Risk Factors Comparison 2023-05-25 to 2022-05-24 Form: 10-K

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There are risks associated with an investment in our securities. The following risk factors should be read carefully in connection with evaluating our business and the forward- looking statements contained in this Annual Report on Form 10- K. Any of the following risk factors could materially adversely affect our business, including our prospects, results of operations, financial condition, liquidity, the trading price of our securities, and / or the actual outcome of matters as to which forward- looking statements are made in this report. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business in future periods or if circumstances change. Risks Related to Macroeconomic Conditions Infectious disease outbreaks, such as the...... of this Form 10- K. Economic, political, and other conditions may adversely affect the level of consumer purchases of discretionary items and luxury retail products, including our products. The industries in which we operate are cyclical. Many economic and other factors outside of our control affect the level of consumer spending in the apparel, footwear ~~,~~ **&** ~~accessory~~ **accessories** , ~~and~~ home ~~product~~ **, fragrances, and hospitality** industries, including, among others, man- made or natural disasters, **including** ~~such as~~ pandemic diseases; consumer perceptions of personal well- being and safety; consumer perceptions of current and future economic conditions; employment levels and wage rates; stock market performance; inflation; interest rates; foreign currency exchange rates; the housing market; consumer debt levels; the availability of consumer credit; ~~commodity~~ **the health and stability of the banking sector; the availability and** ~~prices~~ - **price of commodities** , including fuel and energy costs; global food supplies; taxation; general domestic and international political conditions; the threat, outbreak, or escalation of terrorism, military conflicts, or other hostilities; and weather conditions. Consumer purchases of discretionary items and luxury retail products, including our products, tend to decline during periods of recession ~~or~~ **,** high inflation **, or rising interest rates,** and at other times when disposable income is lower. Unfavorable economic conditions and other factors, such as pandemic diseases and other health-related concerns, political unrest, military conflicts, and acts of terrorism, may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores and shop- within- shops are located. Further, consumers may prefer to spend more of their discretionary income on" experiences," such as dining and entertainment, over consumer goods. Stay- at- home orders, social gathering restrictions, and work- from- home arrangements, such as those resulting from ~~the COVID- 19~~ pandemic **diseases** , may also diminish consumers' demand for luxury apparel products. Accordingly, a downturn or an uncertain outlook in the economies in which we, or our wholesale customers and licensing partners, sell our products, or other changes in consumer preferences, may materially adversely affect our business. **See Item 7 —" Management' s Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Conditions and Industry Trends" for additional discussion.** Economic conditions could have a negative impact on our major customers, suppliers, vendors, and lenders, which in turn could materially adversely affect our business. Although we believe that our existing cash and investments, cash provided by operations, and available borrowing capacity under our credit and overdraft facilities and commercial paper borrowing program will provide us with sufficient liquidity, the impact of economic conditions on our major **third- party** customers, suppliers, vendors, and lenders ~~, including those resulting from the COVID- 19 pandemic,~~ and their ability to access global capital markets cannot be predicted. The inability of ~~major~~ **third parties to** ~~manufacturers~~ -- **manufacture** ~~to~~ **and / or** ship our products **due to insufficient liquidity or otherwise** could impair our ability to meet the delivery date requirements of our customers ~~. Deterioration in global financial or capital markets could affect our ability to access sources of liquidity to provide for our future cash needs, increase the cost of any future financing, or cause our lenders to be unable to meet their funding commitments under our credit and overdraft facilities~~ . A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our business. ~~resulting material adverse impact on our business if they were to lose access to sufficient liquidity.~~ Infectious disease outbreaks,such as the COVID- 19 pandemic,could have a material adverse effect on our business.Our business could be adversely affected by infectious disease outbreaks,such as the novel strain of coronavirus commonly referred to as COVID- 19.COVID- 19 **,which** emerged ~~during~~ **beginning in** the fourth quarter of Fiscal 2020 ~~and~~ **,has** spread rapidly across the globe,including throughout all major geographies in which we operate **(North America,Europe,and Asia)** ,resulting in adverse economic conditions and ~~widespread~~ business disruptions ~~.Since then~~ , **as well as significant volatility in global financial markets.** ~~governments~~ **Governments** worldwide have periodically imposed varying degrees of preventative and protective actions,such as temporary travel bans,stay-at- home orders,and forced business closures or other operational restrictions,including reduced capacity limits and operating hours,all in an effort to reduce the spread of the virus. **Such factors,among others,have resulted in a significant decline in retail traffic,tourism,and consumer spending on discretionary items.** As a result of the COVID- 19 pandemic,we have experienced varying degrees of business disruptions **and** ~~since its beginning,including~~ periods of closure of our stores,distribution centers,and corporate facilities,as have our wholesale customers,licensing partners,suppliers,and vendors,as described in Item 1 —" Business — Recent Developments." Collectively,these disruptions have had a material adverse impact on our business throughout the pandemic, **particularly** ~~most notably~~ during Fiscal 2021. ~~The~~ **Despite the introduction of COVID- 19 vaccines,the** pandemic **remains highly volatile and** continues to evolve, ~~with resurgences and outbreaks occurring in certain parts of the world during Fiscal 2023,~~ including ~~those~~ -- **the** ~~resulting from~~ **emergence of** ~~variant~~ **variants** ~~strains~~ of the virus **,such as** ~~. While the impact of these~~ -- **the** ~~disruptions~~ **Delta and Omicron variants,which** has ~~generally been less~~

~~significant than those experienced in Fiscal 2021~~ and ~~Fiscal 2022~~ **could continue to adversely affect consumer sentiment and confidence.Accordingly** ,we cannot predict for how long and to what extent this crisis ~~may~~ **will** continue to impact our business operations ~~,the global supply chain,~~ or the overall global economy.Potential impacts to our business include,but are not limited to: **•** ~~(i)~~ our ability to successfully execute our long- term growth strategy; ~~(ii)~~ **• reduced retail traffic at our stores and those of our wholesale customers and licensing partners due to forced closures or other operational restrictions,such as reduced capacity limits and operating hours,declines in tourism,and / or potential changes in consumer behavior and shopping preferences,such as their willingness to congregate in shopping centers or other populated locations and the overall growing preference to shop online versus at traditional brick and mortar locations;• potential declines in the level of consumer purchases of discretionary items and luxury retail products,including our products,caused by higher unemployment and lower disposal income levels,inflationary pressures,travel and social gathering restrictions,work- from- home arrangements,or other factors beyond our control;• the potential build- up of excess inventory as a result of store closures and / or lower consumer demand;• temporary closures or other operational restrictions of our distribution centers and / or corporate facilities;•** supply chain disruptions resulting from closed factories,reduced workforces,scarcity of raw materials,shipping and loading capacity constraints,and scrutiny or embargoing of goods produced in infected areas,including any related cost increases; **•** ~~(iii) reduced retail traffic at our stores and those of our wholesale customers and licensing partners due to forced closures or other operational restrictions,such as reduced capacity limits and operating hours,declines in tourism,and / or potential changes in consumer behavior and shopping preferences,such as their willingness to congregate in shopping centers or other populated locations and the overall growing preference to shop online versus at traditional brick and mortar locations;(iv) potential declines in the level of consumer purchases of discretionary items and luxury retail products,including our products,caused by higher unemployment and lower disposal income levels,inflationary pressures,travel and social gathering restrictions,work- from- home arrangements,or other factors beyond our control;(v) the potential build- up of excess inventory as a result of store closures and / or lower consumer demand;(vi) temporary closures or other operational restrictions of our distribution centers and / or corporate facilities;(vii)~~ our ability to attract,retain,and manage employees in the current environment,which ~~includes~~ - **include** remote working arrangements; **•** ~~(viii)~~ additional costs to protect the health and safety of our employees,customers,and communities,such as more frequent and thorough cleanings of our facilities and supplying personal protection equipment; **•** ~~(ix)~~ the potential loss of one or more of our significant wholesale customers or licensing partners,or the loss of a large number of smaller wholesale customers or licensing partners,if they are not able to withstand prolonged periods of adverse economic conditions,and our ability to collect outstanding receivables; **•** ~~(x)~~ increased vulnerability to data security or privacy breaches as a result of a substantial portion of our corporate employees ~~working~~ **continuing to work** remotely ~~for part of the work week~~ ; **•** ~~(xi)~~ our ability to successfully negotiate with landlords to obtain rent abatements,rent deferrals,and other relief; **•** ~~(xii)~~ our ability to access capital markets and maintain compliance with covenants associated with our existing debt instruments,as well as the ability of our key customers,suppliers,and vendors to do the same with regard to their own obligations; **•** ~~(xiii)~~ our ability to generate sufficient cash flows to support our operations,including repayment of our debt obligations as they become due,as well as to return value to our shareholders in the form of dividend payments and repurchases of our common stock; **•** ~~(xiv)~~ diversion of management attention and resources from ongoing business activities and / or a decrease in employee morale;and **•** ~~(xv)~~ our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes- Oxley Act of 2002.Additional discussion related to the various risks and uncertainties **described above is included elsewhere within this" Risk Factors" section of this Form 10- K.