' t align with our values and fail to comply with our Code of Business Conduct and Ethics; •~~ Third parties with which we have a business relationship, including our brand representatives and influencer network **, and our wholesale, franchise licensing, or marketplace partners** , fail to represent our brands in a manner consistent with our brand image or act in a way that harms their reputation; • Third- party vendors fail to comply with our Vendor Code of Conduct or any third parties with which we have a business relationship ~~with~~ fail to represent our brands in a manner consistent with our brand image; • Unfavorable media publicity and consumer perception of our products, operations, brand or experience; and • Our position or perceived lack of position on ESG, public policy or other similar issues and any perceived lack of transparency about those matters. In addition, in recent years there has been an increase in media platforms, particularly, social media and our use of social media platforms is an important element of our omnichannel marketing efforts. For example, we maintain various social media accounts for our brands, including Instagram, TikTok, Facebook, Twitter and Pinterest accounts. Negative publicity or actions taken by individuals that we partner with, such as brand representatives, influencers or our associates, that fail to represent our brands in a manner consistent with our brand image or act in a way that harms their reputation, whether through our social media accounts or their own, could harm our brand reputation and materially impact our business. Social media also allows for anyone to provide public feedback, which could influence perceptions of our brands and reduce demand for our merchandise. Damage to our reputation and loss of consumer confidence for these or any other reasons could lead to adverse consumer actions, including boycotts, have negative impacts on investor perception and could impact our ability to attract and retain the talent necessary to compete in the marketplace **or to attract or retain business partners for third party relationships such as licensing or franchise arrangements** , all of which could have a material adverse impact on our business, as well as require additional resources to rebuild our reputation. **Failure to continue to successfully manage the complexities of our omnichannel operations and of our customers' omnichannel shopping experience, or failure to continue to successfully invest in customer, digital and omnichannel initiatives could have a material adverse impact on our business. As omnichannel retailing continues to evolve, our customers increasingly interact with our brands through a variety of digital and physical spaces, and expect seamless integration across all touchpoints. As our success depends on our ability to effectively manage the complexities of our omnichannel operations and of our customers' omnichannel shopping experience, including our ability to respond to shifting consumer traffic patterns, receive and fulfill orders, and engage our customers, we have made significant investments and operational changes to develop our digital and omnichannel capabilities globally. Such investments and operational changes include the development of localized fulfillment, shipping and customer service operations, investments in digital media to attract new customers, and the rollout of omnichannel capabilities listed in " ITEM 1. BUSINESS. " While we must keep up to date with technology trends in the retail environment in order to manage our successful omnichannel shopping experience, it is possible these initiatives may not provide the anticipated benefits or desired rates of return. For example, we could be at a competitive disadvantage if we are unable to effectively collect data and leverage data analytics to retrieve timely, customer insights to appropriately respond to customer demands and improve customer engagement across channels or if innovative digital products and features we develop are not utilized or received by customers as anticipated. In addition, digital operations are subject to numerous risks, including reliance on third- party computer hardware / software and service providers, data breaches, the variability of the rate of merchandise returns, violations of evolving government interpretations of laws and regulations, including those relating to online privacy, credit card fraud, telecommunication failures, electronic break- ins and similar compromises, and disruption of services. Changes in foreign governmental regulations and interpretations may also negatively impact our omnichannel operations, including our ability to accept orders and deliver product to our customers. Failure to successfully respond to these risks may adversely affect sales as well as damage the reputation of our brands. Abercrombie & Fitch Co. 182023 Form 10- K** If our information technology systems are disrupted or cease to operate effectively, it could have a material adverse impact on our business. ~~Abercrombie & Fitch Co. 172022 Form 10- K~~ We rely heavily on our **own information technology systems and on third- party** information technology systems in both our customer- facing and corporate operations to: operate our websites and mobile apps; record and process transactions; respond to customer inquiries; manage inventory; purchase, sell and ship merchandise on a timely basis; maintain cost- efficient operations; create a customer relationship management database through our loyalty programs; and complete other customer- facing and business objectives. Given the significant number of transactions that are completed annually, it is vital to maintain constant operation of our computer hardware, telecommunication systems and software systems, and maintain data security. Despite efforts to prevent such an occurrence, our information technology systems may be vulnerable, from time to time, to damage or interruption from computer viruses, power interruptions or outages or other system failures, third- party intrusions, inadvertent or intentional breaches by our associates or third- party service providers, and other technical malfunctions. **Further, the sophistication, availability and use of artificial intelligence by threat actors present an increased level of risk.