

## Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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

Business and Operational Risks The Company's operating results could be adversely affected if it is unable to maintain its brands' positive images with consumers or anticipate, understand and respond to changing footwear and apparel trends and consumer preferences. Consumer preferences and, as a result, the popularity of particular designs and categories of footwear and apparel, generally change over time. The Company's success depends in part on its ability to maintain its brands' positive images, and the ability to anticipate, understand and respond to changing footwear and apparel trends and consumer preferences in a timely manner. The Company's efforts to maintain and improve its competitive position by monitoring and timely and appropriately responding to changes in consumer preferences, increasing brand awareness and enhancing the style, comfort and perceived value of its products may not be successful. If the Company is unable to maintain or enhance the images of its brands or if it is unable to timely and appropriately respond to new competition, changing consumer preferences and evolving footwear and apparel trends, consumers may consider its brands' images to be outdated and associate its brands with styles that are no longer popular, which would decrease demand for its products. Such failures could result in loss of market share, reduced sales, excess inventory, trade name impairments, lower gross margin and other adverse impacts on the Company's operating results. Significant capacity constraints, production disruptions, inventory management, quality issues, price increases and other risks associated with foreign sourcing could increase the Company's operating costs and adversely impact the Company's business and reputation. The Company currently sources a substantial majority of its products from third-party manufacturers in foreign countries, predominantly in the Asia Pacific region. As is common in the footwear and apparel industry, the Company does not have long-term contracts with its third-party manufacturers. The Company may experience difficulties with such manufacturers, including reductions in the availability of production capacity, failures to meet production deadlines, inventory management, failure to make products that meet applicable quality standards, or increases in labor and other manufacturing costs. The Company's future results depend partly on its ability to maintain its relationships with third-party manufacturers. Foreign manufacturing is subject to a number of risks, including work stoppages, transportation delays and interruptions, political instability, foreign currency exchange rate fluctuations, changing economic conditions, expropriation, nationalization, the imposition of tariffs, import and export controls and other non-tariff barriers and changes in governmental policies. Various factors could significantly interfere with the Company's ability to source its products, including adverse developments in trade or political relations with China or other countries where it sources its products, or a shift in these countries' manufacturing capacities away from footwear and apparel to other industries. Other adverse developments, such as pandemics or other health crises, could cause significant production and shipping delays. Any of these events could have an adverse effect on the Company's business, results of operations and financial position and, in particular, on the Company's ability to meet customer demands and produce its products in a cost-effective manner. The Company's ability to import products in a timely and cost-effective manner may also be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as fluctuations in freight costs, port and shipping capacity, labor disputes or severe weather due to climate change. These issues have in the past and may in the future delay importation of products or require the Company to locate alternative ports or warehousing providers to avoid disruption to customers. These alternatives may not be available on short notice or could result in higher costs, which could have an adverse impact on the Company's business and financial condition.

~~Infectious disease outbreaks that are considered pandemics~~ **Pandemics, including such as the COVID-19 pandemic, and other infectious disease outbreaks** have had and could continue to have a material adverse effect on the company's business. The Company's business could be adversely affected by infectious disease outbreaks, ~~such as~~. **As we saw with the initial phase of the COVID-19 pandemic, outbreaks of disease can**. ~~The COVID-19 pandemic has negatively affected the global economy, disrupted~~ **disrupt** consumer spending and global supply chains, and significantly increased the volatility and disruption of financial markets both globally and in the U.S. These conditions following the onset of the COVID-19 pandemic led to a decline in discretionary spending by consumers that had a negative effect on the Company's financial condition and results of operations in 2020. ~~There~~ **Outbreaks of disease, and actions taken in response to can** ~~an~~ **be no assurance that outbreak, have in these** ~~the past materially~~ **conditions will not recur and negatively affect impacted, and could in the future materially negatively impact**, the Company's financial condition and results of **workforce as well as its business, operations in future periods. The extent to which the COVID-19 pandemic, or other health crises impacts the Company's business, operations and financial results in**, including the duration and magnitude of such effects, will depend on numerous factors outside of the Company's control, such as, the duration and scope of the pandemic or other health crisis and effectiveness of containment efforts; the negative impact on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates, consumer discretionary spending and levels of consumer confidence; and actions governments, businesses and individuals may **many ways, both directly and indirectly** take in response to the pandemic or other health crisis. Potential impacts to the Company's business can be materially adversely affected by several factors related to **a the COVID-19 pandemic or another health crisis, including, but not limited to:**

- The inability of employees, suppliers and other business providers to carry out tasks at ordinary levels of performance as a result of safety measures taken to limit the spread of infectious disease outbreaks.
- **Required** ~~Outbreaks requiring the closure~~ **closures** of retail stores operated by the Company or the Company's wholesale customers ~~;~~ **as well as** ~~Decreased~~ **decreased** retail traffic ~~resulting from~~ **due to** social distancing measures, store closures, reduced operating hours, and / or changes in consumer behavior.