** Our business is exposed to domestic and foreign currency fluctuations. Our business is exposed to foreign currency exchange risk. Specifically, changes in exchange rates between the U. S. ~~dollar~~ **Dollar** and other currencies impact our financial results from a transactional perspective, as our foreign operations generally purchase inventory in U. S. ~~dollars~~ **Dollars** ~~, as is common for most apparel companies~~ . Given that we source most of our products overseas, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also impact consumers' willingness or ability to travel abroad and / or purchase our products while traveling, as well as affect the U. S. Dollar value of the foreign currency denominated prices at which our international businesses sell products. Additionally, the operating results and financial position of our international subsidiaries are exposed to foreign exchange rate fluctuations as their financial results are translated from the respective local currency into U. S. Dollars during the financial statement consolidation process. The foreign currencies to which we are exposed to from a transactional and translational perspective primarily include the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi. The expansion of our international business increases our exposure to foreign currency exchange risk. Although we hedge certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot fully anticipate all of our currency exposures and therefore foreign currency fluctuations may have a material adverse impact on our business. In addition, factors that could impact the effectiveness of our hedging activities include the volatility of currency markets, the accuracy of forecasted transactions, and the availability of hedging instruments. As such, our hedging activities may not completely mitigate the impact of foreign currency fluctuations on our results of operations. See Item 7 —" Management' s Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Management." Risks Related to our Strategic Initiatives and Restructuring Activities We cannot assure the successful implementation of our growth strategy. We have developed a long- term growth strategy with the objective of delivering sustainable, profitable growth and long- term value creation for shareholders, as ~~described~~ **outlined** in Item 1 —" Business — Objectives and Opportunities." Our ability to successfully execute our growth strategy is subject to various risks and uncertainties, as described herein. Although we believe that our growth strategy will lead to long- term growth in revenue and profitability, there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all. Our failure to realize the anticipated benefits, which may be due to our inability to execute the various elements of our growth strategy, changes in consumer preferences, competition, economic conditions (including **recent** inflationary **and foreign currency** pressures), and other risks described herein, ~~including~~ **such as** those related to ~~the COVID- 19~~ pandemic **diseases** and supply chain challenges, could have a material adverse effect on our business. Such a failure could also result in the implementation of ~~additional~~ **new** restructuring- related activities ~~beyond those currently planned~~ , which may be dilutive to our earnings in the short term. Achievement of our growth strategy may require investment in new capabilities, distribution channels, and technologies. These investments may result in short- term costs without accompanying current revenues and, therefore, may be dilutive to our earnings in the short term. There can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits of these investments and other costs, if at all. We may not be successful in the expansion of our multi- channel distribution network or accelerating growth in certain product categories. Implementation of our growth strategy involves the continuation and expansion of our multi- channel distribution network, including within international markets such as China, which is subject to many factors, including, but not limited to, our ability to (i) identify new or underpenetrated markets where our products and brand will be accepted by consumers; (ii) attract customers, particularly in new markets; (iii) identify desirable freestanding and department store locations, the availability of which may be out of our control; (iv) negotiate acceptable lease terms, including desired tenant improvement allowances; (v) efficiently and cost effectively build- out stores and shop- within- shops; (vi) source sufficient inventory levels timely to meet the needs of the new stores and shop- within- shops; (vii) hire, train, and retain competent store personnel; and (viii) integrate new stores and shop- within- shops into our existing systems and operations. Any of these challenges could delay or otherwise prevent us from successfully executing our distribution expansion strategy. There can be no assurance that our new stores and shop- within- shops will be successful and profitable or if the capital costs associated with the build- out of such new locations will be recovered. Further, entry into new markets may bring us into competition with new or existing competitors that have a more established market presence than us or other competitive advantages. Other risks related to our international expansion plans include (i) changes in general economic conditions in specific countries and markets, including those resulting from pandemic diseases, civil or political instability, or military conflicts; (ii) changes in diplomatic and trade relationships and any resulting anti- American sentiment; (iii) foreign government regulation; and (iv) restrictions on the repatriation of funds held internationally, among other risks described herein. If our expansion plans are unsuccessful or do not deliver an appropriate return on our investments, our business, results of operations, and financial condition could be adversely affected. The success of our business also depends largely on our ability to continue to maintain, enhance, and expand our digital footprint and capabilities. In recent years, consumers have been increasingly shopping online using computers, smartphones, tablets, and other devices, and using such devices to perform comparison shopping on a real- time basis. The COVID- 19 pandemic has further amplified this trend due in part to travel bans, stay- at- home orders, forced business closures, and other operational restrictions, which impede upon the ease at which consumers can shop at brick and mortar locations. Many consumers may also prefer to avoid populated locations, such as indoor shopping centers, in fear of exposing themselves to the virus or other infectious diseases. Any failure on our part, or on the part of our third- party digital partners, to provide attractive, reliable, secure, and user- friendly digital commerce platforms, including mobile apps, could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales. In addition, as we continue to expand and increase the global presence of our digital commerce business, sales from our brick and mortar stores and wholesale channels of distribution in areas where digital commerce sites are introduced may decline due to changes in consumer shopping habits and cannibalization. Our growth strategy also includes accelerating growth in certain high- ~~value~~ **potential** , underdeveloped product categories, comprised of ~~denim, wear to work,~~ outerwear, ~~footwear~~ **home** , and ~~accessories~~ **womenswear** . We compete with other retailers in these product categories, some of which may be significantly larger than us and more established in these product categories, and competition is intense, as described within other risk factors herein. There can be no assurance that our targeted expansion in these product categories will be successful. The success of our business depends on our ability to respond to constantly changing fashion and retail trends and consumer preferences in a timely manner, develop products that resonate with our existing customers and attract new customers, and provide a seamless shopping experience to our customers. The industries in which we operate have historically been subject to rapidly changing fashion trends and consumer preferences. Our success depends in large part on our ability to originate and define fashion product and home product trends, as well as to anticipate, gauge, and react to changing consumer preferences in a timely manner. Our products must appeal to a broad range of consumers worldwide **across various price points** whose preferences cannot be predicted with certainty and are subject to rapid change, influenced by fashion trends, economic conditions, and weather conditions, among other factors. This issue is further compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared across the globe. We cannot assure that we will be able to continue to develop appealing styles or successfully meet constantly changing consumer preferences in the future. In addition, we cannot assure that any new products or brands that we introduce will be successfully received by consumers. Any failure on our part to anticipate, identify, and respond effectively to changing consumer preferences and fashion trends could adversely affect consumer acceptance of our products and leave us with a substantial amount of unsold inventory or missed opportunities. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages. Any of these outcomes could have a material adverse effect on our business. For a discussion of risks related to our inventory management, see" Risks Related to our Strategic Initiatives and Restructuring Activities — Our profitability may decline if we are unable to effectively manage inventory or as a result of increasing pressure on margins." Our marketing and advertising programs are integral to the success of our product offerings and on our ability to attract new customers and retain existing customers. Our communication campaigns are increasingly being executed through digital and social media platforms to drive further engagement with the younger consumer, with a focus on influencers. However, we cannot assure that our marketing and advertising programs will be successful or appeal to consumers. The success of our business also depends on our ability to continue to develop and maintain a reliable omni- channel experience for our customers, as well as our ability to introduce new Connected Retail capabilities, such as virtual selling appointments, Buy Online- **Ship from Store, Buy Online-** Pick Up in Store, and mobile checkout and contactless payments, among other capabilities. Our business has evolved from an in- store experience to a shopping experience through multiple technologies, including computers, smartphones, tablets, and other devices, as our customers have become increasingly technologically savvy and expect a seamless omni- channel experience regardless of whether they are shopping in stores or online. We are increasingly using digital and social media platforms to interact with customers and enhance their shopping experience. If we are unable to develop and continuously improve our customer- facing technologies, the efforts of which typically require significant capital investments, we may not be able to provide a convenient and consistent experience to our customers regardless of the sales channel. This could negatively affect our ability to compete with other retailers and result in diminished loyalty to our brands, which could adversely impact **our business. Our retail stores are generally located in shopping malls or other shopping centers. Our sales at such stores, as well as our flagship locations, are largely dependent upon the volume of retail traffic in those shopping centers and the surrounding area. Retail traffic to our stores has been, and may continue to be, negatively impacted by disruptions caused by adverse economic conditions, pandemic diseases, severe weather conditions, and other various factors beyond our control. Any significant declines in retail traffic in the future could have a material adverse effect on** our business. We have also implemented, and expect to continue to implement, new store design concepts and other renovations to our existing store portfolio as part of our growth strategy. There can be no assurance that any of our store designs will resonate with customers or otherwise achieve the desired sales and profitability measures necessary to recover our initial capital investments, and such risks may be further compounded during periods of adverse economic conditions. If customers are not receptive to the design layout or visual merchandising of our stores, our business could be adversely affected. In addition, the failure of our store designs to achieve acceptable results could lead to asset impairment charges and / or our decision to close a store prior to the lease expiration date resulting in other store closure- related charges, including early lease termination fees. For additional discussion of risks related to the early termination of our leases, see" Risks Related to our Business and Operations — Our business is subject to risks associated with leasing real estate and other assets under long- term, non- cancellable leases." We have implemented key strategic initiatives designed to optimize our inventory levels and improve the efficiency and responsiveness of our supply chain. Although we have shortened lead times for the design, sourcing, and production of certain of our product lines, we expect to continue to place orders with our vendors for the majority of products in advance of the related selling season. As a result, we are vulnerable to changes in consumer preferences and demand and pricing shifts. Our failure to continue to shorten lead times or to correctly anticipate consumer preferences and demand could result in the build- up of excess inventory. Other factors beyond our control could also result in the build- up of excess inventory, including unforeseen adverse economic conditions or business disruptions, such as those caused by the COVID- 19 pandemic. Excess inventory levels could result in the utilization of less- preferred distribution channels, markdowns, promotional sales, donations, or destruction to dispose of such excess or slow- moving inventory, which may negatively impact our overall profitability and / or impair the image of our brands. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages, which may negatively impact customer relationships, diminish brand loyalty, and result in lost sales. Any of these outcomes could have a material adverse effect on our business. Additionally, our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional retail environment, consolidation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. Although we continue to limit our promotional activity in connection with our quality of sales initiatives, these factors may cause us to reduce our sales prices to retailers and consumers, which could cause our gross margin to decline if we are unable to appropriately manage inventory levels and / or otherwise offset price reductions with comparable reductions in our costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability will decline. In addition, changes in our customer, channel, and geographic sales mix could have a negative impact on our profitability. Any of these outcomes could have a material adverse effect on our business. We may not fully realize the expected cost savings and / or operating efficiencies from our restructuring plans. We have implemented restructuring plans to support key strategic initiatives, such as the Fiscal 2021 Strategic Realignment Plan, as described in Item 1 —" Business — Recent Developments." Although designed to deliver long- term sustainable growth, restructuring plans present significant potential risks that may impair our ability to achieve anticipated operating enhancements and / or cost reductions, or otherwise harm our business, including (i) higher than anticipated costs in implementing planned workforce reductions, particularly in highly regulated locations outside the U. S.; (ii) higher than anticipated lease termination and store or facility closure costs (see" Risks Related to our Business and Operations — Our business is subject to risks associated with leasing real estate and other assets under long- term, non- cancellable leases"); (iii) failure to meet operational targets or customer requirements due to the loss of employees or inadequate transfer of knowledge; (iv) failure to maintain adequate controls and procedures while executing, and subsequent to completing, our restructuring plans; (v) diversion of management attention and resources from ongoing business activities and / or a decrease in employee morale; (vii) attrition beyond any planned reduction in workforce; and (viii) damage to our reputation and brand image due to our restructuring- related activities. If we are not successful in implementing and managing our restructuring plans, we may not be able to achieve targeted operating enhancements, sales growth, and / or cost reductions, which could adversely impact our business. Our failure to achieve targeted results for any reason, including business disruptions **resulting** from **adverse economic conditions or catastrophic events such as** pandemic diseases ~~such as COVID- 19~~ , could also lead to the implementation of additional restructuring- related activities, which may be dilutive to our earnings in the short term. The loss of the services of Mr. Ralph Lauren or any other changes to our executive and senior management team may be disruptive to, or cause uncertainty in, our business. Mr. Ralph Lauren' s leadership in the design and marketing areas of our business has been a critical element of our success since the inception of our Company. Mr. R. Lauren is instrumental to, and closely identified with, our brand that bears his name. Our ability to maintain our brand image and leverage the goodwill associated with Mr. R. Lauren' s name may be damaged if we were to lose his services. The death or disability of Mr. R. Lauren or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business. We also depend on the service and management experience of other key executive officers and members of senior management who have substantial experience and expertise in our industry and our business and have made significant contributions to our growth and success. Competition in our industry to attract and retain these employees is intense and is influenced by our reputation, our ability to offer competitive compensation and benefits, and economic conditions, among other factors. Any changes in our executive and senior management team, including those resulting from our restructuring actions, may be disruptive to, or cause uncertainty in, our business and future strategic direction. The departure of any key ~~individuals~~ **individual** and the failure to ensure a smooth transition and effective transfer of knowledge involving senior employees could hinder or delay our strategic planning and execution, as well as adversely affect our ability to attract and retain other experienced and talented employees. Furthermore, the retail industry (among others) has been adversely affected by overall labor shortages resulting from a combination of the COVID- 19 pandemic, labor disputes, strikes, and other factors. The introduction of new work arrangements and company- specific requirements regarding when and how often employees are required to work on- site versus remotely may also impact companies' ability to attract and retain employees. The departure of key individuals or our failure to maintain sufficient employee staffing levels could have a material adverse impact on our business, as well as impede our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes- Oxley Act of 2002. We are not protected by a material amount of key- man or similar life insurance covering our executive officers, including Mr. R. Lauren, or other members of senior management. We have entered into employment agreements with certain of our executive officers, but competition for experienced executives in our industry is intense and the non- compete period with respect to certain of our executive officers could, in some circumstances in the event of their termination of employment with our Company, end prior to the employment term set forth in their employment agreements. We face intense competition worldwide in the markets in which we operate. We face increasing competition from companies selling apparel, footwear, accessories, home, and other of our product categories through the Internet. Although we sell our products through the Internet, increased competition and promotional activity in the worldwide apparel, footwear, accessory, and home product industries from Internet- based competitors could reduce our sales, prices, and margins. We also face intense competition from other domestic and foreign fashion- oriented apparel, footwear, accessory, and casual apparel producers that sell products through brick and mortar stores