



Assessment for Accreditation



October 2026
Delta Galil

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ABOUT FAIR LABOR ACCREDITATION



Fair Labor Accreditation represents a rigorous evaluation of a member company's business systems for compliance with the Fair Labor Association's (FLA) [Principles of Responsible Sourcing and Production](#) and the FLA [Workplace Code of Conduct](#) (the Fair Labor Code). These standards are designed to protect workers in member companies' global supply chains and are based on international practices and norms, including guidance from the International Labour Organization (ILO), United Nations Guiding Principles on Business and Human Rights, and the Corporate Human Rights Benchmark. Each principle is backed by a set of benchmarks and key performance indicators (KPIs) that define what companies must do to successfully implement our standards.

Effective social compliance implementation is a process of continuous improvement. FLA companies are evaluated on the alignment of their social compliance systems with FLA standards, and the company's performance in executing those systems to support and protect workers. The accreditation program also supports companies' efforts to fulfill human rights due diligence expectations and legal requirements.

Following Fair Labor Accreditation, FLA evaluates companies on an ongoing basis to ensure that they maintain baseline requirements and standards. When a company shows consistent performance over and above FLA's requirements for accreditation, including in upstream supply chains, they can be reevaluated for a higher threshold of recognition. This report recognizes a company's achievements, acknowledges areas in which the company has gone above and beyond baseline requirements, and makes specific recommendations for future growth.

EXECUTIVE SUMMARY

HIGHLIGHTS OF DELTA GALIL'S FAIR LABOR ACCREDITATION

Delta Galil joined FLA as a participating supplier in 2013. Between 2013–2024, Delta Galil's accreditation scope covered only its owned facilities. In December 2024, Delta Galil expanded that scope to include all contracted facilities and its full Tier One supply chain. With this expansion, Delta Galil has invested in strengthening its social compliance program, enhancing its internal capacity, developing systems, and building internal alignment and knowledge across its 12 brands. This accreditation report details FLA's evaluation of Delta Galil's social compliance program through October 2026.

Some highlights of Delta Galil's accreditation include:

Company-wide commitment: Delta Galil's leadership is highly committed to fostering a responsible and ethical supply chain. The company's CEO and sourcing and production leaders are involved in sourcing decisions that prioritize improving working conditions. These leaders communicate regularly with the environmental, social, and governance (ESG) teams during weekly sourcing and planning meetings on risk assessments, and in regular engagements with Delta Galil's cross-functional leaders – including, but not limited to, its legal, finance, and business teams. In addition, company leadership supports investments in the social compliance program and improvements to monitoring systems and platforms, as demonstrated by Delta Galil's extensive global ESG team. The team includes eight headquarters staff members, four regional compliance managers, 12 compliance personnel at owned facilities, and three brand-specific compliance managers for Eminence Group, Schiesser, and Organic Basics. These team members report directly to senior headquarters-level leadership, allowing visibility into regional issues and meaningful oversight of remediation actions.

Supplier relationships: Delta Galil focuses on developing long-standing relationships with its large and diverse supplier base. The company maintains an activation/deactivation supplier tracker and prioritizes shifting orders and product lines between facilities based on production needs over exit or retrenchment, which has helped minimize negative impacts on suppliers and their workforces. The company regularly engages with its suppliers to discuss challenges that may impact production processes and workers. In its capacity as a supplier, Delta Galil serves as an intermediary between customers and facilities, maintaining consistent, open communication among all parties. Delta Galil has been a Better Buying subscriber since 2023, which allows the company to seek confidential/anonymized feedback from suppliers to improve its purchasing practices. Delta Galil continuously expands the scope of suppliers participating in the survey.

Compliance data management: Delta Galil continuously develops and enhances its compliance data management and tracking systems. The company uses multiple third-party systems and platforms to record and track facilities' compliance and workplace information and to conduct risk analysis. Delta Galil shares this data with its customers, providing a holistic overview of each facility and enabling comprehensive monitoring. Starting in 2024, Delta Galil invested in a new supply chain traceability platform, which maps production facilities from its direct suppliers to raw materials sources. As of 2026, this system has onboarded 86 suppliers, which have identified connections to over 600 indirect facilities across its upstream supply chain. The company continues expanding its mapping and traceability activities and educating stakeholders in its supply chain.

DELTA GALIL'S ACCREDITATION

FLA ACTIVITY	PURPOSE
Headquarters Assessments <i>May 2026, New York, USA</i> <i>March 2018, Caesarea and Tel Aviv, Israel</i>	• Interview senior leadership and staff in the compliance, purchasing, production, and planning departments. • Review documentation, processes, and data.
Headquarters and Field Office Training <i>December 2024, New York and New Jersey, USA</i>	• Interview and/or provide guidance to senior leadership and staff in the compliance, purchasing, production, and/or planning departments.
Field Observations <i>Training: August 2015, Türkiye</i> <i>Audit: May 2017, Vietnam</i> <i>Audit: April 2018, Bulgaria</i> <i>Audit: January 2019, the Czech Republic</i> <i>Training: July 2019, Türkiye</i> <i>Audit: September 2019, Vietnam</i> <i>Audit: November 2022, Türkiye</i> <i>Audit: July 2024, Vietnam</i> <i>Audit: February 2026, Indonesia</i>	• Evaluate internal audits, training sessions, and/or remediation visits for comprehensiveness and quality. • Verify improvements over time.
Factory-Level Assessments (SCI) <i>2017 - 2025 (19)</i>	• Identify any labor violations, assess root causes, and track remediation efforts over time.
Milestone Evaluations	• Review documentation demonstrating compliance with the Principles of Fair Labor and Responsible Sourcing and Production.
Fair Labor Investigations <i>N/A</i>	• Investigate supplier for alleged non-compliance, report follow-up on remediation, and engage with union.
Fair Compensation	• Confirm use of FLA's Wage Data Collection Toolkit. • Evaluate the company's fair compensation blueprint. • Track measurable progress towards a living wage over time.

FLA ACTIVITY	PURPOSE
Stakeholder Engagement	Integrate perspectives from civil society and other relevant organizations on the company's social compliance program and human rights due diligence efforts.
Participation in FLA's Governing Body and Advisory Committees <i>Member, FLA Board of Directors (2016–2019, 2019–2022, 2022–2025)</i> <i>Member, FLA Manufacturing Committee (2020–2023)</i> <i>Member, FLA Communications Committee (2026–present)</i>	Confirm company participation in FLA's governance structure.
Review of Internal Assessments <i>China (8)</i> <i>Bangladesh (2)</i> <i>Cambodia (1)</i> <i>India (1)</i> <i>Indonesia (1)</i> <i>Vietnam (1)</i> <i>Thailand (1)</i>	- Review a sample of internal audit reports for alignment of company audit methodology with FLA standards and benchmarks; review corrective action plans (CAP) and remediation evidence. - Because Chinese law prohibits non-governmental organizations (NGOs) like FLA from operating in the country, FLA is unable to conduct factory-level assessments in China. Since 2023, FLA has required companies pursuing Fair Labor Accreditation to provide a sample of internal audits, covering at least 5% of their Tier One factories in China, for review. This internal audit review is reflected in the data presented in this report. Please review FLA's manufacturing assessments for additional context. - To learn more about the role audits play in Fair Labor Accreditation, please review our Fair Labor Accreditation FAQs.

