

## Risk Factors Comparison 2025-03-26 to 2024-03-27 Form: 10-K

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Our business is subject to a variety of risks which might have **a** material impact **on our business**. You should carefully consider the risks and uncertainties described below and the other information in this Annual Report on Form 10-K, including our Consolidated Financial Statements and the notes to those statements. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we do not presently know about or that we currently consider immaterial may also affect our business operations and financial performance. If any of the events described below occur, our business, financial condition, cash flows or results of operations could be adversely affected in a material way. This could cause the trading price of our stock to decline, perhaps significantly, and you may lose part or all of your investment. Competitive, Demand- Related and Reputational Risks Consumer spending is affected by poor and / or volatile economic conditions and other factors and may significantly harm our business, affecting our financial condition, liquidity, and results of operations. The success of our business depends to a significant extent upon the level of consumer spending in general and on our product categories. A number of factors may affect the level of consumer spending on merchandise that we offer, including, among other things: • general economic and industry conditions, including the risks associated with recessions or other macroeconomic conditions and pressures such as inflationary impacts and supply chain challenges; • weather conditions; • energy costs, which affect gasoline and home heating prices; • the level of consumer debt; • pricing of products **, including the impact of tariffs**; • interest rates; • **inflation**; • **infectious diseases**; • tax rates, refunds and policies; • war, terrorism and other **geopolitical** hostilities; and • consumer confidence in future economic conditions. Adverse economic conditions and any related decrease in consumer demand for discretionary items could have a material adverse effect on our business, results of operations and financial condition. ~~We~~ ~~The merchandise we sell generally consists of~~ discretionary items. Reduced consumer confidence and spending may result in reduced demand for discretionary items and may force us to take inventory markdowns, **which may decreasing decrease** sales and **making make** expense leverage difficult to achieve. In addition, inflationary cost pressure on the products we sell might limit our ability to pass on cost increases resulting in gross margin impact or reduced demand. Demand can also be influenced by other factors beyond our control. Moreover, while we believe that our operating cash flows and borrowing capacity under committed lines of credit will be adequate for our anticipated cash requirements, if the economy were to experience a downturn, if one or more of our revolving credit banks were to fail to honor its commitments under our credit lines or if we were unable to draw on our credit lines for any reason, we could be required to modify our operations for decreased cash flow or to seek alternative sources of liquidity, and such alternative sources might not be available to us **on favorable terms, if at all**. These same factors could impact our wholesale customers, limiting their ability to buy or pay for merchandise offered by us. A failure to increase sales at our existing stores, given our high fixed expense cost structure, and in our e-commerce businesses or an inability to reduce costs may adversely affect our results of operations which **may** adversely ~~impacts~~ **impact** our stock price. A number of factors have historically affected, and will continue to affect, our comparable sales results and gross margin, including: • consumer trends, such as less disposable income due to the impact of economic conditions, tax policies and other factors; • the lack of new fashion trends to drive demand in certain of our businesses and the ability of those businesses to adjust to **changes in** fashion ~~changes~~ **trends** on a timely basis; • closing of department stores that anchor malls or a significant number of non-anchor mall formats; • competition; • declining mall traffic due to changing customer preferences in the way they shop; • timing of holidays **, including sales tax holidays and the timing of tax refunds**; • general regional and national economic conditions; • inclement weather; • new merchandise introductions and changes in our merchandise mix; • our ability to distribute merchandise efficiently to our stores; • **timing and type of sales events, promotional activities or other advertising**; • our ability to adapt to changing customer **e-commerce** preferences ~~in the ways they digitally shop~~; • access to allocated product from our vendors; • our ability to realize anticipated cost reductions; • our ability to execute our business strategy effectively; and • other external events beyond our control. Our comparable sales have fluctuated in the past, including the composition of our comparable sales between store and digital, and we believe such fluctuations may continue. The unpredictability of our comparable sales may cause our revenue and results of operations to vary from quarter to quarter, and an unanticipated change in revenues or operating income may cause our stock price to fluctuate significantly. Failure to protect our reputation could have a material adverse effect on our brand names. Our success depends in part on the value and strength of the names of our business units. These names are integral to our businesses as well as to the implementation of our strategies for expanding our businesses. Maintaining, promoting, and positioning our brands will depend largely on the success of our marketing and merchandising efforts and our ability to provide high quality merchandise and a consistent, high quality customer experience. Our brands could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity or if adverse information concerning us is posted on social media platforms or similar mediums. Failure to comply, or accusation of failure to comply, with ethical, social, health, product, labor, data privacy, and environmental standards could also jeopardize our reputation and potentially lead to various adverse consumer and employee actions. Any of these events could result in decreased revenue or otherwise adversely affect our business. Our business involves a degree of risk related to fashion and other extrinsic demand drivers that are beyond our control. The majority of our businesses serve a fashion-conscious customer base and depend upon the ability of our buyers and merchandisers to react to fashion trends, to purchase inventory that reflects such trends, and to manage our inventories appropriately in view of the potential for sudden changes in fashion, consumer taste, or other drivers of demand. Failure to execute any of these activities successfully could result in adverse consequences, including lower sales, product margins,

