Risk Factors Comparison 2023-08-17 to 2022-08-18 Form: 10-K

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You should consider carefully all of the information set forth or incorporated by reference in this document and, in particular, the following risk factors associated with the business of the Company and forward- looking information in this document. Please also see " Special Note on Forward- Looking Information " at the beginning of this report. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also have an adverse effect on us. If any of the risks below actually occur, our business, results of operations, cash flows or financial condition could suffer. Risks Related to Macroeconomic Conditions ~~our products,and consumer spending in the premium handbag,footwear and accessories categories generally,is or may be significantly impacted by trends in consumer confidence,general economic and business~~ conditions,high levels of unemployment,periods of inflation,health pandemics **(such as the ongoing Covid- 19 pandemic)** ,interest rates,foreign currency exchange rates,the availability of consumer credit,and taxation.Consumer purchases of discretionary luxury items,such as the Company' s products,tend to decline during recessionary periods or periods of sustained high unemployment,when disposable income is lower.Unfavorable economic conditions **,as well as travel restrictions and potential changes in consumer behavior resulting from the Covid- 19 pandemic,** may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores are located.Our sensitivity to economic cycles and any related fluctuation in consumer demand may have a material adverse effect on **our financial condition** The Covid- 19 pandemic and resulting adverse economic conditions may continue to ~~have a material adverse~~ **adversely affect** ~~impact on~~ our business, financial condition, results of operations and cash flows. The ~~ongoing~~ Covid- 19 pandemic **has had, and may** ~~continues~~ - **continue** to ~~impact~~ **have,** a significant ~~majority of the regions in which we operate, resulting in significant global business disruptions. The impacts of Covid- 19 continue to materially adversely~~ impact **on** our operations, cash flow and liquidity. The virus has impacted all regions **that we operate in** around the world, resulting in restrictions and shutdowns implemented by national, state, and local authorities. These requirements resulted in temporary closures of the majority of the Company' s directly operated stores globally for some period of time to help reduce the spread of Covid- 19 during fiscal 2020. Throughout fiscal years 2021 ~~and~~ **through** ~~2022~~ **2023** , the vast majority of the Company' s stores were opened and have continued to operate ~~.~~ **,** ~~However~~ **however** , some store locations have experienced temporary re- closures or operated under tighter restrictions in compliance with local government regulations. ~~Many~~ **During the first half** of **fiscal 2023,** the Company ~~'~~ **'** s **results** ~~wholesale partners also experienced closure of their stores or operating restrictions during the fiscal year, as required by government orders. The Company' s performance~~ in ~~fiscal 2022 was~~ **Greater China were** adversely impacted as a result of ~~infections due to variants of Covid- 19 in certain regions, most notably in Greater China, which resulted in disruption in business performance including a decline in demand in~~ the ~~region. While the trends for Greater China started to improve at the end of fiscal 2022, the situation continues to be very volatile and infection rates and government restrictions may continue to persist. Covid- 19 has also resulted in ongoing supply chain challenges, such as logistic constraints, the closure of certain third- party manufacturers and increased freight cost. The impact of the ongoing~~ Covid- 19 pandemic ~~on our~~ **. Starting in December 2022, certain government restrictions were lifted and** business **trends have improved in** ~~will depend on future developments, which are highly uncertain and cannot be predicted, including~~ the **region. Although** ~~ultimate duration, severity and sustained geographic resurgence of~~ the ~~virus, including the emergence of new variants and strains of the virus, and the success of actions to contain the virus and its variants, or treat its~~ impact ~~, such as the availability and acceptance~~ of ~~vaccines, among others. While the full magnitude of the effects on our business continues to be difficult to predict,~~ the Covid- 19 pandemic **during fiscal 2023** has **generally been less significant than those experienced in fiscal years 2021** and **2022** ~~may continue to have a material adverse impact on our business~~ , ~~financial condition, and results of operations. Our business may continue to be adversely impacted by several factors, including, but not limited to: • We source and manufacture our products on a global scale and~~ we **cannot predict** ~~have and may continue to experience material temporary or~~ **for how** long ~~- term disruption in our supply chain, given the global reach of the Covid- 19 pandemic. • Travel restrictions, closures or disruptions of business and facilities, including manufacturing facilities and raw material providers, unavailability of vaccines for our international employees or workers in our supply chain, or social, economic, political or labor instability in the affected areas may impact the operations of our raw material suppliers or manufacturing partners. This disruption to our supply chain has resulted and may continue to result in inventory not being available in a timely manner and / or during the appropriate season, and freight and other logistics costs, including increased carrier rates for ocean and air shipments, as the supply chain disruptions have caused us to increase our use of air freight with greater frequency than in the past, all of which could have a material adverse impact on our financial results. • The potential economic effects of the pandemic, including a possible recession or inflationary pressures, increased unemployment and decreased consumer credit availability, may result in lower consumer confidence and decreased disposable income and discretionary spending levels, which may lead to reduced sales of our products. Unfavorable economic conditions, fears of becoming ill and sustained travel restrictions may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which the Company' s stores are located. Furthermore, reduced discretionary spending may result in an~~ **and** ~~excess of inventory throughout the industry, which could lead~~ to **what extent** ~~increased pressure on our gross margin in the near term if the Company has to increase promotional activity above its normal levels to sell through its existing product. • Social distancing measures and general consumer behaviors due to~~ the Covid- 19 pandemic may continue to impact ~~mall~~ **our business, financial condition,** and **results of** ~~store traffic even as stores return to normal~~ operations ~~, which may have a further negative impact on our business~~ . ~~Furthermore, declines in traffic beyond our current expectations could~~

~~result in additional impairment charges if expected future cash flows of the related asset group do not exceed the carrying value. •~~ We continue to **monitor** ~~sell products through our stores and through our e- commerce sites. The majority of our fulfillment centers remain open and operational through~~ the **latest developments regarding** ~~date of this report; however, such fulfillment centers may be forced to close or limit operations due to governmental mandates, health and safety concerns, or illness or absence of a substantial number of distribution center employees. We may not be able to keep up with demand for our products because we have and may continue to experience delays in or increased costs for~~ the ~~shipment or delivery of our products due to capacity constraints, shipping delays or port congestion. Economic conditions, such as an economic recession, downturn, periods of inflation or uncertainty, could materially adversely affect our financial condition, results of operations and consumer purchases of luxury items. Our results can be impacted by a number of macroeconomic factors, including but not limited to: consumer confidence and spending levels, tax rates, levels of unemployment, consumer credit availability, raw materials costs, pandemics (such as the ongoing~~ Covid- 19 pandemic ~~)~~ and ~~natural disasters~~ **potential impacts on our business** , ~~fuel and energy costs (including oil prices), global factory production, supply chain operations~~ - **operating results** ~~, commercial real estate market conditions, credit market conditions~~ and **outlook** ~~the level of customer traffic in malls and shopping centers~~ . The **impact of regulations imposed in the future in response to the** Covid- 19 pandemic ~~has severely impacted and will likely continue to impact many of these factors. Many of our~~ - **or** ~~products may be considered discretionary items~~ **other public health crises, could, among other things, require that we close our stores** ~~for~~ - **or distribution centers** ~~consumers. Demand for~~ - **or otherwise make it difficult** ~~our~~ - **or impossible to operate our** ~~products, and consumer spending in the premium handbag, footwear and accessories categories generally, is significantly impacted by trends in consumer confidence, general economic and~~ business conditions, high levels of unemployment,...... material adverse effect on our financial condition . Risks Related to our Business and our Industry We face risks associated with operating in international markets. We operate on a global basis, with approximately ~~37~~ **39** . ~~6~~ **3** % of our net sales coming from operations outside of United States **for** ~~as of the end of~~ fiscal year ~~2022~~ **2023** . While geographic diversity helps to reduce the Company' s exposure to risks in any one country, we are subject to risks associated with international operations, including, but not