Risk Factors Comparison 2023-03-14 to 2022-03-15 Form: 10-K

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An investment in our common stock involves certain risks. The risks and uncertainties described below are not the only risks that may have a material adverse effect on the Company, and the risks described herein are not listed in order of their potential occurrence or severity. If any of the following risks actually occur, our business, consolidated financial condition or results of operations could be negatively affected, and the market price for our shares could decline. There is no assurance that we have identified, assessed and appropriately addressed all risks affecting our business operations. Moreover, additional risks and uncertainties not identified herein could adversely affect our business, consolidated financial condition **and /** or results of operations. Further, to the extent that any of the information contained in this Annual Report on Form 10- K constitutes forward- looking statements, the risk factors set forth below are cautionary statements, identifying important factors that could cause the Company' s actual results to differ materially from those expressed in or implied by any forward- looking statements made by or on behalf of the Company. There can also be no assurance that the actual future results, performance, benefits or achievements that we expect from our strategies, systems, initiatives or products will occur. Additionally, investors should not interpret the disclosure of a risk to imply **a lack of materialization of** that ~~the~~ risk **to date** ~~has not already materialized~~. Risks Related to Business Strategy and Operations If we cannot successfully execute our business strategy, our consolidated financial condition and results of operations could be materially adversely impacted. There are numerous risks associated with this strategy including, but not limited to, the following: ~~RiskDescription1~~ - ~~.2~~ **RiskDescription 1** .Our inability to achieve the results of our strategic initiativesWe have launched significant initiatives,including digital initiatives,designed to reposition our brands,drive sales,acquire new customers,establish new channels of distribution,achieve ~~organization~~ **organizational** efficiency and further align the organizational structure for long- term growth.These initiatives require substantial internal change and effort,including reductions and changes in vendors and personnel,reductions in store locations and significant adjustments in how we design and source product and how we ultimately present and sell it to our customers.These initiatives may not deliver all of the results we expect.Moreover,the process of implementing ~~them~~ **these initiatives** places significant stress on the Company and could result in unexpected short- term interruptions or negative impacts to our business,such as disruptions to our current business processes as we migrate to the new processes,or failure to successfully migrate to those new processes,which could negatively impact product flow,product quality or inventory levels,or result in additional impairment of long- lived assets.Further,digital operations are subject to numerous risks,including reliance on third- party computer hardware / software and service providers,data breaches,violations of state,federal or international laws,including those relating to online privacy,credit card fraud,telecommunication failures and electronic break- ins and similar disruptions,and disruption of internet service.In addition,there is no assurance that we can complete the implementation of all of these initiatives in the manner or in the time- frame planned,or that,once implemented,they will result in the expected increases in the efficiency or productivity of our business. ~~3~~ **2** .Failure to identify and respond to fashion trends that appeal to our customer and implement and manage our business strategy may adversely impact sales and profitabilityOur future success depends,in part,upon our ability to identify and respond to fashion trends in a timely manner and develop innovative,high- quality merchandise in styles that appeal to our consumers and in ways that favorably distinguish us from our competitors ~~.~~. The ~~ongoing to our customer and implement and manage our business strategy may adversely impact sales and profitabilityOur future success depends,in part,upon our ability to identify and respond to fashion trends in a timely manner and develop innovative,high- quality merchandise in styles that appeal to our consumers and in ways that favorably distinguish us from our competitors.The~~ specialty retail apparel business fluctuates according to changes in the economy and customer preferences,influenced by fashion and season as well as current events and social issues.These fluctuations affect the inventory sourced by our brands as merchandise typically must be ordered well in advance of the selling season.There can be no assurance that we will appropriately anticipate consumer demands and accurately plan brand- right inventory in the future.Our long- term omnichannel business strategy is dependent upon a number of other factors,including,but not limited to,customer shopping habits (such as online versus in- store) and discretionary income ~~,~~ **;** identifying and developing new brand extensions,markets and channels of distribution ~~,~~ **;** effectively using and evolving our marketing resources and programs to communicate with existing and potential customers ~~,~~ **;** maintaining favorable brand recognition,effectively managing our store base ~~,~~ **;** including management of store productivity and negotiating acceptable lease terms ~~,~~ **;** effectively managing our franchise ~~,~~ **;creating and maintaining** wholesale and licensing relationships to optimize sales and margin and to protect our brands ~~,~~ **;** having the appropriate corporate resources to support our business strategies ~~,~~ **;** sourcing appropriate levels of inventory in line with sales expectations and then managing its disposition ~~,~~ **;** hiring,training and retention of qualified employees ~~,~~ **;** generating sufficient operating cash flows to fund our business strategies ~~,~~ **;** maintaining brand- specific websites that offer the system functionality,service and security customers expect ~~,~~ **;** and correctly identifying,implementing and maintaining appropriate technology to support our business strategies. ~~4~~ **3** .CompetitionThe women' s specialty retail industry is highly competitive.We compete with local,national and international department stores ~~,~~ **;** specialty and discount stores ~~,~~ **;** catalogs **;** and internet businesses offering similar categories of merchandise.Many of our competitors have advantages over us,including substantially greater financial,marketing,distribution and other resources.Increased levels of **online and in- store** promotional activity by our competitors,some of whom may be able to adopt more aggressive pricing policies than we can ~~,both online and in stores~~ ,may negatively impact our sales and profitability.There is no assurance that we can compete successfully with these companies in the future.In addition to competing for sales,we compete for store and online traffic,for favorable store locations and lease terms and for qualified associates.The growth of fast fashion,value fashion retailers and expansion of off- price retailers has shifted shopper expectations to more affordable pricing of well- known brands and has contributed to continued promotional pressure as well as a shift in customers' expectations with regard to the timing and costs of product deliveries and returns.If we do not identify and respond **to these emerging trends in consumer spending as well as the growing preference of many customers for online e- commerce options,we may not be able to retain our existing customers or attract new customers.Increased competition in any of these areas may result in higher costs or otherwise reduce our sales or operating margins.4.