operating income and cash flows. Our future success also depends on our ability to respond to changing consumer preferences, identify and interpret consumer trends, and successfully market new products. The industry in which we operate is subject to rapidly changing consumer preferences. The continued popularity of our footwear and apparel and the development and selection of new lines and styles of footwear and apparel with widespread consumer appeal, requires us to accurately identify and interpret changing consumer trends and preferences – and to effectively respond in a timely manner. Continuing demand and market acceptance for both existing and new products are uncertain and depend on substantial investment in product innovation, design and development, an ongoing commitment to product quality and significant and sustained marketing efforts and expenditures. In assessing our response to anticipated changing consumer preferences and trends, we frequently must make decisions about product designs and marketing expenditures months in advance of the time when actual consumer acceptance can be determined. As a result, we may not be successful in responding to shifting consumer preferences and trends with new products. If we fail to identify and interpret changing consumer preferences and trends, or are not successful in responding to these changes with the timely development or sourcing of products, we could experience excess inventories and higher than normal markdowns, returns, order cancellations or an inability to profitably sell our products. Our failure to appropriately address emerging **sustainability** environmental, social and governance matters could have a material adverse impact on our reputation and, as a result, our business. There is ~~an increased focus from investors, customers, employees, business partners and other stakeholders concerning ESG matters. The expectations related to ESG matters are rapidly evolving, and from time to time, we have announced and will announce certain ESG initiatives and goals. Our ESG efforts may not be perceived to be effective or we could be criticized for the scope of such initiatives or goals. In addition, we could fail to timely meet or accurately report our progress on such initiatives and goals. As a result, we could suffer negative publicity and our reputation could be adversely impacted, which in turn could have a negative impact on investor perception and our products' acceptance by consumers. This may also impact our ability to attract and retain talent to compete in the marketplace. There is also~~ uncertainty in the markets in which we operate regarding potential policies related to issues surrounding global environmental sustainability. Changes in the legal or regulatory environment affecting responsible sourcing, supply chain transparency, or environmental protection, among others, including regulations to limit carbon dioxide and other greenhouse gas emissions, to discourage the use of plastic or to limit or to impose additional costs on commercial water use may result in increased compliance costs for us and our business partners. Our results may be adversely affected by declines in consumer traffic in malls. The majority of our stores are located within shopping malls and depend to varying degrees on consumer traffic in the malls to generate sales. Declines in mall traffic, whether caused by a shift in consumer shopping preferences or by other factors, may negatively impact our ability to maintain or grow our sales in existing stores, which could have an adverse effect on our financial condition or results of operations. Our results of operations are subject to seasonal and quarterly fluctuations. Our business is seasonal, with a significant portion of our net sales and operating income generated during the fourth quarter, which includes the holiday shopping season. Because of this seasonality, we have limited ability to compensate for shortfalls in fourth quarter sales or earnings by **changing** changes in our operations or strategies in other quarters. Adverse events outside of our control, such as supply chain interruptions, including shipping disruptions ~~in the Red Sea~~ **near crucial trade routes**, increased labor costs and labor availability, decreased consumer traffic or deteriorating economic conditions could result in lower than expected sales during the holiday shopping season or other periods in which we typically experience higher net sales, which could materially adversely impact our financial condition and results of operations. Our quarterly results of operations also may fluctuate significantly based on other factors such as: • the timing of any new store openings and renewals; • the amount of net sales contributed by new and existing stores; • the timing of certain holidays and sales events; • changes in quarter end dates due to the 53- week year **in Fiscal 2024 versus a 52- week year in Fiscal 2025**; • changes in our merchandise mix; • weather conditions that affect consumer spending; and • actions of competitors, including promotional activity. Changes in the retail industry could have a material adverse effect on our business or financial condition. In recent years, the retail industry has experienced consolidation, store closures, bankruptcies and other ownership changes. In the future, retailers in the U. S. and in foreign markets may further consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry our products or our licensees' products or increase the ownership concentration within the retail industry. Changing shopping patterns, including the rapid expansion of online retail shopping, have adversely affected customer traffic in mall and outlet centers. We expect competition in the e- commerce market will continue to intensify. Growth in e- commerce **competition** could result in financial difficulties, including store closures, bankruptcies or liquidations for our brick- and- mortar stores and those of our wholesale customers who fail to compete effectively in the e- commerce market. We cannot control the success of individual malls, and an increase in store closures by other retailers may lead to reduced foot traffic, mall vacancies and mall bankruptcies. A continuation or worsening of these trends could cause financial difficulties for one or more of our segments, which, in turn, could substantially increase our credit risk and have a material adverse effect on our results of operations, financial condition and cash flows. Our future success will be determined, in part, on our ability to manage the impact of the rapidly changing retail environment and identify and capitalize on retail trends, including technology, enhanced digital capabilities, e- commerce and other process efficiencies that will better service our customers. Our business is intensely competitive and increased or new competition could have a material adverse effect on us. The retail footwear and accessory markets are intensely competitive. We currently compete against a diverse group of retailers, including other regional and national specialty stores, department and discount stores, small independents and e- commerce retailers, as well as our own vendors who are increasingly selling direct- to- consumers, which sell products similar to and often identical to those we sell. Our branded businesses, selling footwear at wholesale, also face intense competition, both from other branded wholesale vendors and from private label initiatives of their retailer customers. A number of different competitive factors could have a material adverse effect on our business, including: • increased operational efficiencies of competitors; • competitive pricing strategies; • expansion by existing competitors; • expansion of direct- to- consumer selling by our vendors; • entry by