limited to: • political or economic instability or changing macroeconomic conditions in our major markets, including the potential impact of (1) new policies that may be implemented by the U. S. or other jurisdictions, particularly with respect to tax and trade policies or (2) sanctions and related activities by the United States, European Union (" E. U. ") and others; • public health crises, such as pandemics and epidemic diseases ~~(including the ongoing Covid- 19 pandemic)~~ ; • changes to the U. S.' s participation in, withdrawal out of, renegotiation of certain international trade agreements or other major trade related issues including the non- renewal of expiring favorable tariffs granted to developing countries, tariff quotas, and retaliatory tariffs, trade sanctions, new or onerous trade restrictions, embargoes and other stringent government controls; • changes in exchange rates for foreign currencies, which may adversely affect the retail prices of our products, result in decreased international consumer demand, or increase our supply costs in those markets, with a corresponding negative impact on our gross margin rates; • compliance with laws relating to foreign operations, including the Foreign Corrupt Practices Act (**"** FCPA **"**) and the U. K. Bribery Act, and other global anti- corruption laws, which in general concern the bribery of foreign public officials, and other regulations and requirements; • changes in tourist shopping patterns, particularly that of the Chinese consumer ~~and~~ **; • geopolitical instability (such** as ~~a result of~~ the ~~Covid~~ **uncertainty in U. S.** - ~~19 pandemic~~ **China relations)** ; • natural and other disasters; • political, civil and social unrest ~~, such as the ongoing crisis in Ukraine~~ ; and • changes in legal and regulatory requirements, including, but not limited to safeguard measures, anti- dumping duties, cargo restrictions to prevent terrorism, restrictions on the transfer of currency, climate change and other environmental legislation, product safety regulations or other charges or restrictions. Our business is subject to the risks inherent in global sourcing activities. As a Company engaged in sourcing on a global scale, we are subject to the risks inherent in such activities, including, but not limited to: • continued disruptions or delays in shipments whether due to port congestion, logistics carrier disruption **(including as a result of labor disputes)** , other shipping capacity constraints or other factors, which has and may continue to result in significantly increased inbound freight costs and increased in- transit times; • loss or disruption of key manufacturing or fulfillment sites or extended closure of such sites due to the Covid- 19 pandemic or other unexpected factors; • imposition of additional duties, taxes and other charges or restrictions on imports or exports; • unavailability, or significant fluctuations in the cost, of raw materials; • compliance by us and our independent manufacturers and suppliers with labor laws and other foreign governmental regulations; • increases in the cost of labor, fuel (including volatility in the price of oil), travel and transportation; • compliance with our Global Business Integrity Program; • compliance by our independent manufacturers and suppliers with our Supplier Code of Conduct, social auditing procedures and requirements and other applicable compliance policies; • compliance with applicable laws and regulations, including U. S. laws regarding the identification and reporting on the use of " conflict minerals " sourced from the Democratic Republic of the Congo in the Company' s products, other laws and regulations regarding the sourcing of materials in the Company' s products, the FCPA, U. K. Bribery Act and other global anti- corruption laws, as applicable, and other U. S. and international regulations and requirements; • regulation or prohibition of the transaction of business with specific individuals or entities and their affiliates or goods manufactured in certain regions by any government or regulatory authority in the jurisdictions where we conduct business, such as the listing of a person or entity as a Specially Designated National or Blocked Person by the U. S. Department of the Treasury' s Office of Foreign Assets Control and the issuance of Withhold Release Orders **or other detentions of product** by the U. S. Customs and Border Patrol; • inability to engage new independent manufacturers that meet the Company' s cost- effective sourcing model; • product quality issues; • political unrest, ~~including the ongoing crisis in Ukraine,~~ protests and other civil disruption; • public health crises, such as pandemic and epidemic diseases, and other unforeseen outbreaks; • natural disasters or other extreme weather events, whether as a result of climate change or otherwise; **and** • acts of war or terrorism and other external factors over which we have no control. 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 independent manufacturers and suppliers to operate in compliance with applicable laws and regulations, as well as our Supplier Code of Conduct and other compliance policies under our Global Business Integrity Program; however, we do not control these manufacturers or suppliers or their labor, environmental or other business practices. Copies of our Global Business Integrity Program documents, including our Global Operating Principles, Anti- Corruption Policy and Supplier Code of Conduct are available through our website, www. tapestry. com. The violation of labor, environmental or other laws by an independent manufacturer or supplier, or divergence of an independent manufacturer' s or supplier' s labor practices from those generally accepted as ethical or appropriate in the U. S., could interrupt or otherwise disrupt the shipment of our products, harm our trademarks or damage our reputation. In addition, if there is negative publicity regarding the production methods of any of our suppliers or manufacturers, even if unfounded or not specific to our supply chain, our reputation and sales could be adversely affected, we could be subject to legal liability, or could cause us to contract with alternative suppliers or manufacturing sources. The occurrence of any of these events could materially adversely affect our business, financial condition and results of operations. Our business may be materially impacted if...... adversely affect our business and operations. A decline in the volume of traffic to our stores could have a negative impact on our net sales. The success of our retail stores located within malls and shopping centers may be impacted by (~~1~~ **i**) **changes in consumer shopping behavior,** closures, operating restrictions ~~,~~ **and** store capacity restrictions ~~and changes in consumer shopping behavior as a result of the Covid- 19 pandemic~~ ; (~~2~~ **ii) reduced travel resulting from economic conditions (including a recession or inflationary pressures); (iii**) the location of the store within the mall or shopping center; (~~3~~ **iv**) surrounding tenants or vacancies; (~~4~~ **v**) increased competition in areas where malls or shopping centers are located; (~~5~~ **vi**) the amount spent on advertising and promotion to attract consumers to the mall; and (~~6~~ **vii**) a shift towards online shopping resulting in a decrease in mall traffic. Declines in consumer traffic could have a negative impact on our net sales and could materially adversely affect our financial condition and results of operations. Furthermore, declines in traffic could result in store impairment charges if expected future cash flows of the related asset group do not exceed the carrying value. The growth of our business depends on the successful execution of our growth strategies, including our global omni- channel expansion efforts and our ability to execute our digital and e- commerce priorities. Our growth depends on the continued success of existing products, as well as the successful design, introduction of new products and maintaining an appropriate rationalization of our assortment. Our ability to create new products and to sustain existing products is affected by whether we can successfully anticipate and respond to consumer preferences and fashion trends. See " The success of our business depends on our ability to retain the value of our brands and to respond to changing fashion and retail trends in a timely manner. " The failure to develop and launch successful new products or to rationalize our assortment appropriately could hinder the growth of our business. Also, any delay in the development or launch of a new product could result in our company not being the first to bring product to market, which could compromise our competitive position. Our success and growth also depends on the continued development of our omni- channel presence for each of our brands globally, leaning into global digital opportunities for each brand, along with continued bricks and mortar expansion in select international regions, notably ~~mainland~~ **Greater** China. With respect to international expansion, our brands may not be well- established or widely sold in some of these markets, and we may have limited experience operating directly or working with our partners there. In addition, some of these markets, either through bricks and mortar stores or digital channels, have different operational characteristics, including but not limited to employment and labor, privacy, transportation, logistics, real estate, environmental regulations and local reporting or legal requirements. Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ in these countries, and as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those we currently anticipate. Further, expanding in certain markets may have upfront investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance and therefore may be dilutive to our brands in the short- term. We may also have to compete for talent in international regions as we expand our omni- channel presence. Consequently, if our global omni- channel expansion plans are unsuccessful, or we are unable to retain and / or attract key personnel, our business, financial condition and results of operation could be materially adversely affected. We ~~have incorporated key strategies of our Acceleration Program, one of which is to Leverage Data and Lead with a Digital- First Mindset, including offering satisfying customer experiences across our e- commerce and social channels and meeting the needs of our customers who are engaging with our brands digitally. We~~ aim to provide a seamless omni- channel experience to our customers regardless of whether they are shopping in stores or engaging with our brands through digital technology, such as computers, mobile phones, tablets or other devices. This requires investment in new technologies and reliance on third **-** party digital partners, over which we may have limited control. Additionally, our digital business is subject to numerous risks that could adversely impact our results, including (i) a diversion of sales from our brand stores or wholesale customers, (ii) difficulty in recreating the in- store experience through digital channels, (iii) liability for online content, (iv) changing dynamics within the digital marketing environment and our ability to effectively market to consumers, (v) intense competition from online retailers, and (vi) the ability to provide timely delivery of e-commerce purchases, which is dependent on the capacity and operations of our owned and third **-** party operated fulfillment facilities. See " Our business is subject to the risks inherent in global sourcing activities " for additional risks related to our ~~distribution and~~ fulfillment networks. If we are unable to effectively execute our e- commerce and digital strategies and provide reliable experiences for our customers across all channels, our reputation and ability to compete with other brands could suffer, which could adversely impact our business, results of operations and financial condition. Our success depends, in part,...... to attract and retain our employees. The successful ~~incorporation~~ **implementation** of ~~our Acceleration Program~~ **the Company' s 2025 growth strategy, futurespeed,** is key to the long- term success of our business. ~~The~~ **Building on the success of the** Company' s ~~Acceleration Program focused on how to better meet~~ **strategic growth plan from fiscal 2020 through fiscal 2022,** the **Company introduced** ~~needs of each of~~ its **2025 growth strategy, futurespeed, in the first quarter of fiscal 2023, which is**

designed to amplify and extend the competitive advantages of the brands **,** ~~' unique customers by (i) Sharpening our Focus on the Customer (ii) Leveraging Data and Leading~~ with a **focus on four strategic** ~~Digital- First Mindset and (iii) Transforming into a Leaner and More Responsive Organization. The Company does not expect to incur further expenses related to the Acceleration Program in Fiscal 2023. The Company believes the successful incorporation of these~~ priorities ~~will fuel desire for the Coach, Kate Spade and Stuart Weitzman brands, driving accelerated revenue growth, higher gross margins and substantial operating leverage across Tapestry' s portfolio. The Acceleration Program reflects~~ : (i) **Building Lasting Customer Relationships** ~~actions to streamline the Company' s organization~~ ; (ii) **Fueling Fashion Innovation & Product Excellence** ~~select store closures as the Company optimizes its fleet (including store closure costs incurred as the Company exits certain regions in which it currently operates)~~ ; ~~and~~ (iii) ~~professional fees~~ **Delivering Compelling Omni- Channel Experiences;** and **(iv) Powering Global Growth** ~~compensation costs incurred as a result of the development and execution of the Company' s comprehensive strategic initiatives aimed at increasing profitability~~ . The Company believes that ~~long- term~~ **its intentional focus positions Tapestry to drive sustainable, profitable** growth **to create value for** ~~and increased profitability can be realized through~~ its **stakeholders** ~~strategic growth efforts~~ over time. However, there is no assurance that we will be able to sustain such efforts in accordance with our plans, that such efforts will result in the intended or otherwise desirable outcomes or that such efforts, even if successfully sustained, will be effective in achieving long- term growth or increased profitability. Refer to Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations" ~~and Note 5," Restructuring Activities,"~~ for further information regarding **futurespeed** ~~the Acceleration Program. Further, potential changes in our executive leadership team may have an adverse effect on our ability to implement or to achieve favorable results under the Acceleration Program and / or result in further changes to our strategy~~ . If our incorporation of the initiatives under **futurespeed** ~~our Acceleration Program~~ falls short, our business, financial condition and results of operation could be materially adversely affected. Significant competition in our industry could adversely affect our business. We face intense competition in the product lines and markets in which we operate. Our competitors are European and American luxury brands, as well as private label retailers, including some of the Company' s wholesale customers. Competition is based on a number of factors, including, without limitation, the following: • our competitors may develop new products or product categories that are more popular with our customers; • 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; • maintaining strong brand recognition, loyalty, and a reputation for quality, including through digital brand engagement and online and social media presence; • recruiting and retaining key talent; • developing and producing innovative, high- quality products in sizes, colors, and styles that appeal to consumers of varying age group; • 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; • 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; • providing attractive, reliable, secure, and user- friendly digital commerce sites; • sourcing sustainable raw materials at cost- effective prices; • ensuring product availability and optimizing supply chain efficiencies with third **-** party suppliers and retailers; • protecting our trademarks and design patents; **• adapting to changes in technology, including the successful utilization of data analytics, artificial intelligence, and machine learning ;** and • the ability to withstand prolonged periods of adverse economic conditions or business disruptions. A failure to compete effectively or to keep pace with rapidly changing consumer preferences and technology and product trends could adversely affect our growth and profitability. **.** Tapestry,Inc.is a New York- based house of ~~iconic accessories~~ --- **accessible** ~~and~~ **luxury** lifestyle brands.Our global house of brands unites the magic of Coach,kate spade new york and Stuart Weitzman.Each of our brands are unique and independent,while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies.Any misstep in product quality or design,executive leadership,customer service,marketing,unfavorable publicity or excessive product discounting could negatively affect the image of our brands with our customers.Furthermore,the product lines we have historically marketed and those that we plan to market in the future are becoming increasingly subject to rapidly changing fashion trends and consumer preferences,including the increasing shift to digital brand engagement and social media communication.If we do not anticipate and respond promptly to changing customer preferences and fashion trends in the design,production,and styling of our products,as well as create compelling marketing campaigns that appeal to our customers,our sales and results of operations may be negatively impacted.The shift towards digital engagement has become increasingly important,with increased use of social media platforms by our brand representatives,influencers and our employees.Actions taken by our partners on social media that do not show our brands in a manner consistent with our desired image or that are damaging to such partner' s reputation,whether or not through our brand social media platforms,could harm our brand reputation and materially impact our business.Our success also depends in part on our and our executive leadership team' s ability to execute on our plans and strategies.Even if our products,marketing campaigns and retail environments do meet changing customer preferences and / or stay ahead of changing fashion trends,our brand image could become tarnished or undesirable in the minds of our customers or target markets,which could materially adversely impact our business,financial condition,and results of operations Our business may be subject to increased costs due to excess inventories and a decline in profitability as a result of increasing pressure on margins if we misjudge the demand for our products. Our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional environment, fragmentation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. If we misjudge the market for our products or demand for our products are impacted by other factors, such as inflationary pressures, political instability or **effects of** the ~~ongoing~~ Covid- 19 pandemic, we may be faced with significant excess inventories for some products and missed opportunities for other products. We have in the past been, and may in the future be, forced to rely on donation, markdowns, promotional sales or other write- offs, to dispose of excess, slowmoving inventory, which may negatively impact our gross margin, overall profitability and efficacy of our brands. Increases in our costs, such as raw materials, labor or freight could negatively impact our gross margin. Our costs for raw materials are affected by, among other things, weather, customer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus customer countries and other factors that are generally unpredictable and beyond our control. Any of these factors may be exacerbated by global climate change. In addition, ~~ongoing~~ **the remaining** impacts of the pandemic, political