** COVID- 19 pandemicThe COVID- 19 pandemic has resulted in significant challenges across our business since March 2020 **,** and **potential** ~~we expect continued~~ uncertainty and volatility **remains** in our business operations **(including with respect to the suppliers on whom we depend)** , operating results and operating cash flows as the ongoing economic impacts and health concerns associated with the pandemic **could** continue to affect consumer behavior, spending levels and shopping preferences as well as our operational logistics ~~. In March 2020, the World Health Organization declared COVID- 19 a pandemic, resulting in local and state governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay- at- home orders and advisories and quarantining of people who may have been exposed to the virus, resulting in the Company' s decision to temporarily close all of its retail stores in March 2020. During and after this time, many markets also imposed restrictions on the access to the Company' s stores, including temporary store closures and / or a reduction in hours, staffing and capacity. While most of these restrictions have since been lifted or eased, increases in new COVID- 19 cases, including as a result of new COVID- 19 variants may lead to restrictions being reinstated, or new restrictions imposed in these jurisdictions, such as requiring proof of vaccination status to access stores. While we have accelerated our transformation to a digital- first company since the onset of the pandemic, the reinstatement of restrictions on the access to the Company' s store fleet, including temporary store closures, a reductions in hours, staffing and capacity, or the imposition of new restrictions, could adversely impact our business operations, consolidated financial performance and liquidity. New safety practices or protocols in response to COVID- 19 have adversely impacted our business and such impacts may continue and / or increase in the future. Additionally, any material reduction in our customers' willingness to shop at our stores, the levels of our customers' spending at our stores or on our websites or our employees' willingness to staff our stores, as a result of health concerns related to the pandemic or its impact on the economy and consumer discretionary spending, and any increase in the cost of operating our stores due to additional health and safety precautions, may adversely impact our business operations, consolidated financial performance and liquidity. In response to the pandemic and uncertain economic conditions and customer traffic and demand, the Company deferred rent payments and made reduced rent payments where and when applicable during fiscal 2020. Throughout fiscal 2020 and 2021, we engaged in extensive discussions with our landlords in an effort to achieve appropriate rent relief and other lease concessions and, in some cases, to terminate existing leases. As of January 29, 2022, the Company achieved commitments of $ 87 million in rent abatements and reductions resulting from its comprehensive real estate and lease portfolio review. If we are forced to reclose stores for an extended period of time in response to new government mandates or if customers' shopping habits do not rebound as we expect, we may not be able to negotiate additional future rent relief, such as abatements, or terminate the leases, on commercially reasonable terms or at all. Failure to obtain further rent relief in such circumstances may adversely impact our business operations, consolidated financial performance and liquidity~~ . Our industry has been experiencing supply chain inflation and disruptions due to **in part due to** the pandemic. The inability of our third- party business partners, including our suppliers, logistics providers and vendors, to meet their obligations to us in light of financial stress, labor shortages, liquidity challenges, bankruptcy filings by other industry participants and supply chain and other disruptions due to the pandemic could adversely impact our business operations, consolidated financial performance and liquidity. In particular, we have incurred ~~and expect to continue to incur~~ higher shipping costs due to sourcing new transportation methods to offset vendor capacity constraints and related surcharges, as well as product supplier handover delays and extended inbound transit times due to labor shortages. Higher shipping costs and constraints on our shipping capacity and longer delivery times may result in higher expenses, delayed shipments and inventory delays or product shortages that result in lost sales, all of which could adversely impact our business operations, consolidated financial performance and liquidity. The pandemic has also resulted in periods of significant disruption and volatility in the global capital markets, which could adversely affect our ability to access the capital or financing markets, if needed, and our ability to meet our liquidity needs ~~, all of which cannot be predicted~~ . The full extent of the impact that the pandemic will have on our business remains to be seen ~~, as the pandemic and associated containment and remediation efforts continue to rapidly evolve~~ , and such impact will depend on many factors including, but not limited to, the ~~duration of any future store restrictions, the duration of any future quarantines, shelter- in- place orders or other travel restrictions, the duration and severity of the pandemic, the~~ impact of the pandemic on consumer spending, and how quickly and to what extent normal economic ~~and operating~~ conditions resume. New variants of COVID- 19 may **emerge or** increase the spread or severity of COVID- 19 and previously developed vaccines and therapies may not be as effective against new COVID- 19 variants. If the duration or severity of the pandemic continues ~~or~~ **,** worsens, **reoccurs** it may amplify or heighten the negative impacts on our business, financial condition, consolidated results of operations and liquidity and many of the other risks described in this Annual Report on Form 10- K . 2. Our inability to achieve...... otherwise reduce our sales or operating margins . Risks Related to General Economic Conditions Numerous economic conditions, all of which are outside of our control, could negatively affect the level of our customers' spending or our costs of operations. If these economic conditions persist for a sustained period, our consolidated financial condition and results of operations could be materially adversely impacted. These economic conditions include, but are not limited to, the following: RiskDescription5. Declines in consumer spending and customer trafficConsumer spending in our sector may decline as a result of: threatened or actual government shut downs, ~~higher~~ -- **high** unemployment levels, low levels of consumer credit, declines in consumer confidence, inflation, ~~changes~~ **increases** in interest rates, recessionary pressures, increasing gas and other energy costs, increased taxes, increases in housing prices, higher durable goods or other consumer spending, volatility in the financial markets, uncertainty regarding the political or socio- economic environment and concerns regarding public health crises, such as the COVID- 19 pandemic **. Any one of these factors, or a combination thereof, may reduce our customers' spending and purchases due to, for example, job loss or fear of job loss, foreclosures, bankruptcies, higher consumer debt and interest