COMPANY OVERVIEW

NAME	Delta Galil Industries, Ltd.	CATEGORY	Participating Company in FLA's Manufacturing Program (sourcing and production)
HQ LOCATION	Caesarea, Israel and New York, USA	PRODUCT	Apparel
FLA MEMBERSHIP	2013	APPLICABLE FACILITIES	163 contract, 10 owned

Delta Galil is a vertically integrated intimates and activewear company with a focus on high-tech apparel. Established in Tel Aviv in 1975, Delta Galil has gradually grown into a multinational company that operates as a licensee, licensor, global designer, manufacturer, and marketer of branded and private label apparel products for men, women, and children. Delta Galil owns 12 significant brands: Schiesser AG, P.J. Salvage, 7 For All Mankind, Splendid, Bare Necessities, Organic Basics, Passionata, Delta, Fix, Panta Rei, and Eminence Group, which includes Eminence and Athena. The company has two headquarters offices in New York, USA and Caesarea, Israel.

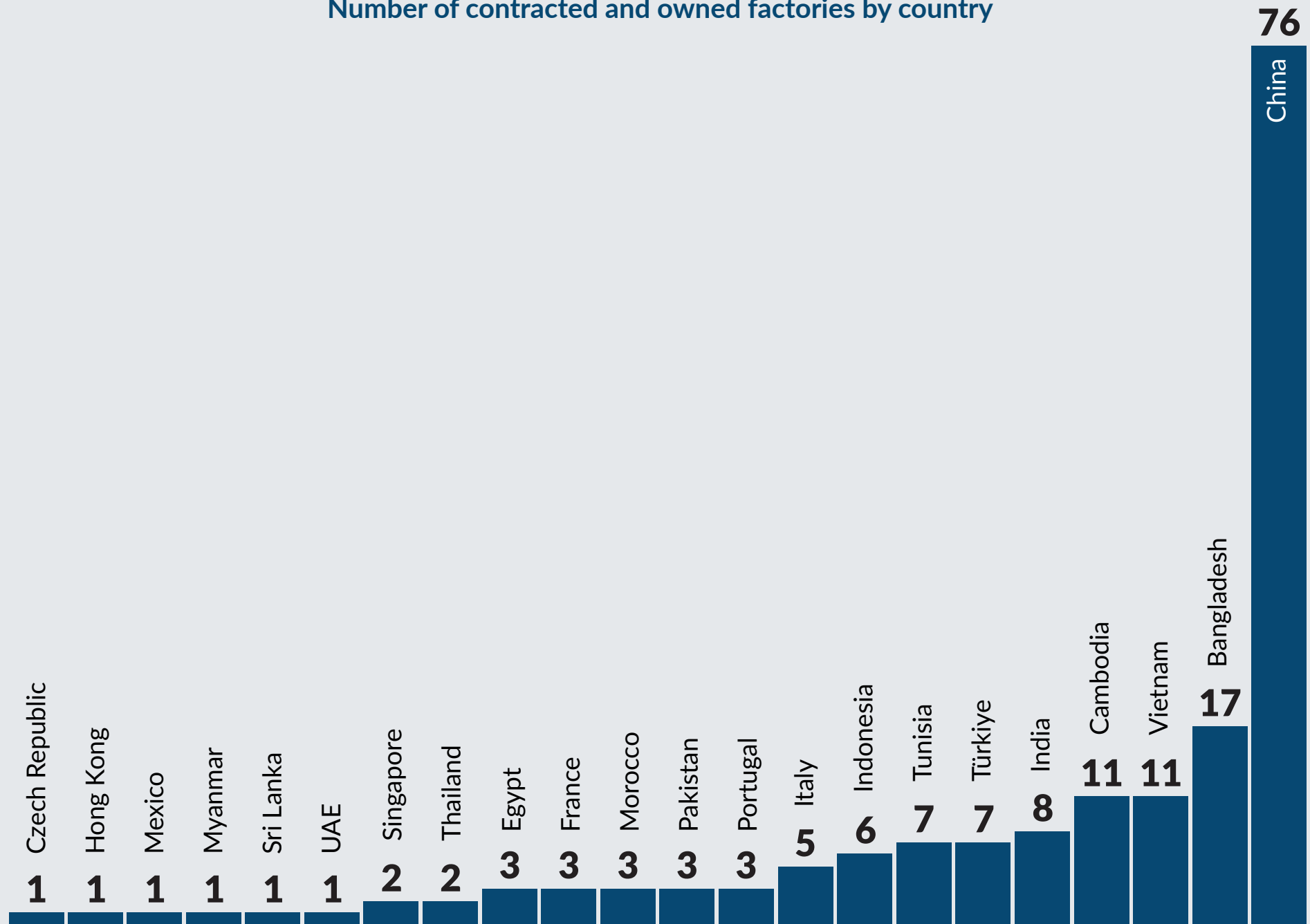
Delta Galil employs approximately 23,000 employees globally. The company sources from 173 Tier One facilities in scope for FLA reporting; this includes 10 owned facilities in China, the Czech Republic, Egypt, France, Myanmar, Thailand, Türkiye, and Vietnam, which employ approximately 17,735 workers. Delta Galil is committed to ensuring that its production processes meet legal and ethical standards.

DELTA GALIL'S SUPPLY CHAIN

Delta Galil sources from 173 Tier One facilities (163 contracted and 10 owned) across 30 countries. The company's top four sourcing countries are China (76 facilities), Bangladesh (17 facilities), and Cambodia and Vietnam (11 facilities each). From 2017-2025, FLA conducted 19 SCI assessments of Delta Galil's owned and contract facilities in 10 countries.

FLA FIELD ACTIVITIES	COUNTRY	QUANTITY
SCI assessments	Thailand	3
	Indonesia	3
	Bangladesh	2
	Egypt	2
	China	2
	Vietnam	2
	Myanmar	2
	Pakistan	1
	Cambodia	1
	India	1
Field observations	Türkiye	3
	Vietnam	3
	Indonesia	1
	Bulgaria	1
	The Czech Republic	1
HQ assessments	USA	1
	Israel	1

Number of contracted and owned factories by country



ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 1: TOP MANAGEMENT COMMITMENT AND WORKPLACE STANDARDS

Company Member is committed to accountability and transparency through established workplace standards.

