

## Risk Factors Comparison 2025-01-29 to 2024-01-25 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

For example, the ongoing **wars** ~~conflict between Russia and Ukraine~~ has caused and continues to cause disruption, instability and volatility in **multiple locations across** global markets. We suspended our business initiatives and the majority of our commercial activity in Russia and Ukraine in the second quarter of 2022, and we deemed the carrying value of certain related long-lived assets to be not recoverable. As of the end of the first quarter of 2023, all of our company-operated stores have closed and substantially all commercial activity in Russia has ceased. The U. S. and foreign government bodies in jurisdictions in which we operate have announced and threatened additional targeted sanctions and export control measures, which have resulted in and could in the future result in, among other ~~things~~, **the globe** severe or complete restrictions on exports to and other commerce and business dealings involving Russia, certain regions of Ukraine or particular entities and individuals, including in Belarus. The ongoing impact of these government measures, as well as **economic** any further retaliatory actions **sanctions and** taken by Russia, the **other measures imposed** U. S. and foreign government bodies, is uncertain and could adversely affect our business, results of operations, supply chain, intellectual property, partners, customers or employees and may expose us to adverse legal proceedings in **Russia response thereto, have caused and continue to cause disruption, instability and volatility** in the future **global markets**. The ~~conflict~~ **conflicts** ~~has have~~ caused and may continue to cause adverse global economic conditions resulting from escalating geopolitical tensions, the exclusion of ~~Russian~~ **certain** financial institutions from the global banking system, volatility and fluctuations in foreign currency exchange rates and interest rates, inflationary pressures, supply chain and logistics disruptions, **such as shipping disruptions in the Red Sea and surrounding waterways**, and heightened cybersecurity threats. Although our operations in Russia ~~and the Middle East~~ were ~~and are~~ not significant, the ~~conflict~~ **conflicts** ~~has have~~ resulted in broader economic and security concerns, including in other geographies, which has adversely affected and may continue to adversely affect our business, financial condition or results of operations - ~~Although our operations in the region are not significant, the recent crisis related to the Israel-Hamas war is also a source of uncertainty. The conflict could grow and bring about disruption, instability and volatility in global markets, supply chains and logistics operations, such as recent shipping disruptions in the Red Sea and surrounding waterways, which could in turn adversely affect our business operations and financial performance.~~ The functional currency for most of our foreign operations is the applicable local currency. As a result, fluctuations in foreign currency exchange rates affect the results of our operations and the value of our foreign assets and liabilities, including debt, which in turn may adversely affect results of operations and cash flows and the comparability of period-to-period results of operations. Changes in foreign currency exchange rates also affect the relative prices at which we and competitors sell products in the same market. Foreign ~~and domestic~~ governmental policies and actions regarding currency valuation could result in actions, **for further actions,** by **other countries and** the United States ~~and other countries~~ to offset the effects of such fluctuations. The unpredictability and volatility of foreign currency exchange rates has adversely impacted our businesses and financial results **in the past** and ongoing or unusual volatility may continue to adversely impact us. Furthermore, due to our global operations, we are subject to numerous domestic and foreign laws and regulations affecting our business, such as those related to labor, employment, worker health and safety, antitrust and competition, environmental protection, consumer protection, privacy, and anti-corruption, including but not limited to the Foreign Corrupt Practices Act (the "FCPA") and the U. K. Bribery Act. We have put into place policies and procedures for our employees, contractors, and agents aimed at ensuring legal and regulatory compliance. Violations of these regulations could subject us to criminal or civil enforcement actions, any of which could have an adverse effect on our business. We may be adversely affected by the financial health of our customers. We extend credit to our customers based on an assessment of a customer's financial condition, generally without requiring collateral. To assist in the scheduling of production and the shipping of our products, we offer certain customers the opportunity to place orders five to six months ahead of delivery under our futures ordering program. These advance orders have in the past and may in the future be canceled under certain conditions, and the risk of cancellation may increase when dealing with financially unstable retailers or retailers struggling with economic uncertainty. In the past, some customers have experienced financial difficulties up to and including bankruptcies, which have had an adverse effect on our sales, our ability to collect on receivables and our financial condition. When the retail economy weakens or as consumer behavior shifts, retailers may be more cautious with orders. A slowing or changing economy in our key markets could adversely affect the financial health of our customers, which in turn could have an adverse effect on our results of operations and financial condition. In addition, product sales are dependent in part on high quality merchandising and an appealing retail environment to attract consumers, which requires continuing investments by retailers. Retailers that experience financial difficulties may fail to make such investments or delay them, resulting in lower sales and orders for our products. The ongoing financial uncertainty, particularly for retailers, could also have an effect on our sales, our ability to collect on receivables and our financial condition. Extreme weather conditions and natural disasters could negatively impact our operating results and financial condition. Extreme weather conditions in the areas in which our retail stores, suppliers, manufacturers, customers, distribution centers, offices, headquarters, and vendors are located could adversely affect our operating results and financial condition. Moreover, natural disasters such as earthquakes, hurricanes, wildfires and tsunamis, whether occurring in the United States or abroad, and their related consequences and effects, including energy shortages and public health issues, have in the past temporarily disrupted, and could in the future disrupt, our operations, the shipping channels we use, the operations of and the shipping channels used by our vendors, manufacturers and other suppliers or have in the past resulted in, and in the future could result in, economic instability that may negatively impact our operating results and financial condition. In particular, if a natural

disaster or severe weather event were to occur in an area in which we or our suppliers, manufacturers, customers, distribution centers or vendors are located, our continued success would depend, in part, on the safety and availability of the relevant personnel and facilities and proper functioning of our or third parties' computer, network, telecommunication and other systems and operations. In addition, a natural disaster or severe weather event could negatively impact retail traffic to our stores or stores that carry our products and could have an adverse impact on consumer spending, any of which could in turn result in negative point-of-sale trends for our merchandise. Natural disasters or severe weather events in regions that produce key raw materials or other inputs for our products, may drive up the prices of those raw materials or constrain the availability of raw materials, adversely affecting our cost of goods. Further, climate change may increase both the frequency and severity of extreme weather conditions and natural disasters, which may affect our business operations, either in a particular region or globally, and the shipping channels we use, as well as the activities of and the shipping channels used by our third-party vendors and other suppliers, manufacturers, and customers. **We could incur significant capital expenditures and other costs to improve the climate-related resiliency of our infrastructure and otherwise prepare for, respond to and mitigate the effects of climate change, including compliance with evolving, and at times inconsistent, country specific laws and regulations.** In addition, the physical changes prompted by climate change could result in changes in ~~regulations~~, consumer preferences, production capabilities, **the productivity of our contract manufacturers, higher insurance premiums and deductibles and the** availability of raw materials and costs, which could in turn affect our business, operating results, and financial condition. We believe the diversity of locations in which we operate, our operational size, disaster recovery, business continuity planning and information technology systems and networks, including the Internet and third-party services position us well, but may not be sufficient for all or for concurrent eventualities. If we were to experience a local or regional disaster or other business continuity event or concurrent events, we could still experience operational challenges, depending upon how a local or regional event may affect our human capital across our operations or regarding particular aspects of our operations, such as key executive officers or personnel. For example, our global headquarters is located in California near major geologic faults that have experienced earthquakes in the past. Further, if we are unable to find alternative suppliers or shipping channels, replace capacity at key manufacturing or distribution locations or quickly repair damage to our information technology systems and networks, including the Internet and third-party services, or supply systems, we could be late in delivering, or be unable to deliver, products to our customers. These events could result in reputational damage, lost sales, cancellation charges or markdowns, all of which could have an adverse effect on our business, results of operations and financial condition. Public health crises and a future outbreak of a highly infectious or contagious disease, pandemic or epidemic, ~~including the COVID-19 pandemic~~, have had and could in the future have an adverse effect on our business and results of operations. ~~The COVID-19 pandemic~~ **Pandemics** ~~negatively impacted the global economy, disrupted consumer spending and global supply chains and created significant volatility and disruption of financial markets. The COVID-19 pandemic has had an adverse impact on our business and financial performance, including: the temporary closing of our corporate office and other facilities; the temporary closing a significant number of our stores globally, particularly in China; the temporary or permanent closing of the stores of many of our customers; including significant customers in our wholesale and franchise distribution channels, and a resulting decrease in revenues; a decrease in foot traffic to our and our customers' stores; a decrease in consumer spending, consumer confidence and sales of our products; vessel, container and other transportation shortages; labor shortages; port congestion globally; and other supply chain and logistics disruptions. Despite the availability of COVID-19 vaccines, the pandemic continues to evolve, with resurgences and outbreaks occurring in various parts of the world, including those resulting from variants of the virus, and it may continue to adversely impact and cause disruptions to our business in the future. A future pandemic,~~ including the emergence of new COVID-19 variants, poses a risk to our business and financial performance, including our ability to execute our near-term and long-term business strategies and initiatives in the expected time frame. The extent of the impact of a pandemic or other health crisis on our business will depend on several factors, including the duration, spread and severity of the pandemic or health crisis, which are uncertain and cannot be predicted, and on the requirements to take action to help limit the spread of the illness and the availability, widespread distribution and acceptance of vaccines and treatments for the pandemic. Other factors that could negatively affect our business, operations and financial performance in the future and prevent us, our employees, customers, vendors and manufacturers from conducting business activities for an indefinite period of time during a pandemic, epidemic, health crisis or any future outbreak of any highly infectious or contagious disease, include, but are not limited to: • government mandates, guidance or recommendations regarding future shutdowns or closure requirements; • other future operational restrictions and delays; • any recession or inflationary pressures, resulting directly or indirectly, from the pandemic; • delays in inventory orders and, in turn, delays in deliveries to our wholesale customers and a decrease in availability in our company-operated stores and e-commerce sites; • a decrease in productivity or other disruptions in our business due to our hybrid work from home policy; • an increased reliance by those working offsite on residential communication networks and internet providers, which may be more susceptible to service interruptions and cyberattacks and, thus, could result in an increase in phishing and other scams, fraud, money laundering, theft and other criminal activity; • a disruption, including a worker shortage, in or the temporary or permanent closing of the factories that manufacture our products, the **ports and** distribution centers where we manage our inventory or the operations of our logistics and other service providers; • a decrease in available raw materials; • carrier constraints due to an increase in digital sales; • a future decision by management to restrict operations or close stores to protect the health and safety of our employees, consumers and communities; • other threats to the health of our employees; • an increase in health care costs, resulting directly or indirectly, from the pandemic; and • negative general macroeconomic conditions. These factors, among others, may negatively impact sales in our stores and our e-commerce channel and may cause our wholesale customers to purchase fewer products from us. Any significant reduction in consumer visits to, or spending at, our and our customers' stores caused, directly or indirectly, by ~~COVID-19 or any other pandemic~~ **pandemics**, and any continued decreased spending at stores or online caused by decreased consumer confidence and spending,

