

## MODERN SLAVERY ACT REPORT

Delta Galil USA Inc. (“Delta” or “Company”) is committed to respecting human rights. This statement is published pursuant to the California Transparency in Supply Chains Act (SB 657), the UK Modern Slavery Act of 2015, the Australia Modern Slavery Act 2018, and the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada Supply Chains Act). This statement covers the period from January 1, 2025, to December 31, 2025 (our Fiscal year 2025 or FY2025).

### **OUR BUSINESS OPERATIONS AND SUPPLY CHAIN**

Delta Galil and its subsidiaries are global commercial manufacturers in the apparel industry, producing, selling, and marketing clothing for men, women, and children. A significant portion of our business involves manufacturing private labels or licensed apparel. In addition to this, our portfolio consists of owned brands that reach customers worldwide.

As outlined in Delta’s code of conduct and any variations thereof (“Code of Conduct”), we oppose and prohibit forced labor, whether in the form of human trafficking, indentured labor, prison labor, child labor (including the worst forms as outlined by ILO convention 182, or any other form) in our supply chain. We are committed to taking action to end forced labor. We do not knowingly work with factories that use forced labor or are involved in human trafficking, slavery, or child labor. As used in this statement, the term “modern slavery” includes child labor, bonded labor, indentured labor, deceptive recruitment of labor, forced or compulsory labor, forced marriage and human trafficking.

Delta Galil does not knowingly employ any type of involuntary labor and will not knowingly conduct business with any supplier that uses involuntary labor of any kind, including prison labor, indentured labor, bonded labor, child labor, or labor obtained through human trafficking or slavery.

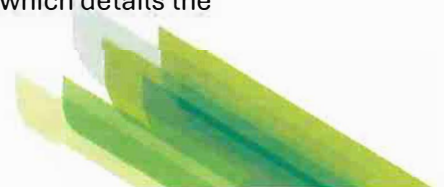
### **DELTA’S POLICIES TO ADDRESS MODERN SLAVERY**

Delta’s Code of Conduct, aligned with our customers’ and the Fair Labor Association (FLA) codes of conduct, addresses human trafficking and modern slavery in our supply chain. Tier 1 suppliers receive and sign this code, which serves as the foundation for audit evaluations. Through acceptance of our business and our Code of Conduct, manufacturing partners agree to comply with all the principles outlined in our code.

These principles address topics such as child labor, forced labor, legal wages, discrimination, women’s rights, harassment, and prohibit human trafficking and slavery in the supply chain. Each manufacturing partner is required to maintain records that are sufficiently detailed to substantiate that all materials they supply to us are produced in compliance with the anti-slavery and human trafficking laws of the country or countries where they are produced. Such records may include: (1) proof of age; (2) payroll records and timesheets; (3) written documentation of terms and conditions of employment; and (4) records of employee grievances and suggestions, along with employer responses.

### **CERTIFICATION**

As a condition of doing business with Delta Galil, we require all suppliers and facilities to certify their receipt, understanding, and acceptance of Delta’s Code of Conduct, which details the



Company's own standards and policies as well as fair labor practices in general including laws concerning the use of child, prison, or forced labor, and against human trafficking and slavery. We also require our direct manufacturing partners to cascade these obligations to their own upstream suppliers, including labor brokers and agencies. Subsequently, our manufacturing partners must represent that their supply chain and materials incorporated into our products comply with national and international laws prohibiting slavery and human trafficking. This includes the agreement to treat workers with dignity and respect, provide them with a safe work environment, conduct business in compliance with applicable national and international environmental, labor and employment laws, and refrain from corrupt practices and engaging in human rights violations.

Additionally, our manufacturing partners agree to comply with all applicable laws and regulations, including eradication of forced, indentured, involuntary or compulsory labor in their facilities.

### RISK MANAGEMENT, DUE DILIGENCE AND MONITORING

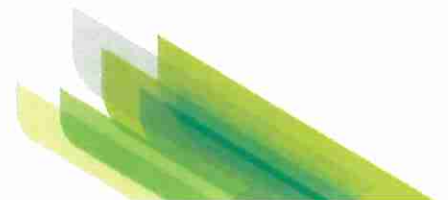
Delta Galil conducts regular risk assessments across its supply chain, engaging with its subsidiaries and affiliates. The company employs a range of methods to manage risks within its supply chain, ensuring comprehensive oversight and mitigation.

**Risk Assessments and Intelligence Gathering.** Risk assessments are carried out systematically, with subsidiaries and affiliates actively involved in the process. The company leverages multiple structured risk management practices to ensure effective coverage throughout the supply chain. To inform these risk assessments, Delta Galil utilizes intelligence from diverse sources. These include the US State Department's Trafficking in Persons Report, the American Apparel & Footwear Association (AAFA), reports from the FLA, third-party firms, and press reports. This intelligence helps focus efforts on areas where slavery and human trafficking pose the greatest risks.

**Compliance and Auditing Practices.** Our global compliance program incorporates oversight through social compliance audits. These audits enable evaluation of supplier compliance against the company's Code of Conduct to prevent trafficking, slavery, and the worst forms of child labor in our supply chains. All tier 1 suppliers producing private label or licensed goods are audited, with a majority of tier 1 suppliers producing owned-branded goods also audited. Audits are conducted by internal auditors, qualified third-party audit firms, or through third-party certification schemes, and are generally announced or semi-announced.