WHY: Respect for human rights and a commitment to workplace standards must be driven by a company's most senior employees. Workers' rights are more likely to be effectively integrated into all business decisions when a company's board of directors and/or chief executive officer (CEO) sets clear expectations. Commitment from a company's upper management is an essential component of an effective social compliance program and supports human rights due diligence implementation.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Internal Commitment (1.1a)	Delta Galil's senior leadership has established high-level goals for the company, each team, and individual roles. The general counsel and chief administrative officer leads the ESG team, providing regular updates to the board of directors on the progress of each ESG lead's goals.	Delta Galil provides required resources and budget to the social compliance team. Since joining FLA, the company has invested in additional team members, including those to support supplier data management systems and implement improved traceability technology.	●
Public Commitment (1.1b)	Delta Galil publishes its commitment to FLA workplace standards on its website.	Delta Galil has made several key documents public, including its code of conduct, compliance benchmarks, commitments to engage with civil society, and a public commitment to fair compensation.	●
Governance Responsibility and Accountability (1.1c)	The ESG team reports to the general counsel and chief administration officer, with regular updates to senior leadership on progress towards corporate goals. Representatives from business lines, human resources, and the ESG team are part of the sustainability and social committees, which all provide support in goal setting and executive reporting. Delta Galil has three business lines: Delta Galil USA (DGUSA), Delta Galil Global Upper Markets (DGGUM), and Delta Israel. Each of these represent private labels, manufacturing, owned brands, and licensed brands.	FLA observed examples of Delta Galil's presentations to its board of directors on progress in meeting commitments across fair employment and safety impact areas.	●
Code of Conduct and Compliance Benchmarks (1.2a, b)	Delta Galil's code of conduct aligns with the Fair Labor Code and is operationalized through FLA-aligned compliance benchmarks.	<i>The KPI includes only system metrics.</i>	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 2: RESPONSIBLE PURCHASING AND PRODUCTION PRACTICES

SOURCING PRINCIPLE: Company Member aligns planning and purchasing practices with workplace standards.

PRODUCTION PRINCIPLE: Company Member aligns sales, planning, and production practices with commitment to workplace standards.

WHY: The sourcing practices of buyers and the sales and planning practices of suppliers affect workplace conditions and worker well-being. Without consistent and systematic attention to responsible purchasing and production practices, companies can undermine their efforts toward ethical working conditions in factories. This principle evaluates how headquarters' business practices (such as design, costing, and sourcing) are managed to support workers and address any negative impacts on working conditions.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Policies and Procedures (2.1a, b)	Delta Galil's leadership approved its Responsible Production and Purchasing (RP&P) Policy in March 2026.	FLA verified that Delta Galil's relevant business units consistently align their work with RP&P policy goals. Delta Galil's leadership upholds principles of responsible production and purchasing at company-owned brands, private labels, and at the group level.	●
Accountability (2.2a, b)	Delta Galil's supports its RP&P Policy implementation through cross-functional collaboration; this includes processes to manage changes during the purchasing and production process.	FLA verified that Delta Galil holds staff from its business lines accountable for addressing negative impacts on working conditions through job descriptions, performance reviews, and implementation of team goals. Delta Galil's three business lines (DGUSA, DGGUM, and Delta Israel) each represent private labels, manufacturing, owned brands, and licensed brands.	●
Dialogue (2.3a, b, c, d)	Delta Galil frequently holds cross-departmental meetings to discuss relevant purchasing practices and ESG topics. The company meets with suppliers every spring/summer and fall/winter seasons for costing and planning reviews. Delta Galil solicits confidential and anonymized supplier input through the Better Buying Partnership Index.	FLA verified examples that showed how internal and external dialogue improved the company's purchasing and production practices. The sourcing, quality assurance (QA), and ESG teams all hold internal, monthly cross-team meetings.	●
Supplier Evaluation and Incentives (2.4a, b, c)	Delta Galil offers positive incentives, such as reducing audit frequency and expanding sourcing partnerships with suppliers who operate in a socially responsible manner. For owned facilities, the company incentivizes its facility managers through promotions and merit increases, as determined during annual performance reviews against relevant metrics.	Delta Galil includes supplier incentives in its RP&P Policy and will implement the incentive plan at contract and owned facilities throughout 2027.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 3: RESPONSIBILITY AND HEAD OFFICE TRAINING

Company Member identifies and trains specific staff responsible for implementing workplace standards and responsible purchasing practices and provides training to all head office and regional staff.

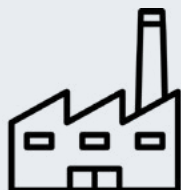
WHY: Effective implementation of social compliance standards and human rights due diligence systems depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the company's commitment so that workplace standards are embedded throughout the business.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Responsible Staff (3.1a, b)	Delta Galil's ESG team employs 27 full-time global social compliance and project staff across its headquarters, brand headquarters, and regional offices. These roles include compliance staff at owned factories monitoring working conditions, regional global staff in high-risk countries, and headquarters staff reporting on social compliance to company leadership.	<i>This KPI includes only system metrics.</i>	●
Social Compliance Staff Training (3.2a, b, c)	The ESG team is required to complete an annual training on monitoring standards, responsible purchasing practices, and responsible exit. The team stays updated on modern slavery and forced labor issues through dedicated and regular trainings.	The ESG team creates development goals to support continuous learning and enhance their knowledge of labor rights issues. The ESG team utilizes internal teams, Delta Galil's online training platform, and external organizations to support training needs.	●
Head Office and Regional Staff Training (3.3a, b, c)	Delta Galil deploys headquarters staff trainings through its global learning management system, which the global human resources team maintains. This platform will deploy a code of conduct training to all staff by Q1 2027.	Through its global learning management system, Delta Galil's human resources staff can deploy pre-training quizzes and surveys, as well as track participants. Once the new system is deployed, Delta Galil will integrate it with the code of conduct training.	●
Responsible Purchasing Practices (RPP) Training (3.4a, b, c)	By Q1 2027, Delta Galil will deploy an updated RP&P training to all relevant staff through its global learning management system. The training focuses on how responsible purchasing practices uphold Delta Galil's code of conduct.	Delta Galil will collect feedback from the RP&P training through an embedded quiz and survey. This information should be used to update future training. Delta Galil should also use feedback from its suppliers about its purchasing practices to update future training.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 4: SUPPLIER AND PRODUCTION STAFF TRAINING

SOURCING PRINCIPLE: Company Member obtains commitment and trains relevant supplier management on workplace standards and tracks effectiveness of supplier workforce training.

PRODUCTION PRINCIPLE: Company Member trains all management staff and employees at owned facilities on workplace standards and tracks effectiveness of training.