would result in a loss of sales and profits and, as a result, adversely impact our financial results. Risks Relating to Our Business and Operations Our success depends on our ability to maintain the value and reputation of our brands. Our success depends in large part on the value, overall health and reputation of our brands, which are integral to our business and the implementation of our “Brand Led” strategy for expanding our business. Maintaining, promoting and positioning our brands will depend largely on the success of our marketing, design and merchandising efforts and our ability to provide consistent, high- quality products supported by engaging marketing campaigns. In addition, our success in maintaining, extending and expanding our brand image depends on our ability to adapt to a rapidly changing media environment, including our increasing reliance on social media and digital dissemination of advertising campaigns on our digital platforms and through our digital experiences. Our brands and reputation could be adversely affected if we fail to achieve these objectives, if we fail to deliver high- quality products acceptable to our customers and consumers or if we face or mishandle a product recall. Our brand value also depends on our ability to maintain a positive consumer perception of our brands, corporate integrity and culture. Negative claims or publicity involving us or our products, the production methods, **materials** or locations of any of our suppliers or contract manufacturers, consumer data or any of our key employees, endorsers or suppliers could seriously damage our reputation, sales and brand image, regardless of whether such claims or publicity are accurate. Social media, which accelerates and potentially amplifies the scope of negative claims or publicity, can increase the challenges of responding to negative claims or publicity. In addition, we, our senior executives and the descendants of the family of our founder, Levi Strauss, may from time to time take positions **or actions (including internal programs)** or make statements on or charitable donations to social issues, including donations to the Levi Strauss Foundation (which is not one of our consolidated entities), that may be unpopular with some consumers or customers, which may result in adverse publicity or impact our ability to attract or retain such consumers or customers, and which could adversely impact our results in certain locations. **Additionally, people or groups who oppose these positions or statements may cause disruptions to our business operations.** Adverse publicity, regardless of its accuracy, could undermine consumer confidence in our brands and reduce long- term demand for our products. In addition, actions taken or statements made by recipients of such charitable donations could also seriously harm our brand image with consumers. Any harm to our brands and reputation could adversely affect our business and financial condition. The appeal of our brands may also depend on the success of our ESG initiatives, which require company- wide coordination and alignment. We are working to manage risks and costs to us, our licensees and our supply chain of any effects of climate change as well as diminishing fossil fuel and water resources. Risks related to our ESG initiatives include increased public focus, including by governmental and nongovernmental organizations, on these and other environmental sustainability matters, including packaging and waste, animal welfare and land use. Moreover, because of the increased focus from our stakeholders, including consumers, employees and investors, and more recently regulatory organizations, on corporate ESG practices, including corporate practices related to the causes and impacts of climate change and corporate statements, practices or products related to a variety of social issues, and the rapid evolution of stakeholder expectations and actions with respect to ESG practices and social issues, there is an increased risk of negative public reaction to and public backlash against our initiatives, products or practices related to ESG or other social issues that could have an adverse impact on our image, reputation, business operations and financial results. Risks also include increased pressure and regulatory requirements to expand our disclosures in these areas, make commitments, set targets or establish additional goals and take actions to meet them, which could expose us to legal, market, operational and execution costs or risks. The metrics we disclose, such as emissions and water usage, whether they be based on the standards we set for ourselves or those set by others, may influence our reputation and the value of our brand. In addition, as we work to align with the recommendations and requirements of various ratings and disclosure organizations and new and evolving regulations, we will likely expand our disclosures in these areas and, as a result, we may face increased scrutiny related to our ESG activities. Our failure to achieve progress on our metrics on a timely basis, or at all, could adversely affect our business, financial performance and growth. We could damage our reputation and the value of our brand if we fail to act responsibly in the areas in which we report. Any harm to our reputation resulting from setting these 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. **We rely on third parties to drive traffic to our platform, and these providers may change their algorithms or pricing, or may be subject to new laws and regulations, in ways that could negatively affect our business, financial condition, cash flows, and results of operations. Our success depends on our ability to attract customers cost effectively. With respect to our marketing channels, we rely heavily on relationships with providers of online services, search engines, social media and other websites and e-commerce businesses to provide content, advertising banners and other links that direct customers to our websites. We also use social media, including Facebook, Instagram, YouTube and others, as well as affiliate marketing, email, SMS, and direct mail, as part of our multi- channel approach to marketing and we expect that our use of social media for marketing purposes will increase over time. We rely on these relationships to provide significant traffic to our website and as important marketing channels and sources of information regarding potential customers. If digital platforms change or penalize us with their algorithms, terms of service, display and featuring of search results, or if competition increases for advertisements, we may be unable to cost- effectively attract customers. Our relationships with digital platforms are not covered by long- term contractual agreements and do not require any specific performance commitments. In addition, many of the platforms and agencies with whom we have advertising arrangements provide advertising services to other companies, including retailers with whom we compete. As competition for online advertising has increased, the cost for some of these services has also increased. A significant increase in the cost of the marketing providers upon which we rely could adversely impact our ability to attract customers cost effectively and harm our business, financial condition, results of operations and prospects. In addition, laws and regulations governing the use of these platforms and other digital marketing channels are rapidly evolving. It may become more difficult for us or our partners to comply with such laws, and future data privacy laws and regulations or industry standards may restrict or**

**limit our ability to use some or all of the marketing strategies on which we currently rely. The failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms could adversely impact our reputation or subject us to fines or other penalties.** Failure to continue to obtain or maintain high- quality endorsers of our products, or actions taken by our endorsers, could harm our business. We establish relationships with artists, designers, musicians, athletes and other public figures to develop, evaluate and promote our products. If we are unable to recruit endorsers with consumer appeal or endorsers were to stop using our products contrary to their endorsement agreements, our business could be adversely affected. In addition, actions taken, **allegations of wrongdoing** or statements made by our endorsers, associated with our products or brand or otherwise, **that harm the reputations of those endorsers or our decisions to cease collaborating with certain endorsers in light of actions taken, allegations of wrongdoing or statements made by them**, could also seriously harm our brand image with consumers and, as a result, could have an adverse effect on our business. The success of our business depends upon our ability to forecast and respond timely to consumer demand and market conditions and offer on- trend and new and updated products at attractive price points. The global apparel industry is characterized by ever- changing fashion trends and consumer preferences, including the increasing shift to digital brand engagement and social media communication, and by the rapid replication of new products by competitors. The apparel industry is also impacted by changing consumer preferences regarding spending categories generally, including shifts away from traditional consumer spending and towards" experiential" spending and sustainable products. As a result, our success depends in large part on our ability to **efficiently and effectively** develop, market and deliver innovative and stylish products at a pace, intensity and price competitive with other brands in the markets in which we sell our products **while reducing costs associated with the related processes**. In addition, we must create products at a range of price points that appeal to the consumers of both our wholesale customers and our dedicated retail stores and e- commerce sites situated in each of our diverse geographic regions. Our development and production cycles take place prior to full visibility into all of these factors for the coming seasons. Failure on our part to forecast and respond timely to consumer demand and market conditions and to regularly and rapidly develop innovative and stylish products and update core products could limit sales growth, adversely affect retail and consumer acceptance of our products and negatively impact the consumer traffic in our dedicated retail stores. Moreover, our newer products may not produce as high a gross margin as our traditional products and thus may have an adverse effect on our overall margins and profitability. In addition, if we fail to accurately forecast consumer demand, we may experience excess inventory levels, which may result in inventory write- downs and the sale of excess inventory at discounted prices. This could have an adverse effect on the image and reputation of our brands and could adversely affect our gross margins. For example, if sales do not meet expectations because of unexpected effects on inventory supply and consumer demand, too much inventory may cause excessive markdowns and, therefore, lower- than- planned margins. Conversely, if we underestimate consumer demand for our products, we may experience inventory shortages, which could delay shipments to customers, negatively impact retailer and consumer relationships and diminish brand loyalty. Port congestion, inventory delays, labor shortages, **and** storage and process capacity pressures, ~~and aging technology within our U. S. distribution centers have~~ **previously** impacted our ability to service consumer and wholesale customer demand **and could impact it again** during fiscal year 2023. We expect these ~~disruptions to continue~~ in the future due, in part, to a shortage of labor to work in our distribution centers, aging technology and a driver shortage in primarily the United States and Europe. Elevated inventory levels, combined with the uneven **Uneven** flow of receipts and shipments, could cause further capacity pressures within our U. S. distribution centers, ~~and resulting~~ **result** in higher costs and ~~limiting~~ **limit** our ability to fulfill our consumers' and wholesale customers' demand. In the event these supply chain disruptions **reoccur** continue, particularly if they are longer or are more severe than we anticipate, our business, operating results and financial condition may be adversely affected. We depend on a group of key wholesale customers for a significant portion of our revenues. A significant adverse change in a customer relationship or in a customer' s performance or financial position could harm our business and financial condition. Sales to our top ten wholesale customers accounted for **26 %**, 28 % ~~and~~ **31 %** and **32 %** of our total net revenues in fiscal years **2024**, 2023 ~~and~~ **2022** and **2021**, respectively. No single customer represented 10 % or more of our net revenues in any of these years. While we have long- standing relationships with our wholesale customers, we do not have long- term contracts with them. As a result, purchases generally occur on an order- by- order basis, and the relationship, as well as particular orders, can generally be terminated by either party at any time. If any major wholesale customer decreases or ceases its purchases from us, cancels its orders, delays or defaults on its payment obligations to us, reduces the floor space, assortments, fixtures or advertising for our products or changes its manner of doing business with us for any reason, such as due to store closures, decreased foot traffic, inflationary pressures or recession, such actions are expected to adversely affect our business and financial condition. **During weak economic conditions, such as periods of high inflation, recessionary fears or reduced consumer traffic and purchasing, our wholesale customers may be more cautious with orders or may slow investments necessary to maintain a high quality in- store experience for customers, which may result in lower sales of our products**. In addition, competition between our wholesale customers may impact the prices at which they sell our products, thereby impacting the prices at which they are willing to buy products from us. Furthermore, certain of our major wholesale customers may seek to distribute our products globally in a manner or at prices that impact the positioning that we seek to promote in our other channels of distribution. A decline in the performance or financial condition of a major wholesale customer — including bankruptcy or liquidation — could result in the adverse impact on revenues and cause us to limit or discontinue business with that customer, require us to assume more credit risk relating to our receivables from that customer or limit our ability to collect amounts related to previous purchases by that customer. Permanent store closures and other developments in these proceedings have adversely affected our sales to these customers. We expect additional closures and other developments in these proceedings will likely adversely affect our sales to these customers in the future, even if they continue operations. In addition, store closures, decreased foot traffic, inflationary pressures and recession will adversely affect the performance and will likely adversely affect the financial condition of many of these

