

## Risk Factors Comparison 2025-04-01 to 2024-04-02 Form: 10-K

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An investment in our common stock involves certain risks and uncertainties. In addition to other information in this Form 10-K, the following risk factors should be considered. Additional risks and uncertainties of which we are currently unaware could also have a material adverse effect on our business and financial conditions.

### MACROECONOMIC AND INDUSTRY RISKS

**Changes in the United States and international trade policies, including tariffs and trade restrictions, may adversely impact our business, results of operations and financial condition. The United States administration recently announced tariffs on products manufactured in several jurisdictions, including China, Canada and Mexico and may impose tariffs on products from other jurisdictions. The imposition of new tariffs or increases to existing tariffs on products we import from countries where our suppliers operate could result in increased product costs, which may require us to raise prices and accordingly, may make our product less competitive in the market. While we continue to shift production outside of China and other countries impacted by tariffs and continue to negotiate with our suppliers to mitigate the impact of the tariffs, we may not be successful in changing our sourcing strategy to minimize the impact of the tariffs on our financial results and operations. The extent and duration of these tariffs, and any retaliatory tariffs adopted in response to these tariffs, are uncertain and may limit our ability to meet incremental consumer demand, potentially impacting our net sales or financial results.** Consumer demand for our products may be adversely impacted by economic conditions and other factors. Worldwide economic conditions continue to be uncertain. Consumer confidence and spending are strongly influenced by general economic conditions and other factors, including **trade restrictions, tariffs, or taxes on imports from countries where we manufacture products,** inflation, concerns of a recession, elevated interest rates, fiscal policy, the changing tax and regulatory environment, minimum wage rates and regulations, consumer debt levels, the availability of consumer credit, the liquidity of consumers' assets, health care costs, currency exchange rates, taxation, energy costs, real estate values, foreclosure rates, unemployment trends, weather conditions and the economic consequences of military action or terrorist activities, such as the heightened geo- political tensions between China and Taiwan and the potential impact of sanctions on the domestic and global economy. Consumer sentiment, including a preference for products made in the United States, may be impacted by ~~the war in Eastern Europe~~ **tariffs or taxes on imports from countries where we source products,** which may impact demand for our products that are sourced internationally. In addition, with ~~the majority~~ **a significant amount** of our supply originating in China, any ~~significant~~ **negative development related to relations between United States and China, including tariffs imposed on imports from China,** may adversely impact the ~~cost or~~ demand for our products sourced from China. Negative economic conditions generally decrease disposable income and, consequently, consumer purchases of discretionary items like our products. As a result, our customers may choose to purchase fewer of our products or purchase the lower priced products of our competitors, and our business, results of operations, financial condition and cash flows could be adversely affected. Inflationary pressures and supply chain disruptions may adversely impact our business operations and financial results. Inflationary pressures in the United States and the global economy such as elevated interest rates, higher product and transportation costs and wage inflation, as well as fears of a recession, are creating a complex and challenging retail environment that may impact discretionary spending. The extent and duration of these **inflationary** pressures are uncertain and may limit our ability to meet incremental consumer demand, potentially impacting our net sales. In addition, declines in consumer spending may result in reduced demand for our products, increased inventories, reduced orders from retailers for our products, order cancellations, lower revenues, higher discounts, pricing pressure and lower gross margins. Macroeconomic factors, including these inflationary pressures and volatility in interest rates, also impact a number of accounting estimates, such as impairment calculations, the value of inventory measured using the last- in, first out ("LIFO") method, and other estimates that utilize fair value. These macroeconomic factors could result in incremental volatility in certain valuations and provisions required in the Company' s financial statements. In addition, a disruption within our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales and increased supply chain costs. Vessel, container and other transportation shortages, labor shortages and port congestion have in the past delayed inventory orders and, in turn, deliveries to our wholesale customers and availability in our retail stores and e- commerce sites. In addition, the vast majority of our products pass through the United States ~~west coast~~ ports and any slowdown or stoppage relating to labor agreement negotiations may further delay the receipt of inventory or increase costs. If we are unable to anticipate and respond to consumer preferences and fashion trends and successfully apply new technology, we may not be able to maintain or increase our net sales and earnings. The footwear industry is subject to rapidly changing consumer shopping preferences and patterns and fashion trends. Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to rapid change. In addition, as consumers increasingly embrace online and mobile shopping, retailers have been required to lower shipping costs charged to customers, improve shipping speeds and optimize mobile platforms. The trend toward online and mobile shopping has also increased the volume of smaller shipments, including single- pair shipments, from our warehouses. The increased volume of smaller shipments has resulted in higher average distribution costs, including both shipping and processing costs incurred at our distribution centers. In addition, an increase in the volume of e- commerce sales, which have higher return rates than in- store sales, may in turn lead to higher shipping and processing costs. The success of both our wholesale and retail operations depends largely on our ability to anticipate, understand and react to these changing consumer shopping patterns. If we fail to respond to changes in consumer shopping patterns, demands and fashion trends, develop new products and designs, and implement

effective, responsive merchandising and distribution strategies and programs, we could experience lower sales, excess inventories and lower gross margins, any of which could have an adverse effect on our results of operations and financial condition. ~~Certain~~ **13** ~~Certain~~ branded suppliers are becoming more selective in their distribution channels. The loss of one or more of our major branded suppliers may adversely impact our business, results of operations, financial condition and cash flows. Our Famous Footwear segment purchases a substantial portion of its footwear products from major branded suppliers. Products purchased from three key third- party suppliers (Nike, Skechers and adidas) represented approximately 24 % of consolidated net sales in ~~2023~~ **2024**. As is common in the industry, we do not have any long- term contracts with our suppliers. In addition, the success of our financial performance is dependent on the ability of our Famous Footwear segment to obtain products from our suppliers on a timely basis and on acceptable terms. While we believe we have positive working relationships with our current suppliers, the loss of any of our major suppliers or product developed exclusively for our Famous Footwear stores could have a material adverse effect on our business, financial condition and results of operations. In addition, negative trends in global economic conditions, including the impact of the wars in Israel and Eastern Europe and heightened tensions between China and Taiwan, or global pandemics, may adversely impact our suppliers. If these ~~13~~ **third** ~~third~~ parties do not perform their obligations or are unable to provide us with the materials and services we need at prices and terms that are acceptable to us, our ability to meet our consumers' demand could be adversely affected. Customer concentration and other trends in customer behavior may lead to a reduction in or loss of sales. Our wholesale customers include e- commerce retailers, national chains, department stores, independent retailers and mass merchandisers. Several of our customers operate multiple department store divisions. Furthermore, we often sell multiple types of branded, licensed and private- label footwear to these same customers. While we believe purchasing decisions in many cases are made independently by the buyers and merchandisers of each of the customers, a decision by a significant customer to decrease the amount of footwear products purchased from us could have a material adverse effect on our business, financial condition or results of operations. In addition, with the growing trend toward retail trade consolidation, including store count reductions at major retail chains, and consumers' preference for online shopping, we and our wholesale customers increasingly depend upon a reduced number of key retailers whose bargaining strength is growing. This consolidation may result in the following adverse consequences: ● Our wholesale customers may seek more favorable terms for their purchases of our products, which could limit our ability to raise prices, recoup cost increases or achieve our profit goals. ● The number of stores that carry our products could decline, thereby exposing us to a greater concentration of accounts receivable risk and negatively impacting our brand visibility. We also face the following risks with respect to our customers: ● Our customers could develop in- house brands or use a higher mix of private- label footwear products, which may negatively impact our sales. ● As we sell our products to customers and extend credit based on an evaluation of each customer' s financial condition, the financial difficulties, including bankruptcy, of a customer could cause us to stop doing business with that customer, reduce our business with that customer or be unable to collect from that customer. ● Since we transact primarily in United States dollars, our international customers could purchase from competitors who will transact business in their local currency. ● If our customers experience significant downturns or disruptions in their business, or file for bankruptcy, they may reduce their purchases of our products. ● Retailers are directly sourcing more of their products directly from international manufacturers and reducing their reliance on wholesalers, which could have a material adverse effect on our business and results of operations. We operate in a highly competitive industry. Competition is intense in the footwear industry. There has also been consolidation of competitors in the industry, resulting in certain competitors that are larger and have greater financial, marketing and technological resources than we do. In addition, a move toward vertical integration by our competitors could create additional competitive pressures that may decrease our market share. Other competitors are able to offer footwear on a lateral basis alongside their apparel products, or have successfully branded their trademarks as lifestyle brands, resulting in greater