WHY: A company's commitment to upholding workplace standards will only have an impact if that commitment is communicated to contract suppliers and owned facilities. This principle ensures that all workers are fully informed of their rights, and all staff are aware of their responsibilities to uphold workplace standards.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Written Acknowledgement to Uphold Workplace Standards (4.1a)	Delta Galil requires suppliers to sign an ESG Prospective Supplier Letter, which includes requirements to uphold workplace standards and a commitment to the code of conduct, regular monitoring, and remediation expectations.	FLA verified that the ESG team ensures that facilities have signed their onboarding letters before approving them for production. The team uploads the signed letters to an online supplier data management platform as part of the facility's portfolio.	●
Conditioning Future Business (4.2a, b, c)	Delta Galil requires suppliers to commit to continuously improving workplace conditions. The compliance program uses a supplier rating system, which includes an escalation process for zero-tolerance issues and failure to remediate identified non-compliances. ESG team members regularly collaborate with sourcing staff to discuss non-compliance issues with facility management and ensure effective remediation.	FLA verified Delta Galil's escalation process for facilities that fail to remediate non-compliances. The ESG team follows up and communicates with the facility's top management to drive remediation.	●
Workplace Standards Accessibility (4.3a)	In 2025, Delta Galil completed the translation of its code of conduct in 26 languages and linked them to its supplier agreement. Delta Galil's third-party audit tool verifies that owned and contract facilities post the code publicly. It also includes questions about workers' languages and migrant workers' countries of origin to ensure they have appropriate translations.	Delta Galil implements FLA-aligned audit standards through its third-party audit tool and field instructions, including verifying that facilities hold ongoing trainings on workplace standards for workers, managers, and supervisors. In addition, FLA verified through audit field observation that the code of conduct is accessible.	●
Workplace Standards and Training Effectiveness (4.4a, b)	Delta Galil's third-party audit tool verifies regular workplace standards training for workers, managers, and supervisors; it also verifies training effectiveness through a document review and management interviews. The same tool is applied for assessments conducted in owned facilities.	Delta Galil provides an orientation and refresher training on workplace standards to workers, supervisors, and managers annually. FLA verified that the training includes post-training quizzes and surveys to test participants' understanding of training topics and provide opportunities for feedback. Starting July 2026, Delta Galil has begun implementing a structured workplace standards training plan for owned and contract facilities.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 5: MONITORING

Company Member conducts workplace standards compliance monitoring.

WHY: A company must monitor its facilities to ensure that its workplace standards are being upheld throughout its supply chain. FLA evaluates company's monitoring programs to ensure that they have a rigorous system for assessing working conditions at all existing and potential production facilities.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Pre-Sourcing Assessments (5.1a, b)	Delta Galil has formalized its pre-sourcing process for newly acquired and contract facilities in its Manufacturing Facilities Onboarding Procedure and Monitoring Procedure. The company requires contract facilities to participate in either a mutually recognized audit or a Delta Galil full-scope and directly commissioned, third-party audit. Senior-level staff and sourcing leaders must provide input before the facility is approved for production. A full-scope audit is a comprehensive assessment that verifies all of FLA's code compliance benchmarks and is conducted at least every three years or annually for high-risk countries. For newly established owned facilities, Delta Galil commissions safety audits prior to production commencing and its approved full-scope, third-party audit after the first three months of production.	FLA verified multiple examples of pre-sourcing audit reports. FLA has confirmed that relevant staff are aware of the onboarding process and uphold the responsibilities described.	●
Monitoring Program and Compliance Standards (5.2a, b, c)	Delta Galil requires annual audits for all owned and contracted facilities. For owned facilities, the company deploys its full-scope, third-party audit tool aligned with the Fair Labor Code and compliance benchmarks. For contract facilities, Delta Galil accepts various audit schemes and developed a benchmarking tool to evaluate these schemes and follow up on identified gaps.	FLA verified Delta Galil's audit schedule; communication between Delta Galil sourcing, the ESG team, suppliers, and owned facilities; internal and external audit reports; and auditor training materials to confirm that the company implements its factory monitoring procedures in practice.	●
Audit Components and Quality (5.3a, b, c)	For owned facility assessments, Delta Galil uses its third-party audit tool and field instruction document; these resources outline the company's full audit methodology, which is aligned with FLA standards. Delta Galil assesses contract facilities using this tool and accepts other audit schemes benchmarked against Delta Galil's audit standards.	FLA reviewed examples of audit reports and carried out multiple field observations across various years and locations, including at Delta Galil owned facilities in Vietnam, Bulgaria, the Czech Republic, and Türkiye in 2017, 2018, 2019, 2022, and 2024. Additionally, in 2026, FLA observed an audit at a contract facility in Indonesia and confirmed that the assessor implemented Delta Galil's Monitoring Procedure.	●
Responsible Retrenchment (5.4a, b)	Delta Galil's Retrenchment, Exit, and Closure Policy outlines the company's responsible retrenchment process at owned and contract facilities. The policy aligns with FLA's responsible retrenchment guidance and includes all required elements. Delta Galil's audit tool evaluates facilities' adherence to the company's retrenchment guidance.	Delta Galil maintains long-standing supplier relationships, prioritizing existing capacity in business decisions. As a result, Delta Galil rarely exits facilities and has few cases of retrenchment. FLA reviewed an example where the company submitted documentation of responsible closure and responsible retrenchment at an owned facility, which resulted in rehiring the workers.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS

SOURCING PRINCIPLE: Company Member ensures workers have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

PRODUCTION PRINCIPLE: Company Member provides workers access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

WHY: Functioning grievance mechanisms provide workers with a channel to raise concerns when they think their rights are being violated or the factory is not upholding workplace standards. Although monitoring programs are meant to ensure compliance with workplace standards, they cannot uncover or address every issue on their own. Functioning grievance mechanisms complement an effective monitoring system.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Ensuring Functioning Grievance Mechanisms (6.1a, b, c, d)	Delta Galil's full-scope, third-party audit tool includes questions to assess the existence and effectiveness of grievance mechanisms at both contract and owned facilities. This includes verifying the presence of least one confidential channel and a union or worker representative mechanism, and that all grievance mechanisms lack penalty.	Through multiple audit field observations, document review, and the headquarters assessment, FLA verified these systems are in place for both contract and owned facilities. In 2027, Delta Galil plans to continue expanding application of a third-party hosted grievance platform for both owned and contract facility workers.	●
Confidential Reporting Channel Direct to the Company (6.2a)	At both contract and owned facilities, Delta Galil implements a confidential hotline. The ESG team manages this channel and is responsible for providing the complainant with biweekly updates on the remediation status until grievances are resolved.	Through document review, FLA verified Delta Galil's communication with its facilities, ensuring the hotline had been rolled out. In addition, FLA verified confidential reporting channels' effectiveness and accessibility at contract facilities.	●
Training on Grievance Mechanisms (6.3a, b)	Delta Galil's full-scope, third-party audit tool and assessor manual include instructions to evaluate that both owned and contract facilities conduct grievance mechanism trainings. Assessors also verify the effectiveness of these trainings for workers, managers, and supervisors.	FLA's audit field observation and document review verified that facilities implemented grievance mechanism trainings during audits. In addition, in 2026, Delta Galil is launching a company-wide awareness campaign to enhance workers' use of the grievance mechanism.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

Company Member collects, manages and analyzes workplace standards compliance information.