rates, reduced access to credit, falling home prices, increased taxes and / or decline in consumer confidence** . Further, a significant number of our stores are located in malls and other shopping centers and many of these malls and shopping centers have been experiencing declines in customer traffic. Our sales at these stores are dependent, to a significant degree, upon the volume of traffic in those shopping centers and the surrounding area; however, our costs associated with these stores are essentially fixed. In times of declining traffic and sales, our ability to leverage these costs and our profitability are negatively impacted. Our stores benefit from the ability of a shopping center' s other tenants to generate consumer traffic in the vicinity of our stores and the continuing popularity of the shopping center as a shopping destination. Our sales volume and traffic ~~has~~ **have** been **,** and we expect will continue to be **,** adversely affected by, among other things, concerns regarding public health crises, the decrease in popularity of malls or other shopping centers in which our stores are located, the closing of anchor stores important to our business, and declines in popularity of other stores in the malls or shopping centers in which our stores are located. Furthermore, a deterioration in the financial condition of shopping center operators or developers could, for example, limit their ability to invest in improvements and finance tenant improvements for us and other retailers and lead consumers to view these locations as less desirable. Lastly, growth in our digital business relative to in- store sales may result in dilution of operating margin and profit due to higher delivery expenses incurred in connection with digital sales. Furthermore, if our digital businesses continue to successfully grow, they may do so in part by attracting existing customers, rather than new customers, who choose to purchase products from us online through our websites rather than from our physical stores, thereby reducing the financial performance of our store fleet. Further reduction in consumer traffic as a result of these or any other factors could have a material adverse effect on our business, consolidated financial condition or results of operations. ~~For example, see above in " The ongoing COVID- 19 pandemic. "~~ 6. Fluctuating costs and inflationFluctuations in the price, availability and quality of fabrics and other raw materials used to manufacture our products, as well as the price for labor and transportation, may contribute to ongoing pricing pressures throughout our supply chain. The price and availability of such inputs to the manufacturing process may fluctuate significantly, depending on several factors, including commodity costs (such as higher cotton prices), energy costs (such as fuel), ~~shipping~~ **freight** costs, inflationary pressures from emerging markets, concerns regarding public health crises, increased labor costs, weather conditions ~~,~~ **(** including risks associated with climate change ~~,~~ **)** and currency fluctuations. Moreover, increasing costs of materials and labor due to recent heightened inflation may materially adversely impact our margins and results of operations. We have ~~recently~~ experienced significant inflation in labor, materials and shipping costs **. The Russian invasion of Ukraine in 2022** ~~as~~ **has** ~~a result of~~ **led to economic disruptions, including, but not limited to, increased inflationary pressures and supply chain constraints, which have negatively impacted** the **global economy** ~~COVID- 19 pandemic~~ . The cost of materials that are used to manufacture our products can fluctuate **, and have fluctuated,** because of inflation and other factors **. Inflationary pressure may also result in decreased demand for our products, increases in our operating costs (including our labor costs), reduced liquidity, and limits on our ability to access credit or otherwise raise capital. In response to the concerns over inflation risk, the U. S. Federal Reserve raised interest rates multiple times in 2022 and may continue to do so in the future** . Additionally, a majority of the merchandise we sell is manufactured and produced outside of the U. S. and declines in the value of the U. S. dollar may result in higher costs **to manufacture and produce** . **Any** ~~Moreover,~~ sudden decreases in the costs for materials may result in the cost of inventory exceeding the cost of new production, which could result in lower profitability, particularly if these decreases cause **existing inventory** downward price pressures that we are not able to control. If, in the future, there is volatility in the costs for materials and labor that we are unable to ~~be~~ offset through price adjustments or improved efficiencies, our business, results of operations, financial condition and cash flows may be adversely affected. 7. Impairment chargesSignificant negative industry or general economic trends, changes in customer demand for our ~~product~~ **products** , disruptions to our business and unexpected significant changes or planned changes in our operating results or use of long- lived assets (such as boutique relocations or discontinuing use of certain boutique fixtures) have resulted in and may in the future result in impairments to goodwill, intangible assets and other long- lived assets. 8. Fluctuating comparable sales and operating resultsOur comparable sales and overall operating results have fluctuated in the past and are expected to continue to fluctuate in the future. In addition to other risk factors discussed in this **" Risks Related to General Economic Conditions "** section, a variety of factors affect comparable sales and operating results, including concerns regarding public health crises, changes in fashion trends, changes in our merchandise mix, customer acceptance **or rejection** of merchandise offerings, the timing of marketing activities, calendar shifts of holiday periods, the periodic impact of a fifty- three- week fiscal year, climate risks including weather conditions ~~on~~ **impacting** our supply chain, political or social unrest and general economic conditions. In addition, our ability to address the current challenges of sustained declining store traffic combined with a highly promotional retail environment ~~and our execution of our retail fleet optimization plan and related store closings~~ may impact our comparable sales, operating results and ability to maintain or gain market share. Past comparable sales or operating results are not an indicator of future results. For example, see above in " ~~The ongoing~~ COVID- 19 pandemic. " Risks Related to Omnichannel Operations Our omnichannel operations (including our websites and catalogs) are a critical part of our customers' overall experience with our brands and will be a significant contributor to our future business growth and profitability. Our inability or failure to successfully manage and maintain those operations could materially and adversely impact our results of operations. Specific risks include, but are not limited to, the following: RiskDescription9. Reliance on technologyOur brands' websites and select systems, including our integrated inventory management system, are heavily dependent on technology, which creates numerous risks including unanticipated operating problems, system failures, rapid technological change, failure of technology to operate the websites and systems as anticipated, reliance on third- party computer hardware and software providers, computer viruses, telecommunication failures, liability for online content, systems and data breaches, denial of service attacks, spamming, phishing attacks, computer hackers and other similar disruptions. Our failure to successfully assess and respond to these risks could negatively impact sales, increase costs, inhibit our ability to acquire new customers and damage the reputation of our brands. 