instability, trade relations, sanctions, price inflationary pressure, or other geopolitical or economic conditions could cause raw material costs to increase and have an adverse effect on our future margins. Labor costs at many of our manufacturers have been increasing significantly and, as the middle class in developing countries continues to grow, it is unlikely that such cost pressure will abate. Furthermore, the cost of transportation has fluctuated and may continue to fluctuate significantly if oil prices continue to rise. We ~~have also experienced increased freight and other logistics costs, including increased carrier rates for ocean and air shipments, in addition, the supply chain disruptions have caused us to increase our use of air freight with greater frequency than in the past. We~~ may not be able to offset such increases in raw materials, labor or transportation costs through pricing measures or other means . Tapestry, Inc. is a...... financial condition, and results of operations . As we outsource functions, we will become more dependent on the third parties performing these functions. As part of our long- term strategy, we look for opportunities to cost effectively enhance capability of business services. While we believe we conduct appropriate due diligence before entering into agreements with these third parties, the failure of any of these third parties to provide the expected services, provide them on a timely basis or to provide them at the prices we expect could disrupt or harm our business. **We also cannot guarantee that these third parties will not experience a personal data or security breach in the future, which could have a material impact on our operations.** Any significant interruption in the operations of these service providers, including as a result of changes in social, political, and economic conditions, including those resulting from military conflicts or other hostilities, that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located, over which we have no control, could also have an adverse effect on our business. Furthermore, we may be unable to provide these services or implement substitute arrangements on a timely and cost- effective basis on terms favorable to us. Our wholesale business could suffer as a result of consolidations, liquidations, restructurings and other ownership changes in the wholesale industry. Our wholesale business comprised approximately 11 % of total net sales for fiscal ~~2022~~ **2023** . The retail industry, including wholesale customers, has experienced financial difficulty leading to consolidations, reorganizations, restructuring, bankruptcies and ownership changes. ~~In addition,~~ **Our wholesale customers have also experienced significant business disruptions as a result of** the Covid- 19 pandemic **, including** ~~has resulted in~~ reduced operations or the closure, temporarily or permanently, of many of our wholesale partners. This may continue and could further decrease the number of, or concentrate the ownership of, wholesale stores that carry **our or** our licensees' products. Furthermore, a decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners could result in an adverse effect on the sales and profitability within this channel. Additionally, certain of our wholesale customers, particularly those located in the U. S., have in the past been highly promotional and have aggressively marked down their merchandise and may do so again in the future, which could negatively impact our brands or could affect our business, results of operations, and financial condition. **Mergers,** ~~Acquisitions~~ **acquisitions and other strategic investments** may not be successful in achieving intended benefits, cost savings and synergies and may disrupt current operations. One component of our **historical** growth strategy ~~historically~~ has been acquisitions **, and, consistent with our longer- term** ~~. Acquisitions are not currently contemplated in the Company' s~~ capital allocation priorities, ~~however,~~ our management team **expects to maintain M & A flexibility and** may ~~in the future~~ **from time to time** evaluate and consider **acquisitions or** other strategic investments ~~or acquisitions~~ . These involve various inherent risks and **as a result,** the **expected** benefits, cost savings and synergies ~~sought~~ may not be realized. The integration process of any newly acquired company **, such as our proposed acquisition of Capri Holdings Limited (" Capri"),** may be complex, costly and time- consuming. The potential difficulties of integrating the operations of an acquired business and realizing our expectations for an acquisition, including the benefits that may be realized, include, among other things: • failure of the business to perform as planned following the acquisition or achieve anticipated revenue or profitability targets; • delays, unexpected costs or difficulties in completing the integration of acquired companies or assets; • higher than expected costs, lower than expected cost savings or synergies and / or a need to allocate resources to manage unexpected operating difficulties; • difficulties assimilating the operations and personnel of acquired companies into our operations; • diversion of the attention and resources of management or other disruptions to current operations; • the impact on our or an acquired business' internal controls and compliance with the requirements under the Sarbanes- Oxley Act of 2002; • ~~unanticipated~~ changes in applicable **laws and regulations or the application of new** laws and regulations; • ~~unanticipated~~ changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators; • retaining key customers, suppliers and employees; • retaining and obtaining required regulatory approvals, licenses and permits; • operating risks inherent in the acquired business and our business; • lower than anticipated demand for product offerings by us or our licensees; • assumption of liabilities not identified in due diligence; and • other unanticipated issues, expenses and liabilities. Our failure to successfully complete the integration of any acquired business and any adverse consequences associated with future acquisition activities, could have an adverse effect on our business, financial condition and operating results. Completed acquisitions may result in additional goodwill and / or an increase in other intangible assets on our **Consolidated** Balance ~~Sheet~~ **Sheets** . We are required annually, or as facts and circumstances exist, to assess goodwill and other intangible assets to determine if impairment has occurred. If the testing performed indicates that impairment has occurred, we are required to record a non- cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or the fair value of other intangible assets in the period the determination is made. We cannot accurately predict the amount and timing of any potential future impairment of assets. Should the value of goodwill or other intangible assets become impaired, there could be a material adverse effect on our financial condition and results of operations **. We may not complete our acquisition of Capri within the time frame we anticipate or at all. The completion of our acquisition of Capri is subject to a number of conditions, including, among others, receipt of Capri shareholder approval, receipt of certain global anti- trust clearances, including expiration or termination of the waiting period under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended, and receipt of certain other regulatory approvals. The failure to satisfy the required conditions could delay the completion of the acquisition for a significant period of time or prevent it from occurring at all. For example, under certain limited conditions, we and / or Capri may elect to terminate the merger agreement, which could materially and adversely affect our business and reputation. A delay in completing the acquisition could cause us to realize some or all of the benefits later than we otherwise expect to realize them if the acquisition is successfully completed within the anticipated time frame, which could result in additional transaction costs or in other negative effects associated with uncertainty about the completion of the acquisition. We may fail to realize all of the anticipated benefits of the Capri acquisition, and the merger or those benefits may take longer to realize than expected. We believe that there are significant benefits and synergies that may be realized through our acquisition of Capri. However, the efforts to realize these benefits and synergies will be a complex process and may cost more than we anticipate. Further, our efforts to realize these benefits and synergies may disrupt both companies' existing operations if not implemented in a timely and efficient manner. The full benefits of the acquisition, including the anticipated sales or growth opportunities, may not be realized as expected or may not be achieved within the anticipated time frame, or at all. Failure to achieve the anticipated benefits of the acquisition could adversely affect our results of operations or cash flows, cause dilution to our earnings per share, decrease or delay any accretive effect of the acquisition and negatively impact the price of our common stock. In addition, we will be required post- closing to devote significant attention and resources to successfully align our business practices and operations. This process may disrupt the businesses and, if ineffective, would limit the anticipated benefits of the acquisition. We may be subject to litigation challenging the Capri acquisition, and an unfavorable judgment or ruling in any such lawsuits could prevent or delay the consummation of our acquisition of Capri and / or result in substantial costs. Lawsuits related to our acquisition of Capri may be filed against us, Capri, and our respective affiliates, directors and officers. If dismissals are not obtained or a settlement is not reached, these lawsuits could prevent or delay completion of the acquisition and / or result in substantial costs to us** . Our operating results are subject to seasonal and quarterly fluctuations, which