- Negative effects on **consumer demand for our products as a result of decreased** consumer spending due to

general macroeconomic conditions, decreased disposable income and increased unemployment. • Wholesale and distributor customer order cancellations due to lower consumer demand. • Decline in the performance or financial condition of the Company's major wholesale customers as a result of retail store closures, bankruptcy or liquidation. • Consumer demand for our products may be adversely impacted by economic conditions. • Disruption to the operations of the Company's distribution centers and its third- party manufacturers because of facility closures, reductions in operating hours, labor or material shortages, travel limitations or mass transit disruptions. • Additional expenses related to mitigating the pandemic's impact of a health crisis on regular operations. • Supply chain disruption affecting the Company's ability to receive and distribute goods as well as increases in supply chain costs. ~~Disruptions in the supply chain related to the COVID-19 pandemic have had an adverse effect and may continue to have an adverse effect on the Company's ability to meet consumer demand and financial results.~~ • Increased cyber security risk due to the increase in the number of employees working remotely. • Volatility in the availability and prices for commodities for raw materials used in the Company's products and related inflationary pressures. The occurrence of a COVID-19 pandemic or another health crisis may also affect the Company's operating and financial results in a manner that is not presently known to the Company or that the Company does not currently believe presents significant risks to its operations. Labor disruptions could adversely affect the Company's business. The Company's business depends on its ability to source and distribute products in a timely and cost- effective manner. Labor disputes at or that affect independent factories where the Company's goods are produced, shipping ports, tanneries, transportation carriers, retail stores or distribution centers create significant risks for the Company's business, particularly if these disputes result in work slowdowns, stoppages, lockouts, strikes or other disruptions. Any such disruption may have an adverse effect on the Company's business by potentially resulting in inventory shortages, delayed or canceled orders by customers and unanticipated inventory accumulation, and may negatively impact the Company's results of operations and financial position. If the Company is unable to hire qualified persons for, or retain and continue to develop, its workforce, its results of operations could be adversely affected. The future success of the Company also depends on its ability to attract and retain qualified personnel, including in its product, eCommerce, and leadership teams. Competition for such personnel in the Company's industry is intense. If the Company fails to attract and retain such employees, it may not be successful in developing and implementing its business strategies. The Company's ability to hire and retain qualified personnel may be affected by a number of factors, including: the ability to attract and motivate employees; the competition the Company faces from other companies in hiring and retaining qualified personnel; and the Company's ability to offer employees remote work opportunities. If the Company is unable to hire and retain employees capable of performing at a high level, its business, including cash flows, results of operations, employee satisfaction, and reputation, could be adversely affected. A significant reduction in wholesale customer purchases of the Company's products, wholesale customers seeking more favorable terms or canceling orders, or the failure of wholesale customers to pay for the Company's products in a timely manner could adversely affect the Company's business. The Company's financial success depends on its wholesale customers continuing to purchase its products. The Company does not typically have long-term contracts with its wholesale customers. Sales to the Company's wholesale customers are generally on an order- to- order basis and are subject to rights of cancellation and rescheduling by the wholesale customers. In fiscal 2022, the Company experienced a higher rate of wholesale customer cancellations as retail customers sought to manage higher inventory levels and supply chain disruption. Failure to fill wholesale customers' orders in a timely manner could harm the Company's relationships with its wholesale customers. Furthermore, if any of the Company's major wholesale customers experiences a significant downturn in its business, or fails to remain committed to the Company's products or brands, these wholesale customers may reduce or discontinue purchases from the Company, which could have an adverse effect on the Company's results of operations and financial position. The Company sells its products to wholesale customers and extends credit based on an evaluation of each wholesale customer's financial condition. The financial difficulties of a wholesale customer could cause the Company to stop doing business with that wholesale customer or reduce its business with that wholesale customer. The Company's inability to collect from its wholesale customers or a cessation or reduction of sales to certain wholesale customers because of credit concerns could have an adverse effect on the Company's business, results of operations and financial position. Retail consolidation could lead to fewer wholesale customers, wholesale customers seeking more favorable price, payment or other terms from the Company and a decrease in the number of stores that carry the Company's products. In addition, changes in the channels of distribution, such as the continued growth of eCommerce and related competitive pressures, and the sale of private label products by major retailers, could have an adverse effect on the Company's results of operations and financial position. The Company's direct- to- consumer operations continue to require substantial investment and commitment of resources and are subject to numerous risks and uncertainties. The Company's direct- to- consumer operations, including its brick and mortar locations as well as its eCommerce and mobile channels, require substantial fixed investment in equipment and leasehold improvements, information systems, cyber- security infrastructure, inventory and personnel. The Company also has substantial operating lease commitments for retail space. Due to the high fixed- cost structure associated with the Company's brick and mortar direct- to- consumer operations, a decline in sales or the closure or poor performance of individual or multiple stores could result in significant lease termination costs, write- offs of equipment and leasehold improvements and employee- related costs. The success of its direct- to- consumer operations also depends on the Company's ability to identify and adapt to changes in consumer spending patterns and retail shopping preferences, including the shift from brick and mortar to eCommerce and mobile channels, reductions in mall traffic and the Company's ability to effectively develop its eCommerce and mobile channels. The Company has made and will continue to make significant investments in building technologies and digital capabilities. As omni- channel retailing continues to evolve, the Company's customers are increasingly more likely to shop across multiple channels that work in tandem to meet their needs. The Company's failure to successfully respond to these factors could adversely affect the Company's direct- to- consumer business, as well as limit the Company's ability to successfully develop and expand the omni- channel experience for customers, damage its