10. Reliance on the U. S. Postal Service and other shipping vendorsWe utilize shipping vendors to support our operations and fulfillment. Any significant increase in shipping costs and delivery times, or reductions in service could impair our ability to deliver merchandise in a timely or economically efficient manner. ~~For example, see above in " The ongoing COVID- 19 pandemic. "~~ Postal rate increases or a delay or reduction in service could affect the cost or timeliness of our order fulfillment and catalog and promotional mailings. We use the **U. S.** Postal Service to mail millions of catalogs each year to educate our customers about our products, acquire new customers, drive customers to our boutiques and websites and promote catalog sales. We rely on discounts from the basic postal rate structure, such as discounts for bulk mailings and sorting. The Company experienced delays in U. S. Postal Service deliveries in ~~fiscal~~ **recent** years ~~2020 and 2021~~ and expects such delays to persist ~~throughout much of fiscal year 2022~~ . Risks Related to Information Technology Systems In addition to the dependence of our retail websites and other systems on technology as discussed above, we also rely on various information technology systems to manage our overall operations, and failure of those systems to operate as expected or a significant interruption in service could materially adversely impact our consolidated financial condition and results of operations. Risks include, but are not limited to, the following: RiskDescription11. Disruptions while maintaining current systems or difficulties in integrating new systemsWe and third- party providers on whom we rely regularly maintain, upgrade, enhance or replace our websites and information technology systems to support our business strategies and provide business continuity. Replacing legacy systems with successor systems, making changes to existing systems ~~or~~ **,** acquiring new systems with new functionalities **, changing to multiple systems simultaneously, executing oversight of vendor issues and maintaining adequate internal staffing** have inherent risks including disruptions, delays, gaps in functionality, user acceptance, adequate user training or other difficulties that may impair the effectiveness of our information technology systems. **Additionally, if such information technology systems fail to operate or are unable to support our growth, our store operations and websites could be severely disrupted, and we could be required to make significant additional expenditures to remedy any such failure.** 12. Cybersecurity ~~/~~ **and** Data PrivacyOur business involves the storage and / or transmission of customers' personal information, shipping preferences and credit card information, as well as confidential information regarding our business, employees and third parties. In addition, as part of our acceptance of customers' debit and credit cards as forms of payment, we are required to comply with the Payment Card Industry Data Security Standards (" PCI "). Because we have access to, collect or maintain information about our customers, the protection of that data is critical to our business. The regulatory environment surrounding information security and privacy continues to evolve, **can vary significantly by country** and **presents compliance challenges, all of which increase our costs, impact our competitiveness, and can expose us to substantial fines or other penalties. In addition,** new laws increasingly are giving customers the right to control how their personal data is used. For example, our failure to comply with the obligations of the European Union' s General Data Protection Regulation (" GDPR ") could result in significant penalties in the future, which could have a material adverse effect on our business and results of operations. In addition, the State of California adopted the California Consumer Privacy Act of 2018 (" CCPA ") and the California Privacy Rights Act of 2020 (" CPRA "), which regulates the collection and use of consumers' data. Complying with GDPR, CCPA, CPRA and similar U. S. federal and state laws, including **state privacy laws and** a potential federal privacy law ~~and state privacy laws~~ , could also cause us to incur substantial costs, forego a substantial amount of revenue or be subject to business ~~risk~~ **risks** associated with system changes and new business processes. We are also subject to cybersecurity risks, which we may not be able to anticipate or prevent because of the rapidly evolving types of cyber- attacks. Actual or anticipated attacks may cause us to incur increased costs including costs to deploy additional personnel and protection technologies, train employees and engage third- party experts and consultants. While we have implemented measures reasonably designed to prevent security breaches, cyber incidents and privacy violations, and while we have taken steps to comply with PCI, GDPR, CCPA, CPRA and other **applicable** laws, those measures may not be effective, and we may experience significant security breaches, cyber incidents and privacy violations in the future. A **significant** cyber breach or incident or privacy violation through any means, including indirectly through third- party service providers and vendors, could result in the loss or misuse of data and could result in significant fines ~~,~~ **and** penalties **(resulting from, among other things, regulatory action)** , damages, loss of business, legal expenses **(resulting from, among other things, litigation)** , remediation costs, reputational damage or loss of our ability to accept debit and credit cards as forms for payment. **A significant cyber breach or incident or a privacy violation could also result in other negative consequences related to our competitiveness or could lead to costs that are not covered by insurance.** In addition, changes in laws or regulations, **(including the finalization of proposed cybersecurity regulatory rules)** the PCI standards or technology, could result in increased expenses due to system or administrative costs. In addition, ~~certain~~ **having a portion** of our ~~employees~~ **workforce** working remotely has amplified certain risks to our business, including increased demand on our information technology resources and systems, increased phishing, business email compromise and other cybersecurity attacks, including increased introduction of malware, ~~as cybercriminals try to exploit the uncertainty surrounding the COVID- 19 pandemic,~~ and an increase in the number of points of potential attack, such as laptops and mobile devices **to be secured** (both of which are now being used in increased numbers) **. Any** ~~, to be secured, and any~~ failure to effectively manage these risks, including to timely identify and appropriately respond to any cyberattacks or other disruption to our technology infrastructure, may adversely affect our business, consolidated financial performance and results of operations. Risks Related to Sourcing and Distribution Strategies Our sourcing and distribution strategies are subject to numerous risks that could materially adversely impact our consolidated financial condition and results of operations. These risks include, but are not limited to, the following: RiskDescription13. Reliance on foreign sources of productionThe majority of the merchandise we sell is produced outside the United States. As a result, our business remains subject to the various risks of doing business in foreign markets and importing merchandise from abroad, such as: geo- political instability, non- compliance with the Foreign Corrupt