competitive advantages. Low barriers ~~to~~ **14** ~~to~~ entry into this industry further intensify competition by allowing new companies to easily enter the markets in which we compete. Some of our suppliers further compound these competitive pressures by allowing consumers to purchase their products directly through supplier- maintained e- commerce sites and retail stores. The Internet facilitates price transparency and comparison shopping, which increases the level of competition we face and puts competitive pressure on us to keep our prices low. We believe that our ability to compete successfully in the footwear industry depends on a number of factors, including style, price, performance, quality, location and service, as well as the strength of our brand names. We remain competitive by increasing awareness of our brands, improving the efficiency of our supply chain and enhancing the style, comfort, fashion and perceived value of our products. However, our competitors may implement more effective marketing campaigns, adopt more aggressive pricing policies, make more attractive offers to potential employees, distribution ~~14~~ **partners** ~~partners~~ and manufacturers, or respond more quickly to changes in consumer preferences than us. As a result, we may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced gross margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand the development and marketing of our products, which could adversely impact our financial results. Our quarterly sales and earnings may fluctuate, which may result in volatility in, or a decline in, our stock price. Our quarterly sales and earnings can vary due to a number of factors, many of which are beyond our control, including the following: ● Our Famous Footwear retail business is seasonally weighted to the back- to- school season, which primarily falls in our third fiscal quarter. As a result, the success of our back- to- school offering, which is affected by our ability to anticipate consumer demand and fashion trends, could have a disproportionate impact on our full year results. ● In our wholesale business, sales of footwear are dependent on orders from our major customers, and they may change delivery schedules, change the mix of products they order or cancel orders without penalty. ● Our wholesale customers have increasingly shifted toward lower initial orders and more replenishment and drop ship orders, which may result in shifts of sales between quarters. ● Our estimated annual tax rate is based on projections of our domestic and international operating results for the year, which we review and revise as necessary each quarter. ● Our earnings are also sensitive to a number of factors that are beyond our control,

including manufacturing and transportation costs, changes in product sales mix, geographic sales trends, weather conditions, consumer sentiment and currency exchange rate fluctuations. As a result of these specific and other general factors, our operating results will vary from quarter to quarter and the results for any particular quarter may not be indicative of results for the full year. Any shortfall in sales or earnings from the levels expected by investors could cause a decrease in the trading price of our common stock. Foreign currency fluctuations may result in higher costs and decreased gross profits. Although we purchase most of our products from international manufacturers in United States dollars and otherwise may engage in foreign currency hedging transactions from time to time, we may experience cost variations with respect to exchange rate changes. Currency exchange rate fluctuations may also adversely impact third parties who manufacture the Company's products by making their purchases of raw materials or other production costs more expensive and more difficult to finance, resulting in higher prices and lower margins for the Company and its distributors.

**OPERATIONAL RISKS** We rely primarily on international sources of production, which subjects our business to risks associated with international trade. We rely primarily on international sourcing for our footwear products through third-party manufacturing facilities located outside the United States. As is common in the industry, we do not have any long-term contracts with our third-party international manufacturers. International sourcing is subject to numerous risks, including trade relations, work stoppages, transportation delays (including delays at international and domestic ports) and costs (including customs duties, quotas, tariffs **(including retaliatory tariffs)**, anti-dumping duties, safeguard measures, cargo restrictions or other trade restrictions), ~~domestic~~**15domestic** and international political instability, foreign currency fluctuations, variable economic conditions, expropriation, nationalization, natural disasters, terrorist acts and military conflict, changes in governmental regulations (including the U. S. Foreign Corrupt Practices Act) and geo-political events, such as the current wars in Israel and Ukraine and ~~increased~~**continued** tensions between China and Taiwan. Supply chain disruptions and port congestion have in the past delayed receipt of inventory and this could occur again in the future. Delayed inventory receipt could delay deliveries to our wholesale customers, and reduce availability in our stores and e-commerce websites, which could adversely impact our financial results. In addition, the imposition of tariffs or other costs on imported products may result in an increase in product prices, which may in turn adversely impact our gross margins if we are unable to mitigate the impact of the costs. At the same time, potential changes in manufacturing preferences, including, but not limited to the following, pose additional risk and uncertainty: ~~15~~• Manufacturing capacity may shift from footwear to other industries with manufacturing margins that are perceived to be higher. • Some footwear manufacturers