reputation and brands, and have an adverse effect on the Company's results of operations and financial position. The Company's reputation and competitive position depend on its third- party manufacturers, distributors, licensees and others complying with applicable laws and ethical standards. The Company cannot ensure that its independent contract manufacturers, third- party distributors, third- party licensees and others with which it does business comply with all applicable laws and ethical standards relating to working conditions and other matters. If a party with which the Company does business is found to have violated applicable laws or ethical standards, the Company could be subject to negative publicity that could damage its reputation, negatively affect the value of its brands and subject the Company to legal risks. In addition, the Company relies on its third- party licensees to help preserve the value of the Company's brands. The Company's attempts to protect its brands through approval rights over design, production processes, quality, packaging, merchandising, distribution, advertising and promotion of its licensed products may not be successful as the Company cannot completely control the use by its licensees of its licensed brands. The misuse of a brand by a licensee could adversely affect the value of such brand. Disruption of the Company's eCommerce platform or other information technology systems could adversely affect the Company's business. The Company's information technology systems, including its eCommerce platform, are critical to the operations of its business. Any future material interruption, unauthorized access, impairment or loss of data integrity or malfunction of these systems could severely impact the Company's business, including delays in product fulfillment and reduced efficiency in operations. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems, or with maintenance or adequate support of existing systems, could disrupt or reduce the efficiency of the Company's operations. Disruption to the Company's information technology systems may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, denial- of- service attacks, computer viruses, physical or electronic break- ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and the Company's disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could prevent access to the Company's online services and preclude store transactions. System failures and disruptions could also impede the manufacturing and shipping of products, transactions processing and financial reporting. Additionally, the Company may be adversely affected if it is unable to improve, upgrade, maintain, and expand its technology systems. If the Company encounters problems affecting its logistics and distribution systems, its ability to deliver its products to the market could be adversely affected. The Company relies on owned or independently operated distribution facilities to transport, warehouse and ship products to its customers. The Company's logistics and distribution systems include computer- controlled and automated equipment, which are subject to a number of risks related to computer system upgrades, data accuracy, security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. Substantially all of the Company's products are distributed from a relatively small number of locations. These operations could be interrupted by earthquakes, floods, fires or other natural disasters near its distribution centers or other events over which the Company has no control, such as pandemics. The Company's business interruption insurance may not adequately protect the Company from the adverse effects that could be caused by significant disruptions affecting its distribution facilities, such as the long- term loss of customers or an erosion of brand image. In addition, the Company's distribution capacity depends upon the timely performance of services by third parties, including the transportation of products to and from the Company's distribution facilities. If the Company encounters problems affecting its distribution system, its results of operations and its ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. The Company faces risks associated with its growth strategies including acquiring and disposing of businesses. The Company has expanded its products and markets in part through strategic acquisitions, including the acquisition of the Sweaty Betty ® brand in the third quarter of fiscal 2021, and it may continue to do so in the future, depending on its ability to identify and successfully pursue suitable acquisition candidates. Acquisitions involve numerous risks, including risks inherent in entering new markets in which the Company may not have prior experience; potential loss of significant customers or key personnel of the acquired business; not obtaining the expected benefits of the acquisition on a timely basis or at all; managing geographically- remote operations; and potential diversion of management's attention from other aspects of the Company's business operations. Acquisitions may also cause the Company to incur debt or result in dilutive issuances of its equity securities, write- offs of goodwill and substantial amortization expenses associated with other intangible assets. The Company may not be able to obtain financing for future acquisitions on favorable terms, making any such acquisitions more expensive. Any such financing may have terms that restrict the Company's operations. The Company may not be able to successfully integrate the operations of any acquired businesses into its operations and achieve the expected benefits of any acquisitions. In addition, the Company may not consummate a potential acquisition for a variety of reasons, but still incur material costs in connection with an acquisition that it cannot recover. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future, or consummate a potential acquisition after incurring material costs, could have an adverse effect on the Company's business, results of operations and financial position. From time to time, the Company may seek to sell one or more businesses, or sell or license one or more brands. **As For example, as part of the Company's strategy to ensure that it is investing --- invest in brands parts of its business that offer the greatest opportunities for to achieve growth, the Company is currently seeking to sell its Wolverine Leathers Division, and the Company on February 7 January 10, 2023 2024 the Company closed the sale of the Keds global Sperry ® business.** These transactions may involve challenges and risks. There can be no assurance that future divestitures will occur, or if a transaction does occur, there can be no assurance as to the potential value created by the transaction. The process of exploring strategic alternatives or selling a business could cause uncertainty and negatively impact our ability to attract, retain and motivate key employees. In addition, the Company expends costs and management resources to complete divestitures and manage post- closing arrangements. Any failures or delays in completing divestitures could have an adverse effect on the Company's financial results and ability to execute its strategy. The Company's international operations may be affected by legal, regulatory, political and economic risks. The Company's ability to conduct business in new and existing international