could adversely affect the market price of the Company' s common stock. The Company' s results are typically affected by seasonal trends. We have historically realized, and expect to continue to realize, higher sales and operating income in the second quarter of our fiscal year. Business underperformance in the Company' s second fiscal quarter would have a material adverse effect on its full year operating results and result in higher inventories. In addition, fluctuations in net sales, operating income and operating cash flows of the Company in any fiscal quarter may be affected by the timing of wholesale shipments and other events affecting retail sales, including adverse weather conditions or other macroeconomic events, including the impact of the Covid- 19 pandemic. We rely on our licensing partners to preserve the value of our licenses and the failure to maintain such partners could harm our business. Our brands currently have multi- year agreements with licensing partners for certain products. In the future, we may enter into additional licensing arrangements. The risks associated with our own products also apply to our licensed products, as do unique risks stemming from problems that our licensing partners may experience, including risks associated with each licensing partner' s ability to obtain capital, manage its labor relations, maintain relationships with its suppliers, manage its credit and bankruptcy risks, and maintain customer relationships. While we maintain significant control over the products produced for us by our licensing partners, any of the foregoing risks, or the inability of any of our licensing partners to execute on the expected design and quality of the licensed products or otherwise exercise operational and financial control over its business, may result in loss of revenue and competitive harm to our operations in the licensed product categories. Further, while we believe that we could replace our existing licensing partners if required, any delay in doing so could adversely affect our revenues and harm our business. We also may decide not to renew our agreements with our licensing partners and bring certain categories in- house. We may face unexpected difficulties or costs in connection with any action to bring currently licensed categories in- house. We are subject to risks associated with leasing retail space subject to ~~long- term and~~ non- cancelable leases. We may be unable to renew leases at the end of their terms. If we close a leased retail space, we remain obligated under the applicable lease. We do not own any of our retail store locations. **The** ~~We lease the~~ majority of our stores **are** under non- cancelable **, multi- year** leases ~~, many of which have historically had initial terms ranging from five and ten years~~ , often with renewal options. We believe that the majority of the leases we enter into in the future will likely be non- cancelable. Generally, our leases are " net " leases, which require us to pay our proportionate share of the cost of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases at our option. In certain cases, as we have done in the past, we may determine that it is no longer economical to operate a retail store subject to a lease or we may seek to generally downsize, consolidate, reposition, relocate or close some of our real estate locations. In such cases, we may be required to negotiate a lease exit with the applicable landlord or remain obligated under the applicable lease for, among other things, payment of the base rent for the balance of the lease term. In some instances, we may be unable to close an underperforming retail store due to continuous operation clauses in our lease agreements. In addition, as each of our leases expire, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close retail stores in desirable locations. Our inability to secure desirable retail space or favorable lease terms could impact our ability to grow. Likewise, our obligation to continue making lease payments in respect of leases for closed retail spaces could have a material adverse effect on our business, financial condition and results of operations. Additionally, due to the ~~volatile~~ **uncertain** economic environment, it may be difficult to determine the fair market value of real estate properties when we are deciding whether to enter into leases or renew expiring leases. This may impact our ability to manage the profitability of our store locations, or cause impairments of our lease right of use assets if market values decline, any of which could have a material adverse effect on our financial condition or results of operations. Risks Related to Information Security and Technology A delay, disruption in, failure...... results of operations and cash flow. Computer system disruption and cyber security threats, including a personal data or security breach, could damage our relationships with our customers, harm our reputation, expose us to litigation and adversely affect our business. We depend on digital technologies for the successful operation of our business, including corporate email communications to and from employees, customers, stores and vendors, the design, manufacture and distribution of our finished goods, digital and local marketing **and clienteling** efforts, data analytics, collection, use and retention of customer data, employee, vendor and partner information, the processing of credit card transactions, online e- commerce activities and our interaction with the public in the social media space. Due to persistent Covid- 19 risks, our company ~~decided to implement~~ **implemented** a hybrid working model. ~~Recently many~~ **Many** of our corporate employees and independent contractors returned to offices several days a week but continued to work remotely the other days. Continued remote working ~~due to the Covid- 19 pandemic~~ has increased our dependence on digital technology ~~during this period~~ . The possibility of a successful cyber- attack on any one or all of these systems is a serious threat. The retail industry, in particular, has been the target of many cyber- attacks. As part of our business model, we collect, retain, and transmit confidential information and personal data over public networks. In addition to our own databases, we use third **-** party service providers to store, process and transmit this information on our behalf. Although we contractually require these service providers to implement and use reasonable and adequate security measures and data protection, we cannot control third parties and cannot guarantee that a personal data or security breach will not occur in the future either at their location or within their systems. We also store all designs, goods specifications, projected sales and distribution plans for our finished products digitally. We have enterprise class and industry comparable security measures in place to protect both our physical facilities and digital systems from attacks. Despite these efforts, however, we may be vulnerable to targeted or random cyber- attacks, personal data or security breaches, acts of vandalism, computer malware, misplaced or lost data, programming and / or human errors, or other similar events. Further, like other companies in the retail industry, during the ordinary course of business, we and our vendors have in the past experienced, and we expect to continue to experience, cyber- attacks of varying degrees and types, including phishing, and other attempts to breach, or gain unauthorized access to, our systems. To date, these attacks have not had a material impact on our operations, but we cannot provide assurance that cyber- attacks will not have a material impact in the future. Awareness and sensitivity to personal data breaches and cyber security threats by consumers, employees and lawmakers is at an all- time high. Any misappropriation of confidential or personal information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with our customers, employees, vendors and investors. We have been incurring and expect that we will continue to incur significant costs implementing additional security measures to protect against new or enhanced data security or privacy threats, or to comply with current and new international, federal and state laws governing the unauthorized disclosure or exfiltration of confidential and personal information which are continuously being enacted and proposed such as the General Data Protection Regulation (**"** GDPR **"**) in the E. U. the UK GDPR, the American Data Privacy and Protection Act, the California Consumer Privacy Act (**"** CCPA **"**) ~~,~~ **as amended by** the California Privacy Rights Act (**"** CPRA **"**), the Virginia Consumer Data Protection Act (**"** VCDPA **"**), the Colorado Privacy Act (**"** CPA **"**) ~~and~~ **,** the Utah Consumer Privacy Act **(" UCPA")** , ~~and~~ the Connecticut Data Privacy Act (**"** CTDPA **"), the Montana Consumer Data Privacy Act (" MCDPA"), the Washington My Health My Data Act (" WMHMDA"), the Florida Digital Bill of Rights (" FDBR"), the Texas Data Privacy and Security Act (" TDPSA"**) in the U. S. A., as well as increased cyber security and privacy protection costs such as organizational changes, ~~Covid- 19 employee and visitor health checks, copies of vaccination cards,~~ deploying additional personnel and protection technologies, training employees **and contractors** , engaging outside counsel, third **-** party experts and consultants. We may also experience loss of revenues resulting from unauthorized use of proprietary information including our intellectual property. Lastly, we could face sizable fines, significant breach containment and notification costs to supervisory authorities and the affected data subjects, and increased litigation and customer claims, as a result of cyber security or personal data breaches. While we carry cyber liability insurance, such insurance may not cover us with respect to any or all claims or costs associated with such a breach. In addition, we have e- commerce sites in certain countries throughout the world, including the U. S., Canada, Japan, ~~mainland~~ **Greater** China, several throughout Europe, Australia and ~~South Korea~~ **several throughout the rest of Asia** and have plans for additional e- commerce sites in other parts of the world. Additionally, Tapestry has informational websites in various countries. Given the robust nature of our e- commerce presence and digital strategy, it is imperative that we and our e- commerce partners maintain uninterrupted operation of our: (i) computer hardware, (ii) software systems, (iii) customer databases, and (iv) ability to email or otherwise keep in contact with our current and potential customers. Despite our preventative efforts, our systems are vulnerable from time- to- time to damage, disruption or interruption from, among other things, physical damage, natural disasters, inadequate system capacity, system issues, security and personal data breaches, email blocking lists, computer malware or power outages. Any material disruptions in our e- commerce presence or information technology systems and applications could have a material adverse effect on our business, financial condition and results of operations ~~.