WHY: A company cannot make substantial improvements to its social compliance program and human rights due diligence systems as well as workers' lives without collecting and analyzing information related to its training, monitoring, and purchasing programs. This information allows companies to track the continuous improvement of their compliance programs and communicate improvement to both internal and external stakeholders.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Collection of Facility Data (7.1a)	Delta Galil uses two data management systems to track facility information and analyze audit results and human rights risks in its supply chain. Each contract facility has its own risk mapping.	Delta Galil collects detailed information from facilities and manages the data using two platforms. One platform collects basic facility information and shows customer approval status, while another platform collects and analyzes audit data to inform risk and audit priority.	●
Analyzing Social Compliance Trends (7.2a, b, c)	Delta Galil uses a facility data management system to determine the risks of active facilities based on audit results and country risks. Each facility has a rating which determines the audit cadence and post-audit follow-up actions. The ESG team presents social compliance goals and focus areas to senior leadership annually.	FLA verified examples of visualized social compliance trend analysis for all owned and contract factories. The ESG team uses the facility data management system's risk analysis and a near real-time screening tool to look for supply chain incidents before onboarding any new facility.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 8: TIMELY AND PREVENTATIVE REMEDIATION

Company Member works with suppliers to remediate in a timely and preventative manner.

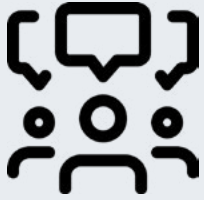
WHY: Monitoring gives a company visibility into the workplace standards violations in its supply chain. An effective remediation system is necessary so that a company can address and fix those issues over time.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
Remediation Procedures (8.1a, b, c)	Delta Galil's Monitoring Procedure outlines the company's requirements for suppliers to remediate non-compliances in a timely manner. It also requires the ESG team to collaborate with suppliers and relevant parties to drive remediation progress as needed.	FLA verified examples of Delta Galil collaborating with suppliers and union/worker representatives to remediate audit findings and manage CAPs. Delta Galil has a dedicated staff member that manually tracks CAP status and evidence submission.	●
Root Cause Analysis (8.2a, b)	The Monitoring Procedure clearly outlines the company's collaborative root cause analysis (RCA) and tracking methodology. The ESG team collaborates with suppliers to conduct RCA with the involvement of union/worker representatives.	Delta Galil provides RCA training for suppliers through a third-party service provider. FLA also verified that Delta Galil works closely with suppliers to improve RCA when it is inefficient.	●
Ensuring Effective Remediation (8.3a, b)	Delta Galil's ESG team manually tracks each supplier's CAP status and evidence submission to ensure timely remediation. An escalation procedure is in place in case the facility fails to remediate audit findings. The ESG team and sourcing team meet regularly with suppliers to discuss remediation progress.	FLA verified that Delta Galil provides support to contract facilities for non-compliance remediation by enrolling them in the remediation program run by a third-party service provider. Regional staff visit facilities regularly to provide remediation guidance. For owned facilities, the global compliance manager works closely with in-house social compliance staff and HR to coordinate remediation efforts.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY

Company Member identifies, researches, and engages with relevant labor non-governmental organizations, trade unions, and other civil society institutions.

WHY: Local, labor-focused civil society organizations (CSOs) help companies better understand local conditions and issues that most acutely impact workers, which enables companies to make their supply chains more responsive to workers' needs.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

DESCRIPTION AND KPI	DELTA GALIL SYSTEM	DELTA GALIL PERFORMANCE	DELTA GALIL PROGRESS
CSO Engagement Strategy and Mapping (9.1a, b)	Delta Galil's CSO strategy includes a plan to engage with CSOs and unions in high-risk and high-production countries.	Delta Galil has mapped CSOs and unions based on a materiality matrix, which identified 20 key labor issues in high-risk and high-production countries.	●
Engagement on Local Labor Issues (9.2a, b)	No applicable Fair Labor Accreditation metric.	Delta Galil maintains active engagement with CSOs and unions in Bangladesh, Myanmar, Thailand, India, and Vietnam to understand local labor contexts and address labor issues.	●
Engagement on Training, Worker Communication Channels, and Remediation (9.3a)	No applicable Fair Labor Accreditation metric.	Delta Galil engages with Goodweave International and Phulki in Bangladesh to implement independent assessments, trainings, capacity building initiatives, and surveys to improve grievance mechanism effectiveness, gather feedback from workers about working conditions, and understand management and supervisor behavior.	●
Union and Worker Representative Consultation (9.4a, b)	Delta Galil engages with union and/or worker representative structures during the monitoring and remediation process.	Delta Galil's ESG team tracks the presence of unions and collective bargaining agreements in its owned and contract facilities. FLA verified that Delta Galil follows up with facilities to include worker consultation in the remediation process.	●

ACCREDITATION ASSESSMENT: COMPANY ACTIONS AND FLA VERIFICATION



PRINCIPLE 1: TOP MANAGEMENT COMMITMENT AND WORKPLACE STANDARDS

Company Member is committed to accountability and transparency through established workplace standards.

WHY: Respect for human rights and a commitment to workplace standards must be driven by a company's most senior employees. Workers' rights are more likely to be effectively integrated into all business decisions when a company's board of directors and/or chief executive officer (CEO) sets clear expectations. Commitment from a company's upper management is an essential component of an effective social compliance program and supports human rights due diligence implementation.

Top Management Commitment

BENCHMARK 1.1: Company Member leadership formally commits to uphold workplace standards, including engagement with civil society, and to integrate these commitments into company business practices.

Company Actions and FLA Verification:

Delta Galil maintains a strong governance system that ensures continued commitment to improved workplace standards in its supply chain. Delta Galil publicly shares the CEO's commitment to corporate social responsibility in its annual ESG report. Internally, the general counsel and chief administrative officer leads the ESG team and provides regular progress updates to the board of directors on goals impacting workers and workplace standards. Delta Galil invests in an international ESG team, including 27 team members located across all owned international sites; compliance managers at Eminence, Schlessner, and Organic Basics; and regional compliance managers located across high-risk sourcing regions. Delta Galil publishes annual ESG reports, which include information on due diligence, labor standards, and supply chain traceability across all business lines.

Delta Galil's Workplace Code of Conduct, compliance benchmarks, and commitments to engage with civil society and union/worker representatives are published on its website, along with the company's commitment to fair compensation and its continuous work with FLA to make progress on living wages.

Strengths:

- Delta Galil maintains an extensive ESG team with staff who cover social compliance work at the headquarters, regional, and country levels. This structure enables the company to better understand local and regional labor issues, facilitate remediation activities, and effectively implement ESG goals in its supply chain.