new competitors into markets in which we currently operate; and • adoption by existing retail competitors of innovative store formats or sales methods. **If our online e-commerce sites, or those of our customers, do not function effectively or meet the expectations or preferences of our customers, our business and financial results could be materially adversely affected. An increasing amount of our products are sold on our e-commerce sites and third-party e-commerce sites. Consumers are also increasingly using mobile-based applications to engage with us and our competitors through digital experiences that are offered on mobile platforms, and we are increasingly using social media to interact with our consumers as a means to enhance their shopping experience. Any failure on our part or on the part of third parties to provide effective, reliable, user-friendly e-commerce platforms that offer a wide assortment of our products and that continually meet the evolving expectations of online shoppers or any failure to provide attractive digital experiences could place us at a competitive disadvantage, result in the loss of sales, and could have a material adverse impact on our business and financial results. Our e-commerce business may be particularly vulnerable to cyber threats including unauthorized access and denial of service attacks. Sales in our e-commerce channel may also divert sales from our retail and wholesale channels.**

**Investments and Infrastructure Risks** We face a number of risks in opening new stores and renewing leases on existing stores. We may open new stores, both in regional malls, where most of the operational experience of our U. S. businesses lies, and in other venues including outlet centers, airports and other off-mall locations. We cannot offer assurances that we will be able to open as many stores as we have planned, that any new store will achieve similar operating results to those of our existing stores or that new stores opened in markets in which we operate will not have a material adverse effect on the revenues and profitability of our existing stores. In addition to the risks already discussed for existing stores, the success of any planned expansion **will be or remodels is** dependent upon numerous factors, many of which are beyond our control, including the following: • our ability to identify suitable markets and individual store sites within those markets; • the competition for suitable store sites; • our ability to negotiate favorable lease terms for new stores and renewals (including rent and other costs) with landlords; • our ability to obtain governmental and other third-party consents, permits and licenses necessary to the operation of our stores or otherwise; • the ability to build and remodel stores on schedule and at acceptable cost; • the availability of employees to staff new stores and our ability to hire, train, motivate and retain store personnel; • the effect of changes to laws and regulations, including wage, over-time, and employee benefits laws on store expense; • the availability of adequate management and financial resources to manage an increased number of stores; • our ability to adapt our distribution and other operational and management systems to an expanded network of stores; and • unforeseen events could prevent or delay store openings and impact our liquidity needed for store openings. Additionally, the results we expect to achieve during each fiscal quarter are dependent upon opening new stores and renewing leases on existing stores on schedule and at expected costs. If we fall behind in our new store openings, we will lose expected sales and earnings between the planned opening date and the actual opening and may further complicate the logistics of opening stores, possibly resulting in additional delays, seasonally inappropriate product assortments, and other undesirable conditions. Any acquisitions we make or new businesses we launch, as well as any dispositions of assets or businesses, involve a degree of risk. Acquisitions have been a component of our growth strategy **in recent years**, and we expect that **in the future** we may **continue to** engage in acquisitions or launch new businesses to grow our revenues and meet our other strategic objectives. If acquisitions are not successfully integrated with our business, our ongoing operations could be adversely affected. Additionally, acquisitions or new businesses may not achieve desired profitability objectives or result in any anticipated successful expansion of the businesses or concepts, causing lower than expected earnings and cash flow and potentially requiring impairment of goodwill and other intangibles. Although we review and analyze assets or companies we acquire, such reviews are subject to uncertainties and may not reveal all potential risks. Additionally, although we attempt to obtain protective contractual provisions, such as representations, warranties and indemnities, in connection with acquisitions, we cannot offer assurance that we can obtain such provisions in our acquisitions or that they will fully protect us from unforeseen costs of, or liabilities associated with, the acquisitions. We may also incur significant costs and diversion of management time and attention in connection with pursuing possible acquisitions even if the acquisition is not ultimately consummated. Additionally, we have in the past and may in the future divest assets or businesses. Following any such divestitures, we may retain or incur liabilities or costs relating to our previous ownership of the assets or business that we sell. Any required payments on retained liabilities or indemnification obligations with respect to past or future asset or business divestitures could have a material adverse effect on our business or results of operations. Dispositions may also involve our continued financial involvement in the divested business, such as through transition services agreements and guarantees. Under these arrangements, performance by the divested businesses or conditions outside our control could adversely affect our business and results of operations. Further, acquisitions and dispositions are often structured such that the purchase price paid or received by us, as applicable, is subject to post-closing adjustments, whether as a result of net working capital adjustments, contingent payments (i. e., earn-outs) or otherwise. Any such adjustments could result in a material change in the consideration paid to or received by us, as applicable, in such transactions. Goodwill recorded with acquisitions is subject to impairment which could reduce the Company's profitability. In connection with acquisitions, we record goodwill on our Consolidated Balance Sheets. This asset is not amortized but is subject to an impairment test at least annually, where we have the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill is impaired. If after such assessment we conclude that the asset is impaired, we are required to determine the fair value of the asset using a quantitative impairment test that is based on projected future cash flows from the acquired business discounted at a rate commensurate with the risk we consider to be inherent in our current business model. We perform the impairment test annually at the beginning of our fourth quarter, or more frequently if events or circumstances indicate that the value of the asset might be impaired. Deterioration in our equity market value, whether related to our operating performance or to disruptions in the equity markets or deterioration in the operating performance of the business unit with which goodwill is associated could cause us to recognize the impairment of some or all of the \$ **8.9** - **6** million of goodwill on our Consolidated

Balance Sheets at February 3-1, 2024-2025, resulting in the reduction of net assets and a corresponding non-cash charge to earnings in the amount of the impairment. Technology, Data Security and Privacy