~~ A delay,disruption in,failure of,or inability to upgrade our information technology systems precisely and efficiently could materially adversely affect our business,financial condition or results of operations and cash flow.We rely heavily on various information and other business systems ~~,including data analytics and machine learning,~~ to manage our operations,including management of our supply chain,point- of- sale processing in our brands' stores,our online businesses associated with each brand and various other processes ~~and metrics~~ .We are continually evaluating and implementing upgrades and changes to our systems.In addition,from time to time,we implement new systems.Implementing new systems ~~and upgrading existing systems and data analytics models~~ carries substantial risk,including failure to operate as designed,failure to properly integrate with other systems, ~~failure to accurately capture or report data or metrics,~~ potential loss of confidential and personal information,cost overruns,implementation delays and disruption of operations.Furthermore,failure of our computer systems due to inadequate system capacity,computer viruses,human error,changes in programming,security and personal data breaches,system upgrades or migration of these services,as well as employee ~~,vendor~~ and consumer privacy **concerns and new global government regulations,individually or in accumulation,could have a material effect on our business,financial condition or results of operations and cash flow.** . Risks Related to Environmental, Social, and Governance Issues The risks associated with climate change and other environmental impacts and increased focus by stakeholders on climate change, could negatively affect our business and operations. Our business is susceptible to risks associated with climate change, including through disruption to our supply chain, potentially impacting the production and distribution of our products including availability and pricing of raw materials, as well as shipping disruptions and / or higher freight costs. Climate change can lead to physical and transition risks impacting our business. The physical risks result from climatic events, such as wildfires, storms, and floods, whereas transition risks result from policy action taken to transition the economy off of fossil fuels. Increased frequency and / or intensity of extreme weather events (such as storms and floods) due to climate change could also lead to more frequent store and fulfillment center closures, adversely impacting retail traffic and / or 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. There is also increased focus from our stakeholders, including consumers, employees and investors, on climate change issues. Many countries in which we and our suppliers operate have begun to enact new legislation and regulations in an attempt to mitigate the potential impacts of climate change, which could result in higher sourcing, operational, and compliance- related costs for the Company. Such proposed measures include expanded disclosure requirements regarding greenhouse gas emissions and other climate- related information, as well as independent auditors providing some level of attestation to the accuracy of such disclosures. Inconsistency of legislation and regulations among jurisdictions may also affect our compliance costs with such laws and regulations. An assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, will be fraught with uncertainty given the wide scope of potential regulatory change in the countries in which we operate. Any failure on our part to comply with such climate change- related regulations could lead to adverse consumer actions and / or investment decisions by investors, as well as expose us to legal risk. Increased scrutiny from investors and others regarding our ~~corporate~~ **environmental,** social ~~responsibility~~ **and governance (" ESG")** initiatives, including ~~environmental, social, governance and other~~ matters of significance relating to sustainability, could result in additional costs or risks and adversely impact our reputation. Stakeholders, including consumers, employees and investors, have increasingly focused on corporate responsibility practices of companies. Although we have announced our **ESG** ~~corporate responsibility~~ strategy and **related** ~~2025 Corporate Responsibility Goals~~ **goals** , there can be no assurance that our stakeholders will agree with our strategy or that we will be successful in achieving our goals. Failure to implement our strategy or achieve our goals on a timely basis, or at all, could damage our reputation, causing our investors or consumers to lose confidence in our Company and brands, and negatively impact our operations. In addition, our brand is susceptible to risks associated with changing consumer attitudes regarding social and political issues and consumer perceptions of our position on these issues. Any **ESG** ~~corporate responsibility~~ report that we publish or other sustainability disclosure we make may include our policies and practices on a variety of social and ethical matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, product quality, supply chain management and workforce inclusion and diversity. It is possible that stakeholders may not be satisfied with our ESG practices or the speed of our adoption of these practices. We could also incur additional costs and require additional resources to monitor, report and comply with various ESG practices and various legal, legislative and regulatory requirements. Also, our failure, or perceived failure, to meet the standards included in any sustainability disclosure could negatively impact our reputation, employee retention and the willingness of our customers and suppliers to do business with us **. In addition, many of the countries where we and our suppliers operate continue to enact legislation and regulatory rules that address climate change and other sustainability issues, including expanded disclosure requirements on greenhouse gas emissions and other climate related information. Consumers, trade associations, interested non-governmental organizations and other stakeholders have increased focus and emphasis on sustainable features of products and other sustainability topics, 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. The rules and regulations and governmental oversight continue to rapidly evolve with varying degrees of complexity and scope, many that include penalties for non- compliance. Any failure on our part to comply with sustainability related legislation, regulations and frameworks could lead to adverse consumer action, government enforcement action and private litigation. Our ability to comply with the evolution of consumer expectations, regulations and governmental standards and legal landscape can lead to increased risk, operational costs and management time and effort** . Risks Related to Global Economic Conditions and Legal and Regulatory Matters We face risks associated with potential changes to international trade agreements and the imposition of additional duties on importing our products. Most of our imported products are subject to duties, indirect taxes, quotas and non- tariff trade barriers that may limit the quantity of products that we may import into the U. S. and other countries or may impact the cost of such products. To maximize opportunities, we rely on free trade agreements and other supply chain initiatives and, as a result, we are subject to government regulations and restrictions with respect to our cross- border activity. For example, we have historically received benefits from duty- free imports on certain products from certain countries pursuant to the U. S. Generalized System of Preferences (" GSP") program. The GSP program expired on December 31, 2020, resulting in additional duties that have negatively impacting gross margin. Additionally, we are subject to government regulations relating to importation activities, including related to U. S. Customs and Border Protection (" CBP") enforcement actions. The imposition of taxes, duties and quotas, the withdrawal from or material modification to trade agreements, and / or if CBP detains shipments of our goods pursuant to a withhold release order could have a material adverse effect on our business, results of operations and financial condition. Since fiscal 2019, the U. S. and China have both imposed tariffs on the importation of certain product categories into the respective country, with limited progress in negotiations to reduce or remove the tariffs. However, while the U. S. has participated in multi- national negotiations on trade agreements and duty rates, there continues to be a possibility of increases in tariffs on goods imported into the U. S. from other countries, which could in turn adversely affect the profitability for these products and have an adverse effect on our business, financial conditions and results of operations as a result. Fluctuations in our tax obligations and effective tax rate may result in volatility of our financial results and stock