may face labor shortages as workers seek better wages and working conditions in other industries or locations. As a result of these risks, there can be no assurance that we will not experience reductions in available production capacity, increases in our product costs, late deliveries or terminations of our supplier relationships. Furthermore, these sourcing risks are compounded by limited diversification in the geographic location of our international sourcing and manufacturing. Approximately ~~60~~**50** % of the footwear we sourced in ~~2023~~**2024** was from China. With ~~the majority~~**a significant portion** of our supply originating in China, a substantial portion of our supply could be at risk in the event of any significant negative development related to relations between United States and **China, including additional tariffs imposed on products imported from** China. In addition, international expansion in China may be hampered as a result of the adverse economic conditions that China is currently experiencing. Although we believe we could find alternative manufacturing sources for the products that we currently source from third-party manufacturing facilities in China or other countries, we may not be able to locate alternative manufacturers on terms as favorable as our current terms, including pricing, payment terms, manufacturing capacity, quality standards and lead times for delivery. In addition, there is substantial competition in the footwear industry for quality footwear manufacturers. Accordingly, our future results will partly depend on our ability to maintain positive working relationships with, and offer competitive terms to, our international manufacturers. If supply issues cause us to be unable to provide products consistent with our standards or manufacture our footwear in an efficient and cost-effective manner, our customers may cancel orders, refuse to accept deliveries or demand reductions in purchase prices, any of which could have a material adverse effect on our business and results of operations. We also sell footwear in East Asia through our joint venture, and plan to increase international sales efforts as part of our growth strategy. Our joint venture partners may have objectives that are different than our own. In addition, we may be subject to increased legal risk associated with the joint venture if it fails to adhere to consistent levels of compliance standards as our fully-owned operations. We are reliant upon our information technology systems, and any major disruption of these systems could adversely impact our ability to effectively operate our business. Our computer network and systems are essential to all aspects of our operations, including design, pricing, production, accounting, reporting, forecasting, ordering, manufacturing, transportation, marketing, sales and distribution. Our ability to manage and maintain our inventory and to deliver products in a timely manner depends on these systems. With the continued growth in e-commerce direct-to-consumer sales, any system disruption may result in an adverse impact to our operations. If any of these systems fails to operate as expected, we experience problems with transitioning to upgraded or replacement systems, we fail to realize the expected return on our technology investment, a breach in security occurs or a natural disaster interrupts system functions, we may experience delays in product fulfillment, reduced efficiency in our operations, or delays in reporting our financial results to investors, or we may be required to expend significant capital to correct the problem, which may have an adverse effect on our results of operations and financial condition. ~~We are undergoing~~**During 2024, we implemented a new multi-year** enterprise resource planning ("ERP") ~~implementation system~~, which ~~will require~~**required** significant financial and human capital resources. ~~During~~**The implementation of the new ERP system may** ~~second quarter of 2024, we experienced operational challenges, primarily while~~**16our e-commerce and drop-ship platforms were either offline or ramping up after the launch. As we progressed through the quarter, the development of several key operational reports was delayed, resulting a lack of visibility to certain data and tools we rely on to manage the wholesale business. As a result, our wholesale net sales in the second quarter of 2024 were unfavorably impacted. While we believe we have taken the necessary steps to address the issues that temporarily impacted our visibility, we cannot be certain** more difficult, costly or time-consuming than anticipated, and it is possible that the system

**additional disruptions** will not **occur** yield the expected benefits. Any **deficiencies or additional** disruptions, ~~delays or deficiencies~~ related to the new ERP system may materially and adversely impact our business operations, including our ability to process orders, manage our inventory, ship products to our customers, maintain our financial records, maintain effective internal control over financial reporting, or perform other business functions. A cybersecurity breach may adversely affect our sales and reputation. We routinely possess sensitive consumer and associate information and periodically provide it to third parties for analysis, benefit distribution or compliance purposes. Consumers are also increasingly using mobile devices and applications to shop online and do comparison shopping. Additionally, a large portion of our Corporate employees are working remotely, which may result in heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. From time to time, we have experienced, and may continue to experience, attacks on our systems or those of our vendors. While we believe we have taken reasonable and ~~appropriate~~ **appropriate** steps to protect sensitive information, hackers and data thieves operate sophisticated, large- scale attacks that could breach our information