** If our systems are damaged, fail to function properly, or are obsolete in comparison to those of our competition, we may have to make monetary investments to repairs or replace the systems and we could endure delays in our operations. We have made and expect to continue to make significant monetary investments and devote significant attention to modernizing our core systems, and the effectiveness of these investments can be less predictable than others and may fail to provide the expected benefits. **Additionally, we rely on services provided by third- party vendors and platforms for certain information technology processes, including point- of- sale, digital operations, inventory management, supply chain,**

planning, sourcing, merchandising, payroll, scheduling, financial reporting, and managing third- party relationships, including our brand representatives and influencer network, and our wholesale, franchise licensing, or marketplace partners. This reliance on third parties makes our operations vulnerable to a failure by any one of these parties to perform adequately or maintain effective internal controls. We regularly evaluate our information technology systems and requirements to ensure appropriate functionality and use in response to business demands. For example, **in 2022** we ~~have~~ started a multi- year process of upgrading our merchandising enterprise resource planning (" ERP") system. We are aware of the inherent risks associated with replacing and modifying these systems, including inaccurate system information, system disruptions and user acceptance and understanding. Any material disruption or slowdown of our systems, including a disruption or slowdown caused by our failure to successfully upgrade or replace our systems could impact our ability to effectively manage and maintain our inventory, to ship products to customers on a timely basis, and may cause information to be lost or delayed, including data related to customer orders. Such a loss or delay, especially if the disruption or slowdown occurred during our peak selling seasons, could have a material adverse effect on our results of operations. In addition the upgrading of our ERP system requires significant financial and operational investments, and such investments may not provide the anticipated benefits or desired rates of returns. We may be exposed to risks and costs associated with cyber- attacks, data protection, credit card fraud and identity theft that could have a material adverse impact on our business. In the standard course of business, we receive and maintain confidential information about customers, associates and other third parties. In addition, third parties also receive and maintain certain confidential information. The protection of this information is critical to our business and subjects us to numerous laws, rules and regulations domestically and in foreign jurisdictions. The retail industry in particular has been the target of many cyber- attacks and it is possible that an individual or group could defeat our security measures, or those of a third-party service provider, and access confidential information about our business, customers and associates. Further, like other companies in the retail industry, during the ordinary course of business, we and our vendors have in the past experienced, and we expect to continue to experience, cyber- attacks of varying degrees and types, including phishing, and other attempts to breach, or gain unauthorized access to, our systems. To date, cyber attacks have not had a material impact on our operations, but we cannot provide assurance that cyber attacks will not have a material impact in the future. We have experienced, and expect to continue to experience **,** increased costs associated with protecting confidential information through the implementation of security technologies, processes and procedures, including training programs for associates to raise awareness about phishing, malware and other cyber risks, especially as we implement new technologies, such as new payment capabilities or updates to our mobile apps and websites. Additionally, the techniques and sophistication used to conduct cyber- attacks and breaches of information technology systems change frequently and increase in complexity and are often not recognized until such attacks are launched or have been in place for a period of time. We **(or the third parties on which we rely)** may not have the resources or technical sophistication to **sufficiently** anticipate, prevent, or immediately identify and remediate cyber- attacks. Furthermore, the global regulatory environment is increasingly complex and demanding with frequent new and changing requirements surrounding information security and privacy, including new regulations applicable to public companies in the United States, China' s Cybersecurity Law, the California Consumer Privacy Act, and the European Union' s General Data Protection Regulation. We may incur significant costs related to compliance with these laws and failure to comply with these regulatory standards, and others, could have a material adverse impact on our business. **Abercrombie & Fitch Co. 192023 Form 10- K** We have also implemented a flexible work policy allowing most of our corporate associates to work remotely, from time to time, as have certain of our third- party vendors. Offsite working by associates, which requires increased use of public internet connection, and use of office equipment off premises may make our business more vulnerable to cybersecurity breach attempts, phishing and other scams, fraud, money laundering, theft and other criminal activity. If we, or a third- party partner, were to fall victim to a successful cyber- attack or suffer intentional or unintentional data and