and wholesale and licensing channels. We compete with these companies primarily on the basis of: **(i)** anticipating and responding in a timely fashion to changing consumer demands and shopping preferences, including the ever- increasing shift to digital brand engagement, social media communications, and online and cross- channel shopping; **(ii)** creating and maintaining favorable brand recognition, loyalty, and a reputation for quality, including through digital brand engagement and online and social media presence; **(iii)** developing and producing innovative, high- quality products in sizes, colors, and styles that appeal to consumers of varying age groups; **(iv)** competitively pricing our products and creating an acceptable value proposition for consumers, including price increases to mitigate inflationary pressures while simultaneously balancing the risk of lower consumer demand in response to any such price increases; **(v)** providing strong and effective marketing support in several diverse demographic markets, including through digital and social media platforms in order to stay better connected to consumers; **(vi) establishing relationships with athletes, musicians, influencers, and other celebrities to promote our brands and products; (vii)** providing attractive, reliable, secure, and user- friendly digital commerce sites; **(viii) adapting to changes in technology, including the successful utilization of data analytics, artificial intelligence, and machine learning; (ix)** obtaining sufficient retail floor space and effective presentation of our products at stores and shop- within- shops; **(x)** attracting consumer traffic to stores, shop- within- shops, and digital commerce sites; **(xi)** sourcing sustainable **and traceable** raw materials at cost- effective prices; **(xii)** anticipating and maintaining proper inventory levels; **(xiii)** ensuring product availability and optimizing supply chain and distribution efficiencies with third- party manufacturers and retailers; **(xiv)** maintaining and growing market share; **(xv)** recruiting and retaining employees to operate our retail stores, distribution centers, and various corporate functions; **(xvi)** protecting our intellectual property; and **(xvii)** ability to withstand prolonged periods of adverse economic conditions or business disruptions. Some of our competitors may be significantly larger and more diversified and may have greater financial, marketing, and distribution resources, more desirable store locations, and / or greater digital commerce presence than us, among other competitive advantages. Such competitive advantages may enable them to better withstand unfavorable economic conditions, compete more effectively on the basis of price and production, and / or more quickly respond to rapidly changing fashion trends and consumer preferences than us. In addition, technological advances and the retail industry' s low barriers to entry allow for the introduction of new competitors and products at a rapid pace, which has been further compounded by the increasing shift to digital shopping channels. Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced market share or sales, which could adversely affect our business. The success of our business depends on our ability to retain the value and reputation of our brands. Our success depends on the value and reputation of our brands and our ability to consistently anticipate, identify, and respond to customers' demands, preferences, and fashion trends in the design, pricing, and production of our products, including the preference for certain products to be manufactured in the U. S., and deliver high- quality and sustainable products **supported by engaging marketing campaigns** . Any negative publicity regarding Mr. R. Lauren, or other members of our executive and senior management team, or our Company as a whole, especially through social media which accelerates and increases the potential scope of negative publicity, could ~~negatively~~ **adversely** impact the image of our brands with our customers and result in diminished loyalty to our brands and potentially lead to adverse consumer actions, including boycotts, even if the subject of such publicity is unverified or inaccurate and we seek to correct it. Consumer sentiment can also be influenced by our partnership with athletes and other public figures **, our views on political and social issues, or the location or production methods of our suppliers** . Even if we react appropriately to negative publicity, our customers' perception of our brand image and our reputation could be negatively impacted. Any failure on our part to retain the value and reputation of brands could adversely impact our business. Our trademarks and other intellectual property rights may not be adequately protected outside the U. S. **Our** ~~We believe that our~~ trademarks, intellectual property, and other proprietary rights are extremely important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks and anti- counterfeiting activities worldwide. However, significant counterfeiting and imitation of our products continue to exist. In addition, the laws of certain foreign countries may not protect trademarks or other proprietary rights to the same extent as do the laws of the U. S. and, as a result, our intellectual property may be more vulnerable and difficult to protect in such countries. Over the course of our international expansion, we have experienced conflicts with various third parties that have acquired or claimed ownership rights to some of our key trademarks that include Polo and / or a representation of a polo player astride a horse, or otherwise have contested our rights to our trademarks. We have resolved certain of these conflicts through both legal action and negotiated settlements. We cannot guarantee that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent counterfeiting, lost business, or brand dilution, any of which may have a material adverse effect on our business. We expect to continue to devote substantial resources to challenge brands ~~arising from imitation~~ **imitating** ~~of~~ our products. Also, there can be no assurance that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction or at all. See Item 1 —" Business — Trademarks," and Item 3 —" Legal Proceedings." Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications. We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. Our products are manufactured to our specifications through arrangements with over 300 foreign manufacturers in various countries. In Fiscal ~~2022~~ **2023** , approximately ~~97~~ **96** % of our products (by dollar value) were produced outside of the U. S., primarily in Asia, Europe, and Latin America, with approximately 19 % of our products sourced from China and **18** ~~another 19~~ % from Vietnam. Risks inherent in importing our products include **(i)** ~~: • pandemic diseases, such as COVID- 19, which could result in closed factories, reduced workforces, scarcity of raw materials, port congestion, and scrutiny or embargoing of goods produced in infected areas; •~~ changes in social, political, and economic conditions, including those resulting from military conflicts, terrorist acts, or other hostilities, that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located; ~~•~~ **(ii) pandemic diseases, such as COVID- 19, which could result in closed factories, reduced workforces, scarcity of raw materials, port congestion, and scrutiny or embargoing of goods produced in infected areas; (iii)** changes in diplomatic and trade relationships, including the imposition of any sanctions, restrictions, and other responses, **including** ~~such as~~ those ~~recently~~ issued by the U. S. and other countries against Russia **, or any other countries,** in response to ~~its~~ **Russia' s** war with Ukraine; ~~•~~ **(iv)** the imposition of additional regulations, quotas **, trade sanctions** , or safeguards relating to imports or exports, and costs of complying with such regulations and other laws relating to the identification and reporting of the sources of raw materials used in our products **, which could lead to the detention, exclusion, or seizure of goods and imposition of monetary penalties and fines** ; ~~•~~ **(v)** the imposition of additional duties, tariffs, taxes, and other charges on imports or exports; ~~•~~ **(vi)** unfavorable changes in the availability, cost, or quality of raw materials and commodities; ~~•~~ **(vii)** increases in the cost of labor, travel, and transportation; ~~•~~ **(viii)** disruptions of shipping and international trade caused by natural and man- made disasters, labor shortages (stemming from labor disputes, strikes, or otherwise), or other unforeseen events, including any resulting impact to shipping prices; ~~•~~ **(ix)** heightened terrorism- related cargo and supply chain security concerns, which could subject imported or exported goods to additional, more frequent, or more thorough inspections, leading to delays in the delivery of cargo; ~~•~~ **and (x)** decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti- counterfeiting measures, and damage to the reputation of our brands ~~; and • the imposition of sanctions in the form of additional duties either by the U. S. or its trading partners to remedy perceived illegal actions by national governments~~ . The entire apparel industry, including our Company, continues to face supply chain challenges as a result of **inflationary pressures, political instability,** COVID- 19- related business disruptions ~~, political instability, inflationary pressures~~ , and other factors, including reduced freight availability, port congestion, labor shortages, and rising wages and energy costs, among other factors. The inability of a manufacturer to ship orders of our products in a timely manner or to meet our strict quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries, or a substantial reduction in purchase prices. We have also incurred, and **may** ~~expect to~~ continue to incur, higher freight and other logistic costs as a result of certain of the beforementioned factors ~~, as well as our increased use of air freight as we attempt to mitigate delays in inventory receipts~~ . **In addition,** ~~Prices~~ **prices** of raw materials used to manufacture our products are ~~also~~ subject to significant fluctuation as a result of certain of the beforementioned factors, as well as crop yields which could be negatively impacted by severe weather conditions. We may not be able to offset such increases in raw materials, freight, or other sourcing costs through pricing actions or other means. Any one of these factors could have a material adverse effect on our business. For a discussion of risks related to the potential imposition of additional regulations and laws, see" Risks Related to Regulatory, Legal, and Tax Matters — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks." Our