systems, despite ongoing security measures. In addition, we are required to comply with increasingly complex regulations designed to protect our business and personal data. Any breach of our network security, a third- party' s network security or failure to comply with applicable regulations may result in (a) the loss of valuable business data and / or our consumers' or associates' personal information, (b) increased costs associated with implementing additional protections and processes, (c) a disruption of our business and a loss of sales, (d) negative media attention, (e) damage to our consumer and associate relationships and reputation, and (f) fines or lawsuits. Transitional challenges with acquisitions and divestitures could result in unexpected expenditures of time and resources. As part of our business strategy, we periodically pursue acquisitions of other companies or businesses, ~~such as our recently announced acquisition of Stuart Weitzman,~~ as well as divestitures of our businesses. Although we review the financial results and records of acquisition candidates, the review may not reveal all existing or potential problems. As a result, we may not accurately assess the value of the business and may, accordingly, ultimately assume unknown adverse operating conditions and / or unanticipated expenses and liabilities related to the acquisition. ~~We anticipate funding the acquisition of Stuart Weitzman through our revolving credit agreement and we face the risk that the return on the acquisition will not support the expenditures or indebtedness to acquire the business.~~ Acquisitions may also cause us to incur **debt**, write- offs of goodwill or intangible assets if the business does not perform as well as expected and substantial amortization expenses associated with other intangible assets. We **face the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire such businesses.** We also face the risk that we will not be able to integrate acquisitions into our existing operations or divest our businesses effectively without substantial expense, delay or other operational or financial ~~problems~~ **problems**. Integration may be hindered by, among other things, differing procedures, including internal controls, business practices and technology systems. We may need to **allocate more management resources to integration than we planned, which may adversely affect our ability to pursue other profitable activities** Our operating results depend on preparing accurate sales forecasts and properly managing our inventory levels. Using sales forecasts, we place orders with manufacturers for some of our products prior to the time we receive all of our customers' orders to minimize purchasing costs, the time necessary to fill customer orders and the risk of non- delivery. We also maintain an inventory of certain products that we anticipate will be in greater demand. At the retail level, we place orders for products many months in advance of our key selling seasons. Adverse economic conditions and rapidly changing consumer preferences can make it difficult for us and our retail customers to accurately forecast product trends in order to match production with demand. If we fail to accurately assess consumer fashion tastes and the impact of economic factors on consumer spending or to effectively differentiate our retail and wholesale offerings, our inventory levels may exceed customer demand, resulting in inventory write- downs, higher carrying costs, lower gross margins or the sale of excess inventory at discounted prices, which could significantly impact our financial results. Conversely, if we underestimate consumer demand for our products or if our manufacturers fail to supply the quality products that we require in a timely manner, we may experience inventory shortages. Inventory shortages may delay shipments to customers (and possibly require us to offer discounts or costly expedited shipping), negatively impact retailer and distributor relationships, adversely impact our sales results and diminish brand awareness and loyalty. ~~In~~ **In** addition, our retail stores are inherently subject to the risk of inventory loss and theft. In recent years, the retail industry has experienced an increase in inventory shrinkage, and although we have taken steps to reduce inventory shrinkage, higher rates of shrinkage or increased costs associated with addressing inventory theft, including maintaining a safe store environment for our customers and associates, may have a material adverse impact on our results of operations. A disruption in the effective functioning of our distribution centers could adversely affect our ability to deliver inventory on a timely basis. We currently use several leased distribution centers, which serve as the source of replenishment of inventory for our footwear stores and e- commerce websites operated by our Famous Footwear and Brand Portfolio segments and serve the wholesale operations of our Brand Portfolio segment. Our success depends on our ability to handle the high volume of e- commerce sales and single pair shipments, which requires significant capital to operate with a greater level of sophistication and automation, as well as higher processing and distribution costs. We may be unable to successfully manage, negotiate or renew our distribution center leases, or we may experience complications with respect to our distribution centers, such as substantial damage to, or destruction of, such facilities due to natural disasters. In such an event, our other distribution centers may not be able to support the resulting additional distribution demands and we may be unable to locate alternative persons or entities capable of fulfilling our distribution needs, resulting in an adverse effect on our ability to deliver inventory on a timely basis. The effective operation of our distribution centers may also be impacted by wage inflation, labor shortages and disruptions to the supply chain. Our success