security breaches by associates or third-parties, it could have a material adverse impact on our business, especially an event that compromises customer data or results in the unauthorized release of confidential business or customer information. In addition, if we are unable to avert a denial of service attack that renders our website inoperable, it could result in negative consequences, such as lost sales and customer dissatisfaction. Additional negative consequences that could result from these and similar events may include, but are not limited to: ~~Abercrombie & Fitch Co. 182022 Form 10- K~~ • remediation costs, such as liability for stolen assets or information, potential legal settlements to affected parties, repairs of system damage, and incentives to customers or business partners in an effort to maintain relationships after an attack; • increased cybersecurity protection costs, which may include the costs of making organizational changes, deploying additional personnel and protection technologies, training associates, and engaging third party experts and consultants; • lost revenues resulting from the unauthorized use of proprietary information or the failure to retain or attract customers following an attack; • litigation and legal risks, including costs of litigation and regulatory, fines, penalties or actions by domestic or international governmental authorities; • increased insurance premiums, or the ability to obtain insurance on commercially reasonable terms; • reputational damage that adversely affects customer or investor confidence; and • damage to the Company' s competitiveness, stock price, and long- term shareholder value. Although we maintain cybersecurity insurance, there can be no assurance that it will be sufficient for a specific cyber incident, or that insurance proceeds will be paid to us in a timely fashion. Our reliance on our distribution centers makes...... distribution centers on which we rely. Changes in the cost, availability and quality of raw materials, transportation and labor, including changes due to trade relations could have a material adverse impact on our business. Changes in the cost, availability and quality of the fabrics or other raw materials used to manufacture our merchandise could have a material adverse effect on our cost of sales, or our ability to meet customer demand. The prices for such fabrics depend largely on the market prices for the raw materials used to produce them, particularly cotton. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including crop yields, weather patterns and other unforeseen events. For example, significant inflationary pressures have and may continue to impact the cost of labor, cotton and other raw materials. Increased global uncertainty has also impacted and may in the future impact the cost, availability and quality of the fabrics or other raw materials used to manufacture our merchandise, and compliance with sanctions, customs trade orders and sourcing laws, such as those issued by the U. S. government related to the ongoing conflict in **Russia and** Ukraine and entities and individuals connected to China' s Xinjiang Uyghur Autonomous Region, could impact the price of cotton in the marketplace and the global supply chain. Fluctuations in the cost of transportation could also have a material adverse effect on our cost of sales and ability to meet customer demand. We primarily use ~~seven~~ **six** contract carriers to ship merchandise and related materials to our North American customers, and several contract carriers for our ~~international~~ **global** customers. If the shipping operations of these third parties were disrupted, and we are unable to respond in a quick and efficient manner, our ability to replace inventory in our stores and process digital and third- party orders could be interrupted, potentially resulting in adverse impacts to sales or increased costs. Furthermore, we are susceptible to increases in fuel costs which may increase the cost of distribution. If we are not able to pass this cost on to our customers, our financial condition and results of operations could be adversely affected. In addition, we have experienced increasing wage pressures in recent years related to the cost of labor at our third- party manufacturers, at our distribution centers and at our stores. For example, recent government initiatives in the U. S. or changes to existing laws, such as the adoption and implementation of national, state, or local government proposals relating to increases in minimum wage rates, may increase our costs of doing business and adversely affect our results of operations. We may not be able to pass all or a portion of higher labor costs on to our customers, which could adversely affect our gross margin and results of operations. Abercrombie & Fitch Co. ~~192022~~ **202023** Form 10- K We depend upon independent third parties for the manufacture and delivery of all our merchandise, and a disruption of the manufacture or delivery of our merchandise could have a material adverse impact on our business. We do not own or operate any manufacturing facilities. As a result, the continued success of our operations is tied to our timely receipt of quality merchandise from third- party manufacturers. We source the majority of our merchandise outside of the U. S. through arrangements with approximately ~~119~~ **130** vendors, primarily located in southeast Asia. Political, social or economic instability in the regions in which our manufacturers are located could cause disruptions in trade, including exports to the U. S **. and EMEA** . In addition, the inability of vendors to access liquidity, or the insolvency of vendors, could lead to their failure to deliver merchandise to us. A manufacturer' s inability to ship orders in a timely manner or meet our quality standards could cause delays in responding to consumer demand and negatively affect consumer confidence or negatively impact our competitive position, any of which could have a material adverse effect on our financial condition