markets is subject to legal, regulatory, political and economic risks. These include: • the burdens of complying with foreign laws and regulations, including trade and labor restrictions; • compliance with U. S. and other countries' laws relating to foreign operations, including the U. S. Foreign Corrupt Practices Act ("FCPA"), which prohibits U. S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business; • unexpected changes in regulatory requirements; and • new tariffs or other barriers in some international markets, including China. The Company is also subject to general political and economic risks in connection with its international operations, including: • political instability, war and terrorist attacks; • differences in business culture; • different laws governing relationships with employees and business partners; • changes in diplomatic and trade relationships, including with China; and • general economic fluctuations in specific countries or markets. The Company cannot predict whether quotas, duties, taxes, or other similar restrictions will be imposed by the U. S. or foreign countries upon the import or export of the Company's products in the future, or what effect any of these actions would have, if any, on the Company's business, financial condition or results of operations. Changes in regulatory, geopolitical, social or economic policies and other factors may have an adverse effect on the Company's business in the future or may require the Company to exit a particular market or significantly modify the Company's current business practices. Foreign currency exchange rate fluctuations could adversely impact the Company's business. Foreign currency exchange rate fluctuations affect the Company's revenue and profitability. Changes in foreign currency exchange rates may impact the Company's financial results positively or negatively in any given period, which may make it difficult to compare the Company's operating results from different periods. Foreign currency exchange rate fluctuations may also adversely impact third parties that manufacture the Company's products by increasing their costs of production and raw materials and making such costs more difficult to finance, thereby raising prices for the Company, its distributors and its licensees. The Company's hedging strategy may not successfully mitigate the Company's foreign currency exchange rate risk. For a more detailed discussion of the risks related to foreign currency exchange rate fluctuations, see Item 7A: "Quantitative and Qualitative Disclosures About Market Risk." In addition, the Company's foreign subsidiaries purchase products in U. S. dollars and the cost of those products will vary depending on the applicable foreign currency exchange rate, which will impact the price charged to customers. The Company's foreign distributors also purchase products in U. S. dollars and sell in local currencies, which impacts the price to foreign consumers and in turn, impacts the amount of royalties paid to the Company in U. S. dollars. When the U. S. dollar strengthens relative to foreign currencies, the Company's revenues and profits denominated in foreign currencies are reduced when converted into U. S. dollars and the Company's margins may be negatively impacted by the increase in product costs. The Company may seek to mitigate the negative impacts of foreign currency exchange rate fluctuations through price increases and further actions to reduce costs, but the Company may not be able to fully offset the impact, if at all. The Company's success depends, in part, on its ability to manage these various foreign currency impacts as changes in the value of the U. S. dollar relative to other currencies could have an adverse effect on the Company's business and results of operations. The Company's quarterly sales and earnings may fluctuate, and the Company or securities analysts may not accurately estimate the Company's financial results, which may result in volatility in, or a decline in, the Company's stock price. Decreases in the returns provided to our stockholders may ultimately adversely affect our business, results of operations and financial condition. The Company's quarterly sales and earnings can vary due to a number of factors, many of which are beyond the Company's control, including the following: • In the wholesale business, sales of footwear depend on orders from major customers, who may change delivery schedules, change the mix of products they order or cancel orders without penalty. • Changes to the Company's estimated annual tax rate which is based on projections of its domestic and international operating results for the year, which the Company reviews and revises as necessary each quarter. • The Company's earnings are also sensitive to a number of factors that are beyond the Company's control, including certain manufacturing and transportation costs, changes in product sales mix, geographic sales trends, weather conditions, customer demand, consumer sentiment and currency exchange rate fluctuations. As a result of these specific and other general factors, the Company's operating results will vary from quarter to quarter and the results for any particular quarter may not be indicative of results for the full year. In addition, various securities analysts follow the Company's financial results and issue reports. These reports include information about the Company's historical financial results as well as the analysts' estimates of future performance. The analysts' estimates are based upon their own opinions and are often different from the Company's estimates or expectations. Any shortfall in sales or earnings from the levels expected by investors or securities analysts could cause a decrease in the trading price of the Company's common stock. Decreases in the trading price of our stock may adversely affect the returns our stockholders realize from ownership of our stock. Such adverse effects, as well as other factors, may cause stockholders to take actions to involve themselves in the strategic direction and governance of the Company, including through private engagement, publicity campaigns, stockholder proposals and proxy contests. Responding to these actions can be costly and time-consuming and could divert the attention of our board and senior management from managing our operations and pursuing our business strategies. Changes in general economic conditions and other factors affecting consumer spending could adversely affect the Company's sales, costs, operating results or financial position. The Company's results of operations depend on factors affecting consumer disposable income and spending patterns. These factors include general economic conditions, employment rates, business conditions, interest rates and tax policy in each of the markets and regions in which the Company or its third-party distributors and licensees operates. Customers may defer or cancel purchases of the Company's products due to uncertainty about global, regional or local economic conditions, and how such conditions may impact them. Disposable income and consumer spending may decline due to inflation, recessionary economic cycles, high interest rates on consumer or business borrowings, restricted credit availability, high levels of unemployment or consumer debt, high tax rates, declines in consumer confidence or other factors. A decline in disposable income and consumer spending has adversely affected demand for the Company's products, and could further adversely affect demand and Company's results of operations. **If the Company reduces the prices of its products, offers additional promotions or increases marketing efforts due to decreases in**

**consumer spending, the Company's profitability could decline. The Company is subject to inflationary pressures, including increased costs in many aspects of our business, such as the cost of raw materials, transportation, and labor, which the Company may not be able to offset with cost savings or price increases on its products. If inflationary pressures continue, and the Company is unable to pass along price increases or further reduce costs, the Company's results of operations will be negatively impacted**.