Practices Act and other anti- corruption laws and regulations, potential changes to the United ~~–~~States- Mexico- Canada Agreement and other international trade agreements, imposition of new legislation relating to import quotas, imposition of new or increased duties, taxes, or other charges on imports, foreign exchange rate challenges and pressures presented by implementation of monetary policy by the Federal Reserve and other international central banks, challenges from local business practices or political issues, manufacturing and transportation disruptions, our shift to a predominantly FOB (free on board) shipping structure rather than predominantly DDP (delivered duty paid), natural disasters and weather conditions due to the effect of climate change or other reasons, public health crises, customer activism related to our use of particular foreign markets, delays in the delivery of cargo due to port security considerations or government funding; seizure or detention of goods by U. S. Customs authorities, or a reduction in the availability of shipping sources caused by industry consolidation or other reasons. We source a substantial portion of our merchandise from Asia, including **Vietnam and** China. A reduction in the number of foreign suppliers, through bankruptcy or otherwise, or any change in exchange rates, labor laws or policies affecting the costs of goods in Asia could negatively impact our merchandise costs and the timely availability of the desired amount of merchandise. Furthermore, delays in production or shipping product, whether due to work slow- downs, work stoppages, strikes, port congestion, labor disputes, product regulations and customs inspections, public health crises or other factors, could also have a negative impact **on our merchandise costs and the timely availability of the amount of merchandise we need** . Our supply chain could be disrupted or delayed by the impact of global health endemics or pandemics, such as has been the case during the COVID- 19 pandemic, and the related government and private sector responsive actions thereto, including, but not limited to, border closures, restrictions on product shipments, and travel restrictions. During fiscal ~~2021~~ **2022** , **Vietnam and** China sourced product accounted for approximately ~~31~~ **36 % and 30** % of our merchandise cost ~~. If the COVID- 19 pandemic continues for a prolonged period of time, we could experience significant additional supply chain disruptions~~ . If we experience significant additional supply chain disruptions in China or other countries **from which we source our products** , we may not be able to develop alternate sourcing quickly **and / or** on favorable terms, if at all, which could result in increased costs, loss of sales and ~~a~~ loss of customers, and ~~adversely~~ -- **adverse** ~~impact~~ **impacts on** our margins and results of operation. Further, there have been ongoing discussions, commentary and governmental actions regarding potentially significant changes to the United States trade policies, treaties, tariffs and taxes, including trade policies and tariffs regarding China. Tariffs imposed on Chinese origin goods under Section 301 in 2018 and 2019 largely continue to be in place today and range from 10 % to 25 % on certain Chinese- made imported products. While the Office of the United States Trade Representative (" USTR ") issued exclusions to Section 301 tariffs for certain products, most exclusions expired in December 2021, and have not been re- issued. These tariffs, as well as any additional tariffs, may result in lower gross margins on affected products or could require us to increase prices, which may impact customer demand for our products. ~~While the USTR and the Ministry of Commerce of China signed a " phase one " trade deal on January 15, 2020, which, among other things, officially agreed to the rollback of tariffs and expansion of trade purchases, there~~ **There** is significant uncertainty about the future relationship between the United States **, on the one hand,** and China and other countries **, on the other hand,** with respect to the trade policies, treaties, taxes, government regulations and tariffs that would be applicable. It is unclear what changes might be considered or implemented and what response to any such changes may be by the governments of other countries. Significant tariffs or other restrictions placed on Chinese imports and any related counter- measures that are taken by China could have an adverse effect on our consolidated financial condition or results of operations. **Other** ~~Tariff~~ **tariff** risks ~~beyond China~~ include increased enforcement of intellectual property (IP) rights under Section 301 of the Trade Act of 1974 (the " Trade Act "). For example, the USTR conducts a review to identify countries that deny adequate and effective protection of ~~intellectual property (~~ IP ~~)~~ or deny fair and equitable market access to U. S. persons who rely on IP protection and the U. S. Customs and Border Protection has increasingly been enforcing laws related to the prevention of forced labor in importers' supply chains, with focus on certain commodities such as cotton. Even in the absence of further tariffs, the related uncertainty and the ~~market' s~~ fear of an escalating trade war might create forecasting difficulties for us and cause our customers and business partners to place fewer orders for our products, which could have a material adverse effect on our business, liquidity, consolidated financial condition, and / or results of operations. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between these **applicable** nations and the United States. Any of these factors could depress economic activity, restrict our access to suppliers or customers and have a material adverse effect on our business, consolidated financial condition and results of operations and affect our international strategies. Given the relatively fluid regulatory environment in China and the United States and relative uncertainty with respect to tariffs, international trade agreements and policies, a trade war, further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes in the future could directly and adversely impact our consolidated financial condition and results of operations. 14. Our suppliers' inability to provide quality goods in a timely mannerWe are subject to risk because we do not own or operate any manufacturing facilities and depend on independent third parties to manufacture our merchandise. A key supplier may become unable to address our manufacturing needs for a variety of reasons. If we were unexpectedly required to change suppliers or if a key supplier were unable to supply quality merchandise in sufficient quantities on acceptable terms, we could experience a significant impact to the supply or cost of merchandise. For example, see above in " ~~The ongoing~~ COVID- 19 pandemic. " 15. Reliance upon one supplierApproximately ~~13~~ **14** % of total purchases in fiscal **2022 and** 2021 ~~and 2020~~ **, respectively,** were made from one supplier, and we cannot guarantee that this relationship will be maintained in the future or that the supplier will continue to be available to supply merchandise. Since we have no material long- term or exclusive contract with any apparel or accessory manufacturer or supplier, our business depends on our network of suppliers and our continued good relations with them. As a result, the sudden loss of this or another key supplier or any disruptions in their ability to supply us with merchandise could adversely impact our business, consolidated financial condition and results of operations. Moreover, we may not be able to find replacement suppliers in a timely fashion or on commercially ~~reasonably~~ **reasonable** terms, which may ~~also~~ have an adverse impact on our consolidated financial condition and results of operations. 