and results of operations **. For example, the recent attacks on cargo vessels in the Red Sea have resulted in delayed deliveries and may result in increased freight costs, and a prolonged or escalating armed conflict may result in additional costs, including any impact from using air freight instead of ocean freight to mitigate inventory delays. It is possible that the adverse impact of these and future attacks, including additional costs associated with mitigation efforts, could materially adversely affect our business and results of operation** . All factories that we partner with are contractually required to adhere to the Company' s Vendor Code of Conduct, go through social audits which include on- site walk- throughs to appraise the physical working conditions and health and safety practices, and review payroll and age documentation. If these factories are unwilling or not able to meet the standards set forth within the Company' s Vendor Code of Conduct, it could limit the options available to us and could result in an increase of costs of manufacturing, which we may not be able to pass on to our customers. Other events that could disrupt the timely delivery of our merchandise include new trade law provisions or regulations, reliance on a limited number of shipping carriers and associated alliances, weather events, significant labor disputes, port congestion and other unexpected events **. Our reliance on our distribution centers makes us susceptible to disruptions or adverse conditions affecting our supply chain. Our distribution center operations are susceptible to local and regional factors** , such as ~~COVID~~ **system failures, accidents, labor disputes, economic and weather conditions, natural disasters, significant power interruptions or outages, demographic and population changes, and other unforeseen events and circumstances. We rely on both company** - ~~19 demographic~~ **operated** and **third- party** ~~population changes,and other unforeseen events and circumstances.We rely on our~~ distribution centers to manage the receipt,storage,sorting,packing and distribution of our merchandise.If our distribution centers are not adequate to support our operations,including as a result of capacity constraints in response to an increase in digital sales **or performance issues related to third- party management** ,the increased rate of merchandise returns,we could experience adverse impacts such as shipping delays and or customer dissatisfaction.In addition,if our distribution operations were disrupted due to,for example,labor shortages,natural disasters or power interruptions or outages,and we were unable to relocate operations or find other property adequate for conducting business,our ability to replace inventory in our stores and process digital and third- party orders could be interrupted,potentially resulting in adverse impacts to sales or increased costs.Refer to " ITEM 1.BUSINESS," for a listing of certain distribution centers on which **we rely** . We rely on the experience and skills of our executive officers and associates, and the failure to attract or retain this talent, effectively manage succession, and establish a diverse workforce could have a material adverse impact on our business. Our ability to succeed may be adversely impacted if we are not able to attract, retain and develop talent and future leaders, including our executive officers. We believe that the attraction, retention and management of qualified talent is integral to our success in advancing our strategies and key business priorities and avoiding disruptions in our business. We rely on our associates across the organization, including those at our corporate offices, stores and distribution centers, as well as their experience and expertise in the retail business. Our executive officers closely supervise all aspects of our operations, have substantial experience and expertise in the retail business and have an integral role in the growth and success of our brands. If we were to lose the benefit of the involvement of our executive officers or other personnel, without adequate succession plans, our business could be adversely affected. In addition, if we are unable to attract and retain talent at the associate level, our business could be adversely impacted. Competition for such qualified talent is intense, and we cannot be sure that we will be able to attract, retain and develop a sufficient number of qualified individuals in future periods. In addition, we cannot guarantee that we will be able to find adequate temporary or seasonal personnel to staff our operations when needed. For example, as automation, artificial intelligence and similar technological advancements continue to evolve, we may need to compete for talent that is familiar with these advancements in technologies in order to compete effectively with our industry peers. If we are not successful in these efforts, our business may be adversely affected. If we are not successful in these efforts or fail to successfully execute against the key human capital management initiatives discussed in " ITEM 1. BUSINESS, " our business could be adversely impacted. **Abercrombie & Fitch Co. 212023 Form 10- K** If we identify a material weakness in our internal control over financial reporting, fail to remediate a material weakness, or fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected. The effectiveness of any controls or procedures is subject to certain inherent limitations, and as a result, there can be no assurance that our controls and procedures will prevent or detect misstatements. Even an effective system of internal control over financial reporting will provide only reasonable, not absolute, assurance with respect to financial statement preparation. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to remediate a material weakness, or are otherwise unable to maintain effective internal control over financial reporting, management could be required to expend significant resources. Additionally, we could fail to meet our public reporting requirements on a timely basis, and be subject to fines, penalties, investigations or judgements, all of which could negatively affect investor confidence and adversely impact our stock price. ~~Abercrombie & Fitch Co. 202022 Form 10- K~~ LEGAL, TAX, REGULATORY AND COMPLIANCE RISKS **. Misconduct or illegal activities by our current and former associates, directors, advisers, third- party service providers, or others affiliated, or perceived to be affiliated, with the Company could subject to us to reputational harm, regulatory scrutiny or inquiries, or legal liability. There is a risk that current or former associates, executives, directors, advisers or third party- service providers of the Company, or others who are actually or perceived to be affiliated with us, could engage, deliberately or recklessly, in misconduct or fraud that creates legal exposure for us and adversely affects our business. If such individuals were to engage, or be accused of engaging in, illegal or suspicious activities, sexual misconduct or harassment, racial or gender discrimination, improper use or disclosure of confidential information, fraud, payment or solicitation of bribes, or any other type of similar misconduct or violation of other laws and regulations, during their employment or service with us, we could suffer serious harm to our brand, reputation, be subject to penalties or sanctions, suffer serious harm to our financial position and current and future business relationships, and face potentially significant litigation or investigations. For example, Michael Jeffries, who served as chief executive officer of the Company from 1992 to 2014, has been accused of sexual abuse and exploitation, which include claims relating to behavior that is alleged to have occurred during his tenure with us. Litigation has been filed against Mr. Jeffries and the Company that relates to this alleged behavior. Although we believe the claims against us are without merit, the allegations against this former executive, as well as the claims brought against us, have resulted in negative media attention and may result in additional litigation or may result in other adverse consequences to our reputation, brand, and business. In addition, in early March 2024, the Delaware Court of Chancery ruled that Mr. Jeffries was entitled to advancement by the Company of his defense costs for the litigation** . Fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operations could have a material adverse impact on our business. We are subject to income taxes in many U. S. and foreign jurisdictions. In addition, our products are subject to import and excise duties and / or sales, consumption or value- added taxes (" VAT ") in many jurisdictions. We record tax expense based on our estimates of future payments, which include reserves for estimates of probable settlements of foreign and domestic tax audits. At any time, many tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year, there could be ongoing variability in our quarterly tax rates as taxable events occur and exposures are evaluated. In addition, our effective tax rate in any given financial reporting period may be materially impacted by changes in the mix and level of earnings or losses by taxing jurisdictions or by changes to existing accounting rules or regulations. Fluctuations in duties could also have a material impact on our financial condition, results of operations or cash flows. ~~In some international markets, we are required to hold and submit VAT to the appropriate local tax authorities. Failure to correctly calculate or submit the appropriate amounts could subject us to substantial fines and penalties that could have an adverse effect on our financial condition, results of operations or cash flows.~~ The Organization for Economic Co- operation and Development **(" OECD ")** , along with members of its inclusive framework, have **,** through the Base Erosion and Profit Shifting project, proposed changes to numerous long- standing tax principles **(" Pillar Two Rules ")** . ~~These proposals~~ **Although the U. S. has not yet enacted legislation implementing Pillar Two Rules** , ~~if finalized and adopted by the~~ **other** ~~associated~~ countries **where the Company does business** , **including the U. K. and Germany, have enacted legislation implementing Pillar Two Rules which are effective from January 1, 2024. The Company does not expect The Pillar Two Rules will have a material impact on the effective tax rate for fiscal 2024, but the rules** will likely increase tax complexity, and may ~~both create uncertainty and~~ adversely affect our provision for income taxes **. In some global markets, we are required to withhold and remit VAT to the appropriate local tax authorities. Failure to correctly calculate or remit the appropriate amounts could subject us to substantial fines and penalties that could have an adverse effect on our financial condition, results of operations or cash flows** . In the past, tax law has been enacted, domestically and abroad, impacting our current or future tax structure and effective tax rate, such as the Inflation Reduction Act in the U. S. Tax law may be enacted in the future, domestically or abroad, that impacts our current or future tax structure and effective tax rate. **Abercrombie & Fitch Co. 222023 Form 10- K** Litigation and any future stockholder activism ~~,~~ could have a material adverse impact on our business. We, along with third parties we do business with, are involved, from time to time, in litigation arising in the ordinary course of business. Litigation matters may include, but are not limited to, contract disputes, employment- related actions, labor relations, commercial litigation, intellectual property rights, product safety, environmental matters and shareholder actions. Litigation, in general, may be expensive and disruptive. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, we could, from time to time, incur judgments, enter into settlements **,** or revise our expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and / or our cash flows in the period in which the amounts are paid. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations and, depending on the nature of the allegations, could negatively impact our reputation. Additionally, defending against these legal proceedings may involve significant expense and diversion of management' s attention and resources. Stockholder activism, which could take many forms or arise in a variety of situations, remains popular with many public investors. Due to the potential volatility of our stock price and for a variety of other reasons, we may become the target of securities litigation or stockholder activism. Responding to stockholder activists campaigns may involve significant expense and diversion of management' s attention and resources without yielding any improvement in our results of operations or financial condition. Failure to adequately protect ~~our trademarks~~ **and enforce** ~~or~~ **our** ~~otherwise defend~~ intellectual property **, or failure to adequately ensure that we are not infringing the intellectual property rights of others,** could have a negative impact on our brand image and limit our ability to penetrate new markets which could have a material adverse impact on our business. We believe our core trademarks, Abercrombie & Fitch ®, abercrombie ®, Hollister ®, Gilly Hicks ®, ~~Social Tourist ®~~ and the " Moose " and " Seagull " logos, are essential to the effective implementation of our strategy. We have obtained or applied for federal registration of these trademarks with the U. S. Patent and Trademark Office and the registries of countries in key markets within the Company' s sales and distribution channels. In addition, these trademarks are either registered, or the Company has applications for registration pending, with the registries of many of the foreign countries in which the manufacturers of the Company' s products are located. There can be no assurance that we will obtain registrations that have been applied for or that the registrations we obtain will prevent the imitation of our products or infringement of our intellectual property rights by others. Although brand security initiatives are in place, we cannot guarantee that our efforts against the **infringement or** counterfeiting of our brands will be successful. If a third party copies our products in a manner that projects lesser quality or carries a negative connotation, our brand image could be materially adversely affected. ~~Abercrombie & Fitch Co. 212022 Form 10- K~~ Because we have not yet registered all of our trademarks in all categories, or in all foreign countries in which we source or offer our merchandise now, or may in the future, our ~~international~~ **global** expansion and our merchandising of products using these marks could be limited. The pending applications for international registration of various trademarks could be challenged or rejected in those countries because third parties of whom we are not currently aware have already registered similar marks in those countries. Accordingly, it may be possible, in those foreign countries where the status of various applications is pending or unclear, for a third- party owner of the national trademark registration for a similar mark to prohibit the manufacture, sale or exportation of branded goods in or from that country. Failure to register our trademarks or purchase or license the right to use our trademarks or logos in these jurisdictions could limit our ability to obtain supplies from, or manufacture in, less costly markets or penetrate new markets should our business plan include selling our merchandise in those non- U. S. jurisdictions. ~~Additionally~~ **In addition** , if ~~a~~ third ~~party~~ **parties successfully** ~~claims~~ - **claim** ~~to have licensing~~ **we infringe their intellectual property** rights ~~with respect to merchandise we have produced or purchased from a vendor~~ , we may **be subject to liability, be prevented from using our trademarks or other intellectual property rights, or** be obligated to remove this merchandise from our inventory ~~offering~~ **, which could have** ~~and~~ - **an** ~~incur related~~ **adverse effect on our financial conditions and operations. Defending infringement claims could be expensive and time consuming and might result in our incurring additional** costs, **entering into costly license agreements** ~~and could be subject to liability under various civil and criminal causes of action~~ , ~~including~~ actions to recover unpaid ~~royalties~~ **royalty** ~~and~~ **fees, or** other ~~damages~~ **settlement agreements** . **These risks may be magnified if we increase our use of licensing arrangements or partnerships with third parties. Abercrombie & Fitch Co. 232023 Form 10- K** Changes in the regulatory or compliance landscape could have a material adverse impact on our business. We are subject to numerous domestic and foreign laws and regulations, including those related to customs, truth- in- advertising, securities **, environmental and social disclosures** , consumer protection, general privacy, health information privacy, identity theft, online privacy, general employment, employee health and safety, minimum wages, unsolicited commercial communication and zoning and occupancy laws, as well as ordinances that regulate retailers generally and / or govern the importation, intellectual property, promotion and sale of merchandise and the operation of retail stores, digital operations and distribution centers. If these laws and regulations were to change, or were violated by our management, associates, suppliers, vendors or other parties with whom we do business, the costs of certain merchandise could increase, or we could experience delays in shipments of our merchandise, be subject to fines or penalties, temporary or permanent store closures, or increased regulatory scrutiny or suffer reputational harm, which could reduce demand for our merchandise and adversely affect our business and results of operations. Any