business could suffer if we need to replace manufacturers or distribution centers. We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products **, the majority of which are located in foreign countries. Accordingly, the success of our business depends on our ability to identify reputable manufacturers who can fulfill our orders timely and to our specifications, as well as the timely importation, customs clearance, and receipt of products to and from our various distribution centers** . We compete with other companies for the production capacity of our manufacturers. Some of these competitors may place larger orders than we do, and thus may have an advantage in securing production capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third- party manufacturing capacity. We cannot guarantee that this additional capacity will be available when required on terms that are acceptable to us. See Item 1 —" Business — Sourcing, Production and Quality." We enter into purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but do not have long- term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively. In addition, we rely on a number of owned, leased, and independently- operated distribution facilities around the world to warehouse and ship products to our customers and perform other related logistic services. Our ability to meet the needs of our customers depends on the proper operation of these distribution centers. Our distributions centers generally utilize computer- controlled and automated equipment, which are subject to various risks, including software viruses, security breaches, power interruptions, or other system failures. If any of our distribution centers were to close or become inoperable or inaccessible for any reason, including **, but not limited to,** pandemic diseases such as COVID- 19 **, natural disasters, severe weather, labor shortages, fires, and system failures** , or if we fail to successfully consolidate existing facilities or transition to new facilities, we could experience a substantial loss of inventory, disruption of deliveries to our customers and our stores, increased costs, and longer lead times associated with the distribution of products during the period that would be required to reopen or replace the facility. Any such disruptions could have a material adverse effect on our business. We also rely upon third- party transportation providers for substantially all of our product shipments, including shipments to and from our distribution centers, to our stores and shop- within- shops, and to our digital commerce and wholesale customers. Our utilization of these shipping services is subject to various risks, including, but not limited to, potential labor shortages (stemming from labor disputes, strikes, or otherwise), severe weather, and pandemic diseases, which could delay the timing of shipments, and increases in wages and fuel prices, which could result in higher transportation costs. The rapid increase of online shopping driven by changes in consumer shopping preferences has amplified certain of these risks resulting in capacity constraints. As previously noted, we have incurred, and **may** ~~expect to~~ continue to incur, higher freight and other logistic costs as a result of certain of the beforementioned factors ~~, as well as our increased use of air freight as we attempt to mitigate delays in inventory receipts~~ . Any delays in the timing of our product shipments or increases in transportation costs could have a material adverse effect on our business. We generally operate most of our stores and corporate facilities under long- term, non- cancellable leasing arrangements. Our retail store leases typically require us to make minimum rental payments, and often contingent rental payments based upon sales. In addition, our leases generally require us to pay our proportionate share of the cost of insurance, taxes, maintenance, and utilities. We generally cannot cancel our leases at our option. If we decide to close a store, or if we decide to downsize, consolidate, or relocate any of our corporate facilities, we may **incur** ~~be required to record~~ an impairment charge and / or exit costs associated with the disposal of the store or corporate facility. In addition, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the remaining lease term, even after the space is exited or otherwise closed and even if such closures are beyond our control (such as ~~the~~ forced store closures resulting from ~~the COVID- 19~~ pandemic **diseases**). Such costs and obligations related to the early or temporary closure of our stores or termination of our leases could have a material adverse effect on our business. In addition **, certain of our leases include renewal options or terms that require rental payments to be adjusted to reflect current fair market rental rates, which could be significantly higher than the prior term' s rental payments. Further** , as each of our leases naturally expires, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could lead to store closures resulting in lost sales. A substantial portion of our revenue is derived from a limited number of large wholesale customers. Our business could be adversely affected as a result of consolidations, liquidations, restructurings, other ownership changes in the retail industry, and / or any financial instability of our large wholesale customers. Several of our department store customers, including some under common ownership, account for a significant portion of our wholesale net sales. A substantial portion of sales of our licensed products by our domestic licensing partners are also made to our largest department store customers. Sales to our three largest wholesale customers accounted for approximately 16 % of total net revenues for Fiscal ~~2022~~ **2023** , and these customers accounted for approximately ~~31~~ **34** % of our total gross trade accounts receivable outstanding as of April ~~2~~ **1** , ~~2022~~ **2023** . Substantially all sales to our three largest wholesale customers related to our North America segment. ~~We~~ **While we have long- standing relationships with the majority of our wholesale customers, we** typically do not enter into long- term agreements with **them** ~~our customers~~ . Instead, we enter into a number of purchase order commitments with our customers for each of our product lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by economic conditions, financial difficulties, competitive conditions, or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners or to change their manner of doing business with us or our licensing partners or **a change based on** their new strategic and operational initiatives, including their continued focus on further development of ~~their~~ " private ~~label~~ **labels** " ~~initiatives~~ **and exclusive product offerings in an effort to differentiate themselves from competitors** , could have a material adverse effect on our business. The department store sector has ~~also~~ experienced numerous consolidations, restructurings, reorganizations, and other ownership changes in recent years, which could potentially increase in frequency as a result of prolonged periods of adverse economic conditions ~~, such as those being caused by the COVID- 19 pandemic,~~ or changes in consumer shopping preferences, such as the increasing shift away from traditional brick and mortar wholesale retailers to larger online retailers. Our wholesale customers have **also** experienced significant business disruptions as a result of the **COVID- 19** pandemic, including declines in retail traffic, temporary store closures, and other operational restrictions. There can be no assurance that our wholesale customers have adequate financial resources and / or access to additional capital to withstand prolonged periods of such adverse economic conditions. The loss of one or more significant wholesale customers, or the loss of a large number of smaller wholesale customers, could have a material adverse effect on our business. Further ~~, even prior to the COVID- 19 pandemic~~ , certain of our large wholesale customers, particularly those located in the U. S., have been highly promotional and have aggressively marked down their merchandise, including our products. The continuation of such promotional activity could negatively impact our brand image and / or lead to requests from those customers for increased markdown allowances at the end of the season. In response and in connection with our growth plan, we strategically reduce shipments to certain of our customers and close less productive doors when deemed appropriate. We sell our wholesale merchandise primarily to major department stores, specialty stores, and third-party digital partners across North America, Europe, Asia, ~~and~~ Australia **, and New Zealand** , and extend credit based on an evaluation of each wholesale customer' s financial condition, usually without requiring collateral. However, the financial difficulties of a wholesale customer, including those resulting from the COVID- 19 pandemic, could cause us to limit or eliminate our business with that customer. We may also assume more credit risk relating to that customer' s receivables. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business. See Item 1 —" Business — Wholesale Credit Control." We have a substantial amount of indebtedness which could restrict our ability to engage in additional capital- related transactions in the future. As of April ~~2~~ **1** , ~~2022~~ **2023** , our consolidated indebtedness was approximately $ 1. ~~636~~ **1** billion, comprised of our outstanding **unsecured** ~~borrowings under Senior~~ **senior** ~~Notes~~ **notes** . We also maintain several credit and overdraft facilities, including our Global Credit Facility, which collectively had a remaining availability of approximately $ ~~564~~ **577** million as of April ~~2~~ **1** , ~~2022~~ **2023** . Accordingly, the amount of our indebtedness could further increase materially if we decide to draw upon our credit or overdraft facilities. This substantial level of indebtedness could have adverse consequences to our business, including (i) making it more difficult to satisfy our debt obligations as they become due; (ii) impairing our ability to obtain additional financing in the future; (iii) **requiring a substantial portion of our cash flows from operations to be used for the payment of principal and interest on our indebtedness, thereby reducing the amount of cash available to fund working capital needs, capital expenditures, and other general corporate purposes; (iv)** limiting our flexibility to plan for, or react to, changes in our business; and (~~iv~~ **v**) increasing our vulnerability to adverse economic and industry conditions. We rely on our operating cash flows to repay our outstanding borrowings, as well as to fund any working capital needs, capital expenditures, dividend