Risks The operation of our business is heavily dependent on our information systems. We depend on a variety of information technology systems for the efficient functioning of our business (including multiple e-commerce websites) and security of information. Much information essential to our business is maintained electronically, including competitively sensitive information and potentially sensitive personal information about customers and employees. Despite our preventative efforts, our IT systems and websites may from time to time be vulnerable to damage or interruption from events such as difficulties in replacing or integrating the systems of acquired businesses, computer viruses, security breaches and power outages. Our insurance policies may not provide coverage for security breaches and similar incidents or may have coverage limits which may not be adequate to reimburse us for losses caused by security breaches. We also rely on certain hardware and software vendors, including cloud-service providers, to maintain and periodically upgrade many of these systems so that they can continue to support our business. The software programs supporting many of our systems are licensed to us by independent software companies. The inability of our employees and developers or our inability to continue to maintain and upgrade these information systems and software programs could disrupt or reduce the efficiency of our operations. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations or leave us vulnerable to security breaches. We also rely heavily on our information technology staff. If we cannot meet our staffing needs in this area, we may not be able to fulfill our technology initiatives or to provide maintenance on existing systems. We are subject to payment-related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business. As a retailer who accepts payments using a variety of methods, including ~~installment payment~~ **buy now pay later** methods, PayPal, and gift cards, we are subject to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. The regulatory environment related to information security and privacy is increasingly rigorous, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs or accelerate these costs with additional legal and financial exposure for noncompliance. For these payment methods, we pay interchange and other fees, which can increase over time and raise our operating costs. We rely on third parties to provide payment processing services. If these companies become unable to provide these services to us, or if their systems are compromised, it could disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by persons who seek to obtain unauthorized access to or exploit any weaknesses that may exist in the payment systems. We completed the implementation of Europay, Mastercard and Visa ("EMV") technology and received certification in Fiscal 2018; however future upgrades to our Company's systems could expose us to the fraudulent use of credit cards and increased costs, including possible fines and restrictions on our Company's ability to accept payments by credit or debit cards, if we were not to receive recertification. Because we accept debit and credit cards for payment, we are also subject to industry data protection standards and protocols, such as the Payment Card Industry Data Security Standards ("PCI DSS"), issued by the Payment Card Industry Security Standards Council. Additionally, we have implemented technology in our stores to allow for the acceptance of EMV credit transactions and point-to-point encryption. Complying with PCI DSS standards and implementing related procedures, technology and information security measures require significant resources and ongoing attention. However, even if we comply with PCI DSS standards and offer EMV and point-to-point encryption technology in our stores, we may be vulnerable to, and unable to detect and appropriately respond to, data security breaches and data loss, including cybersecurity attacks or other breach of cardholder data. In addition, the Payment Card Industry ("PCI") is controlled by a limited number of vendors who have the ability to impose changes in the PCI's fee structure and operational requirements on us without negotiation. Such changes in fees and operational requirements may result in our failure to comply with PCI DSS, and cause us to incur significant unanticipated expenses. A privacy breach, through a cybersecurity incident or otherwise, or failure to comply with privacy laws could materially adversely affect our business. As part of normal operations, we and our third-party vendors and partners, receive and maintain confidential and personally identifiable information ("PII") about our customers and employees, and confidential financial, intellectual property, and other information. We regard the protection of our customer, employee, and company information as critical. The regulatory environment surrounding information security and privacy is very demanding, with the frequent imposition of new and changing requirements some of which involve significant costs to implement and significant penalties if not followed properly. Despite our efforts and technology to secure our computer network and systems, a cybersecurity breach, whether targeted, random, or inadvertent, and whether at the hands of cyber criminals, hackers, rogue employees or other persons, may occur and could go undetected for a period of time, resulting in a material disruption of our computer network, a loss of information valuable to our business, including without limitation customer or employee PII, and / or theft. A similar cybersecurity breach to the computer networks and systems of our third-party vendors and partners, including those that are cloud-based, over which we have no control, may occur, and could lead to a material disruption of our computer network and / or the areas of our business that are dependent on the support, services and other products provided by our third-party vendors and partners. **Additionally, the rapid evolution and increased adoption of machine learning and artificial intelligence ("AI") is further increasing risks in this area, including by making fraud detection more difficult, particularly with detection devices that use voice recognition or authentication.** Our computer networks and our business may be adversely affected by such a breach of our third-party vendors and partners, which could result in a decrease in our e-commerce sales and / or a loss of information valuable to our business, including, without limitation, PII of customers or employees. Such a cyber-incident could result in any of the following: • theft, destruction, loss, misappropriation, or release of confidential financial and other data, intellectual property, customer awards, or customer or employee information, including PII such as payment card information, email addresses, passwords, social security numbers, home addresses, or health information;