**Commitment to Responsible Recruitment.** Delta is a signatory to the AAFA/FLA Commitment to Responsible Recruitment. The company leverages intelligence, collaboration, resources, and tools gained from this commitment to enhance its risk assessments and work toward eradicating forced labor and human trafficking. Company staff incorporate these insights with both formal and informal on-site evaluations, including those performed by third-party auditors at supplier facilities, to identify the areas of greatest risk within the supply chain.

**Country Risk Analysis.** Our analysis indicates that several countries may pose considerable risks associated with slavery, human trafficking, child labor, or forced labor. These risks are particularly prevalent in nations hosting or employing migrant workers, where governmental engagement in combating these issues is limited. Additionally, risk levels increase further upstream within the supply chain in these regions. Countries identified as having the highest risk include China, Malaysia, Myanmar, India, Thailand, and Vietnam.



**Engagement and Collaborative Efforts.** We recognize that addressing risks associated with modern slavery requires a collaborative approach. Strong partnerships are essential for effective human rights due diligence in our supply chain. We participate in industry groups and multi-stakeholder initiatives to improve our understanding and management of forced labor and child labor risks, aiming to drive systemic change and progress. We regularly engage with the AAFA Social Responsibility Committee to discuss developments related to forced labor. Through the AAFA, we also participate in the broader joint Forced Labor Working Group. This group brings together supply chain compliance and sustainability experts from AAFA, the National Retail Federation (NRF), the Retail Industry Leaders Association (RILA), and the United States Fashion Industry Association (USFIA). Similarly, we also continue to engage with the Textile Exchange and Better Cotton. Our objective is to advance industry knowledge and develop standards that minimize human rights and environmental impacts associated with raw materials and manufacturing processes.

Since 2024, Delta Galil, directly or through its affiliates, has been actively involved in FLA's "Harvesting the Future – Cotton in India" project, which seeks to enhance working conditions for cotton farmers and laborers across two districts in Madhya Pradesh. This project is managed by the FLA in collaboration with local civil society organizations, and Delta Galil engages with industry peers, suppliers, and implementation partners to advance its objectives. Project activities consist of mapping and monitoring the supply chain, providing training and building capacity, launching child protection programs, enhancing responsible recruitment practices, implementing wage improvement efforts, and introducing occupational health and safety measures. For additional details regarding this initiative, please refer to the Fair Labor Association [project site](#).

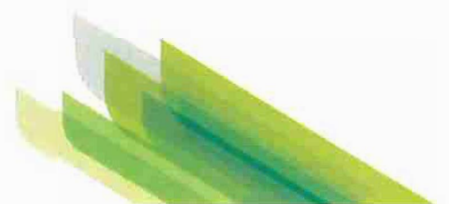
**Improving Supply Chain Visibility.** We understand that transparency in our supply chain is crucial, particularly regarding the prevention of human trafficking and slavery. In 2025, we improved visibility and enhanced our engagement at tier-2 and tier-3, which constitute our nominated and strategic material sources.

## REMEDICATION AND EFFECTIVENESS

Delta requires its suppliers to adopt a continuous improvement approach, addressing issues identified through assessments and monitoring activities. The ESG team collaborates with suppliers in overseeing the implementation of corrective actions. To optimize tracking and performance management, Delta has introduced an online platform for its suppliers. With the platform's ongoing expansion, Delta will further enhance its global compliance program management to provide robust support, encompassing capacity-building resources and remediation guidance.

## ACCOUNTABILITY EFFORTS

At Delta Galil, we maintain and enforce internal accountability procedures for employees and contractors who fail to meet company standards to prevent the incidence of slavery and human trafficking in its supply chain. We practice due diligence in maintaining these standards. Delta Galil employees are given our internal Code of Ethics, which requires employees to be familiar with the laws, rules, and regulations that impact their specific duties. Employees are required to report all violations of this policy through our internal ethics compliance hotline.



Upon the discovery of evidence related to human trafficking, slavery, or child labor, we promptly launch a comprehensive investigation to assess the situation and determine whether an issue exists. In instances of non-compliance, our objective is to facilitate the remediation of any occurrences of human trafficking, slavery, or severe child labor within our supply chain. Effective resolution is contingent upon the cooperation of the manufacturing partner. Consequently, we retain the discretion to assess each situation individually and determine the optimal course of action, which may involve ending the business relationship when warranted. We collaborate closely with other brands, stakeholders, civil society organizations, and, when required, government entities to develop an optimal strategy for resolution.

## TRAINING

Delta maintains an annual training course for employees directly responsible for supply chain management. This course emphasizes the company's commitment to human rights and compliance with standards addressing human trafficking, slavery, and child labor within supply chains. The training covers essential aspects of modern slavery and provides guidance on how supply chain management teams can proactively mitigate, prevent, and eliminate labor-related risks.

Our supply chain staff are trained on all company policies, including the Code of Conduct. These sessions help ensure team members understand the challenges and risks related to the supply chain, such as human trafficking, slavery, and the worst types of child labor, with special emphasis on reducing these risks.

Many of our supply chain employees are also expected to attend external training sessions and seminars on topics like social compliance, human trafficking, and slavery. These programs are offered by third parties, our customers, the AAFA, or the FLA.

## NEXT STEPS

Delta Galil is committed to continuously improving our policies and processes to identify and minimize the risk of modern slavery and human trafficking throughout our supply chain. We continuously evaluate and analyze the effectiveness of our human trafficking and slavery eradication efforts. We regularly review our Code of Conduct and global compliance program to focus on areas where we can drive the most meaningful change.

This statement confirms our efforts to eradicate slavery and human trafficking practices within our supply chain, dated May 19, 2026.



Isaac Dabah  
CEO