changes in regulations, the imposition of additional regulations, or the enactment of any new or more stringent legislation including the areas referenced above, could adversely affect our business and results of operations. Laws and regulations at the local, state, federal and various ~~international~~ **global** levels frequently change, and the ultimate cost of compliance cannot be precisely estimated. Changes in the legal or regulatory environment affecting responsible sourcing, supply chain transparency, or environmental protection, among others, may result in increased compliance costs for us and our business partners. Additionally, we may face regulatory challenges in complying with applicable global sanctions and trade regulations and reputational challenges with our consumers and other stakeholders if we are unable to sufficiently verify the origins of material sourced for the manufacture of our products. In addition, we are subject to a variety of regulatory and reporting requirements, including, but not limited to, those related to corporate governance and public disclosure. Stockholder activism, the current political environment, financial reform legislation, government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations.

New requirements or changes in current regulatory reporting requirements may introduce additional complexities, lead to additional compliance costs, divert management' s time and attention from strategic business activities, and could have a significant effect on our reported results for the affected periods. Failure to comply with such regulations could result in fines, penalties, or lawsuits and could have a material adverse impact on our business. The agreements related to A & F Management' s senior secured asset- based revolving credit facility and senior secured notes include restrictive covenants that limit our flexibility in operating our business and our inability to obtain additional credit on reasonable terms in the future could have an adverse impact on our business. The Amended and Restated Credit Agreement (the " Amended and Restated Credit Agreement ") of Abercrombie & Fitch Management Co. (" A & F Management "), a wholly- owned indirect subsidiary of A & F, provides for a senior secured asset- based revolving credit facility of up to $ 400 million (the " ABL Facility "), which matures on April 29, 2026. A & F Management' s senior secured notes (the " Senior Secured Notes " ") have a fixed 8. 75 % interest rate and mature on July 15, 2025. The agreements related to the ABL Facility and the Senior Secured Notes contain restrictive covenants that, subject to specified exemptions, restrict, among other things, the ability of the Company and its subsidiaries to: incur, assume or guarantee additional indebtedness; grant or incur liens; sell or otherwise dispose of assets, including capital stock of subsidiaries; make investments in certain subsidiaries; pay dividends or make distributions on our capital stock; redeem or repurchase capital stock; change the nature of our business; and consolidate or merge with or into, or sell substantially all of the assets of the Company or A & F Management to another entity. ~~Abercrombie & Fitch Co. 222022 Form 10- K~~ If an event of default under either related agreement occurs, any outstanding obligations under the Senior Secured Notes and the ABL Facility could be declared immediately due and payable or the lenders or noteholders could foreclose on or exercise other remedies with respect to the assets securing the indebtedness under the Senior Secured Notes and the ABL Facility. In addition, there is no assurance that we would have the cash resources available to repay such accelerated obligations. Moreover, the Senior Secured Notes and ABL Facility are secured by certain of our real property, inventory, intellectual property, general intangibles and receivables, among other things, and lenders may exercise remedies against the collateral in an event of default. We have, and expect to continue to have, a level of indebtedness. In addition, we may, from time to time, incur additional indebtedness. We may need to refinance all or a portion of our existing indebtedness before maturity, including the Senior Secured Notes, and any indebtedness under the ABL Facility. There can be no assurance that we would be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all. Changes in market conditions could potentially impact the size and terms of a replacement facility or facilities in the future. The inability to obtain credit on commercially reasonable terms in the future could adversely impact our liquidity and results of operations as well as limit our ability to take advantage of business opportunities that may arise. Abercrombie & Fitch Co. ~~232022~~ **242023** Form 10- K **Our amended and restated bylaws provide that certain courts in the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or shareholder to us or our shareholders, any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, our certificate of incorporation or our bylaws (as either may be amended or restated) or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware, or any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware. However, if the Court of Chancery within the State of Delaware lacks jurisdiction over such action, the action may be brought in the United States District Court for the District of Delaware. Additionally, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the " Securities Act "). The exclusive forum provisions will be applicable to the fullest extent permitted by applicable law, subject to certain exceptions. Section 27 of the Securities Exchange Act of 1934, as amended (the " Exchange Act ") creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provisions will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. There is, however, uncertainty as to whether a court would enforce the exclusive forum provisions, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Abercrombie & Fitch Co. 252023 Form 10- K**