• operational or business delays resulting from the disruption of our e-commerce sites, computer networks or the computer networks of our third-party vendors and partners and subsequent material clean-up and mitigation costs and activities; • negative publicity resulting in material reputation or brand damage with our customers, vendors, third-party partners or industry peers; • loss of sales, including those generated through our e-commerce websites; and • governmental penalties, fines and / or enforcement actions, payment and industry penalties and fines and / or class action and other lawsuits. Any of the above risks, individually or in aggregate, could materially damage our reputation and result in lost sales, governmental and payment card industry fines, and / or class action and other lawsuits. Although we carry cybersecurity insurance, ~~in the event of a cyber-incident,~~ that insurance may not be extensive enough or adequate in scope of coverage or amount to reimburse us for damages we may incur. Further, a significant breach of federal, state, provincial, local or international privacy laws could have a material adverse effect on our reputation. Data protection requirements are constantly evolving and these requirements could adversely affect our business and operating results. We have access to collect or maintain information about our customers, and the protection of that data is critical to our business. The regulatory environment surrounding information security and privacy continues to evolve and new laws are increasingly giving customers the right to control how their personal data is used. One such law is the European Union's ~~General Data Protection Regulation~~ ("GDPR"). Our failure to comply with the obligations of GDPR and similar U. S. federal and state laws, including California privacy laws, could in the future result in significant penalties which could have a material adverse effect on our business and results of operations. Data protection compliance could also cause us to incur substantial costs, forego a substantial amount of revenue or be subject to business risk associated with system changes and new business processes. The utilization, expansion and management of machine learning and other types of artificial intelligence in our business could adversely affect our business, financial condition and results of operations. We have been increasing our utilization of ~~machine learning and other types of artificial intelligence~~ (collectively, "AI") in our business and we anticipate that as technology advances, we may expand our application of AI, including generative AI. AI may become more important to our operations over time as we increase reliance on AI throughout our operations and administration. The rapid evolution of AI technology and potential regulation of AI may require that we expend significant resources to develop, test and maintain our implementation of AI. **Our development, integration and use of AI technology in our operations remains in the early phases. Although we aim to implement AI technology according to responsible procedures and adequate safeguards, our current or future use of AI tools in our business operations could expose us to new or additional costs and risks, including the potential introduction of new vulnerabilities or cybersecurity risks within our information technology systems; the potential inadvertent or unauthorized release of our confidential or proprietary information resulting from the use (whether or not authorized) of AI tools by our employees, contractors, agents, representatives, vendors or customers; the potential loss of our intellectual property rights or our potential infringement of the intellectual property rights of third parties resulting from the use (whether or not authorized) of AI tools in our operations; and potential legal or reputational harms due to insufficient or flawed data, insufficient quality control, or unlawful bias or discrimination associated with the use of AI tools. In addition, the AI tools we may incorporate into certain aspects of our operations may not generate the intended efficiencies and may impact our business results.** Our competitors may incorporate AI into their businesses faster or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the information generated through our use of AI is or is deemed to be deficient, inaccurate or biased, our business, financial condition, and results of operations may be adversely affected. Operational, Supply Chain and Third- Party Risks Increased operating costs, including wage increases resulting from potential increases in the minimum wage or competitive pressures, could have an adverse effect on our results. Increased operating costs, including wage increases resulting from potential increases in the minimum wage or wage increases reflecting competition in relevant labor markets, store occupancy costs, distribution center costs and other expense items, including healthcare costs, may reduce our operating margin, and make it more difficult to identify new store locations that we believe will meet our investment return requirements. In addition, other employment and healthcare law changes may increase the cost of provided retirement and healthcare benefits expenses. Increases in our overall employment costs could have a material adverse effect on the Company's business, results of operations and financial and competitive position. If we lose key members of management or are unable to attract and retain the talent required for our business, our operating results could suffer. Our performance depends largely on the efforts and abilities of members of our management team. Our executives have substantial experience and expertise in our business and have made significant contributions to our growth and success. The unexpected future loss of services of one or more key members of our management team could have an adverse effect on our business. In addition, future performance will depend upon our ability to attract, retain and motivate qualified employees, including store personnel and field management. If we are unable to do so, our ability to meet our operating goals may be compromised. Finally, our stores are decentralized, are managed through a network of geographically dispersed management personnel and historically experience a high degree of turnover. If we are for any reason unable to maintain appropriate controls on store operations due to turnover or other reasons, including the ability to control losses resulting from inventory and cash shrinkage, our sales and operating margins may be adversely affected. There can be no assurance that we will be able to attract and retain the personnel we need in the future. The loss of, or disruption in, one of our distribution centers and other factors affecting the distribution of merchandise, including freight cost, could materially adversely affect our business. Each of our divisions uses a single distribution center **or third- party logistics provider** to handle all or a significant amount of its merchandise. Most of our operations' inventory is shipped directly from suppliers to our operations' distribution centers **or third- party logistics provider**, where the inventory is then processed, sorted and shipped to our stores, to our wholesale customers or to our e-commerce customers. We depend on the orderly operation of this receiving and distribution process, which depends, in turn, on adherence to shipping schedules and effective management of the distribution centers. Although we believe that our receiving and distribution processes are efficient and well positioned to support our current business and