payments, share repurchases, and other general corporate purposes. Prolonged periods of adverse economic conditions or business disruptions in any of our key regions, or a combination thereof ~~, such as those resulting from the COVID- 19 pandemic~~ , could impede our ability to pay our obligations as they become due or return value to our shareholders, as well as delay previously planned expenditures related to our operations. Credit rating agencies also periodically review our capital structure and our ability to generate earnings. A prolonged period of deteriorated financial performance or our inability to comply with debt covenants (as discussed below) could make future financing more difficult to secure and / or expensive. Further, factors beyond our control, such as adverse economic conditions, could disrupt capital markets and limit the availability or willingness of financial institutions to extend capital to us in the future. Certain of our debt instruments contain a number of affirmative and negative covenants, including maintaining a leverage ratio at or below a specified level. Our failure to comply with such covenants or otherwise secure temporary waivers of non- compliance, could result in the termination of the related facilities and / or our lenders demanding any amounts outstanding to be immediately repaid, which could have a material adverse effect on our business. Further, even if we are able to obtain waivers of non- compliance, such waivers may result in incremental fees, higher interest rates, and / or additional restrictions and covenants **. Additionally, the Federal Reserve has raised interest rates multiple times over the last 12 months in an effort to mitigate inflationary pressures and further increases may occur in the near future. Higher interest rates may increase the cost of any borrowings under our various credit and overdraft facilities, as well as negatively impact consumer sentiment and the global economy as a whole, which could result in a material adverse effect on our business** . We rely on our licensing partners to preserve the value of our licenses. Failure to maintain licensing partners could harm our business. The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner' s business, including risks associated with a particular licensing partner' s ability to (i) obtain capital; (ii) execute its business plans; (iii) manage its labor relations; (iv) maintain relationships with its suppliers and customers; (v) generate sufficient cash flows to fund its operations and pay its obligations as they become due, including minimum royalties due to us; (vi) withstand prolonged periods of adverse economic conditions ~~, such as those being caused by the COVID- 19 pandemic and the Russia- Ukraine war~~ ; and (vii) manage its credit and bankruptcy risks effectively. Although a number of our license agreements prohibit our licensing partners from entering into licensing arrangements with our competitors, our licensing partners generally are not precluded from offering, under other non-competitor brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses. Changes in management, reduced sales of licensed products, poor execution, or financial difficulties with respect to any of our licensing partners could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. Although we believe that we could replace our existing licensing partners in most circumstances, if necessary, our inability to do so for any period of time could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our **business** ~~revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products~~ . See Item 1 —" Business — Our Licensing Business." Our business could be adversely affected by man- made or natural disasters and other catastrophic events in the locations in which we or our customers or suppliers operate. Our operations, including retail, distribution, ~~and~~ warehousing **, and corporate** operations, are susceptible to man- made or natural disasters, including pandemic diseases such as COVID- 19, severe weather, geological events, and other catastrophic events, such as terrorist attacks and military conflict, any of which could disrupt our operations. In addition, the operations of our customers and suppliers could experience similar disruptions. The occurrence of natural disasters or other catastrophic events may result in sudden disruptions in the business operations of the local **and regional** economies affected, as well as ~~of~~ the ~~regional and~~ global ~~economies~~ **economy as a whole, including, but not limited to, shortages and / or rising costs of raw materials or energy, public health issues, system failures, and reduced retail traffic** . The occurrence of such events could also adversely affect financial markets and the availability of capital. In addition, our business can be affected by unseasonable weather conditions, such as extended periods of unseasonably warm temperatures in the winter or unseasonably cold temperatures in the summer. There is growing concern that climate change may increase both the frequency and severity of extreme weather conditions and natural disasters. Any of these events could result in decreased demand for our products and disruptions in our sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business. Risks Related to Information Systems and Data Security A data security or privacy breach could damage our reputation and our relationships with our customers or employees, expose us to litigation risk, and adversely affect our business. We are dependent on information technology systems and networks, including the Internet, for a significant portion of our direct- to- consumer sales, including our digital commerce operations and retail business credit card transaction authorization and processing. We are also responsible for storing data relating to our customers and employees and rely on third parties for the operation of our digital commerce sites and for the various social media tools and websites we use as part of our marketing strategy. In our normal course of business, we often collect, transmit, and / or retain certain sensitive and confidential customer information, including credit card information. There is significant concern by consumers, employees, and lawmakers alike over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy **.** ~~, as cyber~~ **Cyber** - criminals are **constantly devising schemes** ~~becoming increasingly more sophisticated in their attempts~~ to gain unauthorized access to computer systems and confidential or sensitive data. Despite the security measures we currently have in place (including those described in Item 1 —" Business — Information Systems"), our facilities and systems and those of our third- party service providers may be vulnerable to targeted or random attacks that could lead to security breaches, acts of vandalism, phishing attacks, denial- of- service attacks, computer viruses, malware, ransomware, misplaced or lost data, programming and / or human errors, or other Internet or email events. The increased use of smartphones, tablets, and other wireless devices, as well as ongoing work- from- home arrangements for a substantial portion of our corporate employees, may also heighten these and other operational risks. The retail industry in particular continues to be the target of many cyber- attacks, which are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature. Furthermore, economic sanctions issued by one country against another, such as those recently issued by the U. S. and other countries against Russia in response to its war with Ukraine, could increase the risk of retaliatory state- sponsored cyber- attacks. Given the rapidly evolving nature, sophistication, and complexity of cyber- attacks, despite our reasonable efforts to mitigate and prevent such attacks, it is possible that we may not be able to anticipate, prevent, detect, or implement effective preventive measures to protect against all cyber- attack incidents. Although we have purchased network security and cyber liability insurance to provide a level of financial protection should a data breach occur, such insurance may not cover us against all claims or costs associated with such a breach, and we cannot be certain that such insurance will continue to be available to us on economically reasonable terms or at all, or that our insurers will not deny coverage as to any future claim. Additionally, the technology we use to protect our systems from being breached or compromised could become outdated as a result of advances in computer capabilities or other technological developments, thereby requiring us to make further investments in capital or other resources to protect us against cyber- attacks, the cost of which could be significant. Further, measures we implement to protect our computer systems against cyber- attacks may make them harder to use or reduce the speed at which they operate, which in turn could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales **. If unauthorized parties gain access to our networks or databases, or those of our vendors, they may be able to steal, publish, delete, modify, or block our access to our private and sensitive internal and third- party information** . Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party, could disrupt our business, severely damage our reputation and our relationships with our customers, employees, or vendors, expose us to risks of litigation, significant fines and penalties, liability, and higher costs for insurance or insurance not being available to us on economically feasible terms or at all, and result in deterioration in our customers', employees', or vendors' confidence in us, and adversely affect our business, results of operations, and financial condition. Since we do not control third- party service providers and cannot guarantee that no electronic or physical computer break- ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our employees, customers, or website visitors could harm our reputation and credibility, result in lost sales, impair our ability to attract website visitors, and / or reduce our ability to attract and retain employees and customers. As these threats develop and grow, we may find it necessary to make significant further investments to protect data and our infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection- related technologies, engagement of third- party consultants, and training of employees. In addition, the regulatory environment relating to information security and privacy is becoming increasingly more demanding with frequent new requirements surrounding the handling, protection, and use of personal and sensitive information. We may incur significant costs in complying with the various applicable state, federal, and foreign laws regarding protection of, and unauthorized disclosure of, personal information. Additionally, failing to comply with such laws and regulations could damage the reputation of our brands and lead to adverse consumer actions, as well as expose us to government enforcement action and / or private litigation, any of which could adversely affect our business. Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively. We are dependent on our computer systems to record and process transactions and manage and operate our business, including designing, marketing, manufacturing, importing, tracking, and distributing our products, processing payments, accounting for and reporting financial results, and managing our employees and employee benefit programs. In addition, we have digital commerce and other informational websites in North America, Europe, and Asia, including Australia and New Zealand, and have plans for additional digital commerce sites in the future. Our digital commerce operations are a critical element of our long- term growth strategy and are vital to the overall success of our business. ~~Furthermore~~ **We have also implemented a hybrid work policy** , **allowing** a substantial portion of our corporate employees ~~continue~~ to work remotely **for part of the work week** . Given the complexity of our business and the significant number of transactions that we engage in on a daily basis, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems. Despite our preventative efforts, our systems are vulnerable to damage or interruption from, among other things, security breaches, computer viruses, technical malfunctions, inadequate system capacity, power outages, natural disasters, and usage errors by our employees or third- party consultants. If our information technology systems become damaged or otherwise cease to function properly, we may have to make significant investments to repair or replace them. Additionally, confidential or sensitive data related to our customers, employees, or vendors could be lost or compromised. We are continually improving and upgrading our computer systems and software, which also involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design, implementation, or transition of such systems could result in increased costs, disruptions in the sourcing, sale, and shipment of our product, delays in the collection of cash from our customers, and / or adversely affect our ability to accurately report our financial results in a timely manner. Any material disruptions in our information technology systems could have a material adverse effect on our business. Risks Related to Environmental, Social, and Governance Issues Our business could suffer if we fail to meet our global citizenship and sustainability goals or if such goals do not meet the expectations of our stakeholders There is an increased focus from consumers, employees, investors, advocacy groups, and other stakeholders concerning environmental, social, and governance (" ESG") matters, including climate change, and the related sustainability initiatives of companies. Furthermore, investors have placed increased importance on the social cost of their investments. Although we have established certain long- term initiatives and goals regarding our impact on the environment and society as a whole, including our diversity, equity, and inclusion initiatives, there can be no assurance that our various stakeholders will agree with our initiatives or if we will be successful in achieving our goals by our targeted dates or at all. Further, we could incur additional costs, face market and technological barriers, and require additional resources to monitor, report, and comply with various ESG practices. Our failure, or perceived failure, to achieve our sustainability goals could damage the reputation of our brands and lead to adverse consumer actions and / or investment decisions by investors, as well as our ability to attract and retain employees. Climate change, or our ability to adhere to any legislation and regulatory requirements related to climate change, **traceability and transparency, product labeling, or other sustainability matters** may adversely affect our business. Our business is susceptible to risks associated with climate change, including potential disruptions to our retail stores, distribution centers, and corporate facilities. Increased frequency and / or severity of adverse weather events due to climate change could adversely impact global supply chains, including the availability and cost of raw materials (such as cotton, a key raw material used in the production of our products that is highly susceptible to severe weather conditions), the ability of our manufacturers to fulfill our orders timely and to our specifications, and shipping disruptions and / or higher freight costs. An increase in extreme weather conditions could also result in more frequent damage and / or closures of our stores and distribution centers, adversely impact retail traffic, consumer' s disposable income levels or spending habits on discretionary items, or otherwise disrupt business operations in the communities in which we operate, any of which could result in lost sales or higher costs. In addition, many countries in which we and our suppliers operate have begun enacting new legislation and regulations in an attempt to **reduce or** mitigate the potential impacts of climate change, which could result in higher sourcing, operational, and compliance- related costs. Such proposed measures also include expanded disclosure requirements regarding greenhouse gas emissions and other climate- related information, including independent auditors providing some level of attestation to the accuracy of such disclosures. **There has also been increased focus by governmental and non-governmental organizations, consumers, customers, and other stakeholders on products that are sustainably made and other sustainability matters, including traceability and transparency, sustainability claims and product labeling requirements, responsible sourcing and deforestation, the use of energy and water, and the recyclability or recoverability of packaging, product, and materials.** Our ability to comply with any such new laws and regulations **or otherwise meet our various stakeholders' expectations** may lead to increased costs and operational complexity. Any failure on our part to comply with such ~~climate change- related~~ regulations **or meet such expectations** could lead to adverse consumer actions and / or investment decisions by investors, as well as expose us to government enforcement action and / or private litigation. Our ability to capitalize on growth in new international markets and to maintain our current level of operations in our existing markets is subject to certain risks associated with operating in various locations around the globe. These include, but are not limited to ~~: •~~ **(i)** complying with a variety of U. S. and foreign laws and regulations, including, but not limited to, trade, ~~forced labor,~~ product labeling, and product safety restrictions, as well as **forced labor regulations such as the Uyghur Forced Labor Prevention Act (" UFLPA") and the Countering America' s Adversaries Through Sanctions Act (" CAATSA"), both of which prohibit the importation of goods made in whole or in part in certain territories, or by certain identified entities, and grants U. S. Customs & Border Protection the authority to detain, exclude, or seize goods and assess monetary penalties and fines,** the Foreign Corrupt Practices Act, which prohibits U. S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and similar foreign country laws, such as the U. K. Bribery Act, which prohibits U. K. and related companies from any form of bribery; ~~•~~ **(ii)** adapting to local customs and culture; ~~•~~ **(iii)** unexpected changes in laws, judicial processes, or regulatory requirements; ~~•~~ **(iv)** the imposition of additional duties, tariffs, taxes, and other charges or other barriers to trade; ~~•~~ **(v)** changes in diplomatic and trade relationships; ~~•~~ **(vi)** civil and political instability, military conflicts, and terrorist attacks; ~~•~~ **(vii)** pandemic diseases, such as COVID- 19; and ~~•~~ **(viii)** general economic fluctuations in specific countries or markets. Changes in regulatory, geopolitical, social, economic, or monetary policies and other factors may have a material adverse effect on our business in the future or may require us to exit a particular market or significantly modify our current business practices. For example **, the global economy has been negatively impacted by the**

Russia- Ukraine war. Several countries, including the U. S., have imposed significant economic sanctions against Russia, including export controls and other trade restrictions with Russian entities. We have also voluntarily elected to suspend operations in Russia in protest of the conflict. While the suspension of our operations in Russia have not resulted in a material impact to our consolidated financial statements, our business has been impacted by the broader macroeconomic implications resulting from the war, including unfavorable foreign currency exchange rates, increases in energy prices, food shortages, and volatility in financial markets, among other factors, which have adversely impacted consumer sentiment and confidence. It is not clear at this time how long the conflict will endure, or if it will escalate further with additional countries declaring war against each other, which could further compound the adverse impact to the global economy. Further , in recent years both the U. S. and China have imposed new tariffs on each other related to the importation of certain product categories, including imports of apparel into the U. S. from China. As a result of actions to mitigate our exposure to the resulting tariffs, which have included diverting production to and sourcing from other countries, driving productivity within our existing supplier base, and taking pricing actions, the tariffs enacted to date have not had a material adverse impact on our business operations. However, if the U. S. decides to impose additional tariffs on apparel or other of our goods imported from China, there can be no assurance that we will be able to offset all related increased costs, which could be material to our business operations as approximately 19 % of our products are **currently** sourced from China. We cannot predict if, and to what extent, ~~there~~ - **other countries in which our products are currently manufactured or** will be **manufactured in the future, will be subject to additional tariffs, new trade restrictions, or other** changes to **existing** international trade agreements **,** ~~or the resulting impact~~ any **of** ~~such changes would have on our business operations,~~ which could ~~be~~ **have a** material **adverse impact on our business** . For a discussion of risks associated with the importation of products, see" Risks Related to our Business and Operations — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications." Our business could also be impacted by changes to the tax laws and regulations in the countries where we operate. For example, **in August 2022, President Biden signed the Inflation Reduction Act (" IRA") into law. The IRA enacted a 15 % corporate minimum tax rate (subject to certain thresholds being met) that will be applicable to the Company beginning in its Fiscal 2024, a 1 % excise tax on share repurchases made after December 31, 2022, and created and extended certain tax- related energy incentives. Additionally,** the Organisation for Economic Co- operation and Development (the" OECD"), which represents a coalition of member countries, has proposed changes to numerous long- standing tax principles through its Base Erosion and Profit Shifting project, which is focused on a number of issues, including the ~~shifting~~ **creation** of **a global minimum** ~~profits among affiliated entities located in different~~ tax ~~jurisdictions~~ **commonly referred to as" Pillar Two** . ~~In response~~ **" Currently** , ~~certain member~~ **South Korea and Japan are the only** countries **to** have **enacted** ~~, or are otherwise planning to, implement~~ legislation **consistent** ~~to align their international tax rules~~ with the OECD' s ~~recommendations~~ **proposals under Pillar Two** . ~~Additionally~~ **However** , **in December 2022,** the ~~Biden Administration has proposed~~ **European Union member states agreed** to ~~increase~~ **implement** the ~~U. S. corporate income~~ **OECD' s Pillar Two global minimum** tax rate ~~from 21~~ **of 15** % ~~up to as much as 28 %~~ , ~~as~~ **which is expected to go into effect during calendar 2024, and other countries are expected to implement related legislation in the near future. We cannot be certain if or when other countries** ~~well~~ **will** ~~as increase U~~ **enact new legislation or how closely any such new legislation will align with the OECD' s Pillar Two framework** . ~~S. taxation~~ **The Company is currently evaluating the potential impact of such newly enacted and proposed legislation** on ~~foreign earnings~~ **its future consolidated financial statements** . **Additionally,** ~~Other~~ **other** taxing authorities of certain state, local, and other foreign jurisdictions may also decide to modify existing tax laws. We cannot predict which, if any, of these items or others will be enacted into law or the resulting impact any such enactment will have on our business operations, which could be material. Fluctuations in our tax obligations and effective tax rate may result in volatility of our operating results. We are subject to income and non- income taxes in many U. S. and certain foreign jurisdictions, with the applicable tax rates varying by jurisdiction. We record tax expense based on our estimates of future payments, which include reserves for uncertain tax positions in multiple tax jurisdictions. At any given time, multiple tax years are subject to audit by various taxing authorities. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the mix and level of earnings by jurisdiction or by changes to existing accounting rules. Additionally, our products are subject to import and excise duties, and / or sales, consumption, value- added taxes (" VAT"), and other non- income taxes in certain international jurisdictions. Failure to correctly calculate or submit the appropriate amount of income or non- income taxes could subject us to substantial fines and penalties and adversely affect our business. In addition, the tax laws and regulations in the countries where we operate may change, or there may be changes in interpretation and enforcement of existing tax laws, which could materially affect our income tax expense in our consolidated financial statements. For a discussion of risks related to the potential imposition of additional regulations and laws, see" Risks Related to Regulatory, Legal, and Tax Matters — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks." Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices. We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions, and citizenship requirements. Compliance with these laws may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation. In addition, we require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our employees periodically visit and monitor the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of any ethical, social, product safety, labor, health, environmental, privacy, or other standards and regulations by an independent manufacturer used by us or one of our licensing partners, could interrupt or otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these events, in turn, could have a material adverse effect on our business. Certain legal proceedings, regulatory matters, and accounting changes could adversely affect our business. We are involved in certain legal proceedings and regulatory matters and are subject from time to time to various claims involving alleged breach of contract claims, intellectual property and other related claims, escheatment and unclaimed property, credit card fraud, security breaches in certain of our retail store information systems, employment issues, consumer matters **, lease disputes** , and other litigation. Certain of these lawsuits and claims, if decided adversely to us or settled by us, could result in material liability to our Company or have a negative impact on our reputation or relations with our employees, customers, licensing partners, or other third parties. Other potential claimants may also be encouraged to bring suits against us based on a settlement from us or adverse court decision against us for similar claims or allegations as their own. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings could result in substantial costs and may require our Company to devote substantial time and resources to defend itself. Further, changes in governmental regulations both in the U. S. and in other countries where we conduct business operations could have an adverse impact on our business. See Item 3 —" Legal Proceedings" for further discussion of our Company' s legal matters. In addition, we are subject to changes in accounting rules and interpretations issued by the Financial Accounting Standards Board and other regulatory agencies. If and when effective, such changes to accounting standards could have a material impact on our consolidated financial statements. See Note 4 to the accompanying consolidated financial statements for a discussion of certain recently issued accounting standards. Risks Related to our Common Stock The trading prices of our securities periodically may rise or fall based on the accuracy of predictions of our earnings or other financial performance, including our ability to return value to shareholders. Our business planning process is designed to maximize our long- term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer- term focus is in the best interests of our Company and our stockholders. However, we also recognize that, from time to time, it may be helpful to provide investors with guidance as to our quarterly and annual forecast of net sales and earnings. While we generally expect to provide updates to our guidance when we report our results each fiscal quarter, we do not have any responsibility to update any of our guidance or other forward- looking statements at such times or otherwise. In addition, any longer- term guidance that we provide is based on goals that we believe, at the time guidance is given, are reasonably attainable. However, such long- range targets are more difficult to predict than our current quarter and full fiscal year expectations. Additionally, external analysts and investors may publish their own independent predictions of our future performance. We do not endorse such predictions or assume any responsibility to correct such predictions when they differ from our own expectations. If, or when, we announce actual results that differ from those that have been predicted by us, outside analysts, or others, the market price of our securities could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in the prices of our securities. The stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of listed companies. Accordingly, public perception and other factors outside of our control may impact our stock price, regardless of our actual operating performance. In addition, we have historically returned value to shareholders through our payment of quarterly cash dividends and common stock share repurchases. Investors may have an expectation that we will continue to pay quarterly cash dividends, further increase our cash dividend rate, and / or repurchase shares available under our Class A common stock repurchase program. Our ability to pay quarterly cash dividends and repurchase our Class A common stock will depend on our ability to generate sufficient cash flows from operations in the future. This ability may be subject to certain economic, financial, competitive, and other factors that are beyond our control, such as impacts related to the COVID- 19 pandemic, which ~~has~~ **in the past had** resulted in us temporarily suspending our quarterly cash dividend and share repurchases ~~, effective beginning in the first quarter of Fiscal 2021~~ . Although ~~we have since resumed activity under~~ both of these programs ~~during~~ **are currently active (and were so throughout** Fiscal ~~2022~~ **2023)** , our Board of Directors may, at its discretion, elect to suspend or otherwise alter these programs at any time. The market price of our securities could be adversely affected if our cash dividend payments and / or Class A common stock share repurchase activity differ from investors' expectations. The voting shares of our Company' s stock are concentrated in one majority stockholder. As of April ~~2~~ **1** , ~~2022~~ **2023** , Mr. Ralph Lauren, or entities controlled by the Lauren family, held approximately ~~85~~ **86** % of the voting power of the outstanding common stock of our Company. In addition, Mr. R. Lauren serves as our Executive Chairman and Chief Creative Officer, Mr. R. Lauren' s son, Mr. David Lauren, serves as our Chief **Branding and** Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board of Directors, and we employ other members of the Lauren family. From time to time, we may have other business dealings with Mr. R. Lauren, members of the Lauren family, or entities affiliated with Mr. R. Lauren or the Lauren family. As a result of his stock ownership and position in our Company, Mr. R. Lauren has the ability to exercise significant control over our business, including, without limitation, (i) the election of our Class B common stock directors, voting separately as a class and (ii) any action requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and the approval of mergers or sales of all or substantially all of our assets.