- Each year, the company presents its board of directors with high-level KPIs, including targets and public disclosures around ESG goals. This allows Delta Galil to make timely adjustments to goals, increase investments in social compliance, and react to challenges based on everchanging supply chain risks.
- Over time, Delta Galil's ESG governance, including its social committee and sustainability committee, has been restructured to include representatives from its main business lines – namely headquarters and brand representatives overseeing sourcing and production. This structure helps create a direct channel between frontline staff and executive leadership. Monthly global ESG meetings ensure that labor risks, safety concerns, and other workplace issues are identified and addressed promptly, helping to keep worker well-being and fair labor practices an operational priority.

Recommendations for Continuous Improvement:

- Delta Galil should continue publicly reporting on its living wage progress, which holds it accountable to its living wage goals, builds trust, and helps align the company with evolving global compliance standards and investor expectations.

Workplace Standards

BENCHMARK 1.2: Company Member establishes and articulates clear, written workplace standards that meet or exceed those embodied in the FLA Workplace Code of Conduct.

Company Actions and FLA Verification:

Delta Galil's Workplace Code of Conduct aligns with FLA's Fair Labor Code and is operationalized through compliance benchmarks that clearly outline the code's standards.



PRINCIPLE 2: RESPONSIBLE PURCHASING AND PRODUCTION PRACTICES

SOURCING PRINCIPLE: Company Member aligns planning and purchasing practices with workplace standards.

PRODUCTION PRINCIPLE: Company Member aligns sales, planning, and production practices with commitment to workplace standards.

WHY: The sourcing practices of buyers and the sales and planning practices of suppliers affect workplace conditions and worker well-being. Without consistent and systematic attention to responsible purchasing and production practices, companies can undermine efforts toward ethical working conditions in factories. This principle evaluates how headquarters-level business practices, such as design, costing, and sourcing, are managed to support workers and address negative impacts on working conditions.

Responsible Purchasing Practices Policy and Procedures

BENCHMARK 2.1 (Sourcing): Company Member has formal written policies and procedures for planning and purchasing that 1) articulate the many complexities involved in their global supply chains, including different supplier business models, and 2) require relevant internal representatives to work with suppliers to reduce negative impacts on working conditions. These policies and procedures shall address 1) alignment of financial terms with FLA Workplace Standards, 2) adequacy of lead time provided (considering, for example, availability of input, testing, design changes, and production capacity) to produce without excessive overtime, unauthorized subcontracting, or other negative impacts, and 3) balanced annual planning efforts to eliminate negative outcomes (i.e. lower efficiency, poor labor retention, and longer throughput) that arise from traditional seasonal order demand.

BENCHMARK 2.1 (Production): Company Member has formal, written policies and procedures for production planning that 1) articulate the many complexities involved in their global supply chains, including different customer (buyer) business models and 2) require relevant internal representatives to work with customers (buyers) to reduce negative impacts on working conditions. These policies and procedures shall address the alignment of sales and workplace standards. KPIs include 1) ensuring that the company has policies and procedures that address this benchmark, along with sales, capacity, workplace standards, and responsible retrenchment practices, and 2) the company's senior management frequently reviews and assesses impacts of planning and purchasing on compliance.

Company Actions and FLA Verification:

During Delta Galil's accreditation process, FLA worked with the company to develop a Responsible Production and Purchasing (RP&P) Policy. Top management updated and endorsed the RP&P Policy in March 2026, which defines Delta Galil's approach to align sales, forecasting, production planning, purchasing, and related practices with the company's commitment to its [code of conduct](#). The policy identifies the complexities and challenges specific to Delta Galil's business model in its production and sourcing countries, and addresses key topics such as human rights due diligence, balanced annual planning, lead times, financial terms, and forecasting.

The policy highlights all departments involved in its implementation and that participate in internal and external dialogue on Delta Galil's purchasing practices and related impacts. During Delta Galil's headquarters assessment and brand visits to Splendid and P.J. Salvage, FLA interviewed the department heads of sourcing, planning, and costing to verify that they uphold commitments to responsible purchasing and production in their roles.

By March 2026, Delta Galil had updated its fair compensation blueprint (originally drafted in 2024) based on FLA's recommendations. The updated blueprint addresses Delta Galil's expanded Fair Labor Accreditation scope, covering both owned facilities and contract facilities. The company continues to align with FLA requirements on RP&P accountability and civil society engagement.

Strengths:

- Delta Galil maintains long-standing relationships with suppliers and provides a diversified flow of orders to minimize exits or retrenchments and prioritize workers' long-term employment. In fact, FLA was able to verify that Delta Galil has few cases of factory exit or retrenchment to share, as the company has been able to keep its supply chain agile and shift production between factories to maintain business continuity and minimize reducing the workforce.

Required Follow-Up Actions:

- As required by FLA standards, member companies need to align production plans based on a 48-hour work week at owned facilities. While Delta Galil has integrated this requirement in its code of conduct and RP&P Policy, it continues to formalize this requirement in its production planning SOPs for owned facilities. FLA verified that that process was well underway and will be verifying full implementation within six months following accreditation.

Recommendations for Continuous Improvement:

- Beyond accreditation, Delta Galil should continue to provide communication and training on its RP&P policy to sourcing leaders and relevant staff from all business lines. Regular training reduces the risk of staff not implementing policies consistently across all business lines, ensuring teams stay updated on regulatory requirements, labor rights risks in high-production countries, and how to minimize negative impacts on workers and suppliers. In addition, regular training ensures teams remain informed if the RP&P Policy itself changes, keeping practices aligned with the most current standards.
- Beyond accreditation, Delta Galil should update its fair compensation blueprint to explicitly include the role of relevant departments that develop and/or contribute to purchasing practices requirements. For owned facilities, Delta Galil should include the role of human resources, finance, and facility management. In addition, Delta Galil should continue to make its approach to RP&P accountability and CSO engagement more specific and clearly defined. Notably, Delta Galil should identify and engage with relevant CSOs and unions to strengthen the operationalization of its fair compensation blueprint.

Accountability

BENCHMARK 2.2 (Sourcing): Company Member holds relevant staff and any contracted agent/intermediary accountable for the implementation of planning, purchasing, and order reduction practices that help avoid negative impacts on workers and working conditions.

BENCHMARK 2.2 (Production): Company Member holds relevant staff accountable for the implementation of planning and sales practices that help avoid negative impacts on workers and working conditions.

Company Actions and FLA Verification:

Delta Galil acknowledges that planning and calendar adherence are fundamental to its purchasing and production processes, and has highlighted the inherent complexities associated with its role as a manufacturer, brand, and licensee. Relevant departments maintain systems for upholding RP&P, from the group level to the brand level. For example, production and sourcing directors at Splendid and P.J. Salvage have RPP KPIs in their job descriptions, develop annual departmental goals for upholding RPP, delegate RPP requirements to staff where relevant, and review staff performance on a quarterly basis. FLA verified that Delta Galil's sourcing staff actively work with their customers to navigate negative production impacts to owned and contract facilities. In addition, sourcing staff in business and production divisions receive refresher ESG trainings annually, which emphasize collaboration and transparency with the ESG team. For example, the training states that staff must escalate any code of conduct violations, or suspicions of violations, to the ESG team.