potential expansions, we cannot offer assurance that we have anticipated all of the changing demands that our expanding operations, particularly our e-commerce operations, will impose on our receiving and distribution system, or that events beyond our control, such as disruptions in operations due to fire or other catastrophic events, labor disagreements or shortages or shipping problems (whether in our own or in our third-party vendors' or carriers' businesses), will not result in delays in the delivery of merchandise to our stores or to our wholesale customers or e-commerce / retail customers. In addition, to the extent we need to add capacity to distribution centers by either leasing or building new distribution centers or adding capacity at existing centers or make changes in our distribution processes to improve efficiency and maximize capacity, we cannot assure that these changes will not result in unanticipated delays or interruptions in distribution. We depend upon third parties for shipment of a significant amount of merchandise. Interruptions in the services provided by third parties may occasionally result from damage or destruction to our distribution centers; weather-related events; natural disasters; pandemics; trade policy changes or restrictions; tariffs or import-related taxes; third-party labor disruptions; shipping capacity constraints; third-party contract disputes; military conflicts; acts of terrorism; or other factors beyond our control. An interruption in service by third parties for any reason could cause temporary disruptions in our business, a loss of sales and profits, and other material adverse effects. Our freight costs are impacted by changes in fuel prices, surcharges and other factors which can affect cost both on inbound freight from vendors to our distribution centers and outbound freight from our distribution centers to our stores and customers. Increases in freight costs, including in connection with increased fuel prices, may increase our cost of goods sold and our selling and administrative expenses. An increase in the cost or a disruption in the flow of our imported products could adversely affect our business. Merchandise originally manufactured and imported from overseas makes up a large proportion of our total inventory. A disruption in the shipping of our imported merchandise or an increase in the cost of those products may significantly decrease our sales and profits. We may be unable to meet customer demands or pass on price increases to our customers. In addition, if imported merchandise becomes more expensive or unavailable, the transition to alternative sources may not occur in time to meet demand. Products from alternative sources may also be of lesser quality or more expensive than those we currently import. Risks associated with our reliance on imported products include:

- disruptions in the shipping and importation of imported products because of factors such as:
- raw material shortages, work stoppages, strikes, political unrest and civil disturbances;
- problems with oceanic shipping, including shipping container shortages, **disruptions to significant trade routes** and delays in ports;
- increased customs inspections of import shipments or other factors that could result in penalties causing delays in shipments;
- economic crises, natural disasters, pandemics, international disputes and wars, including the Russia-Ukraine war and the Israel-Hamas war; and
- increases in the cost of purchasing or shipping foreign merchandise resulting from:
- imposition of additional cargo or safeguard measures;
- denial by the United States of "most favored nation" trading status to or the imposition of quotas or other restriction on imports from a foreign country from which we purchase goods;
- changes in import duties, import quotas, **tariffs** and other trade sanctions; and
- increases in shipping rates.

Some of the inventory we sell is imported from China, which has historically been subject to efforts to increase duty rates or to impose restrictions on imports of certain products. If we or our suppliers or licensees are unable to source raw materials or finished goods from the countries where we or they wish to purchase them, either because of a regulatory change or for any other reason, or if the cost of doing so should increase, it could have a material adverse effect on our sales and earnings. A small portion of the products we buy abroad is priced in foreign currencies and, therefore, we are affected by fluctuating currency exchange rates. We may not be able to effectively protect ourselves in the future against currency rate fluctuations. Even dollar-denominated foreign purchases may be affected by currency fluctuations to reflect appreciation in the local currency against the dollar in the price of the products that they provide. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information about our foreign currency exchange rate exposure and any hedging activities. We are dependent on third-party vendors and licensors for the merchandise we sell. We do not manufacture the merchandise we sell, and our Genesco Brands Group business is dependent on third-party licenses. Accordingly, our product supply is subject to our ability to renew our license agreements or identify new licenses and the ability and willingness of third-party suppliers to deliver merchandise we order on time and in the quantities and of the quality we need. In addition, a material portion of our retail footwear sales consists of products marketed under brands belonging to unaffiliated vendors, which have fashion significance to our customers. If those vendors were to decide not to sell to us or to limit the availability of their products to us, or if they become unable because of economic conditions, pandemics, work stoppages, labor shortages, strikes, political unrest and civil disturbances, raw materials supply disruptions, or any other reason to supply us with products, we could be unable to offer our customers the products they wish to buy and could lose their business. Additionally, manufacturers are required to remain in compliance with certain wage, labor and environment-related laws, regulations and policies. Delayed compliance or failure to comply with such laws, regulations and policies by our vendors could adversely affect our ability to obtain products generally or at favorable costs, affecting our overall ability to maintain and manage inventory levels. The manufacture of our products and our distributing operations are subject to the risks of doing business abroad, including in China, which could affect our ability to obtain products from foreign suppliers or control the costs of our products. We have been diversifying our sourcing base to ensure that we are not too concentrated in any single country. As we source some **product products** in China, the possibility of adverse changes in trade or political relations with China, political instability, increases in labor costs, the occurrence of prolonged adverse weather conditions or a natural disaster such as an earthquake or typhoon, or the outbreak of ~~COVID-19~~ or other infectious diseases in China could severely interfere with the manufacturing and / or shipment of our products and would have a material adverse effect on our operations. Our ability to source products from China may be adversely affected by changes in Chinese laws and regulations (or the interpretation thereof), including those relating to taxation, import and export tariffs, **relations with the U. S. government**, raw materials, environmental regulations, land use rights, property and other matters. Policy changes in China could adversely affect our interests through, among other factors: changes in laws and regulations, confiscatory taxation, restrictions on currency conversion, imports or sources of supplies, or the

expropriation or nationalization of private enterprises. In addition, electrical shortages, labor shortages or work stoppages may extend the production time necessary to produce our orders. There may be circumstances in the future where we may have to incur higher freight charges to expedite the delivery of product to our customers which could negatively affect our gross profit if we are unable to pass on those charges to our customers. **Tax, Legal, Regulatory, Global and Other External Risks**

