



# Modern Slavery Statement

## Our Responsibility

As a global employer, manufacturer, and supplier, Delta Galil believes in respecting human rights and abiding by the rights outlined in the [United Nations Declaration of Human Rights](#) and the [International Labor Organization Declaration on Fundamental Principles and Rights at Work](#).

At Delta Galil, our core values of honesty, integrity and respect are embedded in everything we do and are publically declared in Delta's [Code of Ethics](#) and a [Code of Conduct](#). We believe in partnering with others who share our values and who understand the importance of always conducting business ethically.

As detailed below, Delta has developed and issued a [Code of Conduct](#) that states that we prohibit forced labor, whether in the form of human trafficking, indentured labor, prison labor, child labor, or otherwise, in our supply chain. We are committed to taking steps to end forced labor, whether in the form of human trafficking, indentured labor, prison labor or otherwise. We do not knowingly work with factories that use forced labor, are involved in human trafficking, slavery, or worst forms of child labor. This statement outlines many of our efforts to eradicate forced labor from our direct supply chains.



This disclosure is published in order to harmonize our response to the [California Transparency in Supply Chains Act \(SB 657\)](#), the [UK Modern Slavery Act of 2015](#), [Canadian Supply Chains Act](#) and the [Australia Modern Slavery Act 2018](#). Each year, it is approved and signed by our Board of Directors. In this document, we summarize the steps taken, through policies and action, relating to slavery, human trafficking, and worst forms of child labor in the supply chain during the fiscal year ending in December 31 2023.

Delta defines modern slavery, human trafficking, and worst forms of child labor as conduct which would constitute:

- a) an offence under Division 270 or 271 of the Australia Criminal Code; or
- b) an offence under either of those Divisions if the conduct took place in Australia; or
- c) trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27); or
- d) Child labor, as defined under the Canadian Supply Chains Act, which means labor or services

1. are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
  2. are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
  3. interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
  4. constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labor Convention, 1999, adopted at Geneva on June 17, 1999. (travail des enfants)
- provided or offered to be provided by persons under the age of 18 years and that:
- e) Forced labor, as defined under the Canadian Supply Chains Act, which means labor or service provided or offered to be provided by a person under circumstances that:
    1. could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labor or service; or
    2. constitute forced or compulsory labor as defined in article 2 of the Forced Labor Convention, 1930, adopted in Geneva on June 28, 1930. (travail force)

## Our Business Operations and Supply Chain

Delta Galil is a public corporation providing goods which, bring in annual, worldwide, "gross receipts" that exceed \$100M US , \$40M CAN, and \$100M AUS, and has an annual turnover that exceeds £36M.

We are a commercial global manufacturer that does business in the apparel industry; producing, selling, marketing, apparel products for men, women, and children in California, Australia, Canada and the UK.

A significant portion of our business involves manufacturing private label or licensed apparel for some of the world's largest brands. In addition to this, we have 11 owned brands, selling to retailers across the globe.

The main focus of our compliance efforts revolves around meeting the high standards and expectations of the brands (customers) for which we produce as well as carrying out our internal efforts within our owned brands.

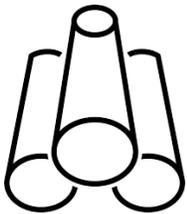


## 2023 At A Glance

We work with approximately **257** tier 1 factories in **31** countries



Our raw materials are supplied by a global network of partners primarily located in **China, Bangladesh, India, and Egypt**



We employ **24,700** associates from all walks of life who represent the diversity in our society.



Over **50%** of our products come from China, Bangladesh, and Vietnam



We sell globally, with our primary markets being **USA, Europe, & Israel.**



## Risk Management and Verification

At Delta Galil, we have set forth policies to address human trafficking and slavery in our supply chain. We have developed our internal [Code of Conduct](#), aligning with our customers' and the Fair Labor Association codes of conduct. These codes are issued to and signed by all tier 1 suppliers and are typically the basis against which the audits are conducted. Through acceptance of our business and our [Code of Conduct](#), contracted factories are agreeing to comply with all of 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 it supplies 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 for every worker; (2) every employee's 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.

We practice risk management in our supply chain through a variety of methods, mainly by auditing our tier 1 and tier 2 suppliers. Auditing enables us to evaluate compliance with our company [Code of Conduct](#) and our customers' standards to prevent trafficking, slavery, and worst forms of child labor in our supply chains. 100% of our tier 1 suppliers, which produce either private label or licensed goods, are audited through either our own internal auditors, our customers' auditors or a qualified third party auditing firm. The majority of our audits are announced or semi-announced. With respect to our owned brands, we audit a minimum of 60% of the facilities that run our production and work to increase this percentage each year.

These suppliers are audited through a combination of internal, qualified third party audit firms, or through a third party certification scheme and these audits are generally announced or semi-announced.