customers. The foregoing may have an adverse effect on our business and financial condition. Our efforts to expand our retail business may not be successful, which could impact our operating results. One of our key strategic priorities is our “DTC First” strategy, which includes our plan to become a leading world-class omni-channel retailer by expanding our consumer reach in brand-dedicated stores globally, including making selective investments in company-operated stores and e-commerce sites, and other brand-dedicated store models. In many locations, we face major, established retail competitors that may be able to better attract consumers and execute their retail strategies. In addition, a retail operating model involves substantial ongoing investments in equipment and property, information systems, inventory and personnel. Due to the high fixed-cost structure associated with these investments, a decline in sales or the closure of or poor performance of stores, including as a result of general declines in the macroeconomic environment, could result in significant costs and impacts to our margins and impairment charges. Our ability to grow our retail channel also depends on the availability and cost of real estate that meets our criteria for foot traffic, square footage, demographics and other factors. Failure to identify and secure adequate new locations, or failure to effectively manage the profitability of the fleet of stores, could have an adverse effect on our results of operations. **Our DTC First strategy depends on our ability to successfully drive expansion of our gross margins, manage and leverage our cost structure and drive return on our investments. If we cannot effectively execute our strategy while managing costs effectively, our business could be negatively impacted and we may not achieve our expected results of operations.** In addition, our investments in consumer, digital, and omni-channel shopping initiatives may not deliver the results we anticipate. These initiatives involve significant investments in IT systems, data science and artificial intelligence initiatives, and significant operational changes. Our competitors are also investing in omni-channel initiatives, some of which may be more successful than our initiatives. If the implementation of our consumer, digital and omni-channel initiatives is not successful, or we do not realize the return on our investments in these initiatives that we anticipate, our operating results would be adversely affected. If the technology-based systems that give our consumers the ability to shop or interact with us online do not function effectively, our operating results, as well as our ability to grow our digital commerce business globally or to retain our customer base, could be materially adversely affected. Many of our consumers shop with us through our digital platforms or through third party digital marketplaces on which we operate. Consumer expectations and related competitive pressures have increased and are expected to continue to increase relative to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges and other evolving expectations. Increasingly, consumers are using mobile-based devices and applications to shop online with us and with our competitors, and to do comparison shopping, as well as to engage with us and our competitors through digital services and experiences that are offered on mobile platforms. We are increasingly using social media and proprietary mobile applications to interact with our consumers and as a means to enhance their shopping experience. Any failure on our part to provide attractive, effective, reliable, secure, user-friendly digital commerce platforms that offer a wide assortment of merchandise with rapid delivery options and that continually meet the changing expectations of online shoppers or any failure to provide attractive digital experiences to our customers could place us at a competitive disadvantage, result in the loss of digital commerce and other sales, harm our reputation with consumers, have an adverse impact on the growth of our digital commerce business globally and have an adverse impact on our business and results of operations. In addition, as use of our digital platforms continues to grow, we will need an increasing amount of technical infrastructure to continue to satisfy our consumers’ needs. If we fail to continue to effectively scale and adapt our digital platforms to accommodate increased consumer demand, our business may be subject to interruptions, delays or failures and consumer demand for our products and digital experiences could decline. Risks specific to our digital commerce business also include diversion of sales from our and our retailers’ brick and mortar stores, difficulty in recreating the in-store experience through direct channels and liability for online content. Our failure to successfully respond to these risks could adversely affect sales in our digital commerce business, as well as damage our reputation and brands. We may be unable to maintain or increase our sales through our third-party distribution channels. In addition to our brand-dedicated company-operated retail stores and e-commerce sites, our third-party distribution channels include department stores, specialty retailers, mass channel retailers, franchised or other brand-dedicated stores, and shop-in-shops. We may be unable to maintain or increase sales of our products through these distribution channels for several reasons, including the following: • the retailers in these channels maintain — and seek to grow — substantial private-label and exclusive offerings as they strive to differentiate the brands and products they offer from those of their competitors; • the retailers change their apparel strategies in a way that shifts focus away from our typical consumer or that otherwise results in a reduction of sales of our products generally, such as a reduction of fixture spaces devoted to our products or a shift to other brands; • other channels, including vertically-integrated specialty stores and e-commerce sites, account for a substantial portion of jeanswear and casual wear sales. In some of our mature markets, these stores and sites have placed competitive pressure on our primary distribution channels, and many of these stores and sites are now looking to our developing markets to grow their business; and • shrinking points of distribution, including fewer doors at our customer locations, store closures and decreased foot traffic due to, among other things, or bankruptcy or financial difficulties of a customer. Further success by retailer private-labels, vertically-integrated specialty stores and e-commerce sites may continue to adversely affect the sales of our products across all channels, as well as the profitability of our brand-dedicated stores. Additionally, our ability to secure or maintain retail floor space, product display prominence, market share and sales in these channels depends on our ability to offer differentiated products, to increase retailer profitability on our products and the strength of our brands, and such efforts could have an adverse impact on our margins. In addition, the retail industry in the United States has experienced substantial consolidation over the last decade, and further consolidation may occur. Consolidation in the retail industry has typically resulted in store closures, centralized purchasing decisions and increased emphasis by retailers on inventory management and productivity, which could result in fewer stores carrying our products or reduced demand by retailers for our products. In addition, we and other suppliers may experience increased customer leverage over us and greater exposure to credit risk as a result of industry consolidation. Furthermore, consolidation may be partly due to consumers

continuing to transition away from traditional wholesale retailers to large online retailers, which in turn exposes our products to increased competition and pricing pressure. Any of the foregoing results can impact, and have adversely impacted in the past, our net revenues, margins and ability to operate efficiently. If we encounter problems with distribution, our ability to deliver our products to market could be adversely affected. We rely on both company- owned and third- party distribution facilities to warehouse and ship products to our wholesale customers, retail stores and e- commerce consumers throughout the world. As part of the pursuit for improved organizational agility and marketplace responsiveness, we have consolidated the number of distribution facilities we rely upon and continue to look for opportunities for further consolidation in certain regions. These actions may make our operations more vulnerable to interruptions in the event of work stoppages or disruption (including as a consequence of public health directives, quarantine policies or social distancing measures imposed by governments), labor disputes, **such as U. S. or foreign labor strikes or boycotts**, worker shortages, **port congestion**, pandemics, **macroeconomic conditions, geopolitical conflict, the impacts of climate change, earthquakes, floods, fires or other natural disasters** (such as **droughts the COVID-19 pandemic**), **macroeconomic conditions, geopolitical conflict, the impacts of climate change, earthquakes, floods, fires or other natural disasters** affecting these distribution centers or shipping channels. **Labor laws in the various jurisdictions where our distribution network operates and inflation impacts on labor costs impact our costs of distribution and increase regulatory complexity for us and the third- parties with whom we partner**. In addition, distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from their distribution facilities, which also may be adversely affected by similar events. **Any failure by us or our third- party providers to adapt to these events or to otherwise respond adequately to our distribution needs could disrupt our business**. Our distribution system includes computer- controlled and automated equipment, which may be subject to a number of risks related to data and system security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. Moreover, some of our current distribution centers rely on aging technology. **As part of our effort to optimize our logistics network, we are in the process of transitioning the operation of certain of our global distribution and fulfillment centers to third- party logistics providers. This transition from owner- operated facilities to third- party logistics providers may cause interruptions to these centers as we transition or restructure systems, technology and employees.** We may at times experience a shortage of labor, interruptions in our business systems or delays as a result of this transition. Given that, as a result of this transition, **third- party logistics providers will satisfy a significant percentage of our distribution and fulfillment needs, we are subject to concentration risks and any disruptions, delays or other events impacting the business of the third- party logistics providers may have a significant impact on** built and may continue to build new company- owned distribution and fulfillment facilities globally to meet our future demand, drive efficiencies and enhance our service capabilities. However, construction of new facilities may be delayed and once completed, the new sites may encounter lower than anticipated service levels or **our business, including higher costs as we integrate them into our supply chain-ability to timely fulfill orders**. If we encounter problems with our distribution system, whether company- owned or third- party, our ability to meet customer and consumer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Unexpected obstacles in new markets and in our existing markets may limit our expansion opportunities and cause our business and growth to suffer. Our future growth depends in part on our continued expansion efforts in existing markets and in new markets where we may have limited familiarity and experience with regulatory environments and market practices. In particular, one of our key strategies is to further diversify our portfolio and grow market share across geographies, categories, genders and channels. We may not be able to expand or successfully operate in those markets, categories and channels as a result of unfamiliarity or other unexpected barriers to expansion or entry, such as new competitors, cultural and linguistic differences, differences in regulatory environments, labor practices and market practices, economic or governmental instability, difficulties in keeping abreast of market, business and technical developments and differences in consumer tastes and preferences. Our failure to develop our business in new markets or disappointing growth in existing markets that we may experience could harm our business and results of operations. **Future acquisitions-We may not be able to realize the potential financial or strategic benefits of and investments in new- the transactions we complete, or find suitable target businesses to acquire could harm our business and financial condition**. From time to time, we have acquired and may in the future acquire or invest in businesses or partnerships that we believe could complement our business or offer growth opportunities. **We expect to make additional acquisitions and strategic investments in the future, but we may not find suitable acquisition For- or example investment targets**, in- or we may not be able to consummate desired acquisitions or investments due to among the other things fourth quarter of fiscal 2021, **financial constraints, unfavorable credit markets, commercially unacceptable terms, failure to obtain regulatory approvals, competitive bid dynamics or other risks, which could harm our operating results. Additionally, acquisitions may not be well received by the customers or employees of either company, and this could hurt our brand and result in the loss of key employees. The pursuit and integration of such acquisitions or investments may divert the attention of management and cause us to incur various expenses, regardless of whether the acquisition or investment is ultimately completed. In addition, acquisitions and investments may not perform as expected or cause us to assume unrecognized or underestimated liabilities. Further, even if we are able to successfully identify and acquire additional businesses, we may not be able to successfully integrate the acquired personnel** Beyond Yoga ®, a premium athletic and lifestyle apparel brand. The expected synergies between Levi Strauss & Co. and Beyond Yoga ®, such as those related to our- **or operations** entry into the activewear category, **effectively manage the combined** complementing our growing women's business **following and enabling the acquisition** allocation of global resources and infrastructure to significantly expand Beyond Yoga ®, **or the acquired business** building on its largely digital ecosystem, **may not materialize- have inadequate or ineffective controls and procedures, any of which could harm our business and financial condition**. Our management team has limited experience in addressing the challenges of integrating management teams, strategies, cultures and organizations of two companies. These