depends on our ability to retain senior management and recruit and retain other key associates. Our success depends on our ability to attract, retain and motivate qualified management, administrative, product development, marketing and sales personnel to support existing operations and future growth. In addition, our ability to successfully integrate acquired businesses often depends on our ability to retain incumbent personnel, many of whom possess valuable institutional knowledge and

operating experience. Competition for qualified personnel in the footwear industry is intense and we compete for these individuals with other companies that in many cases have superior financial and other resources. The loss of the services of any member of our senior management or key associates, the inability to attract and retain other qualified personnel or the inability to effectively transition positions could adversely affect the sales, design and production of our products as well as the implementation of our strategic initiatives. Also, we have recently experienced changes in key senior management personnel, including our chief executive officer and chief financial officer. Management transitions may create uncertainty, and if we do not successfully manage the transition, it ~~could~~ **could** be disruptive to our daily operations or impact public or market perception, which could negatively impact our ability to operate effectively and have an adverse impact on our business. Our retail business depends on our ability to secure affordable and desirable leased locations without creating a competitive concentration of stores. The success of the retail business within our Famous Footwear and Brand Portfolio segments depends, in part, on our ability to secure affordable, long-term leases in desirable locations for our leased retail footwear stores and to secure renewals of such leases. As consumer shopping preferences have evolved, we continue to focus on opening stores in locations with a greater penetration of high-value consumers. No assurance can be given that we will be able to successfully negotiate lease renewals for existing stores or obtain acceptable terms for new stores in desirable locations. In addition, opening new stores in our existing markets may result in reduced net sales in existing stores as our stores become more concentrated in the markets we serve. As a result, the number of consumers and financial performance of individual stores may decline and the average sales per square foot at our stores may be reduced. Due to the changing retail landscape, we may want to reduce the number of retail store locations but may be unable to successfully exit lease agreements. This may result in impairments or lease termination charges that adversely **impact our financial results.**

**18 Failure to successfully execute our planned campus sale and relocation could result in unexpected expenditures and operational disruptions. We have entered into an agreement to sell a portion of our headquarters campus in Clayton, Missouri, which is subject to certain closing conditions. We have also entered into two letters of intent to sell the remaining portions of the headquarters campus. Should the sale of any of these parcels not be completed, we may have to carry the campus property longer than intended and incur unexpected costs, or if comparable sales prices cannot be secured, we may have to recognize a loss on disposal, adversely impacting our financial results. In addition, the build-out of our new leased headquarters could be delayed or cost more than expected, which could cause disruption to our business operations or negatively** impact our financial results. Damage to our reputation or brands may negatively impact our business. Our ability to maintain our reputation is integral to the success of our business. Failure to maintain quality merchandise and quality customer service may damage our reputation. The consumer's perception of us, our stores and our brands, whether justified or not, could harm our reputation. Our success depends, in part, on our ability to keep existing consumers, while also attracting new consumers, and a damaged reputation will hinder that ability. In addition, the increased use of social media by us and by our consumer has also increased the risk to our reputation. Negative commentary regarding us or the products we sell may be posted on social media at any time. Consumers value readily available information and may rely on negative commentary without regard to its accuracy. If we are unable to effectively manage social media, our reputation and consumer's perception of our brands may be negatively impacted. Our **ESG responsible business** initiatives may result in increased scrutiny from stakeholders or regulators with respect to our **ESG responsible business** goals and objectives. We may not be able to achieve ~~those~~ **our ESG** goals within the timelines established, or at all. Failure to successfully achieve our established goals may damage our reputation, or the reputation of our brands. Our reputation may also be damaged if we do not act, or are perceived by our consumers to not act, responsibly with respect to our impact on the environment or other social or governance matters. Damage to our brands and reputation could have a material adverse effect on our business, results of operations, financial position and cash flow. A significant portion of our Famous Footwear sales are dependent on our Famous Footwear loyalty program, Famously You Rewards ("Rewards"), and any decrease in sales from Rewards could have a material adverse impact on our sales. Rewards is a customer loyalty program that drives sales and traffic for the Famous Footwear segment. Rewards members earn points toward certificates for qualifying purchases. Upon reaching specified point values, members are issued a Rewards certificate, which may be redeemed for purchases at Famous Footwear. Approximately ~~77~~ **75** % of our ~~2023~~ **2024** sales within the Famous Footwear segment were generated by our Rewards members. If our Rewards members do not continue to shop at Famous Footwear, our sales may be adversely affected. **Transitional challenges with acquisitions and divestitures..... our ability to pursue other profitable activities.