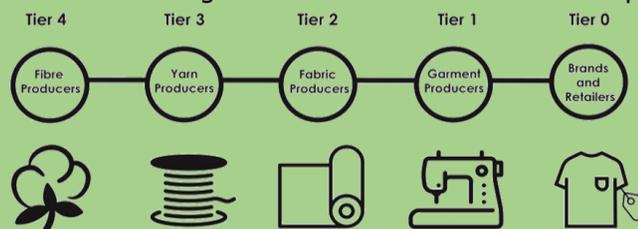
In addition to auditing, when conducting our risk assessment, we utilize intelligence from a wide variety of sources, including the U.S. government ([US State Department's Trafficking in Persons Report](#)), the Social Responsibility Committee of the [American Apparel & Footwear Association](#) (AAFA), reports from the [Fair Labor Association](#) (FLA), third party firms, press reports, and private resources to help focus our efforts in areas where we believe slavery and human trafficking have the greatest risks.

Delta is a signatory to the [AAFA/FLA Commitment to Responsible Recruitment](#) and utilizes the intelligence, collaboration, resources, and tools provided through the Commitment to Responsible Recruitment in both our risk assessment and our work to eliminate forced labor and human trafficking in our supply chain. Company staff combine this intelligence with our own intelligence gathered from both the formal and informal on the ground assessments it conducts internally (and with its third party-auditors) in our supplier facilities to determine the areas of highest risks in our supply chain.

In 2023, Delta partnered with [GoodWeave](#) in Forced and Child Labor projects in Bangladesh.

Areas we've identified as high risk include countries which host and/or employ migrant workers, areas in which entities or governments are not playing a crucial role in preventing slavery and human trafficking, as well as suppliers further removed from our immediate supply chain (Tier 2 and Tier 3). Some of these countries include China, Thailand, Malaysia, India, and Vietnam.

**Progress in 2023...** We recognize the importance of transparency in our supply chain when it comes to addressing human trafficking and slavery. In 2023 we furthered our efforts around traceability. We increased our outreach to 107 tier 2 suppliers to which represented many of our nominated and strategic material sources. These tier 2 suppliers have received, acknowledged, and signed our Code of Conduct. We have carried out 3<sup>rd</sup> party audits and remediation with most of these suppliers. We have continued to onboard tier 3 suppliers mainly within our cotton supply chain to identify supply chain actors upstream.



## Certification

To ensure that our contractors and suppliers respect and enforce our company standards, we include a clause in the commercial agreement governing our contractual relationship with suppliers, which stipulates that our suppliers must abide by our anti-slavery and human trafficking standards.



Thus, as a condition of doing business with us, and as a means of self-certification, the commercial agreement clause requires that the supplier represent that it complies with all applicable laws and regulations, including eradication of forced, indentured, involuntary or compulsory labor in its facilities, and requires its suppliers, including labor brokers and agencies, to do the same, and that the supplier represent that its supply chain and materials incorporated into its products comply with national and international laws prohibiting slavery and human trafficking; and that the supplier agree to treat workers with dignity and respect, provide them with a safe work environment, conduct business in compliance with applicable environmental, labor and employment laws, and refrain from corrupt practices and engaging in human rights violations.

## 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. All Delta Galil employees are given our internal [Code of Ethics](#) which requires employees to be familiar with the laws, rules, and regulations that impact his or her specific duties. Employees are required to report all violations of this policy through our internal ethics compliance hotline.

If evidence of human trafficking, slavery, or child labor are found, we work quickly to thoroughly investigate the matter and identify whether an issue exists and develop the best possible strategy for resolution. We do this in partnership with other brands, stakeholders or civil society, and with government when necessary.

In the case of a non-compliance, our goal is to aid in the resolution of any incidences of human trafficking, slavery, and/or worst forms of child labor within our supply chain. It is not possible, however, to effectively solve the issue of non-compliances without the cooperation of the supplier. Thus, we reserve the right to examine the specific situation and develop the best possible strategy for resolution, which in some cases could mean terminating the business relationship.

## Training

Members of our supply chain staff receive training on all company policies, including our [Code of Conduct](#). These trainings are designed to ensure participants in supply chain management are knowledgeable and aware of the issues and concerns surrounding the supply chain, including human trafficking, slavery, and worst forms of child labor, with a particular focus on mitigating risks.

We also require many employees involved in our supply chain to participate in external training programs and seminars on social compliance issues, human trafficking, and slavery provided by third parties, our customers, the AAFA, or the FLA.

At Delta Galil, we continuously evaluate and conduct analysis of the effectiveness of our human trafficking and slavery eradication efforts. We review our [Code of Conduct](#) as well as our compliance program periodically to ensure that we are prioritizing our efforts in the areas where we have the greatest leverage and possible impact for change.

This disclosure confirms our efforts to eradicate slavery and human trafficking practices within our supply chain as of December 31st 2023, and it shall be reviewed annually and updated accordingly.



Isaac Dabah, CEO

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