Delta Galil uses a semi-annual, three-step costing audit process to assess the factory cost per minute (CPM) through modeled estimations and mandatory data submissions. This system enables Delta Galil to ensure factories pay workers basic wages that exceed government minimums, provide legal overtime compensation, and account for any monetized fringe benefits. To implement the three-step CPM audit, the costing team first develops a CPM model by collecting factory data. Next, the costing team compares to ensure realistic pricing. The costing team then conducts wage verification by tracking local government standards twice a year to ensure basic worker wages exceed legal minimums. Finally, the ESG team uses audits to conduct compensation checks and verify that factories pay the legally mandated overtime rates and account for worker fringe benefits. In one example concerning a social insurance violation in China, FLA validated how sourcing staff worked with the ESG team and the supplier to remediate the non-compliance.

Delta Galil's Responsible Retrenchment, Exit, and Closure Policy & Procedure applies to owned and contract facilities, and takes a worker-centric approach, starting with advance notice and adequate monitoring of how workers are treated to mitigate potential negative impacts. FLA verified that Delta Galil retains long-term business relationships with suppliers and that the company diversifies orders and customers to minimize exits. For example, one of Delta Galil's owned facilities in Bulgaria closed in 2023. Delta Galil provided evidence that it followed an ethical closure procedure at this facility, including providing legally required payments; supporting workers in finding new employment; and collaborating with worker representatives, the government, and local CSOs.



This chart shows Delta Galil’s remediation progress following SCI assessments. It also includes FLA-verified examples of successful remediation of findings related to responsible purchasing and responsible production practices at Delta Galil’s facilities. To remediate violations of excessive overtime and missing rest days at owned facilities observed during the SCI assessments conducted in Egypt in 2017, China in 2020, and Thailand in 2024, the Delta Galil ESG team worked with the production team and facility management to establish production planning based on a 48-hour work week and develop a comprehensive overtime reduction plan.

Remediation of excessive overtime and rest day violations at Delta Galil’s contract facilities is more challenging due to the complexities of orders and customer demands. While Delta Galil fully remediated these violations in the 2025 SCI cycle in Cambodia, Indonesia, and Pakistan, it continues to address the issue through diversifying and balancing orders among supplier facilities, working with suppliers to improve production planning, and upskilling workers to improve productivity.

Delta Galil actively uses FLA’s Wage Data Collection Toolkit to collect wage data from 35 facilities across 13 countries.

Strengths:

- In January 2026, Delta Galil launched a system to better inform and improve responsible purchasing practices, named Systems, Applications & Products Enterprise Resource Planning (SAP ERP). The SAP ERP system, managed by the global master data and the finance accounts payable teams, helps to centralize new vendor set-up data and improves data accuracy and consistency during the onboarding process.
- Delta Galil has established and maintains close collaboration with customers to avoid negative impacts on workers. FLA verified a concrete example of strong engagement between Delta Galil and a customer in Indonesia to remediate a wage violation finding and provide workers with pay back after COVID-19.
- Delta Galil actively involves in-house unions at owned facilities in living wage implementation conversations as a best practice in responsible production. FLA verified examples where union engagement and bargaining resulted in increasing annual wages in Delta Galil’s owned facilities in Türkiye and Vietnam.

Recommendations for Continuous Improvement:

- Beyond accreditation, Delta Galil should share its wage data analysis results with suppliers to inform discussions on how suppliers can make progress toward fair compensation. Delta Galil should also incorporate supplier input in its fair compensation blueprint.

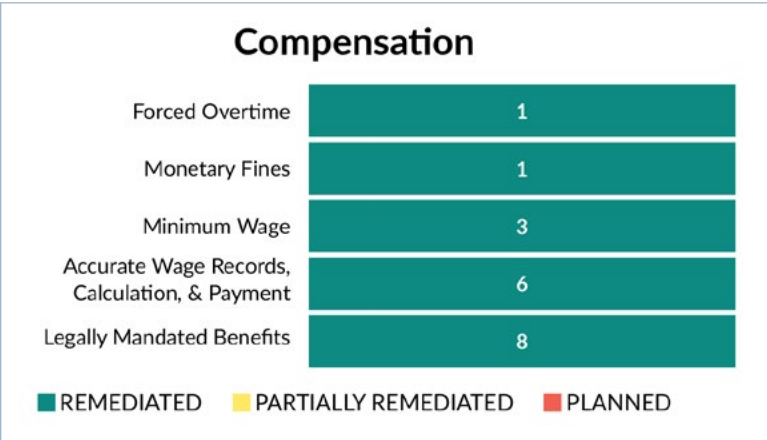
- Beyond accreditation, Delta Galil should continue to strengthen its ongoing efforts to use FLA’s Wage Data Collection Tool and analyze its owned facilities’ wage data in the dashboard to inform and implement strategies that progressively improve wages and advance toward living wages. Delta Galil should also ensure that contract facilities that are receiving SCIs submit wage data to FLA.
- Beyond accreditation, Delta Galil should incorporate ESG accountability in sourcing staff’s performance reviews.

Dialogue

BENCHMARK 2.3 (Sourcing): Company Member staff responsible for planning and purchasing decisions engage with their labor compliance colleagues, any contracted agent/intermediary and suppliers in regular and constructive dialogue throughout the production process and when problems arise to support operations at the facility level and to seek to avoid or mitigate negative impacts on workers and/or compliance with code standards at supplier facilities.

BENCHMARK 2.3 (Production): Company Member staff responsible for sales and planning decisions engage with their labor compliance colleagues, top management, facility general managers, customers, other relevant suppliers or agents/intermediaries, as well as FLA, in regular and constructive dialogue throughout the production process and when problems arise to support operations at the facility level and to seek to avoid or mitigate negative impacts on workers and/or compliance with code standards at supplier facilities.

Company Actions and FLA Verification:



Delta Galil establishes regular and effective internal dialogue, including monthly cross-team meetings with the sourcing, quality assurance (QA), and ESG teams, and bi-weekly meetings between production and planning teams to discuss purchasing practices. During the meetings, teams discuss issues related to purchasing practices, such as lead times for upcoming orders, order changes, facility exits, and other topics relevant to workplace standards and remediation at owned and contract facilities. Delta Galil meets with suppliers every spring/summer and fall/winter to discuss planning and other business topics, including conducting costing reviews with suppliers to ensure they can meet labor costs.

Delta Galil started working with Better Buying in 2023 to support continuous improvement of its purchasing practices and build more trust with suppliers. FLA

verified that the ESG team communicates these activities with business lines; for example, the team discussed Better Buying survey highlights and next steps with DGUSA.