16. Our suppliers’ failure to implement acceptable labor ~~practicesAlthough~~ **practicesWe are committed to managing a responsible supply chain, and in support of such commitment have adopted our Global Vendor Code of Conduct, which is based on internationally- accepted labor standards and guidance, including the International Labour Organization’ s fundamental conventions and The United Nations Guiding Principles on Business and Human Rights and reflects the minimum requirements our suppliers and each of the value chains partners (which includes without limitation, factories, mills, laundry facilities and raw materials providers) must meet in connection with the sourcing of raw materials and manufacture of our merchandise. To support supplier adherence to this commitment,** we have ~~adopted our Global Code of Conduct and~~ - **an** ~~use~~ **“ Open Door and Ethics Hotline ” for reporting suspected violations and have also engaged** the services of third- party audit firms to monitor compliance with these ~~terms~~ **requirements. Failure to adhere to our requirements or chronic noncompliance** , ~~some~~ **may result in required remediation and / or termination of our relationship with a supplier or value chain partner, which in turn could have a material adverse impact on our operations, financial condition and results of operations. With the recent developments associated with the Uyghur Forced Labor Prevention Act (“ UFLPA ”), US Customs and Border Protection has been tasked with reinforcing laws related to the prevention of forced labor associated with imported goods, especially in goods containing cotton, such as apparel. In doing so, expectations for our suppliers have increased and not all** of our independent suppliers may ~~not~~ be in complete compliance with our guidelines at all times. The violation of labor or other laws by any of our key independent suppliers or the divergence of an independent supplier’ s labor practices from those generally accepted by us as ethical **is not accepted and** could interrupt or otherwise disrupt the shipment of finished merchandise or damage our reputation **, which may also have a material adverse impact on our operations, financial condition and results of operations** . 17. Reliance on one location to distribute goods for our brandsWith minor exceptions, the distribution functions for all of our brands are handled from our DC in Winder, Georgia and a significant interruption in the operation of that facility due to public health crises, changes to existing systems, use of other facilities, natural disasters, severe weather, accidents, system failures, cybersecurity incidents, capacity constraints or other unforeseen causes could delay or impair our ability to distribute merchandise to our stores and / or fulfill online or catalog orders. Other Risks Factors Our business is subject to numerous other risks that could materially adversely impact our consolidated financial condition and results of operations. These risks include, but are not limited to, the following: RiskDescription18. The terms of our Credit Agreement may restrict our current and future operations, which could adversely affect our ability to respond to changes in our business ~~,~~ **or** manage our operations, and it may be difficult to replace our credit facility Our Credit Agreement, as amended and extended in February 2022, contains customary representations, warranties, and affirmative covenants, as well as customary negative covenants, that, among other things restrict, subject to certain exceptions, the ability of the Company and certain of its domestic subsidiaries to: (i) incur liens, (ii) make investments, (iii) issue or incur additional indebtedness, (iv) undergo significant corporate changes, including mergers and acquisitions, (v) make dispositions, (vi) make restricted payments, (vii) prepay other indebtedness and (viii) enter into certain other restrictive agreements. The Company may pay cash dividends and repurchase shares under its share buyback program, subject to certain thresholds of available borrowings based upon the lesser of the aggregate amount of commitments under the Credit Agreement and the borrowing base (the “ Loan Cap ”), determined after giving effect to any such transaction or payment, on a pro forma basis. The ability of the Company to comply with these provisions may be affected by events beyond our control. Failure to comply with these covenants could result in an event of default which, if not cured or waived, could accelerate the Company' s repayment obligations. Also, the inability to obtain **new** credit on commercially reasonable terms in the future when this facility expires could adversely impact our liquidity and results of operations. In addition, market conditions could potentially impact the size and terms of a replacement facility or facilities. 19. War, terrorism, public health crises or other catastrophesIn the event of war (such as the **military conflict** ~~recent outbreak of hostilities~~ between Russia and Ukraine), acts of terrorism or the threat of terrorist attacks, public health crises, climate risks and weather catastrophes or other events outside of our control, consumer spending could significantly decrease for a sustained period. In addition, local authorities or shopping center management could close stores in response to any immediate security concern, public health concern or weather catastrophe such as hurricanes, earthquakes or tornadoes. Any of these disruptions or other events outside of our control could affect our business negatively, harming our operating results. Similarly, war, acts of terrorism, threats of terrorist attacks, public health crises or a weather catastrophe, including those caused by climate change, could severely and adversely affect our **Fort Myers** ~~National Store Support Center (“ NSSC ”)~~ campus, our DC, or our entire supply chain. If any of our facilities, including our DC, our ~~company~~ **Company** - operated or franchised stores or the facilities of our suppliers or third- party service providers ~~is~~ **are** affected by a natural disaster, public health crisis (such as a pandemic and epidemic), terrorism, war, political instability or other conflict, or other events outside of our control, our business and operating results could be negatively impacted. For example, see above in “ ~~The ongoing~~ COVID- 19 pandemic. ” 20. Our inability to protect our brands’ reputationOur ability to protect our brands’ reputations is an integral part of our general success strategy and is critical to the overall value of the brands. If we fail to maintain high standards for merchandise quality and integrity in our business conduct or fail to address other risk factors, including threats to data ~~and~~ **,** privacy and cybersecurity, such failures could jeopardize our brands' reputations. Consumers value readily available information from social media and other sources concerning retailers and their goods and services and many times act on such information without further investigation into its accuracy. Any negative publicity or claims, whether true or not, may affect our reputation and brand and, consequently, reduce demand for our merchandise, decrease customer and investor loyalty and affect our vendor relationships, which would have an adverse impact on our business, consolidated financial condition and results of operations. The **way we address ESG matters and the perceived** success of our ESG ~~initiatives~~ **actions** may impact the value of our brands. **There has been increasing** ~~With oversight from the Board’ s ESG Committee and members of our executive team, our associate- led ESG Task force is working~~