activities are complex, costly and time-consuming and **pose a number of risks.** Any delays or issues encountered in these activities could have an adverse effect on the financial condition of the company. **We** Additionally, acquisitions may **in the future divest certain product lines that not no longer fit** be well received by the customers or our employees of either company **long- term strategies. As previously disclosed**, and this could hurt **we are reviewing strategic alternatives with respect to our Dockers brand and, which may result in the loss a divestiture of the key employees.** The pursuit and **brand integration of such acquisitions. Divestitures may adversely impact or our** investments may divert the attention of management and cause us to incur various expenses, regardless of whether the acquisition or investment is ultimately completed. In addition, acquisitions and investments may not perform as expected or cause us to assume unrecognized or underestimated liabilities. Further, even if we are able to successfully identify and acquire additional businesses, we may not be able to successfully integrate the acquired personnel or operations, effectively manage the combined business following the acquisition, **operating results** or the acquired business may have inadequate or ineffective controls and procedures, any of which could harm our business and financial condition **if**. In addition, we may, **are unable to achieve the anticipated benefits or cost savings** from such divestitures time to time, evaluate and pursue **or if we are unable to offset impacts from other-- the strategic investments loss of revenue associated with the divested product lines.** **or For acquisitions example, if we decide to sell or otherwise dispose of certain product lines, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all.** These involve various inherent **Further, whether such divestitures are ultimately consummated or not, their pendency could have a number of negative effects on our current business, including potentially disrupting our regular operations, increasing our near- term costs, diverting the attention of our workforce and management team and increasing undesired workforce turnover. It could also disrupt existing business relationships, make it harder to develop new business relationships, or otherwise negatively impact the way that we operate our business. If we do not manage the foregoing risks and, the transactions that we complete** benefits sought may not be realized. The acquisition of strategic investments **or are unable to complete** acquisitions may not create value and may harm our brand and adversely affect our business, financial condition, and results of operations. We face risks arising from the ongoing restructuring of our operations and uncertainty with respect to our ability to achieve any anticipated cost savings associated with such restructuring. **We are** **In the first quarter of fiscal year 2024, we began** implementing a restructuring plan to **prioritize-accelerate the execution of our and Brand Led** optimize our direct to consumer efforts, improve productivity and drive cost efficiencies and fuel **DTC First strategies while fueling long- term profitable growth , with a focus on optimizing our operating model and structure, how we go to market, redesigning business processes and identifying opportunities to reduce costs and simplify processes across our organization.** Future charges related to such actions may harm our profitability in the periods incurred. Restructuring program actions, which include a reduction in workforce, operating model redesign and core processes redesign, may present a number of significant risks that could have a material adverse effect on our operations, financial condition, results of operations, cash flow, or business reputation, including: • incurrence of additional costs in the short- term, including workforce reduction costs, **costs associated with transitioning functions to new locations,** training of employees or third- party resources, accounting charges for inventory and technology- related write- offs and charges relating to consolidation of excess facilities; • failure to accurately assess market opportunities and the technology required to address such opportunities ; • **failure to accurately predict the time and resources necessary to implement our restructuring plan and related go- to- market strategy** ; • actual or perceived disruption of service or reduction in service levels to customers and consumers; • potential adverse effects on our internal control environment and inability to preserve adequate internal controls relating to our general and administrative functions; • actual or perceived disruption to customers, suppliers, distribution networks and other important operational relationships and the inability to resolve potential conflicts in a timely manner; • difficulty in obtaining timely delivery of products of acceptable quality from our contract manufacturers; • diversion of management attention from ongoing business activities and strategic objectives; • failure to maintain employee morale **and retain key employees,** damage to company culture and an increase in employment claims ; • **employee attrition beyond planned reductions and workforce transitions, including inadequate transfers of knowledge** ; and • damage to our reputation as an employer, which could make it more difficult for us to hire new employees in the future. Because of these and other factors, some of which may not be entirely within our control, we may not fully realize the purpose and anticipated operational benefits, efficiencies or cost savings of any productivity actions in the expected timelines, or at all, and, if we do not, our business and results of operations may be adversely affected. Our business is affected by seasonality and other factors that result in fluctuations in our quarterly operating results We experience moderate fluctuations in aggregate sales volume during the year. Historically, revenues in our fourth fiscal quarter has slightly exceeded those in our other three fiscal quarters. In addition, our customers and consumers may cancel orders, change delivery schedules, or change the mix of products ordered with minimal notice. As a result, we may not be able to accurately predict our quarterly sales. Accordingly, our results of operations are likely to fluctuate significantly from period to period. These factors, along with other factors that are beyond our control, such as social or political unrest, pandemics, general economic conditions, changes in consumer preferences, weather conditions, the effects of climate change, the availability of import quotas, transportation disruptions and foreign currency exchange rate fluctuations, could adversely affect our business and cause our quarterly results of operations to fluctuate. We rely significantly on information technology and data to operate our business, including our supply chain and retail operations, and any **delay failure, inadequacy, compromise or interruption of problem with operating or upgrading** that technology or data, or those of third parties upon which we rely, could **We are** heavily dependent on information technology systems and networks, including the Internet, third- party services and artificial intelligence, across our supply chain, including product design, production, forecasting, ordering, manufacturing, transportation, sales, and distribution, as well as for processing financial information for external and internal reporting purposes, retail operations and other business activities. These information technology systems are critical to many of our operating activities and our business processes and may be negatively impacted

by any security incident, service interruption or shutdown. For example, in 2024, CrowdStrike Holdings, Inc. (“CrowdStrike”), a cybersecurity technology company, caused widespread crashes of Windows systems into which it was integrated, and, as a result of the CrowdStrike software update, we experienced interruptions to our operations with various technology systems, including store point-of-sale solutions, being offline for a limited period of time. Though this incident did not result in data loss or theft or directly impact our controls or a material loss, it did result in a business interruption. Over the last several years, we have been implementing and continue to implement modifications and upgrades to our systems, including making changes to legacy systems, replacing legacy systems with successor systems with new functionality and acquiring new systems with new functionality. For example, over the next several years, we plan to continue the process of implementing a new ERP system across the company with implementation in the United States completed in 2023 and Europe scheduled ~~for to commence in~~ fiscal year ~~2026~~ 2025. Additionally, we **are building new distribution and fulfillment facilities which are highly automated and utilize industry leading technology and equipment. Our ability to effectively manage and maintain our inventory and to ship products to customers on a timely basis depends significantly on the reliability of these systems, and we cannot assure that implementing these modifications and upgrades will in the future prevent or protect against all technological problems and security issues or bring about the desired efficiencies and synergies to our operations. Furthermore, our efforts to address undesirable activity on our platforms may also increase the risk of retaliatory attack.** lead to adverse consequences, including but not limited to regulatory investigations or actions, litigation, fines and penalties, harm to our ability to effectively operate our business, claims that we breached our data privacy ~~or~~ security obligations, harm to our reputation and a loss of customers or sales. In the ordinary course of our business, we may collect, store, use, transmit, disclose or otherwise process proprietary confidential and sensitive data, including personal information, intellectual property, and trade secrets, and we rely upon third parties (such as service providers) for data processing- related activities. **We also rely on third parties for the operation of certain of our e-commerce websites, and do not control these service providers.** As a result, we and the third parties upon which we rely face a variety of evolving threats, including but not limited to ransomware attacks, security breaches, cyber- attacks or other malicious activities by hackers, criminal groups, nation- states and nation- state- sponsored organizations and social- activist organizations, computer viruses or other malicious codes, unauthorized access, phishing attacks, or unauthorized uses, any of which may be irreversible and result in operational problems and security incidents. Given the nature of information collected and processed, the retail industry in particular has been the target of many cyber- attacks, and it is possible that an individual or group could defeat our security measures, or those of a third- party service provider. We have been and will continue to be a target of cyber- attacks **, including phishing, and other attempts to breach, or gain unauthorized access to, our systems** because of the visibility of our brand, making the secure maintenance of proprietary, confidential and sensitive data critical to our business and reputation. In the future, we may see an increase in the number of such attacks as we have shifted to a hybrid working model under which some employees will continue working remotely and accessing our technology infrastructure remotely. ~~We are heavily dependent on information technology..... increase the risk of retaliatory attack.~~ Our work to integrate, secure and enhance these systems and related processes in our global operations is ongoing and we will continue to invest in these efforts. We may expend significant resources or modify our business activities to try to protect against security incidents ~~–We facilitate training programs for employees to raise awareness about data privacy, phishing, malware and other cyber risks. We also perform simulations and drills at both a technical and leadership level periodically. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable or appropriate security measures to protect our information technology systems and sensitive information.~~ We cannot provide assurance, however, that the measures we take to secure and enhance these systems will be sufficient to prevent security incidents, cyber- attacks, system failures or data or information loss. Cyber- attacks, malicious internet- based activity and online and offline fraud are prevalent and continue to increase in frequency and magnitude. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or our customers’ data, to disable or degrade service or to sabotage systems **, including through the use of artificial intelligence,** are constantly evolving, have become increasingly complex and sophisticated, may be difficult to detect quickly and often are not recognized until launched against a target, even if we take all reasonable precautions, including to the extent required by law. In addition to traditional computer “hackers,” threat actors, personnel (such as through theft or misuse), sophisticated nation- states and nation- state supported actors and social- activist organizations now engage in attacks. **Furthermore, our efforts to address undesirable activity on our platforms may also increase the risk of retaliatory attack.** We have and may continue to be subject to a variety of evolving threats, including but not limited to social engineering, such as phishing, malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks ~~, (such as credential stuffing )~~, personnel misconduct or error, supply- chain attacks, software bugs, server malfunctions and large- scale, complex automated attacks that can evade detection for long periods of time. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Ransomware attacks, including those perpetrated by organized criminal threat actors, nation- states and nation- state supported actors and social- activist organizations, are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm and diversion of funds. In addition, such incidents could result in unauthorized disclosure and misuse of material confidential information, including personal information. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments **or beliefs that payment may not result in system restoration.** ~~Any~~ **In addition to our own systems, we use third- party service providers to store, transmit and otherwise process information on our behalf, and our third- party service providers are subject to similar cybersecurity risks. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any cybersecurity incident attributed to our**