The Company operates in competitive industries and markets. The Company competes with a large number of wholesalers, and retailers of footwear and apparel, and direct-to-consumer footwear and apparel companies. Many of the Company's competitors have greater resources and larger customer and consumer bases, are able, or elect, to sell their products at lower prices, or have greater financial, technical or marketing resources than the Company, particularly its competitors in the apparel and direct-to-consumer businesses. The Company's competitors may own or license brands with greater name recognition; implement more effective marketing campaigns; adopt more aggressive pricing policies; make more attractive offers to potential employees, distribution partners and manufacturers; or respond more quickly to changes in consumer preferences. The Company's continued ability to sell its products at competitive prices and to meet shifts in consumer preferences quickly will affect its future sales. If the Company is unable to respond effectively to competitive pressures, its results of operations and financial position may be adversely affected. Unseasonable or extreme weather conditions could adversely affect the Company's results of operations. The Company markets and sells footwear and apparel suited for specific seasons, such as sandals and flats for the summer season and boots for the winter season. If the weather conditions for a particular season vary significantly from those typical for that season, such as an unusually cold and rainy summer or an unusually warm and dry winter, consumer demand for seasonally appropriate products could be adversely affected. Lower demand for seasonally appropriate products may result in excess inventory, forcing the Company to sell these products at significantly discounted prices, which would adversely affect the Company's results of operations. Conversely, if weather conditions permit the Company to sell seasonal products early in the season, this may reduce inventory levels needed to meet customers' needs later in that same season. Consequently, the Company's results of operations are dependent on future weather conditions and its ability to react to changes in weather conditions. Extreme weather conditions can also adversely impact the Company's business, results of operations and financial position. If extreme weather events forced closures of, or disrupted operations at, distribution centers maintained by the Company or third parties, the Company could incur higher costs and experience longer lead times to distribute its products on a timely basis to the Company's retail stores, wholesale customers or eCommerce consumers. In addition, consumer traffic may be reduced as a result of extreme weather conditions and a decrease in shopping traffic could have an adverse effect on the Company's results of operations and financial position. Changes in general economic conditions and / or the credit markets affecting the Company's distributors, suppliers and retailers could adversely affect the Company's results of operations and financial position. Changes in general economic conditions and / or the credit markets could have an adverse impact on the Company's future results of operations and financial position. Negative trends in global economic conditions may adversely impact the Company's third-party distributors', suppliers' and retailers' ability to meet their obligations to provide the Company with the materials and services it needs at the prices, terms or levels as such third-parties have historically, which could adversely impact the Company's ability to meet consumers' demands and, in turn, the Company's results of operations and financial position. In addition, if the Company's third-party distributors, suppliers and retailers are not able to obtain financing on favorable terms, or at all, they may delay or cancel orders for the Company's products or fail to meet their obligations to the Company in a timely manner, either of which could adversely impact the Company's sales, cash flow and operating results. Global political and economic uncertainty could adversely impact the Company's business. The Company's products are marketed in approximately 170 countries and territories, and the Company sources a substantial majority of its products from foreign countries. Concerns regarding acts of terrorism or regional and international conflicts and concerns regarding public health threats, such as the COVID-19 pandemic, have created and may in the future create significant global economic and political uncertainties that may have adverse effects on consumer demand, acceptance of U. S. brands in international markets, foreign sourcing of products, shipping and transportation, product imports and exports and the sale of products in foreign markets, any of which could adversely affect the Company's ability to source, manufacture, distribute and sell its products. **For example, conflicts in the Middle East, heightened tensions in the Red Sea and disruption of the Suez Canal shipping channels may cause supply chain disruptions and increase shipping costs.** In addition, an economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in markets in which the Company operates could have an adverse effect on the Company. The Company cannot predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, worldwide, in markets in which the Company operates, or in its industry. The Company is also subject to risks related to doing business in developing countries and economically volatile areas. These risks include social, political and economic instability; nationalization by local governmental authorities of the Company's, its distributors', or its licensees' assets and operations; slower payment of invoices; and restrictions on the Company's ability to repatriate foreign currency or receive payment of amounts owed by third-party distributors and licensees. In addition, commercial laws in these areas may not be well developed or consistently administered, and new unfavorable laws may be retroactively applied. Any of these risks could have an adverse impact on the Company's prospects and results of operations in these areas. Financial Risks The Company's operating results depend on effectively managing inventory levels. The Company's ability to effectively manage its inventories and accurately forecast demand are important factors in its operations. Inventory shortages can impede the Company's ability to meet demand, adversely affect the timing of shipments to customers and, consequently, adversely affect business relationships with retail customers, diminish brand loyalty and decrease sales. Conversely, excess inventory can result in lower gross margins if the Company lowers prices in order to liquidate inventory. In addition, inventory may become obsolete as a result of changes in consumer preferences over time. The Company's business, results of operations and financial position could be adversely affected if it is unable to effectively manage its inventory. Increases or changes in duties, quotas, tariffs and other trade