**

**TAX, LEGAL, AND REGULATORY RISKS** Changes in tax laws may result in increased volatility in our effective tax rates. Our financial results are significantly impacted by the effective tax rates of both our domestic and international operations. Future changes in tax laws could materially impact our effective tax rate. Other factors, such as changes in the mix of earnings in countries with differing statutory tax rates, changes in permitted deductions, interpretations, policies and treaties and the outcome of income tax audits in various jurisdictions, may result in higher taxes, lower profitability and increased volatility in our financial results. In addition, changes in the tax laws of foreign jurisdictions may arise as a result of the Pillar Two ("Pillar Two") Global Anti-Base Erosion model rules that were released by the Organization for Economic Cooperation and Development (OECD) in 2021. The OECD continues to release guidance and many countries ~~are implementing~~ **implemented** legislation to adopt the rules for tax years beginning in 2024. Although the United States has not yet enacted legislation implementing Pillar Two, there can be no assurance that our effective tax rate or tax payments will not be adversely affected as countries independently amend their tax laws to adopt Pillar Two. ~~Our~~ **19 Our** commitments and shareholder expectations relating to **responsible business initiatives** ~~environmental, social and governance ("ESG") considerations~~ may expose us to liabilities, increased costs, reputational harm, and other adverse effects on our business. We are increasingly focused on ~~ESG considerations~~ **responsible business initiatives** relating to our business, including greenhouse gas emissions, human and civil rights and **talent management** ~~diversity, equity and inclusion~~. New laws and regulations in these areas, including those passed by the State of California and the SEC, will be required to be adopted, and may be passed by other states or regulatory agencies. The criteria used by regulators and other

relevant stakeholders to evaluate our **ESG-responsible business initiative** practices, capabilities, and performance may change rapidly, which in each case could require us to undertake costly initiatives or operational changes. In addition, the requirements may not be uniform across jurisdictions, which may result in increased complexity and cost to become or remain compliant. Non-compliance with these rules or standards or a failure to address regulator, stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, suppliers and commercial partners, failure to retain and attract talent, lower valuation and higher investor activism activities. Managing these considerations and implementing these goals and initiatives involves risks and uncertainties, including increased costs, and often depends on third-party performance or data that is outside our control. We cannot guarantee that we will achieve our announced **responsible business ESG-goals and** initiatives, satisfy all stakeholder expectations, or that the benefits of implementing or achieving these goals and initiatives will not surpass their projected costs. Any failure, or perceived failure, to achieve **responsible business ESG-goals and** initiatives, as well as to manage **ESG-associated** risks, adhere to public statements, comply with federal, state or international **ESG-laws and regulations** or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price. Our business, sales and brand value could be harmed by violations of labor, trade or other laws. We focus on doing business with those suppliers who share our commitment to responsible business practices and the principles set forth in our Production Code of Conduct (the "PCOC"). By requiring our suppliers to comply with the PCOC, we encourage our suppliers to promote best practices and work toward continual improvement throughout their production operations. The PCOC sets forth standards for working conditions and other matters, including compliance with applicable labor practices, workplace environment and compliance with laws. Although we promote ethical business practices, we do not control our suppliers or their labor practices. A failure by any of our suppliers to adhere to these standards or laws could cause us to incur additional costs for our products or cause negative publicity and harm our business and reputation. We also require our suppliers to meet our standards for product safety, including compliance with applicable laws and standards with respect to safety issues, including lead content in paint. Failure by any of our suppliers to adhere to product safety standards could lead to a product recall, which may result in critical media coverage, harm our business and reputation, and cause us to incur additional costs. ~~19~~**In** addition, if we, or our suppliers or international manufacturers, violate United States or international trade laws or regulations, we may be subject to additional duties, significant monetary penalties, the seizure and forfeiture of the products we are attempting to import or the loss of our import privileges. Possible violations of United States or international laws or regulations could include inadequate recordkeeping of our imported products, misstatements or errors as to the origin, classification, marketing or valuation of our imported products, fraudulent visas or labor violations. The effects of these factors could render our conduct of business in a particular country undesirable or impractical and have a negative impact on our operating results. Our reputation and competitive position are dependent