~~to identify and manage global climate risks, environmental sustainability, social governance and related matters on our business and in our supply chain and to focus our ESG program on at promoting responsible, transparent environmental and social stewardship. Risks may include any increased~~ stakeholder and regulatory focus ~~or pressure to expand~~ **on ESG matters affecting public companies, including** ~~our~~ **ours . Expectations regarding** ESG disclosures, **setting** ~~to set~~ and ~~execute~~ **executing** ~~additional~~ **ESG- related** goals **and** ~~or to~~ timely ~~achieve~~ **achieving** measurable progress in these areas ~~, which~~ could expose us to market, operational and execution costs or risks. We expect that stakeholder expectations **, as well as laws, rules and regulations,** in these areas will continue to evolve quickly, which may result in the need for increased resources for ESG monitoring and reporting and adjustments to our operations **may be necessary** . Additionally, the goals we set, and the data we disclose, may influence the value of our ~~brand~~ **brands** . By electing to publicly share our metrics and expand our disclosures, our ESG activities may ~~also~~ face increased scrutiny ~~; as~~ **. We have committed to certain ESG initiatives and goals, which may be difficult and expensive to implement, and the technologies needed to implement them may not be cost effective and may not advance at** a ~~result,~~ **sufficient pace. In addition** we could ~~damage~~ **face scrutiny with respect to the accuracy, adequacy** ~~our~~ **or completeness** ~~reputation and the value~~ of **our ESG related disclosures. Moreover, disclosures about our ESG- related initiatives** ~~our~~ **or** ~~brands~~ **goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions or third-party information that we believe to be reasonably but are subject to change in the future. We could also be subject to scrutiny with respect to the scope or nature of our ESG- related initiatives or goals, or for any revisions to those goals. If our ESG- related data, processes and reporting are incomplete or inaccurate, or** if we fail to **achieve progress with respect to these initiatives or goals on a timely basis, or** ~~act~~ **at** ~~responsibly in~~ **all, our reputation and** the ~~areas in which we report~~ **value of our brands could be adversely affected** . Any harm to our reputation resulting from setting **ESG- related metrics, expanding our disclosures on** these **subjects** ~~metrics, expanding our disclosure~~ or our failure or perceived failure to meet such metrics or disclosures could adversely affect our business, financial performance, and growth. 21. Our business could be impacted as a result of actions by activist shareholders or othersFrom time to time, we may be subject to legal and business challenges in the operation of our Company due to proxy contests, consent solicitations, shareholder proposals, media campaigns and other such actions instituted by activist shareholders or others. In the event of shareholder activism, particularly with respect to matters which the Board, in exercising ~~their~~ **its** fiduciary duties, disagree with or have determined not to pursue, our business could be adversely affected because responding to such actions is costly and time- consuming, disruptive to our operations, may not align with our business strategies and may divert the attention of our Board and management from the pursuit of current business strategies. Perceived uncertainties as to our future direction or changes to the composition of our Board as a result of shareholder activism may lead to the perception of instability in the organization and its future and may make it more difficult to attract and retain qualified personnel, business partners and customers. 22. Disadvantageous lease obligations and commercial retail consolidation We have, and will continue to have, significant lease obligations. If an existing or future store is not profitable, and we decide to close it, we may nonetheless be committed to fulfill our obligations under the applicable lease including paying the base rent for the balance of the lease term. Additionally, continued consolidation in the commercial retail real estate market could affect our ability to successfully negotiate favorable rental terms for our stores in the future and could concentrate our leases with fewer landlords who may then be in a position to dictate unfavorable terms to us due to their significant negotiating leverage. If we are unable to enter into new leases or renew or renegotiate existing leases on terms acceptable to us or be released from our obligations under leases for stores that we close, this could affect our ability to profitably operate our stores. Any dispute regarding our leases may result in litigation with the respective landlord, and any such dispute could be costly and have an uncertain outcome. 23. Changes to accounting rules and regulations may adversely affect our financial results, consolidated financial position and cash flowsGenerally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations that are relevant to our business, including but not limited to revenue recognition, leases, impairment of goodwill, intangible and long- lived assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change or increase volatility of our reported or expected financial performance or consolidated financial condition. See Note 1, to our consolidated financial statements under the heading " Recently Issued Accounting Pronouncements " for a description of recently issued accounting pronouncements, and " Critical Accounting Estimates, " included in Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations " for a discussion of accounting policies considered to be important to our operational results and consolidated financial condition. These and other future changes to accounting rules or regulations could have an adverse impact on our business, operational results, consolidated financial position and cash flow presentation. 24. The Company cannot provide any assurance that in the future the Company will pay dividends or repurchase stock pursuant to its share repurchaseprogramAll decisions regarding authorization to pay a dividend on the Company' s common stock or approve a share repurchase program will be made by the Board from time to time based on the Board' s evaluation of the best interests of the Company and its shareholders. The Board will complete each evaluation based on a review of the Company' s stock price, future earnings, consolidated financial condition and other factors deemed relevant. There is no assurance that the Board will declare dividends on the Company' s common stock in the future. The Company' s current share repurchase program authorizes $ 300 million in share repurchases of the Company' s common stock, of which $ 55. 