service providers as they relate to the information we share with them or to which they are granted access. Although we generally contractually require these service providers to implement and maintain a standard of security (such as implementing reasonable measures) as well as incident response commitments, we cannot control third parties and cannot guarantee that a security breach will not occur in their systems or that we will receive timely information should an incident occur. Our software or information technology systems, or that of third parties upon whom we rely to operate our business, may have material vulnerabilities and, despite our efforts to identify and remediate these vulnerabilities, our efforts may not be successful or we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. Actual or perceived vulnerabilities or unauthorized access of our or our service providers' information technology systems or networks may result in the loss of confidential business and financial data, misappropriation of our consumers', users' or employees' personal information or a disruption of our business. Any of these outcomes could have a material adverse effect on our business, including unwanted media attention, impairment of our consumer and customer relationships, damage to our reputation, **and the value of our brands,** resulting in lost sales, fines, lawsuits (including class actions), government enforcement actions (for example, investigations, fines, penalties, audits and inspections) or significant legal and remediation expenses. We also may need to expend significant resources to protect against, respond to or redress problems caused by any unauthorized processing. ~~The failure of our information technology systems and networks to operate effectively, including as a result of the threats described above as well as a result of natural disasters, vendor business interruptions or other causes, failure to properly maintain, protect, repair or upgrade systems, or problems with transitioning to upgraded or replacement systems could cause delays in product fulfillment and reduced efficiency of our operations, could require significant capital investments to remediate the problem which may not be sufficient to cover all eventualities, and may have an adverse effect on our reputation, results of operations and financial condition. In addition, the increased use of employee-owned devices for communications, as well as work-from-home arrangements, present additional operational risks to our information technology systems, including, but not limited to, increased risks of cyber-attacks. Our software or information technology systems, or that of third parties upon whom we rely to operate our business, may have material vulnerabilities and, despite our efforts to identify and remediate these vulnerabilities, our efforts may not be successful or we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. It may be expensive and time-consuming to remediate material vulnerabilities, and our operations, reputation, sales and financial performance may be adversely impacted if we are not able to successfully and promptly remediate such vulnerabilities. Further, like other companies in the retail industry, we have in the past experienced, and we expect to continue to experience, cyber-attacks, including phishing, and other attempts to breach, or gain unauthorized access to, our systems. For example, in 2023, several of our third-party service providers that relied on Pension Benefits Information LLC were impacted by the CLOP (a third-party criminal group) cyber-attack on Progress Software's MOVEit Transfer product (a file-transfer application). Though this incident did not directly impact our systems or controls, the cyber-attack resulted in delivery of data-breach notifications to a significant number of our current and former employees. Upon discovery of the vulnerability, we worked with our third-party service providers to review their security controls in an effort to prevent future similar cyber-attacks in the future. However, despite these efforts, we cannot provide assurance that these and other attacks will not have an impact in the future. Actual or perceived vulnerabilities or data breaches may lead to claims sanctions against us, subject us to investigations or liability, may compromise our reputation, diminish the value of our brands and discourage use of our websites. We also use information technology systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. If these systems suffer severe damage, disruption or shutdown and our incident response or business continuity plans, or those of our vendors, do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, which could result in lost revenues and profits, as well as reputational damage. Furthermore, we depend on information technology systems and personal information collection for digital marketing, digital commerce, consumer engagement and the marketing and use of our digital products and services. We also rely on our ability to engage in electronic communications throughout the world between and among our employees as well as with other third parties, including customers, suppliers, vendors and consumers. Any interruption in information technology systems may impede our ability to engage in the digital space and result in lost revenues, damage to our reputation and loss of users. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all or that such coverage will pay future claims. The successful assertion of one or more large claims against us that exceeds available insurance coverage or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, reputation, results of operations and financial condition. As we outsource functions, we become more dependent on the entities performing those functions. Disruptions or delays at our third-party service providers could adversely impact our operations. As part of our long-term profitable growth strategy, we are continually looking for opportunities to provide essential business services in a more cost-effective manner. In some cases, this requires the outsourcing of functions or parts of functions that can be performed more effectively by external service providers. For example, we currently outsource a significant portion of our information technology, finance, customer relations and customer service functions to a third party. Additionally, **We are also in the process of transitioning the operation of certain of our global distribution and fulfillment centers to** third-party service-logistics providers are also relied upon to design, program, maintain and service our ERP systems. While we believe we conduct appropriate diligence before entering into agreements with any outsourcing entity, the failure of one or more of such entities to meet our performance standards and~~

expectations, including with respect to data security, compliance with data protection and privacy laws, providing **quality** services on a timely basis or providing services at the prices we expect, may have an adverse effect on our results of operations or financial condition. We could face increased costs or disruption associated with finding replacement vendors or hiring new employees in order to return these services in- house, which may have a significant impact on our costs, as well as impact the timing of receipt of inventory for future seasons **and the shipment of inventory to consumers and customers**. Any failures of these vendors to properly deliver their services could similarly have a material effect on our business. We may outsource other functions in the future, which would increase our reliance on third parties. We currently rely on contract manufacturing of our products. Our inability to secure production sources meeting our quality, cost, social and environmental risk mitigation and other requirements, or failures by our contract manufacturers to perform, could harm our sales, service levels and reputation. In fiscal year ~~2023~~ **2024**, we sourced **nearly all** ~~approximately 99%~~ of our products from independent contract manufacturers that purchase fabric and make our products and may also provide us with design and development services. As a result, we must locate and secure production capacity. We depend on contract manufacturers to maintain adequate financial resources, including access to sufficient credit, to secure a sufficient supply of raw materials, and maintain sufficient development and manufacturing capacity in an environment characterized by continuing cost pressure and demands for product innovation and speed- to- market. In addition, we currently do not have any material long- term contracts with any of our contract manufacturers. Under our current arrangements with our contract manufacturers, these manufacturers generally may unilaterally terminate their relationship with us at any time. While we have historically worked with numerous manufacturers, in recent years we have begun consolidating the number of contract manufacturers from which we source our products. In addition, some of our contract manufacturers have merged. Reliance on a fewer number of contract manufacturers involves risk, and any difficulties or failures to perform by our contract manufacturers could cause delays in product shipments or otherwise negatively affect our results of operations. If our contract manufacturers, or any raw material vendors or suppliers on which our contract manufacturers rely, suffer **permanent or** prolonged manufacturing or transportation disruptions, **including** due to macroeconomic conditions, **regulatory restrictions**, geopolitical conflict, public health conditions, **such as the recent COVID- natural disasters, shortages of single - source** ~~19 pandemic~~, or **other raw materials, or any** other unforeseen events, our ability to source product on a timely basis could be adversely impacted, which could adversely affect our results of operations. Also, we have certain minimum inventory purchase commitments, including fabric commitments, with suppliers that secure a portion of material needs for future seasons. If we do not satisfy the minimum purchase commitments, due to conditions such as decreased demand, we may be charged for estimated adverse purchase commitments. A contract manufacturer' s failure to ship products to us in a timely manner or to meet our quality standards, or interference with our ability to receive or process shipments due to factors such as port or transportation conditions, security incidents or storage and process capacity pressures, could cause us to miss the delivery date requirements of our customers. Failing to make timely deliveries may cause our customers to cancel orders, refuse to accept deliveries, impose non- compliance charges, demand reduced prices or reduce future orders, any of which could harm our sales and margins. If we need to replace any contract manufacturer, we may be unable to locate additional contract manufacturers on terms that are acceptable to us, or at all, or we may be unable to locate additional contract manufacturers with sufficient capacity to meet our requirements or to fill our orders in a timely manner. We require contract manufacturers to make progress toward our sustainability goals and meet our standards and policies in terms of working conditions, environmental protection, raw materials, facility safety, security and other matters before we are willing to place business with them. As such, we may not be able to obtain the lowest- cost production. We also may need to move our production to the extent that we determine our contract manufacturers are not in compliance with our standards or applicable government standards, sanctions or other restrictions. We may also encounter delays in production and added costs as a result of the time it takes to train our contract manufacturers in our methods, products and quality control standards. In addition, the labor and business practices of apparel manufacturers and their suppliers, including raw material suppliers, have received increased attention from the media, non- governmental organizations, consumers and governmental agencies in recent years. Any failure by our contract manufacturers or their suppliers to adhere to our code of conduct, labor or other laws, appropriate labor or business practices, safety, structural or environmental standards, and the potential litigation, negative publicity and political pressure relating to any of these events, could harm our business and reputation. Our suppliers may be impacted by economic conditions and cycles and changing laws and regulatory requirements which could impact their ability to do business with us or cause us to terminate our relationship with them and require us to find replacements, which we may have difficulty doing. Our suppliers are subject to the fluctuations in general economic cycles, and global economic conditions may impact their ability to operate their businesses. They may also be impacted by the increasing costs or availability of raw materials, including related to inflationary pressures, labor and distribution, resulting in demands for less attractive contract terms or an inability for them to meet our requirements or conduct their own businesses. The performance and financial condition of a supplier may cause us to alter our business terms or to cease doing business with a particular supplier, or change our sourcing practices generally, which could in turn adversely affect our business and financial condition. In addition, regulatory developments such as reporting requirements on the use of “ conflict ” minerals mined from the Democratic Republic of Congo and adjoining countries, or compliance with the sanctions and customs trade orders issued by the U. S. government related to raw materials, entities and individuals who are connected to a region of China, as well as retaliatory measures or restrictions of critical materials by certain governments, could affect the sourcing and availability of raw materials used by our suppliers in the manufacturing of certain of our products, or distribution of products to the United States. We have been and may continue to be subject to costs associated with regulations, including for the diligence pertaining to these matters and the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. The impact of such regulations may result in a limited pool of acceptable suppliers, and we cannot be assured that we will be able to obtain products in sufficient quantities or at competitive prices. Also, because our supply chain is complex, we may face regulatory challenges in complying with applicable sanctions and trade

regulations and reputational challenges with our consumers and other stakeholders if we are unable to sufficiently verify the origins for the material used in the products we sell. The global apparel industry is subject to intense competition and cost and pricing pressure. The apparel industry is characterized by low barriers to entry for both suppliers and marketers, global sourcing through suppliers located throughout the world, trade liberalization, continuing movement of product sourcing to lower cost countries, regular promotional activity, and the ongoing emergence of new competitors with widely varying strategies and resources. These factors have contributed, and we expect them to continue to contribute in the future, to intense pricing pressure and uncertainty throughout the supply chain. Macroeconomic pressures around the world such as inflation, ~~rising interest rates,~~ ~~energy prices, including the dramatic increases in energy prices in Europe,~~ and recession fears are creating a complex and challenging retail environment for us and our customers as consumers reduce discretionary spending. Pricing pressure has been further exacerbated by the variability and availability of raw materials, combined with labor and cost inflation and uncertainty throughout the supply chain. This pressure could have adverse effects on our business and financial condition, including:

- reduced gross margins across our product lines and distribution channels;
- increased retailer demands for allowances, incentives, and other forms of economic support;
- unfavorable consumer reactions to price increases; and
- increased pressure on us to reduce our production costs and operating expenses.

**In addition, we compete with other companies in the apparel industry on the basis of investments in technology and adapting to changes in technology, including the successful use of data analytics, artificial intelligence and machine learning.** Increases in the price or **changes in the** availability of raw materials could increase our cost of goods and negatively impact our financial results. The majority of our products are made of cotton, where the remaining balance are primarily made of synthetics, cotton / synthetic blends and viscose. The prices we pay our suppliers for our products are dependent in part on the market price for raw materials used to produce them, primarily cotton. The price and availability of cotton may fluctuate substantially, depending on a variety of factors, including demand, acreage devoted to cotton crops and crop yields, **climate change**, weather, supply conditions, transportation costs, energy prices, work stoppages, government regulation, sanctions and policy, economic climates, market speculation, compliance with our working condition, environmental protection, other standards and other unpredictable factors. For example, compliance with the sanctions and trade orders issued by the United States, Europe and other governments related to raw materials, entities and individuals who are connected to a region of China, as well as retaliatory measures or restrictions of critical materials by certain governments, could affect the sourcing and availability of raw materials, including cotton, used by our suppliers in the manufacturing of certain of our products and the importation of products from China into the United States. Any and all of these factors may be exacerbated by global climate change. Cotton prices have fluctuated significantly in recent months, and we expect they will continue to experience unprecedented variability and uncertainty. We do not currently hedge the price of cotton. In the event of a significant disruption or unavailability in the supply of the fabrics, **synthetics** or **other** raw materials used by our vendors in the manufacture of our products, our vendors might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. In addition, prices of purchased finished products also depend on wage rates and energy costs in the regions where our contract manufacturers are located, as well as freight costs from those regions that are in turn affected by crude oil prices. Increases in raw material costs, wage rates, energy costs and freight costs, unless sufficiently offset by our pricing actions, may cause a decrease in our profitability and negatively impact our sales volume. These factors may also have an adverse impact on our cash and working capital needs as well as those of our suppliers. Our business is subject to risks associated with sourcing and manufacturing overseas, as well as risks associated with potential tariffs, transportation disruptions or a global trade war. We import materials and finished garments into all of our operating regions. Our ability to import products in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as port and shipping capacity, energy costs, labor disputes and work stoppages, political unrest, security incidents, severe weather or security requirements in the United States and other countries. These issues could delay importation of products or require us to locate alternative ports or warehousing providers to avoid disruption to our customers. These alternatives may not be available on short notice or could result in higher transportation costs, which could have an adverse impact on our business and financial condition, specifically our gross margin and overall profitability. Substantially all of our import operations are subject to complex trade and customs laws, regulations and tax requirements such as sanctions orders or tariffs set by governments through mutual agreements or unilateral actions. In addition, the countries in which our products are manufactured or imported may from time to time impose additional duties, tariffs or other restrictions on our imports or adversely modify existing restrictions. For example, the U. S. government has imposed tariffs on goods imported from China in connection with China's intellectual property practices and forced technology transfer **and may in the future impose further tariffs**. Currently, of the products that we sell in the United States, **approximately less than 1 % are directly sourced and** manufactured in China. Adverse changes in import costs and restrictions, including tariffs, or the failure by us or our suppliers to comply with trade regulations or similar laws, could harm our business. In this regard, the increasingly protectionist trade policy **and anticipated future policies** in the United States has introduced greater uncertainty with respect to future tax and trade regulations. If additional tariffs or trade restrictions are implemented by the United States or other countries in connection with a global trade war, the cost of our products manufactured in China, **Mexico** or other countries and imported into the United States or other countries could increase, which in turn could adversely affect the demand for these products and have an adverse effect on our business and results of operations. The loss of high-quality employees, including members of our executive management **team** and other key employees, or the failure to attract and retain key personnel or maintain our workplace culture could harm our business. Our future success depends, in part, on the continued service of our high-quality employees, including our executive management team and other key employees, and the loss of the services of any key individual, or any negative perception with respect to these individuals, or our workplace culture or values, could harm our business. Our future success also depends, in part, on our ability to recruit, retain and motivate our employees sufficiently, both to maintain our current business and to execute our strategic initiatives. Competition for experienced and well-qualified