restrictions could adversely impact the Company's sales and profitability. All of the Company's products manufactured overseas and imported into the U. S., Canada, the European Union and other countries are subject to customs duties collected by customs authorities. The customs information submitted by the Company is routinely subject to review by customs authorities and any such review might result in the assessment of additional duties or penalties. Additional U. S. or foreign customs duties, quotas, tariffs, anti- dumping duties, safeguard measures, cargo restrictions, the loss of most favored nation trading status or other trade restrictions, including those due to changes in trade relations between the U. S. and other countries, may be imposed on the importation of the Company's products in the future. The imposition of such costs or restrictions in countries where the Company operates, as well as in countries where its third- party distributors and licensees operate, could result in increases in the cost of the Company's products generally and adversely affect its sales and profitability. Increases in the cost of raw materials, labor and services could adversely affect the Company's results of operations. The Company's ability to competitively price its products depends on the prices of commodities, such as cotton, leather, rubber, petroleum, cattle, pigskin hides, and other raw materials, used to make and transport its products, as well as the prices of equipment, labor, transportation and shipping, insurance and health care. The cost of commodities, equipment, services and materials is subject to change based on availability and general economic and market conditions that are difficult to predict. Various conditions, such as diseases affecting the availability of leather, affect the cost of the footwear marketed by the Company. Increases in costs for commodities, equipment, services and materials used in production could ~~have a negative impact on the Company's results of operations and financial position. The Company purchases a majority of the pigskin hides used in its leathers operations from a single domestic source pursuant to short- term contracts. If this source fails to continue to supply the Company with raw pigskin or supplies the Company with raw pigskin on less favorable terms, the Company's cost of raw materials for its leathers operations could increase and, as a result,~~ have a negative impact on the Company's results of operations and financial position. An increase in the Company's effective tax rate or negative determinations by domestic or foreign tax authorities could have an adverse effect on the Company's results of operations and financial position. A significant amount of the Company's earnings are generated by its Canadian, European and Asia Pacific subsidiaries and, to a lesser extent, in jurisdictions that are not subject to income tax. As a result, the Company's income tax expense has historically differed from the tax computed at the U. S. statutory income tax rate due to discrete items and because the Company did not provide for U. S. taxes on non- cash undistributed earnings that it intends to permanently reinvest in foreign operations. The Company's future effective tax rates could be unfavorably affected by a number of factors, including, but not limited to, changes in the tax rates in jurisdictions in which the Company generates income; changes in, or in the interpretation of, tax rules and regulations in the jurisdictions in which the Company does business; or decreases in the amount of earnings in countries with low statutory tax rates. An increase in the Company's effective tax rate could have an adverse effect on its results of operations and financial position. In addition, the Company's income tax returns are subject to examination by the Internal Revenue Service and other domestic and foreign tax authorities. The Company regularly assesses the likelihood of outcomes resulting from these examinations to determine the adequacy of its provision for income taxes and establishes reserves for potential adjustments that may result from these examinations. The final determination of any of these examinations could have an adverse effect on the Company's results of operations and financial position. An impairment of goodwill or other intangibles could have an adverse impact to the Company's results of operations. The carrying value of goodwill represents the fair value of acquired businesses in excess of identifiable assets and liabilities as of the acquisition date. The carrying value of other intangibles represents the fair value of trade names and other acquired intangibles as of the acquisition date. Goodwill and other acquired intangibles expected to contribute indefinitely to the Company's cash flows are not amortized but must be evaluated by the Company at least annually for impairment. If the carrying amounts of one or more of these assets are not recoverable based upon discounted cash flow and market- approach analyses, the carrying amounts of such assets are impaired by the estimated difference between the carrying value and estimated fair value. An impairment charge could adversely affect the Company's results of operations, such as the impairments recorded associated with the Sweaty Betty ® trade name and goodwill in fiscal 2022 ~~and the Sperry ® trade name in fiscal 2022 and 2020~~. The Company's current level of indebtedness could adversely affect the Company by decreasing business flexibility and increasing borrowing costs. The Company's current level of indebtedness could adversely affect the Company by decreasing its business flexibility and increasing its borrowing costs. The Company has debt outstanding under a senior secured credit agreement (" Credit Agreement ") and senior notes. The Credit Agreement and the indenture governing the senior notes contain customary restrictive covenants imposing operating and financial restrictions on the Company, including restrictions that may limit the Company's ability to engage in acts that may be in its long- term best interests. These covenants restrict the ability of the Company and certain of its subsidiaries to, among other things: incur or guarantee indebtedness; incur liens; pay dividends or repurchase stock; enter into transactions with affiliates; consummate asset sales, acquisitions or mergers; prepay certain other indebtedness; or make investments. In addition, the restrictive covenants in the Credit Agreement require the Company to maintain specified financial ratios and satisfy other financial condition tests. These restrictive covenants may limit the Company's ability to finance future operations or capital needs or to engage in other business activities. The Company's ability to comply with any financial covenants could be materially affected by events beyond its control and the Company may be unable to satisfy any such requirements. If the Company fails to comply with these covenants, it may need to seek waivers or amendments of such covenants, seek alternative or additional sources of financing or reduce its expenditures. The Company may be unable to obtain such waivers, amendments or alternative or additional financing on favorable terms or at all. Legal and Regulatory Risks If the Company is unsuccessful in establishing and protecting its intellectual property, the value of its brands could be adversely affected. The Company's ability to remain competitive depends upon its continued ability to secure and protect trademarks, patents and other intellectual property rights in the U. S. and internationally for all of the Company's lines of business. The Company relies on a combination of trade secret, patent, trademark, copyright and other laws, license agreements and other contractual provisions and technical measures to protect its intellectual property rights; however,