2 million remained authorized for repurchase under the program as of January ~~29~~ **28** , ~~2022~~ **2023** . However, the Company is not obligated to make any purchases under the share repurchase program and the program may be discontinued at any time. General Risks Factors Our business is subject to numerous general risks that could materially adversely impact our consolidated financial condition and results of operations. These risks include, but are not limited to, the following: RiskDescription25. Our ability to retain or recruit qualified key personnelOur success and ability to properly manage our business depends to a significant extent upon our ability to attract, develop and retain qualified employees, including executive and senior management and talented merchants. Competition for talented employees within our industry is intense. In **recent years** ~~2021, in particular, the labor market in the U. S. experienced a significant increase in workers leaving their positions (commonly referred to as the " Great Resignation " or the " Big Quit "), which has made the market to replace these individuals increasingly competitive and has resulted in significant wage inflation in response to labor shortages. In 2021~~ , we experienced staffing shortages, higher turnover rates **compared with prior years** and challenges in recruiting and retaining qualified employees at all levels of our organization, including senior management ~~,~~ **and** merchants ~~, as well as~~ at our ~~NSSC,~~ **Fort Myers campus and employees at our** DC and throughout our store fleet. Existing labor shortages and our inability or failure to recruit and retain such personnel as well as our inability to implement appropriate succession planning, including the transition of new executives, particularly at the senior executive level, could adversely impact our business, financial performance, reputation, our ability to keep up with the needs of our customers **, ability to compete** and overall customer satisfaction. 26. Our inability to protect our intellectual propertyAlthough we devote resources to protect our intellectual property, others may still attempt to imitate our products or infringe upon our intellectual property rights. Other parties may also claim that some of our products infringe on their trademarks, copyrights or other intellectual property rights. In addition, the intellectual property laws and enforcement practices in many foreign countries can be substantially different from those in the U. S. There are also inherent challenges with enforcing intellectual property rights on third party e- commerce websites, especially those based in foreign jurisdictions. We cannot guarantee that such rights are not, or will not be, infringed. 27. Fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operationsWe are subject to income and other taxes in local, national and international jurisdictions. Our tax returns and other tax matters are also subject to examination by the Internal Revenue Service and other tax authorities and governmental bodies. These examinations may challenge certain of our tax positions, such as the timing and amount of deductions and allocations of taxable income to various jurisdictions. The results of any tax audits could adversely affect our consolidated financial results. Furthermore, our effective tax rate in a given period may be materially impacted by changes in the mix and level of earnings by taxing jurisdiction and deductibility of excess share- based compensation. 28. Stock price volatilityThe market price of our common stock has fluctuated substantially in the past and may continue to do so in the future. Future announcements or management discussions concerning us or our competitors, sales and profitability results, quarterly variations in operating results or comparable sales, updates on our strategic initiatives, changes in earnings estimates by analysts or the failure of investors or analysts to understand our business strategies or fundamental changes in our business or sector, among other factors, could cause the market price of our common stock to fluctuate substantially. In addition, stock markets have experienced periods of significant price or volume volatility in recent years. This volatility has had a substantial effect on the market prices of securities of many public companies for reasons frequently unrelated to the operating performance of the specific companies. **29. Global macro- environmentOur growth is subject to global economic, political, and geopolitical risks. Our operations and the execution of our business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events such as war or international conflict, a major terrorist attack, natural disasters or actual or threatened public health emergencies (such as COVID- 19, including virus variants and resurgences and responses to those). They are also affected by local and regional economic environments, supply chain constraints and policies in the United States and other markets that we serve, including factors such as continued inflationary pressures in many markets or continued increases in interest rates from recent historic lows. We could face difficulty in paying off long- term debt, stagnant economic growth rates, issues regarding the availability of skilled labor, a constrained monetary policy, unfavorable exchange rates, and currency volatility. For example, ongoing inflationary pressures have caused, and may continue to cause, many of our material and labor costs to increase, which can adversely affect our profitability and cash flows, particularly when we are unable to increase customer pricing to offset such pressures. At the same time, Russia' s invasion of Ukraine and the related political and economic consequences, such as sanctions and other measures imposed by the European Union, the United States and other countries and organizations related to Russia in response, have also caused, and may continue to cause, disruption and instability in global markets, in supply chains, and in industries that may negatively impact our business, our financial condition, and our results of operations. Further deterioration of economic conditions or outlooks, such as lower economic growth, recession or fears of recession in the United States, China, Europe, or other key markets, may adversely affect the demand for, or profitability, of our products. In addition, political changes and trends, such as protectionism, as well as tariffs, export controls, restrictions on trade barriers, sanctions, or changes to tax or other laws and policies, may be disruptive and costly to our business; such can interfere with our global operating model, supply chain, production costs, customer relationships, and competitive position. Further escalation of any specific trade tensions could be harmful to our global economic growth or to our business in or with other customers in other countries. 30. Subject to laws, regulation and government policiesWe are subject to a wide variety of laws, regulations, and government policies (including those of U. S. federal and state governments, as well as of non- U. S. entities) that may change in significant ways. There can be no assurance that these laws, regulations, and policies will not be changed, interpreted, or enforced in ways that will require us to modify our business and objectives relating to our business operations. In particular, recent trends globally toward increased protectionism, import and export controls, required licenses or authorizations to engage in business dealings with certain countries or entities, and the use of tariffs and trade barriers can result in actions by governments around the world that have been, and that may continue to be, disruptive and costly to our businesses, and that can interfere with our operations model and thereby weaken our competitive position. In addition, changes in environmental and climate change laws, regulations or policies (including, for example, emission standards) could impact us and could lead to additional costs, compliance requirements, or otherwise negatively impact our business or competitive position. Other legislative and regulatory areas of significance for our businesses on which U. S. and non- U. S. governments have**

focused, and continue to focus, include cybersecurity, data privacy, anti- corruption, competition law, compliance with trade controls, and economic sanctions laws. Significant challenges and changes in these areas could adversely affect our results of operations, consolidated financial position, and cash flow presentation.