employees in our industry is particularly intense in many of the places where we do business, and we may not be successful in attracting and retaining such personnel. Changes to our current and future office environments, adoption of new work models and our business requirements or expectations about when or how often employees work either on-site or remotely may not meet the expectations of our employees. As certain jobs and employers increasingly operate remotely, traditional geographic competition for talent may change in ways that cannot be fully predicted at this time. If our employment proposition is not perceived as favorable compared to other companies' policies, it could negatively impact our ability to attract, hire and retain our employees. Moreover, shifts in U. S. immigration policy could negatively impact our ability to attract, hire and retain highly skilled employees who are from outside the United States. We believe that our corporate culture has been a key driver of our success, and we have invested substantial time and resources in building, maintaining, and evolving our culture. Any failure to preserve and evolve our culture could negatively affect our future success, including our ability to retain and recruit employees.

**During** On January 29, 2024, Charles ("Chip") V. Bergh, our current President, Chief Executive Officer and member of our board of directors, will step down as Chief Executive Officer. To support the **course** transition, Mr. Bergh will continue to serve as an executive director of the Company until the Company's 2024 annual meeting of shareholders, which is scheduled to be held on April 24, 2024, at which time Mr. Bergh shall resign as a member of the board and thereafter will serve as a strategic advisor until the end of the Company's fiscal year. Michelle Gass, the President of the Company, will succeed Mr. Bergh, **January 29, 2024, we made changes in personnel, including some of our senior leaders**. While we have confidence in Ms. Gass and the rest of our team, the uncertainty inherent in **this ongoing leadership transition transitions** and restructuring may be difficult to manage and can disrupt our business. The failure to successfully transition and assimilate key employees generally could adversely affect our results of operations. To the extent we do not effectively hire, onboard, retain and motivate key employees, our business can be harmed. **Certain** Many of the employees in our production and distribution facilities are covered by collective bargaining agreements, and any material job actions could negatively affect our results of operations. In North America, **many certain** of our **and our vendors'** distribution employees are covered by various collective bargaining agreements. Outside North America, many of our **and our vendors'** production and distribution employees are covered by either industry- sponsored or government- sponsored collective bargaining mechanisms. Any work stoppages or other job actions by these employees, **including as a result of our efforts to transition certain distribution and fulfillment centers to third- party logistics providers,** could harm our business and reputation. Additionally, employees in various jurisdictions and countries in which we and our vendors operate are or may eventually become unionized, which could bring about **changes to our culture and operating model,** increased payroll costs and reduced flexibility under labor regulations, which in turn may negatively impact our business. Furthermore, we could be affected by conflicts between unions which claim representation of our employees that could generate additional payroll costs and labor conflicts. **Our responses to any union organizing efforts could also impact how the company and brands are perceived by customers and employees.** We have substantial liabilities and cash requirements associated with our postretirement benefits, pension, and deferred compensation plans. Our postretirement benefits, pension and deferred compensation plans result in substantial liabilities on our balance sheet. These plans and activities have generated, and will generate, substantial cash requirements for us, and these requirements may increase beyond our expectations in future years based on changing market conditions. The difference between plan obligations and assets, or the funded status of the plans, is a significant factor in determining the net periodic benefit costs of our pension plans and the ongoing funding requirements of those plans. Many variables, such as changes in interest rates, mortality rates, health care costs, investment returns or the market value of plan assets, can affect the funded status of our defined benefit pension and other postretirement, and postemployment benefit plans and cause volatility in the net periodic benefit cost and future funding requirements of the plans. Plan liabilities may impair our liquidity, have an unfavorable impact on our ability to obtain financing and place us at a competitive disadvantage compared to some of our competitors who do not have such liabilities and cash requirements. See Note **10-8** to the consolidated financial statements for more information regarding these obligations. Our licensees and franchisees may not comply with our product quality, manufacturing standards, social, environmental, marketing and other requirements, which could negatively affect our reputation and business. We license our trademarks to third parties for manufacturing, marketing and distribution of various products. While we enter into comprehensive agreements with our licensees covering product design, product quality, sourcing, manufacturing, marketing and other requirements, and while these agreements provide us with certain termination rights, our licensees may not comply fully with those agreements. Non-compliance could include marketing products under our brand names that do not meet our quality and other requirements or engaging in manufacturing practices that do not meet our sustainability standards and policies including our supplier code of conduct or applicable government restrictions and regulations. These activities could harm our brand equity, our reputation and our results of operations. In addition, we enter into franchise agreements with unaffiliated franchisees to operate stores and, in certain circumstances, websites, in many countries around the world. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. While the agreements we have entered and plan to enter in the future provide us with certain termination rights, the value of our brands could be impaired to the extent that these third parties do not operate their businesses, including their stores or websites, in a manner consistent with our requirements regarding our brand identities and customer experience standards. Failure to protect the value of our brands, or any other harmful acts or omissions by a franchisee, could have an adverse effect on our brand equity, our reputation and our results of operations. Our current and future products may experience quality problems from time to time that could result in negative publicity, litigation, product recalls and warranty claims, which could result in decreased revenues and harm to our brands. There can be no assurance we will be able to detect, prevent or fix all defects that may affect our products. Inconsistency of legislation and regulations may also affect the costs of compliance with such laws and regulations. Such problems could hurt the image of our brands, which is critical to maintaining and expanding our business. Any negative publicity, product recalls or lawsuits filed against us related to the perceived quality or safety of our products could harm our brand, impact our results of

operations and decrease demand for our products. Risks Related to Legal, Regulatory and Compliance Issues and Changes We are subject to a complex array of laws and regulations and litigation and other legal and regulatory proceedings, which could have an adverse effect on our business, financial condition, and results of operations. As a multinational corporation with operations and distribution channels throughout the world, we are subject to and must comply with extensive laws and regulations in the United States and other jurisdictions in which we have operations and distribution channels. If we or our employees, agents, suppliers and other partners fail or are alleged to have failed to comply with any of these laws or regulations, we could be subjected to regulatory investigations or enforcement, lawsuits (including class actions), fines, sanctions or other penalties that could negatively affect our reputation, business, financial condition and results of operations. Furthermore, laws, regulations and policies and the interpretation of such, can conflict among jurisdictions and compliance in one jurisdiction may result in legal or reputational risks in another jurisdiction. We are or may become involved in various types of claims, lawsuits (including class actions), regulatory proceedings and government investigations relating to our business, our products and the actions of our employees and representatives, including contractual and employment relationships, product liability, antitrust, privacy and data protection, trademark and other intellectual property rights and a variety of other matters. It is not possible to predict with certainty the outcome of any such legal or regulatory proceedings or investigations, and we could in the future incur judgments, fines or penalties, or enter settlements of lawsuits and claims that could have a material adverse effect on our business, financial condition and results of operations and negatively impact our reputation. The global nature of our business means legal and compliance risks, such as anti-bribery, anti-corruption, fraud, trade, environmental, competition, privacy, and other regulatory matters, will continue to exist and additional legal proceedings and other contingencies will arise from time to time, which could adversely affect us. In addition, the adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations, **including the evolving regulatory requirements affecting product circularity and ESG standards or disclosures**, may result in significant unanticipated legal and reputational risks. Any current or future legal or regulatory proceedings could divert management's attention from our operations and result in substantial legal fees. Changes to trade policy, including tariff and customs regulations, or failure to comply with such regulations may have an adverse effect on our reputation, business, financial condition and results of operations. Changes in U. S. or international social, political, regulatory and economic conditions or in laws and policies governing trade, manufacturing, development and investment in the countries where we currently sell our products or conduct our business, could adversely affect our business, reputation, financial condition and results of operations. For example, we are required to observe certain laws relating to economic sanctions, including those implemented by the U. S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and other sanctions authorities. These requirements may prohibit or restrict activities relating to certain individuals, entities, countries or territories. Although we have implemented controls to promote compliance with economic sanctions, such requirements are subject to rapid change, and it may be time-consuming and expensive for us to alter our business operations to adapt to or comply with any changes in these or other laws. Should our controls prove to be, or have been, ineffective, we may be subject to regulatory or enforcement action that could adversely affect our reputation, financial condition, or business. Changes or proposed changes in U. S. or other countries' trade policies may result in restrictions and economic disincentives on international trade. Tariffs, economic sanctions and other changes in U. S. trade policy have in the past and could in the future trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing retaliatory measures on certain U. S. goods. Further, any emerging protectionist or nationalist trends (whether regulatory- or consumer-driven) either in the United States or in other countries could affect the trade environment. We, like many other multinational corporations, conduct a significant amount of business that would be impacted by changes to the trade policies of the United States and foreign countries (including governmental action related to tariffs, international trade agreements, or economic sanctions). Such changes have the potential to adversely impact the U. S. economy or certain sectors thereof or the economy of another country in which we conduct operations, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations. Failure to adequately protect or enforce our intellectual property rights or adequately ensure that we are not infringing the intellectual property rights of others could adversely affect our business. We may face significant expenses and liability in connection with the protection of our intellectual property rights, including outside the United States, and if we are unable to successfully protect our rights or resolve conflicts relating to infringement of intellectual property rights with others, our business or financial condition may be adversely affected. Our competitive position largely depends upon our trademarks and other intellectual property rights, which we take steps to establish and protect both domestically and internationally. However, we may be unable to adequately protect or enforce our intellectual property rights or determine the extent of any unauthorized use by third parties, particularly in foreign countries where the laws do not protect proprietary rights as fully as in the United States. We periodically discover counterfeit reproductions of our products or products that otherwise infringe our intellectual property rights. Given that we place significant value on our trademarks, trade dress and the overall appearance and image of our products, if we are unsuccessful in enforcing or protecting our intellectual property rights, continued sales of these infringing products could adversely affect our sales and our brand and could result in a shift of consumer preference away from our brand and products. The actions we take to establish and protect our intellectual property rights are expensive, time-consuming and may not be adequate to prevent imitation of our products or other unauthorized uses of our intellectual property by others. We also cannot assure that our rights in, or ownership of, our trademarks or other intellectual property rights would be upheld if challenged. Further, we cannot ensure that licensees will not take any actions that hurt the value of our intellectual property. We also may be unable to prevent others from seeking to block sales of our products as purported violations of their proprietary rights. We may be subject to liability or be prevented from using our trademarks or other intellectual property rights, which could have an adverse effect on our financial conditions and operations, if third parties successfully claim we infringe their intellectual property rights. Defending infringement claims could be expensive and time consuming and might result in our entering into costly license agreements or other settlement