**The 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 change changes in , extreme weather, infectious disease outbreaks, and other -- the unexpected events could 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 an and interruption to increased volatility in our financial results** business, as well as to the operations of our third-party partners, and have a material adverse impact on our business. The operations of our retail stores, corporate offices, distribution centers, digital operations and supply chain, as well as the operations of our third-party partners, including vendors and manufacturers, are vulnerable to disruption from climate change, natural disasters, pandemics and other infectious disease outbreaks and other unexpected events. In addition to impacts on global operations, changes in these -- the events could tax laws of foreign jurisdictions may arise as a result in the potential loss of customers and revenues due to mandatory the Pillar Two (“ Pillar Two ”) Global Anti- Base Erosion model rules that were released by the Organization or for Economic Cooperation and Development (OECD) voluntary store closures, delay or cancellation of merchandise deliveries, reduced consumer confidence or changes in 2021 consumers’ discretionary spending habits. These -- The OECD continues events could reduce the availability or quality of the materials used to release guidance manufacture our merchandise, which could cause delays in responding to consumer demand resulting in the potential loss of customers and in revenues or we may many incur increased costs to meet demand and may not be able to pass all or a portion of higher costs on to our customers the countries implementing the Pillar Two rule , which the first component of the Pillar Two rule became effective in 2024, with the second component expected to come into effect in 2025. It is possible that the Pillar Two rule could adversely impact affect our gross margin and results of our operations. In addition, historically, our operations have been seasonal, and extreme weather conditions, including natural disasters, unseasonable weather or our changes effective tax rate in weather patterns future periods. Additionally , may diminish demand administrative guidance with respect to tax law can be incomplete for -- or our seasonal merchandise vary from legislative intent, and therefore the application of tax law is uncertain. While we believe our reported positions comply with relevant tax laws and regulations, taxing authorities could also influence consumer preferences interpret the application of certain laws and regulations differently fashion trends, consumer traffic and shopping habits. In addition, we may incur costs We continue to expect the United States Treasury and the Internal Revenue Service to issue regulations and other guidance that exceed our applicable insurance coverage for any..... or regulatory initiatives related to climate change could have a material impact adverse effect on our business. Greenhouse gases may have an adverse effect on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disaster. Such events could have a negative effect on our business. Concern over climate change may result in new or our additional legislative and regulatory requirements to reduce or mitigate the effects effective tax rate of climate change on the environment, which could result in future periods tax, transportation cost, and utility..... significant costs and disruption to our business. Our ability to source our merchandise profitably or at all could be hurt negatively impacted if new trade restrictions are imposed, existing trade restrictions become more burdensome or disruptions occur at our suppliers or at the ports. Trade restrictions, including increased tariffs, safeguards or quotas, on footwear, apparel and accessories could increase the cost or reduce the supply of merchandise available to us. We source footwear , apparel and accessory products from foreign manufacturers located in Brazil, Cambodia, Canada, China, Hong Kong, India , Indonesia , Italy, Mexico, Pakistan, Portugal, Peru, Spain, Turkey and Vietnam. Our retail operations, excluding Johnston & Murphy, sell primarily branded products from third parties who source primarily overseas. The investments we are making to develop our sourcing capabilities may not be successful and may, in turn, have an adverse impact on our financial position and results of operations. There are quotas and trade restrictions on certain categories of goods and apparel from China and countries that are not subject to the applicable World Trade Organization Agreement, which could have a significant impact on our sourcing patterns in the future. In addition, political uncertainty in the United States may result in significant changes to U. S. trade policies, treaties and tariffs, including trade policies and tariffs regarding goods imported from China , Canada and Mexico. Existing and potential future tariffs on certain imported products could result in an increase in prices for those products. 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. Any of these factors could depress economic activity, restrict our sourcing from suppliers and have a material adverse effect on our business, financial condition and results of operations. We cannot predict whether any of the countries in which our merchandise is currently or may be manufactured in the future will be subject to additional trade restrictions imposed by the U. S. and foreign governments, nor can we predict the likelihood, type or effect of any such restrictions. Trade restrictions, including increased tariffs or quotas, embargoes, safeguards and customs restrictions against items we source from foreign manufacturers could increase the cost, delay shipping or reduce the supply of products available to us or may require us to modify our current business practices, any of which could hurt our profitability. If we are unable to pass along increased costs to our customers, our gross margins could be adversely affected. Additionally, tariffs may cause us to shift production to other countries, resulting in significant costs and disruption to our business. We rely on our suppliers to manufacture and ship the products they produce for us in a timely and cost- effective manner. We also rely on the free flow of goods through open and operational ports worldwide. Labor disputes and other disruptions at various ports or at our suppliers could increase costs for us and delay our receipt of merchandise, particularly if these disputes result in work slowdowns, lockouts, strikes or other disruptions

property lawsuits or threatened lawsuits in which we are involved, either as a plaintiff or as a defendant, could cost us a significant amount of time and money and distract management's attention from operating our business. If we do not prevail on any intellectual property claims, then we may have to change our manufacturing processes, products or trade names, any of which could reduce our profitability. Legislative or regulatory initiatives related to climate change could have a material adverse effect on our business. Greenhouse gases may have an adverse effect on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disaster. Such events could have a negative effect on our business. Concern over climate change may result in new or additional legislative and regulatory requirements to reduce or mitigate the effects of climate change on the environment, which could result in future