price. We are subject to income taxes in many jurisdictions. We record tax expense based on our estimates of taxable income and required reserves for uncertain tax positions in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may result in a settlement which differs from our original estimate. As a result, we expect that throughout the year there could be ongoing variability in our quarterly effective tax rates as events occur and exposures are evaluated. In addition, our effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings. Further, proposed tax changes that may be enacted in the future could impact our current or future tax structure and effective tax rates. Over the past year **,** there has been significant discussion with regards to tax legislation by both the Biden Administration and the Organization for Economic Cooperation and Development (" OECD "). On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law **by the Biden Administration** , with tax provisions primarily focused on implementing a 15 % **corporate alternative** minimum tax on global adjusted financial statement income **(" CAMT")** and a 1 % excise tax on share repurchases. ~~The~~ **On December 12, 2022, the European Union member states also reached agreement to implement the OECD' s reform of international taxation known as Pillar Two Global Anti- Base Erosion (" GloBE") Rules, which broadly mirror the** Inflation Reduction Act ~~of 2022 will become~~ **by imposing a 15 % global minimum tax on multinational companies. The CAMT and GloBE are anticipated to be** effective beginning in fiscal 2024 **and fiscal 2025** ~~. Given its recent pronouncement~~ , **respectively. The US Treasury and the OECD continue to seek input and release guidance on the CAMT and GloBE legislation and how the two will interact, so** it is unclear at this time what, if any, impact **either** ~~the Inflation Reduction Act of 2022~~ will have on the Company ~~'~~ **'** s tax rate and financial results. We will continue to evaluate ~~its~~ **their** impact as further information becomes available **. With respect to the 1 % excise tax on net share repurchases, this provision of the Inflation Reduction Act was effective on January 1, 2023 and did not have a material impact on our financial statements** . Our business is exposed to foreign currency exchange rate fluctuations. We monitor our global foreign currency exposure. In order to minimize the impact on earnings related to foreign currency rate movements, we hedge certain cross currency intercompany inventory transactions and foreign currency balance sheet exposures, as well as the Company' s cross currency intercompany loan portfolio. We cannot ensure, however, that these hedges will fully offset the impact of foreign currency rate movements. Additionally, our international subsidiaries primarily use local currencies as the functional currency and translate their financial results from the local currency to U. S. dollars. If the U. S. dollar strengthens against these subsidiaries' foreign currencies, the translation of their foreign currency denominated transactions may decrease consolidated net sales and profitability. Our continued international expansion will increase our exposure to foreign currency fluctuations. The majority of the Company' s purchases and sales involving international parties, excluding international consumer sales, are denominated in U. S. dollars. ~~Failure~~ **We may be unable** to ~~adequately~~ protect our intellectual property and curb the sale of counterfeit merchandise ~~could injure~~ **, which can cause harm to** our ~~brands~~ **reputation** and **business** ~~negatively affect sales~~ . We believe our trademarks, copyrights, patents, and other intellectual property rights are extremely important to our success and our competitive position. We devote significant resources to the registration and protection of our trademarks and to anti- counterfeiting efforts worldwide. ~~Despite our efforts, counterfeiting still occurs and if we are unsuccessful in challenging a third- party' s rights related to trademark, copyright, or patent this could adversely affect our future sales, financial condition, and results of operations.~~ We pursue entities involved in the trafficking and sale of counterfeit merchandise through legal action or other appropriate measures. We cannot guarantee that the actions we have taken to curb counterfeiting and protect our intellectual property will be adequate to protect the brand and prevent counterfeiting in the future. **Despite our efforts, our brands are still susceptible to counterfeiting. Such counterfeiting dilutes our brands and can cause harm to our reputation and business.** Our ~~trademark applications may fail to result in registered trademarks or provide the scope of coverage sought. Furthermore, our~~ efforts to enforce our intellectual property rights are often met with defenses and counterclaims attacking the validity and enforceability of our intellectual property rights **. In the ordinary course of business, we become involved in trademark oppositions and cancellation actions. Our trademark applications may face objections from the trademark offices we seek to register them in and may not mature into registrations. Other parties may seek to invalidate our trademarks or assert violations of their trademarks or other intellectual property and seek to block our sales of certain products** . Unplanned increases in legal and investigative fees and other costs associated with defending our intellectual property rights could result in higher operating expenses. Finally, many countries' laws do not protect intellectual property rights to the same degree as U. S. laws. Risks Related to our Indebtedness We have incurred a substantial amount of indebtedness, which could restrict our ability to engage in additional transactions or incur additional indebtedness. As of July ~~2~~ **1** , ~~2022~~ **2023** , our consolidated indebtedness was approximately $ 1. ~~70~~ **67** billion. In **connection with** ~~fiscal year 2022,~~ the ~~Company issued~~ **pending acquisition of Capri, we expect to incur up to** $ ~~500~~ **8** . 0 ~~million~~ **billion** ~~aggregate principal amount~~ of ~~3. 050 %~~ **additional indebtedness through a combination of** senior ~~unsecured~~ notes **and term loans** ~~due March 15, 2032 at 99~~ . ~~705 %~~ **If we cannot raise the senior notes and term loans by the closing** of ~~par (~~ **the Capri acquisition, we will incur bridge loans that will raise our borrowing costs if** ~~the~~ **they remain** ~~" 2032 Senior Notes") and completed a partial cash tender offer of the~~ outstanding ~~aggregate of its $ 600. 0 million aggregate principal amount of 4. 250 % senior unsecured notes due April 1, 2025 at 99. 445 % of par (the" 2025 Senior Notes") and its $ 600. 0 million aggregate principal amount of 4. 125 % senior unsecured~~

~~notes due July 15, 2027 at 99. 858 % of par (the" 2027 Senior Notes", together with the 2032 Senior Notes and 2025 Senior Notes, the" Senior Notes"). In addition, the Company financed and replaced the $ 900. 0 Million Revolving Credit Facility by entering into a new credit facility that (i) includes an~~ **and cannot** ~~increased revolving credit facility (the" $ 1. 25 Billion Revolving Credit Facility") from $ 900. 0 million to $ 1. 25 billion, (ii) includes an unsecured $ 500. 0 million Term Loan (the" Term Loan") and (iii) redefines certain terms within the existing Revolving Credit Facility. The unsecured $ 500 million Term Loan was utilized to satisfy the Company' s remaining obligation under its $ 400. 0 million aggregate principal amount of 3. 000 % senior unsecured notes due July 15, 2022 at 99. 505 % of par (the" 2022 Senior Notes"). Additionally, the borrowings may~~ be ~~used to finance~~ **refinanced** ~~our working capital needs, capital expenditures, permitted investments, share purchases, dividends and other general corporate purposes~~ . This substantial level of indebtedness could have important consequences to our business including making it more difficult to satisfy our debt obligations, increasing our vulnerability to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and restricting us from pursuing certain business opportunities. In addition, the terms of our $ 1. 25 Billion Revolving Credit Facility contain affirmative and negative covenants, including a maximum net leverage ratio of 4. 0 to 1. 0, as well as limitations on our ability to incur debt, grant liens, engage in mergers and dispose of assets. Refer to Note 12," Debt", for a summary of these terms and additional information on the terms of our $ 1. 25 Billion Revolving Credit Facility, Term Loan and outstanding Senior Notes. The consequences and limitations under our $ 1. 25 Billion Revolving Credit Facility and our other outstanding indebtedness could impede our ability to engage in future business opportunities or strategic acquisitions. In addition, a prolonged disruption in our business may impact our ability to satisfy the leverage ratio covenant under our $ 1. 25 Billion Revolving Credit Facility. Non- compliance with these terms would constitute an event of default under our $ 1. 