agreements. We also may be subject to significant damages or injunctions against development, manufacturing, use, importation or sale of certain products. Although we take various actions to prevent the unauthorized use or disclosure of our confidential information and intellectual property rights, our controls and efforts to prevent unauthorized use or disclosure thereof might not always be effective. For example, confidential information related to business strategy, innovations, new technologies, mergers and acquisitions, unpublished financial results or personal data could be prematurely, inadvertently or improperly used or disclosed, resulting in a loss of reputation, loss of intellectual property rights, a decline in our stock price or a negative impact on our market position, and could lead to damages, fines, penalties or injunctions. The enactment of tax legislation, including legislation implementing changes in taxation of international business activities, could adversely impact our financial position and results of operations. We earn a substantial portion of our income in foreign countries and, as such, we are subject to the tax laws in the United States and numerous foreign jurisdictions. Current economic and political conditions make tax laws and regulations, or their interpretation and application, in any jurisdiction subject to significant change. Recent tax legislation and regulations, including the enactment of a new corporate minimum tax in the U. S. and the U. S. Treasury Department's 2022 foreign tax credit regulations, make significant changes to the U. S. tax regime and could materially impact how our earnings are taxed. In addition, the Organization for Economic Cooperation and Development ("OECD") reached agreement ~~among various~~ **with over 140** countries to implement a minimum 15 % tax rate on certain multinational enterprises, commonly referred to as **the Pillar Two Inclusive Framework**. Many ~~countries~~ **jurisdictions** continue to announce changes in their tax laws and regulations based on the Pillar Two ~~proposals~~ **Inclusive Framework**. ~~We are~~ **While we continue** to evaluate the impact of these ~~proposed and enacted~~ legislative changes as ~~new~~ **additional** guidance becomes available, **uncertainty remains regarding the timing and interpretation by tax authorities in affected jurisdictions**. Some of these ~~These~~ legislative changes **are not expected to have a material impact in fiscal year 2025 but** could **have an adverse** impact **on** our effective tax rate ~~and, tax liabilities, and cash~~. ~~Given the numerous proposed tax~~ **in future years** ~~law changes and the uncertainty regarding such proposed legislative changes, the impact of Pillar Two cannot be determined at this time~~. We utilize tax rulings and other agreements to obtain certainty in treatment of certain tax matters. These rulings and agreements expire from time to time and may be extended when certain conditions are met, or terminated if certain conditions are not met. We cannot guarantee that such rulings and agreements will be extended ~~or all~~. ~~Any changes in~~ **will continue to be satisfied. Changes in these rulings and agreements or their termination** may result in a loss of certainty in treatment, which may adversely impact our **effective** tax ~~planning rate~~. We are also subject to the examination of our tax returns by the United States Internal Revenue Service ("IRS") and other tax authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for income taxes. Although we believe our tax provisions are adequate, the final determination of tax audits and any related disputes could be materially different from our historical income tax provisions and accruals. The results of audits or related disputes could have an adverse effect on our financial statements for the period or periods for which the applicable final determinations are made. For example, we and our subsidiaries are also engaged in a number of intercompany transactions across multiple tax jurisdictions. Although we believe we have clearly reflected the economics of these transactions and the proper local transfer pricing documentation is in place, tax authorities may propose and sustain adjustments that could result in changes that may impact our mix of earnings in countries with differing statutory tax rates. We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm and other adverse business or financial consequences. In addition to our own sensitive and proprietary business information, we handle transactional and personal information, including without limitation credit card information and personal information about our employees, customers, consumers and users of our digital experiences, which include online distribution channels and product engagement. As a result of our data collection and processing activities, we must comply with increasingly complex and rigorous, and sometimes conflicting laws, regulatory standards, industry standards, external and internal privacy and security policies, contracts and other obligations that govern the processing of business and personal data, including personal health information of our employees. For example, the European Union's General Data Protection Regulation (the "EU GDPR"), the United Kingdom's GDPR (the "UK GDPR"), California's Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 impose obligations on companies regarding the handling of personal data and provide certain individual privacy rights to persons whose data is stored or otherwise processed. Furthermore, other comprehensive privacy laws, such as China's Personal Information Protection Law, Canada's Personal Information Protection and Electronic Documents Act and India's new Digital Personal Data Protection Act, as well as other states in the United States ~~, such as Virginia, Colorado, Connecticut, Utah and others,~~ have enacted data privacy laws that have come into effect or will come into effect in the coming months and years, which are likely to continue to influence other jurisdictions, U. S. states or even the U. S. Congress to pass comparable legislation. Additionally, laws in certain jurisdictions require data localization and impose restrictions on the transfer of personal information across borders. For example, the EU GDPR and the UK GDPR generally restrict the transfer of personal information, including employee and consumer information, to countries outside of the EEA and the United Kingdom (respectively) without appropriate safeguards or other measures. If we cannot implement a valid compliance mechanism for cross-border privacy and security transfers, we may face increased exposure to legal or regulatory actions, substantial fines and injunctions against processing or transferring personal information from Europe or elsewhere. In addition, privacy advocates and industry groups have proposed, and may propose in the future, standards with which we are legally or contractually bound to comply. For example, we are also subject to the Payment Card Industry Data Security Standard ("PCI DSS"). The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, and noncompliance with PCI-DSS can result in penalties ranging from \$ 5, 000 to \$ 100, 000 per month by credit card companies, litigation, damage to our reputation and revenue losses. Furthermore, we are bound by contractual obligations related to privacy, data protection and data security, and our efforts to comply with such obligations may

not be successful or may have other negative consequences. We may publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. In general, negative publicity we might receive regarding any actual or perceived violations of consumer privacy rights, including fines and enforcement actions against us or other similarly placed businesses, may also impair consumers' trust in our privacy practices and make them reluctant to give their consent to share their data with us. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Compliance with existing and forthcoming data privacy and security laws and regulations can be costly and time consuming, and may require changes to our information technologies, systems and practices and to those of any third parties that process personal information on our behalf and cause us to divert resources from other initiatives and projects to address these evolving compliance and operational requirements. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with obligations related to data privacy and security, we could face significant consequences, including, but not limited to, proceedings against the company by governmental entities (for example, investigations, lawsuits (including class actions), fines, penalties, audits and inspections) or other entities or individuals, additional reporting requirements or oversight bans, damage to our reputation and credibility or inability to process data or operate in certain jurisdictions, any of which could have a negative impact on our business, operations, reputation, revenues and profits. Failure to comply with anti-bribery, anti-corruption and anti-money laundering laws could subject us to penalties and other adverse consequences. We are subject to the FCPA, the U. K. Bribery Act and other anti-bribery, anti-corruption and anti-money laundering laws in various jurisdictions around the world. The FCPA, the U. K. Bribery Act and similar applicable laws generally prohibit companies, as well as their officers, directors, employees and third-party intermediaries, business partners and agents from making improper payments or providing other improper things of value to government officials or other persons. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state owned or affiliated entities and other third parties where we may be held liable for corrupt or other illegal activities, even if we do not explicitly authorize them. While we have policies and procedures and internal controls to address compliance with such laws, we cannot provide assurance that all of our employees and third-party intermediaries, business partners and agents have not and will not take actions in violation of such policies and laws, for which we may be ultimately held responsible. In the event that we believe or have reason to believe that our directors, officers, employees or third-party intermediaries, agents or business partners have or may have violated such laws, we may be required to investigate or to have outside counsel investigate the relevant facts and circumstances. Detecting, investigating and resolving actual or alleged violations can be costly and require a significant diversion of time, resources and attention from senior management. Violations of the FCPA, the U. K. Bribery Act or other applicable anti-bribery, anti-corruption and anti-money laundering laws often result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges and criminal or civil sanctions, penalties and fines, any of which could adversely affect our business and financial condition.

**Risks Relating to Securities, Investment and Liquidity** If one or more of our counterparty financial institutions default on their obligations to us, we may incur significant losses or our financial liquidity could be adversely impacted. As part of our hedging activities, we enter into transactions involving derivative financial instruments, which may include forward contracts, commodity futures contracts, option contracts, collars and swaps, with various financial institutions. In addition, we have significant amounts of cash, cash equivalents and other investments on deposit or in accounts with banks or other financial institutions in the United States and abroad. We are also a party to a Second Amended and Restated Credit Agreement (as amended to date, the "Credit Agreement") with several financial institutions that provides us with a senior secured revolving credit facility (the "Credit Facility") under which we had \$ **942-803.8-0** million of borrowing capacity as of **November 26 December 1, 2023-2024**. We may rely on that borrowing capacity to fund our operations. As a result, we are exposed to the risk of default by, or failure of, counterparty financial institutions. This risk may be heightened during economic downturns and periods of uncertainty in the financial markets, including as a result of macroeconomic and geopolitical conditions. If one of our counterparties were to become insolvent or file for bankruptcy, our ability to borrow funds or recover losses incurred as a result of a default or our assets that are deposited or held in accounts with such counterparty may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. In the event of default or failure of one or more of our counterparties, we could incur significant losses or our financial liquidity could be adversely impacted, which could negatively impact our results of operations and financial condition. We have debt and interest payment requirements at a level that may restrict our future operations. As of **November 26 December 1, 2023-2024**, we had \$ 1. 0 billion of unsecured debt. Additionally, we had \$ **942-803.8-0** million of borrowing capacity under the Credit Facility. The Credit Facility is secured by domestic and Canadian inventories, accounts receivable, and other assets, such as the Levi's® trademarks in the U. S. Our debt requires us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which reduces funds available for other business purposes and results in us having lower net income (or greater net loss) than we otherwise would have had. This dedicated use of cash could impact our ability to successfully compete by, for example:

- increasing our vulnerability to general adverse economic and industry conditions, including store closures, decreased foot traffic and recession or inflationary pressures;
- limiting our flexibility in planning for or reacting to changes in our business and industry;
- placing us at a competitive disadvantage compared to some of our competitors that have less debt; and
- limiting our ability to obtain additional financing in the future, if required to fund working capital and capital expenditures and for other general corporate purposes.