tax, transportation cost, and utility increases. These risks could have a material adverse effect on our business. The scope of our non- U.S. operations exposes our performance to risks including foreign, political, legal and economic conditions and exchange rate fluctuations. Our performance depends in part on general economic conditions affecting all countries in which we do business. Although the U.K. and the European Union (" E.U. ") entered into the E.U. - U.K. Trade and Cooperation Agreement on December 30, 2020, uncertainty remains about the impact on our business in the U.K. and **the** ROI, including impact on tariffs, shipping costs, consumer demand and currency fluctuations. In addition, across all of our markets, we could be adversely impacted by changes in trade policies, labor, tax or other laws and regulations, intellectual property rights and supply chain logistics. We are also dependent on foreign manufacturers for the products we sell, and our inventory is subject to cost and availability of foreign materials and labor. In addition to the other risks disclosed herein, demand for our product offering in our non- U.S. operations is also subject to local market conditions. As we expand our international operations, we also increase our exposure to exchange rate fluctuations. Sales from stores outside the U.S. are denominated in the currency of the country in which these operations or stores are located and changes in foreign exchange rates affect the translation of the sales and earnings of these businesses into U.S. dollars for financial reporting purposes. Additionally, inventory purchase agreements may also be denominated in the currency of the country where the vendor resides. If the U.S. dollar strengthens relative to foreign currencies, our revenues and profits are reduced when converted into U.S. dollars and our margins may be negatively impacted by the increase in product costs. Although we typically have sought to mitigate the negative impacts of foreign currency exchange rate fluctuations through price increases and further actions to reduce costs, we may not be able to fully offset the impact, if at all. **The imposition of tariffs on our products could adversely affect our business. Tax and trade policies, tariffs and regulations affecting trade between the United States and other countries could have a material adverse effect on our business, results of operations and liquidity. We source a significant portion of our merchandise from manufacturers located outside the U.S., including from China. Existing and potential future tariffs on certain imported products could result in an increase in prices for those products. In addition, tariffs could also increase the costs of our U.S. suppliers, causing those suppliers to also increase the costs of their products. If we are unable to pass along increased costs to our customers, our gross margins could be adversely affected. Alternatively, tariffs may cause us to shift production to other countries, resulting in significant costs and disruption to our business.** We are subject to regulatory proceedings and litigation and to regulatory changes that could have an adverse effect on our financial condition and results of operations. We are party to certain lawsuits, governmental investigations, and regulatory proceedings, including the proceedings arising out of alleged environmental contamination relating to historical operations of the Company and various suits involving current operations as disclosed in Item 3, " Legal Proceedings " and Note 15 to the Consolidated Financial Statements. If these or similar matters are resolved against us, or if we incur significant costs to pursue claims against third parties, our results of operations, our cash flows, or our financial condition could be adversely affected. The costs of prosecuting or defending such lawsuits and responding to such investigations and regulatory proceedings may be substantial and their potential to distract management from day- to- day business is significant. Moreover, with retail operations in the United States, Puerto Rico, Canada, the U. K., and the ROI, we are subject to federal, state, provincial, territorial, local and foreign regulations, which impose costs and risks on our business. Numerous states and municipalities as well as the federal government of the U. S. are proposing or have implemented changes to minimum wage, overtime, employee leave, employee benefit requirements and other requirements that will increase costs. Changes in regulations could make compliance more difficult and costly, and failure to comply with these requirements, including even a seemingly minor infraction, could result in liability for damages or penalties. Actions of activist shareholders have caused, and could cause us in the future to incur substantial costs, divert management's attention and resources, and have an adverse effect on our business. Our shareholders may from time to time engage in proxy solicitations, advance shareholders proposals or otherwise attempt to affect changes or acquire control over the Company. Activist shareholder activities could adversely affect our business because responding to proxy contests and reacting to other actions by activist shareholders can be costly and time-consuming, disrupt our operations and divert the attention of management and our employees. For example, we have retained, and may in the future, retain the services of various professionals to advise us on activist shareholder matters, including legal, financial and communication advisors, the costs of which may negatively impact our future financial results. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist shareholders initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, and employees, and cause our stock price to experience periods of volatility or stagnation. Financial Risks Our indebtedness is subject to floating interest rates. Borrowings under our credit facility bear interest at varying rates and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness referred to above would increase even if the principal amount borrowed remained the same, and our net income and cash flows will correspondingly decrease. Additionally, in connection with the **ICE- Intercontinental Exchange** Benchmark Administration's announced phase-out of **the London Inter- Bank Offered Rate (" LIBOR ")**, we amended our credit facility to, among other things, replace LIBOR with the Secured Overnight Financing Rate (" SOFR "), the Sterling Overnight Index Average (" SONIA ") and the Euro Interbank Offered Rate (" EURIBOR "). **It is unclear, however, whether SOFR, SONIA or EURIBOR will retain market**

acceptance as a LIBOR replacement tool, and we may need to renegotiate our credit facility if other LIBOR alternatives are established and become more widely adopted. Changes in our effective income tax rate could adversely affect our net earnings and liquidity. A number of factors influence our effective income tax rate, including changes in tax law, tax treaties, interpretation of existing laws, including the Tax Cuts and Jobs Act of 2017 (the "Act"), and our ability to sustain our reporting positions on examination. Changes in any of those factors could change our effective tax rate, which could adversely affect our net earnings and liquidity. In addition, our operations outside of the United States may cause greater volatility in our effective tax rate. We continue to expect the United States Treasury and the Internal Revenue Service to issue regulations and other guidance that could have a material impact on our effective tax rate in future periods.