25 Billion Revolving Credit Facility, which may result in acceleration of payment to the lenders. In the event of an acceleration of payment to the lenders, this would result in a cross default of the Company' s Senior Notes, causing the Company' s outstanding borrowings to also become due and payable on demand. Our ability to make payments on and to refinance our debt obligations and to fund planned capital expenditures depends on our ability to generate cash from our operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control ~~, including the financial impact of the Covid- 19 pandemic on our business~~ . We cannot guarantee that our business will generate sufficient cash flow from our operations or that future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs and make planned capital expenditures. In addition, our ability to access the credit and capital markets in the future as a source of funding, and the borrowing costs associated with such financing, is dependent upon market conditions and our credit rating and outlook. As a result of having operations outside of the U. S., we are also exposed to market risk from fluctuations in foreign currency exchange rates. Substantial changes in foreign currency exchange rates could cause our sales and profitability to be negatively impacted. Risks Related to Ownership of our Common Stock ~~. In fiscal~~ **On March 26,** ~~2023~~ **2020** ,the Company ~~returned capital~~ **announced that,due** to ~~its shareholders through (i) a~~ **the impact of the Covid- 19 pandemic,Tapestry' s** quarterly ~~cash~~ dividend **,beginning in the fourth quarter** of ~~$ 0~~ **fiscal year 2020,along with the stock repurchase program would be suspended** . ~~30 per common share~~ **In the first quarter of fiscal 2022** , ~~for an annual dividend rate~~ **the Company' s Board** of **Directors approved** ~~$ 1.20 per share,or approximately $ 280 million and (ii)~~ the ~~repurchase~~ **reinstatement** of ~~17.8 million shares of common stock for $ 700 million (~~ the ~~"~~ **Company' s** Shareholder Return ~~Programs~~ - **Program** ~~")~~ .The dividend program and the stock repurchase program each require the use of a ~~significant~~ portion of our cash flow.Our ability to pay dividends and conduct stock repurchases will depend on our ability to generate sufficient cash flows from operations in the future.This ability may be subject to **certain** Our stock price may periodically fluctuate based on the accuracy of our earnings guidance or other forward- looking statements regarding our financial performance, including our ability to return value to investors. Our business and long- range 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 the Company and our stockholders. At the same time, however, we recognize that, when possible, it is helpful to provide investors with guidance as to our forecast of net sales, operating income, net interest expense, **tax rate,** earnings per diluted share and other financial metrics or projections. ~~We did not provide detailed guidance in our earnings reports for the second half of fiscal year 2020 and fiscal year 2021 due to uncertainty surrounding the financial impact of Covid- 19 on our business. We resumed providing guidance for fiscal year 2022 and while~~ **While** we generally expect to provide updates to our financial guidance when we report our results each fiscal quarter, we do not have any responsibility to provide guidance going forward or to update any of our 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 for growth and performance over a number of years. However, such long- range targets are more difficult to predict than our current quarter and fiscal year expectations. If, or when, we announce actual results that differ from those that have been predicted by us, outside investment analysts, or others, our stock price 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 our stock price. We periodically return value to investors through payment of quarterly dividends and common stock repurchases. ~~On March 26, 2020, we announced we were suspending our quarterly dividend payment, effective beginning the fourth quarter of fiscal 2020, and stock repurchase program due to the impact of Covid- 19 pandemic. Starting in the first quarter of fiscal 2022, the Company' s Board of Directors approved the reinstatement of the Company' s shareholder return program declaring a quarterly cash dividend of $ 0. 25 per common share for an annual dividend rate of $ 1. 00 per share, or approximately $ 260 million returned to shareholders in fiscal 2022 (the " Shareholder Return Program "). Additionally, during fiscal 2022 the Company repurchased 42. 0 million shares of common stock for $ 1. 60 billion. The Company also intends to repurchase approximately $ 700. 0 million worth of stock in fiscal 2023, all of which is remaining under its current authorization. Investors may have an expectation that we will continue to~~

~~pay our quarterly dividend at a certain time and at certain levels and / or repurchase shares available under our common stock repurchase program.~~ The market price of our securities could be adversely affected if our cash dividend rate or common stock repurchase activity differs from investors’ expectations. Refer to “ If we are unable to pay quarterly dividends or conduct stock repurchases at intended levels, our reputation and stock price may be negatively impacted. ” for additional discussion of our quarterly dividend. On March 26, 2020, the...... This ability may be subject to certain **Certain** ~~economic, financial, competitive and other factors that are beyond our control. Our Board of Directors (“ Board ”) may, at its discretion, decrease or entirely discontinue these programs at any time. Any failure to pay dividends or conduct stock repurchases, or conduct either program at expected levels, after we have announced our intention to do so may negatively impact our reputation, investor confidence in us and negatively impact our stock price. Provisions~~ **provisions** ~~in~~ **of** the Company' s charter, bylaws and Maryland law may delay or prevent an acquisition of the Company by a third **-** party. The Company' s charter, bylaws and Maryland law contain provisions that could make it more difficult for a third **-** party to acquire the Company without the consent of our Board. The Company' s charter permits a majority of its entire Board, without stockholder approval, to amend the charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has the authority to issue. In addition, the Company' s Board may classify or reclassify any unissued shares of common stock or preferred stock and may set the preferences, rights and other terms of the classified or reclassified shares without stockholder approval. Although the Company' s Board has no intention to do so at the present time, it could establish a class or series of preferred stock that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for the Company' s common stock or otherwise be in the best interest of the Company' s stockholders. The Company' s bylaws provide that nominations of persons for election to the Company' s Board and the proposal of business to be considered at an annual meeting of stockholders may be made only in the notice of the meeting, by the Company' s Board ~~or~~ **,** by a stockholder who is a stockholder of record as of the record date set by the Company' s Board for purposes of determining stockholders entitled to vote at the meeting, at the time of the giving of the notice by the stockholder pursuant to the Company' s bylaws and at the time of the meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and has complied with the advance notice procedures of the Company' s bylaws **or by qualifying stockholders that satisfy the proxy access provisions of the Company’ s bylaws** . ~~Also, under~~ **Under** Maryland law, business combinations, including mergers, consolidations, share exchanges, or, in circumstances specified in the statute, asset transfers or issuances or reclassifications of equity securities, between the Company and any interested stockholder, generally defined as any person who beneficially owns, directly or indirectly, 10 % or more of the Company ~~'~~ **’** s common stock, or any affiliate of an interested stockholder are prohibited for a five- year period, beginning on the most recent date such person became an interested stockholder. After this period, a **business** combination ~~of this type~~ must be approved by two super- majority stockholder votes, unless common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. The statute permits various exemptions from its provisions, including business combinations that are exempted by our Board prior to the time that the interested stockholder becomes an interested stockholder. The Company’ s charter provides that, except as may be provided by our Board in setting the terms of any class or series of preferred stock, any vacancy on our Board may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. The Company’ s charter further provides that a director may be removed only by the affirmative vote of at least two- thirds of the votes entitled to be cast generally in the election of directors. This provision, when coupled with the exclusive power of our Board to fill vacant directorships, may preclude stockholders from removing incumbent directors except by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees. Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain actions, including derivative actions, which could limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company and its directors, officers, other employees, or the Company' s stockholders and may discourage lawsuits with respect to such claims. Unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of any duty owed by any director or officer or other employee of the Company to the Company or to the stockholders of the Company, (c) any action asserting a claim against the Company or any director or officer or other employee of the Company arising pursuant to any provision of the Maryland General Corporation Law, the charter or the bylaws of the Company, or (d) any action asserting a claim against the Company or any director or officer or other employee of the Company that is governed by the internal affairs doctrine, shall, to the fullest extent permitted by law, be the Circuit Court for Baltimore City, Maryland (or, if that Court does not have jurisdiction, the United States District court for the District of Maryland, Baltimore Division). This exclusive forum provision is intended to apply to claims arising under Maryland state law and would not apply to claims brought pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, or any other claim for which the federal courts have exclusive jurisdiction. Although we believe the exclusive forum provision benefits us by providing increased consistency in the application of Maryland law for the specified types of actions and proceedings, this provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company and its directors, officers, or other employees and may discourage lawsuits with respect to such claims. **29**