A substantial portion of our debt is Euro-denominated senior notes. In addition, borrowings under our Credit Facility bear interest at variable rates and a portion of those borrowings may be in Canadian Dollars. As a result,

increases in market interest rates and changes in foreign exchange rates could require a greater portion of our cash flow to be used to pay interest, which could further hinder our operations. Increases in market interest rates may also affect the trading price of our debt securities that bear interest at a fixed rate. Our ability to satisfy our obligations and to reduce our total debt depends on our future operating performance and on economic, financial, competitive and other factors, many of which are beyond our control. Our ability to pay dividends, repurchase stock and make acquisitions is dependent on a variety of factors, including restrictions in our notes, indentures and Credit Facility that may limit our activities. We need liquidity sufficient to fund payments of dividends, repurchases of stock and to make acquisitions. Future activities will depend upon our earnings, economic conditions, liquidity and capital requirements and other factors, including our debt leverage. Even if we have sufficient resources to pay dividends and to repurchase shares of our common stock, our board of directors may determine to use such resources to fund other company initiatives. Accordingly, we cannot make any assurance that future dividends will be paid, or future repurchases will be made, at levels comparable to our historical practices, if at all. Additionally, our Credit Facility and certain of the indentures governing our senior unsecured notes contain restrictions, including covenants limiting our ability to incur additional debt, grant liens, make acquisitions and other investments, prepay specified debt, consolidate, merge or acquire other businesses or engage in other fundamental changes, sell assets, pay dividends and other distributions, repurchase our stock, enter into transactions with affiliates, enter into capital leases or certain leases not in the ordinary course of business, enter into certain derivatives, grant negative pledges on our assets, make loans or other investments, guarantee third- party obligations, engage in sale leasebacks and make changes in our corporate structure. These restrictions, in combination with our leveraged condition, may make it more difficult for us to successfully execute our business strategy, grow our business or compete with companies not similarly restricted. If our foreign subsidiaries are unable to distribute cash to us when needed, we may be unable to satisfy our obligations under our debt securities, which could force us to sell assets or use cash that we were planning to use elsewhere in our business. We conduct our international operations through foreign subsidiaries and we only receive the cash that remains after our foreign subsidiaries satisfy their obligations. We may depend upon funds from our foreign subsidiaries for a portion of the funds necessary to meet our debt service obligations. Any agreements our foreign subsidiaries enter into with other parties, as well as applicable laws and regulations that may subject repatriation payments to taxation or limit the right and ability of non- U. S. subsidiaries and affiliates to pay dividends and remit cash to affiliated companies, may restrict the ability of our foreign subsidiaries to pay dividends or make other distributions to us. If those subsidiaries are unable to transfer the amount of cash that we need, we may be unable to make payments on our debt obligations, which could force us to sell assets or use cash that we were planning on using elsewhere in our business, which could hinder our operations. Changes in our credit ratings or macroeconomic conditions may affect our liquidity, increasing borrowing costs and limiting our financing options. **Our As of December 1, 2024, our** long- term debt **was is currently** rated BB by S & P Global Ratings, Ba1 by Moody' s Investors Service, Inc and BB by Fitch Ratings, Inc. If our credit ratings are lowered, borrowing costs for future long- term debt or short- term credit facilities may increase and our financing options, including our access to the unsecured credit market, could be limited. In addition, macroeconomic conditions such as increased volatility or disruption in the credit markets could adversely affect our ability to obtain financing or refinance existing debt on terms that would be acceptable to us.

**Risks Relating to Ownership of Our Class A Common Stock** The market price of our Class A common stock may be volatile or may decline steeply or suddenly regardless of our operating performance and we may not be able to meet investor or analyst expectations. You may lose all or part of your investment. The market price of our Class A common stock may fluctuate or decline significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenues or other operating results;
- variations between our actual operating results and the expectations of securities analysts, investors and the financial community;
- any forward- looking financial or operating information we may provide to the public or securities analysts, any changes in this information or our failure to meet expectations based on this information;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- whether investors or securities analysts view our stock structure unfavorably, particularly our dual- class structure;
- additional shares of Class A common stock being sold into the market by us or our existing stockholders, or the anticipation of such sales;
- announcements by us or our competitors of significant products or features, innovations, acquisitions, strategic partnerships, joint ventures, capital commitments, divestitures or other dispositions;
- changes in operating performance and stock market valuations of companies in our industry, including our vendors and competitors;
- price and volume fluctuations in the overall stock market, including as a result of general economic trends, including inflationary pressures;
- lawsuits threatened or filed against us, or events that negatively impact our reputation;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies; and
- other events or factors, including those resulting from the macroeconomic environment, geopolitical activities, war, incidents of terrorism, natural disasters, industrial accidents, pandemics (including the COVID- 19 pandemic), or responses to these events. In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many retail companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the respective companies' operating performance. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and seriously harm our business. Moreover, because of these fluctuations, comparing our operating results on a period- to- period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenues or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our Class A common stock could decline substantially. Such a decline could occur even when we have

met any previously publicly stated revenues or earnings forecasts that we may provide. An active trading market for our Class A common stock may not be sustained. Our Class A common stock is currently listed on the New York Stock Exchange ("NYSE") under the symbol "LEVI." However, we cannot assure you that an active trading market for our Class A common stock will be sustained. Accordingly, we cannot assure you of the likelihood that an active trading market for our Class A common stock will be maintained, the liquidity of any trading market, your ability to sell your shares of Class A common stock when desired or the prices that you may obtain for your shares. Future sales of our Class A common stock by existing stockholders could cause our stock price to decline. If our existing stockholders, including employees, who obtain equity, sell or indicate an intention to sell, substantial amounts of our Class A common stock in the public market, the trading price of our Class A common stock could decline. As of January 19, 2023, 2024-2025, we had outstanding a total of 102,104, 527,566, 860,642 shares of Class A common stock and 295,291, 453,313, 345,971 shares of Class B common stock. Of these shares, only the shares of Class A common stock are currently freely tradable without restrictions or further registration under the Securities Act of 1933, as amended (the "Securities Act"), except for any shares held by persons who are our "affiliates" as defined in Rule 144 under the Securities Act, which may be sold in compliance with Rule 144 under the Securities Act. Sales of a substantial number of such shares, or the perception that such sales may occur, could cause our stock price to decline or make it more difficult for the holders of our Class A common stock to sell at a time and price that they deem appropriate. A majority of holders of more than 80% of our Class B common stock have contractual rights, subject to certain conditions, to require us to file registration statements for the public resale of the shares of Class A common stock issuable upon conversion of their Class B common stock, or to include such shares in registration statements that we may file. The dual class structure of our common stock concentrates voting control with descendants of the family of Levi Strauss, who have the ability to control the outcome of matters submitted for stockholder approval, which will limit your ability to influence corporate matters and may depress the trading price of our Class A common stock. Our Class B common stock, which is entitled to ten votes per share, is primarily owned by descendants of the family of our founder, Levi Strauss, and their relatives and trusts established for their behalf. Collectively, these persons have the ability to control the outcome of stockholder votes, including the election of our board of directors and the approval or rejection of a merger, change of control or other significant corporate transaction. In addition, so long as any shares of Class B common stock remain outstanding, the approval of the holders of a majority of our then-outstanding Class B common stock (or, in certain cases, a majority of our then-outstanding Class A common stock and Class B common stock, voting together as a single class) will be required in order for us to take certain actions. This control may adversely affect the market price of our Class A common stock. In addition, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S & P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S & P 500. These changes exclude companies with multiple classes of shares of common stock from being added to such indices. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our common stock may prevent the inclusion of our Class A common stock in such indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. We believe having a long-term-focused, committed and engaged stockholder base provides us with an important strategic advantage, particularly in our business, where our more than 165-year history contributes to the iconic reputations of our brands. However, the interests of these stockholders may not always be aligned with each other or with the interests of our other stockholders. By exercising their control, these stockholders could cause our company to take actions that are at odds with the investment goals or interests of institutional, short-term or other non-controlling investors, or that have a negative effect on our stock price. Further, because these stockholders control the majority of our Class B common stock, we might be a less attractive takeover target, which could adversely affect the market price of our Class A common stock. If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business or our market, or if they adversely change their recommendations regarding our Class A common stock, the trading price or trading volume of our Class A common stock could decline. The trading market for our Class A common stock is influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. If one or more of the analysts initiate research with an unfavorable rating or downgrade our Class A common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our Class A common stock to decline. Future securities issuances could result in significant dilution to our stockholders and impair the market price of our Class A common stock. Future issuances of our Class A common stock or the conversion of a substantial number of shares of our Class B common stock, or the perception that these issuances or conversions may occur, could depress the market price of our Class A common stock and result in dilution to existing holders of our Class A common stock. Also, to the extent stock-based awards are issued or become vested, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuances or exercises. Furthermore, we may issue additional equity securities that could have rights senior to those of our Class A common stock. As a result, purchasers of Class A common stock bear the risk that future issuances of debt or equity securities may reduce the value of such shares and further dilute their ownership interest. As of November 26, 2023-2024, there were 89, 760,066, 936,809 shares of Class A common stock and 1,509, 342, 345,277 shares of Class B common stock issuable pursuant to restricted stock units ("RSUs"), performance restricted stock units ("PRSUs") and stock appreciation rights ("SARs") that may be settled in shares of our Class A or Class B common stock. The requirements

of being a public company may strain our resources, result in more litigation and divert management's attention. As a public company we are subject to the additional reporting requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE and other applicable securities rules and regulations. Complying with these rules and regulations involves significant legal and financial compliance costs, makes some activities more difficult, time consuming or costly and puts significant demand on our systems and resources. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected. These new rules and regulations may make it more expensive for us to obtain director and officer liability insurance and, in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on its Audit Committee and Compensation and Human Capital Committee, and qualified executive officers. By disclosing information in the various filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business could be seriously harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management's resources and seriously harm our business.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our Class A common stock. Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could depress the trading price of our Class A common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that our stockholders may deem advantageous. In particular, our amended and restated certificate of incorporation and amended and restated bylaws: • establish a classified board of directors so that not all members are elected at one time; • permit our board of directors to establish the number of directors and fill any vacancies and newly-created directorships; • authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan; • provide that our board of directors is expressly authorized to make, alter or repeal our bylaws; • restrict the forum for certain litigation against us to Delaware or to Federal court; • reflect the dual class structure of our common stock; and • establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders. Any provision of our amended and restated certificate of incorporation, our amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock. Our amended and restated certificate of incorporation and our amended and restated bylaws together designate the Court of Chancery of the State of Delaware and the federal district courts of the United States as the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; and • any action asserting a claim against us that is governed by the internal-affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U. S. federal courts have exclusive jurisdiction. In addition, our amended and restated bylaws provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation and amended and restated bylaws. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. Item 1B.

UNRESOLVED STAFF COMMENTS