on our ability to license well-recognized brands, license our own brands under successful licensing arrangements and protect our intellectual property rights. Licenses- Company as Licensee Although we own most of our wholesale brands, we also rely on our ability to attract, retain and maintain good relationships with licensors that have strong, well-recognized brands and trade names. Our license agreements are generally for an initial term of two to four years, subject to renewal, and there can be no assurance that we will be able to renew these licenses. Even our longer-term or renewable licenses are typically dependent upon our ability to market and sell the licensed products at specified levels, and the failure to meet such levels may result in the termination or non-renewal of such licenses. Furthermore, many of our license agreements require minimum royalty payments, and if we are unable to generate sufficient sales and profitability to cover these minimum royalty requirements, we may be required to make additional payments to the licensors that could have a material adverse effect on our business and results of operations. ~~20~~**In** addition, because certain of our license agreements are non-exclusive, new or existing competitors may obtain licenses with overlapping product or geographic terms, resulting in increased competition for a particular market. Licenses- Company as Licensor We have entered into numerous license agreements with respect to the brands and trade names that we own. While we have significant control over our licensees' products and advertising, we generally cannot control their operational and financial issues. If our licensees are not able to meet annual sales and royalty goals, obtain financing, manage their supply chain, control quality and maintain positive relationships with their customers, our business, results of operations and financial position may be adversely affected. While we would likely have the ability to terminate an underperforming license, it may be difficult and costly to locate an acceptable substitute distributor or licensee, and we may experience a disruption in our sales and brand visibility. In addition, although many of our license agreements prohibit the licensees from entering into licensing arrangements with certain of our competitors, they are generally not prohibited from offering, under other brands, the types of products covered by their license agreements with us. Trademarks We believe that our trademarks and trade names are important to our success and competitive position because they create a market for our products and distinguish our products from other products. We cannot, however, guarantee that we will be able to secure protection for our intellectual property in the future or that such protection will be adequate for future operations. Furthermore, we face the risk of ineffective protection of intellectual property rights in jurisdictions where we source and distribute our products, some of which do not protect intellectual property rights to the same extent as the United States. If we are unsuccessful in challenging a party's products on the basis of infringement of our intellectual property rights, continued sales of these products could adversely affect our sales, devalue our brands and result in a shift in consumer preference away from our products. We may face significant expenses and liability in connection with the protection of our intellectual property rights, and if we are unable to successfully protect our rights or resolve intellectual property conflicts with others, our business or financial condition could be adversely affected. We are subject to periodic litigation and other regulatory proceedings, which could result in the unexpected expenditure of time and resources. We are a defendant from time to time in lawsuits and regulatory actions (including environmental matters) relating to our business and to our past operations. Due to the inherent uncertainties of litigation and

regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse impact on our business, financial condition and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and will require that we devote substantial resources and executive time to defend, thereby diverting management's attention and resources that are needed to successfully run our business. See Item 3, Legal Proceedings, for further discussion of pending matters. **LIQUIDITY RISKS**Our business, results of operations, financial condition and cash flows could be adversely affected by the failure of financial institutions to fulfill their commitments under our Credit Agreement. The Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), which matures on October 5, 2026, is provided by a syndicate of financial institutions, with each institution agreeing severally (and not jointly) to make revolving credit loans to us in an aggregate amount of up to \$ 500.0 million in accordance with the terms of the Credit Agreement. In addition, the Credit Agreement provides for an increase at the Company's option by up to \$ 20-250.0 million. If one or more of the financial institutions participating in the Credit Agreement were to default on its obligation to fund its commitment, the portion of the facility provided by such defaulting financial institution may not be available to us. In addition, as of February 1, 2025, total borrowing availability under the Credit Agreement was \$ 272.3 million. Failure to meet our debt covenants under the Credit Agreement may require the Company to seek waivers or amendments of the debt covenants, alternative or additional sources of financing or reduce expenditures. In addition, borrowings under our Credit Agreement bear interest at variable rates. As a result, increases in interest rates, such as those we have recently experienced, could require a greater portion of our cash flow to be used to pay interest, which will negatively impact our net income and cash flow from operations. 21