some countries' laws do not protect intellectual property rights to the same extent U. S. laws do. The Company's business could be significantly harmed if it is not able to protect its intellectual property or if a court found it to be infringing on other persons' intellectual property rights. Any intellectual property lawsuits or threatened lawsuits in which the Company is involved, either as a plaintiff or as a defendant, could cost the Company a significant amount of time and money and distract management's attention from operating the Company's business. If the Company does not prevail on any intellectual property claims, then the Company may have to change its manufacturing processes, products or trade names, any of which could reduce its profitability. In addition, some of the Company's branded footwear operations are operated pursuant to licensing agreements with third-party trademark owners. These agreements are subject to early termination for breach. These agreements also expire by their terms and as the agreements expire, the Company may be forced to stop selling the related products. Expiration or early termination by the licensor of any of these license agreements could have an adverse effect on the Company's business, results of operations and financial position. Changes in employment laws and regulations and other related changes may lead to higher employment and pension costs for the Company. Changes in employment laws and regulations in the countries and territories in which the Company operates and other factors could increase the Company's overall employment costs. The Company's employment costs include costs relating to health care and retirement benefits, including U. S.- based defined benefit pension plans. The annual cost of benefits can vary significantly depending on a number of factors, including changes in the assumed or actual rate of return on pension plan assets, a change in the discount rate or mortality assumptions used to determine the annual service cost related to the defined benefit plans, a change in the method or timing of meeting pension funding obligations and the rate of health care cost inflation. Increases in the Company's overall employment and pension costs could have an adverse effect on the Company's business, results of operations and financial position. Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to the Company's environmental, social and governance ("ESG") practices may impose additional costs on the Company or expose it to new or additional risks. Companies are facing increasing and frequently evolving scrutiny globally from customers, regulators, investors, employees and other stakeholders related to their ESG practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, board and workforce diversity, labor conditions, human rights, and cybersecurity and data privacy. Third parties have also developed proprietary ratings or analyses of companies based on certain ESG metrics. Increased ESG-related compliance costs could result in increases to the Company's overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or other stakeholder expectations and standards could negatively impact the Company's reputation, ability to do business with certain partners, and stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure. The Company's ESG initiatives and goals may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. As we report on our ESG initiatives or goals, we may be subject to heightened reputational and operational risk and compliance costs related to these matters. Complying with increased regulations could increase the Company's costs and adversely impact results of operations. The Company's inability or failure to meet, or the perceived failure to meet, such stakeholders' expectations, as well as adverse incidents, could negatively impact the Company's stock price, results of operations, or reputation and increase the cost of capital. The Company's and its vendors' databases containing personal information and payment card data of the Company's customers, employees and other third parties could be breached, which could subject the Company to adverse publicity, litigation, fines and expenses. If the Company is unable to comply with bank and payment card industry standards, its operations could be adversely affected. The protection of the Company's customer, associate and Company data is critically important to the Company. The Company relies on its networks, databases, systems and processes, as well as those of third parties such as vendors, to protect its proprietary information and information about its customers, employees and vendors. The Company's customers and associates have a high expectation that the Company will adequately safeguard and protect their sensitive personal information. The Company's operations have become increasingly centralized and dependent upon automated information technology processes. In addition, a portion of the Company's business operations is conducted electronically, increasing the risk of attack or interception that could cause loss or misuse of data, system failures or disruption of operations. If unauthorized parties gain access to these networks or databases, they may be able to steal, publish, delete or modify the Company's private and sensitive third-party or employee information. Improper activities by third parties, exploitation of encryption technology, new data-hacking tools and discoveries and other events or developments may result in a future compromise or breach of the Company's networks, payment card terminals or other payment systems. In particular, the techniques used by criminals to obtain unauthorized access to sensitive data change frequently and often are not recognized until launched against a target; accordingly, the Company may be unable to anticipate these techniques or implement adequate preventative measures. Any failure to maintain the security of the Company's customers' sensitive information, or data belonging to it or its suppliers, could put it at a competitive disadvantage, result in deterioration of its customers' confidence in it, and subject it to potential litigation, liability, fines and penalties, resulting in a possible adverse impact on its financial condition and results of operations. The Company's insurance coverage may be insufficient to cover all losses and would not remedy damage to the Company's reputation. In addition, employees may intentionally or inadvertently cause data or security breaches that result in unauthorized release of personal or confidential information. In such circumstances, the Company could be held liable to its customers, other parties or employees, be subject to regulatory or other actions for breaching privacy laws or failing to adequately protect such information or respond to a breach. This could result in costly investigations and litigation, civil or criminal penalties, operational changes and negative publicity that could adversely affect the Company's reputation and its results of operations and financial position. In addition, if the Company is unable to comply with bank and PCI security standards, it may be subject to fines, restrictions and expulsion from card acceptance programs, which could adversely affect the Company's direct-to-

consumer operations. The Company's operations are subject to environmental and workplace safety laws and regulations, and costs or claims related to these requirements could adversely affect the Company's business. The Company's operations are subject to various federal, state and local laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air, soil and water, the management and disposal of solid and hazardous materials and wastes, employee exposure to hazards in the workplace, and the investigation and remediation of contamination resulting from releases of hazardous materials. Failure to comply with legal requirements could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. Various third parties have brought, and in the future could bring actions against the Company alleging health-related or other harm arising from non-compliance. The Company may incur investigation, remediation or other costs related to releases of hazardous materials or other environmental conditions at its currently or formerly owned or operated properties, regardless of whether such environmental conditions were created by the Company or a third-party, such as a prior owner or tenant. The Company has incurred, and continues to incur, costs to address soil and groundwater contamination at some locations. If such issues become more expensive to address, or if new issues arise, they could increase the Company's expenses, generate negative publicity, or otherwise adversely affect the Company. The disruption, expense and potential liability associated with existing and future litigation against the Company could adversely affect its reputation, financial position or results of operations. The Company may be named as a defendant from time to time in lawsuits and regulatory actions relating to its business. For example, regulatory actions, punitive class actions lawsuits and individual lawsuits have been filed against the Company alleging claims relating to property damage, remediation and human health effects, among other claims, arising from the Company's operations, including its handling, storage, treatment, transportation and / or disposal of waste. These claims are discussed in more detail in Note 17 to the Company's Consolidated Financial Statements. Due to the inherent uncertainties of litigation and regulatory proceedings, the Company cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse impact on the Company's business, results of operations and financial position. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and may require that the Company devote substantial resources and executive time to the defense of such proceedings. Provisions of Delaware law and the Company's certificate of incorporation and bylaws could prevent or delay a change in control or change in management that could be beneficial to the Company's stockholders. Provisions of the Delaware General Corporation Law, as well as the Company's certificate of incorporation and bylaws, could discourage, delay or prevent a merger, acquisition or other change in control of the Company that might benefit the Company's stockholders. These provisions are intended to provide the Company's Board of Directors with continuity and also serve to encourage negotiations between the Company's Board of Directors and any potential acquirer. Such provisions include a Board of Directors that is classified so that only one-third of directors stand for election each year. These provisions could also discourage proxy contests and make it more difficult for stockholders to replace the majority of the Company's directors and take other corporate actions that may be beneficial to the Company's stockholders. The Company's marketing programs, eCommerce initiatives and use of consumer information are governed by an evolving set of laws, industry standards and enforcement trends and unfavorable changes in those laws, standards or trends, or the Company's failure to comply with existing or future laws, could negatively impact the Company's business and results of operations. The Company collects, maintains and uses data provided to it through its online activities and other consumer interactions in its business. The Company's current and future marketing programs depend on its ability to collect, maintain and use this information, and its ability to do so is subject to certain contractual restrictions in third party contracts as well as evolving international, federal and state laws, industry standards and enforcement trends. The Company is subject to a broad array of applicable laws and other legal obligations relating to privacy, data protection and consumer protection, including those relating to the use of data for marketing purposes. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, may conflict with other rules or may conflict with the Company's practices. If the Company is not able to comply with any applicable requirements, the Company's reputation could be negatively impacted and the Company may be subject to proceedings or actions against it by governmental entities or others. In addition, as data privacy and marketing laws change, the Company may incur additional costs to remain in compliance. If applicable data privacy and marketing laws become more restrictive at the federal or state level, the Company's compliance costs may increase, and the Company's ability to effectively engage customers via personalized marketing may decrease which could potentially impact growth. Because the Company processes and transmits payment card information, the Company is subject to the Payment Card Industry ("PCI") Data Security Standard (the "Standard"), and card brand operating rules ("Card Rules"). The Standard is a comprehensive set of requirements for enhancing payment account data security that was developed by the PCI Security Standards Council to help facilitate the broad adoption of consistent data security measures. The Company is required by payment card network rules to comply with the Standard, and the Company's failure to do so may result in fines or restrictions on its ability to accept payment cards. Under certain circumstances specified in the payment card network rules, the Company may be required to submit to periodic audits, self-assessments or other assessments of its compliance with the Standard. Such activities may reveal that the Company has failed to comply with the Standard. If an audit, self-assessment or other test determines that the Company needs to take steps to remediate any deficiencies, the Company may be required to undertake remediation efforts, which may be costly or could result in periods of time during which the Company cannot accept payment cards. In addition, even if the Company complies with the Standard, there is no assurance that it will be protected from a security breach. Further, changes in technology and processing procedures may result in changes in the Card Rules. Such changes may require the Company to make significant investments in operating systems and technology that may impact business. Failure to keep up with changes in technology could impact growth opportunities. Failure to comply with the Standard or Card Rules could result in losing certification under the PCI standards and an inability to process payments. The Company is also subject to U. S. and international data privacy and cybersecurity laws and regulations, which may impose fines and penalties for noncompliance and may have an adverse effect on



the Company's operations. For example, the General Data Protection Regulation ("GDPR"), which applies in all European Union member states, introduced new data protection requirements in the European Union and substantial fines for breaches of the data protection rules. GDPR increases our responsibility and potential liability in relation to personal data that we collect, process and transfer, and we have put in place additional mechanisms designed to ensure compliance with the new data protection rules. Any failure to comply with these rules and related national laws of European Union member states, could lead to government enforcement actions and significant penalties against us, and could adversely affect our business, financial condition, cash flows and results of operations. In addition, the California Consumer Privacy Act ("CCPA") limits how we may collect and use personal data. The effects of the CCPA governs the Company's data processing practices and policies. Additionally, other states have adopted, or are considering enacting, similar laws that may affect the Company's data processing practices and policies. The Company operates in many different international markets and could be adversely affected by violations of the FCPA and similar worldwide anti-corruption laws. The FCPA and similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. The Company's internal policies mandate compliance with these anti-corruption laws. Despite training and compliance programs, the Company's internal control policies and procedures may not protect it from reckless or criminal acts committed by its employees or agents. The Company's continued expansion internationally, including in developing countries, could increase the risk of FCPA violations in the future. Violations of these laws, or allegations of such violations, could disrupt the Company's business and result in an adverse effect on the results of operations or financial condition.