For findings related to compensation, FLA verified Delta Galil’s remediation plans, reviewed evidence of their implementation, and acknowledged that all issues have been fully remediated. SCI assessments found minimum wage violations at Delta Galil’s owned facility in Egypt in 2022 and at its contract facility in Pakistan in 2025. Delta Galil worked with management at both facilities to implement the correct minimum wages and provide retroactive payments to workers. When SCI assessments found issues of inaccurate wages due to miscalculations at Delta Galil’s owned facility in Vietnam and contract facilities in Indonesia, the company liaised with sourcing staff and coordinated with both facilities’ HR teams to revise their wage policies, pay workers retroactively and fully, and ensure workers are paid correctly moving forward.

Strengths:

- Delta Galil has been rolling out Better Buying’s supplier surveys since 2023 to gather suppliers’ feedback on their purchasing practices. The annual exercise has demonstrated Delta Galil’s commitment to continuously improving its purchasing practices as part of its responsible purchasing strategy. The company shares supplier feedback with its business lines and creates action plans to improve purchasing practices. The 2025 Better Buying report reflected Delta Galil’s improvements in 10 out of 12 partnership performance indices, including order stability, collaboration and support, proper planning, fair financial practices, responsible business, and open communication. This demonstrates Delta Galil’s continuous efforts in driving responsible purchasing strategies to benefit its suppliers and workers in its supply chain.
- Delta Galil promotes close collaboration and cross-departmental communication in remediating labor violations at contract facilities. During Splendid and P.J.S brand visits, FLA verified that the ESG team’s Shanghai-based staff actively worked with the ESG headquarters team and the brand’s vice president of production & sourcing to address long-standing insurance issues in a facility in China, as well as health and safety issues in the Türkiye and Italy facilities.

Recommendations for Continuous Improvement:

- Beyond accreditation, Delta Galil should continue sharing Better Buying analysis results internally with all relevant business lines and establish an RPP improvement plan based on the results.

Supplier Evaluations and Incentives

BENCHMARK 2.4 (Sourcing): Company Member provides positive incentives for suppliers and/or facilities producing in a socially responsible and sustainable manner and, if applicable, having internal systems aligned with FLA Principles.

BENCHMARK 2.4 (Production): Company Member incentivizes and supports its facilities to produce in a socially responsible and sustainable manner.

Company Actions and FLA Verification:

In July 2026, Delta Galil developed draft supplier scorecards, which aggregate scores across labor compliance, operations and quality, responsible purchasing and production, environment, and remediation. The ESG team is engaging with the business lines to apply these scorecards to owned and contract facilities.

Following FLA recommendations, Delta Galil updated its RP&P policy in July 2026. The policy encourages owned production facilities and contracted facilities to operate in a socially responsible manner, specifically referencing requirements in the company's code of conduct. Delta Galil's global ESG team tracks performance through social compliance audits and discusses progress regularly with sourcing teams, facility management, and social compliance team members. At owned facilities, Delta Galil incentivizes factory managers through promotion and merit increases, as determined during annual performance reviews against related metrics. For contracted facilities, the company incentivizes sourcing teams through various means, including but not limited to reduced audit frequency, expanded sourcing partnerships, and longer-term commitments. FLA verified an example of Delta Galil rewarding a supplier in Bangladesh that upholds transparency, collaboration, and alignment with the company's code of conduct with a long-term relationship and stable business.

Recommendations for Continuous Improvement:

- Beyond accreditation, Delta Galil should continue working with other sourcing departments to fully incorporate supplier scorecards as part of its business strategy and evaluate their impact over the coming years. In the short term, Delta Galil should continue implementing its sustainability performance incentives for owned and contract facilities.



PRINCIPLE 3: RESPONSIBILITY AND HEAD OFFICE TRAINING

Company Member identifies and trains specific staff responsible for implementing workplace standards and responsible purchasing practices and provides training to all head office and regional staff.

WHY: Effective implementation of social compliance standards and human rights due diligence systems depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the company’s commitment so that workplace standards are embedded throughout the business.

Responsible Staff	BENCHMARK 3.1: Company Member identifies the person(s) responsible for administering and implementing its workplace standards compliance program and responsible purchasing practices.
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Company Actions and FLA Verification:

Delta Galil’s ESG team employs 27 full-time social compliance, operations, and project staff. Twelve of these team members support social compliance for global sourcing facilities and owned brands. An additional 15 team members are distributed across five countries, each working from an owned facility site to support social compliance implementation. The ESG team meets monthly to discuss global performance at both owned and contract facilities. These staff members’ key responsibilities include supporting workplace standards through facility monitoring and remediation; implementing appropriate risk assessments at the facility level; and working with retailers to provide facility updates or implement effective grievance mechanisms. Delta Galil assesses relevant staff on responsible production practices goals, including improved forecasting, on-time delivery, and maintaining strategic and long-term partnerships with suppliers.

Strengths:

- Delta Galil is supported by a global ESG team, including regional representation at each owned facility, in major sourcing countries, and at the brand headquarters level. This setup allows Delta Galil to manage social compliance issues effectively and incorporate local knowledge in policy and decision-making.

Social Compliance Staff Training	BENCHMARK 3.2: Company Member trains the person(s)/team(s) responsible for administering and implementing its workplace standards compliance program.
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Company Actions and FLA Verification:

Delta Galil's ESG team invests in a range of trainings for staff supporting social compliance that broaden their skills. As a baseline, all ESG staff must take a regular refresher training on Delta Galil's monitoring standards, responsible purchasing and production planning practices, and responsible retrenchment, exit, and closure policy, as well as a third-party training on modern slavery and forced labor. Outside of these trainings, FLA observed additional examples including trainings on worker-management communication channels for Egypt ESG staff, grievance mechanisms for headquarters ESG staff, and health and safety trainings for Türkiye ESG staff. Additionally, Delta Galil ESG staff took a training in 2024 on civil society engagement and union engagement in Thailand and Malaysia, in 2025 on effective civil society engagement, and in 2026 on effective union engagement. The company assesses ESG staff against learning and development goals during annual performance reviews. FLA reviewed the global compliance manager's 2026 learning and development goal on attending at least three industry webinars on applicable learnings for the social compliance program. As part of the goal, the manager is required to conduct a session with staff members on webinar learnings to inform the overall social compliance program.

Recommendations for Continuous Improvement:

- FLA recommends that the ESG team's annual training includes a feedback mechanism to evaluate participants' knowledge. Having a regular feedback mechanism allows training leads to assess the effectiveness of training and determine if it meets company goals. The feedback mechanism can identify gaps in knowledge and understanding, guiding the team to develop trainings that address their needs and enhance performance. These improvements lead to optimized resource use and strengthen the social compliance program.

Head Office and Regional Staff Training	BENCHMARK 3.3: Company Member ensures that training is provided to all head office and regional staff on the company's commitment to workplace standards and the integration of standards into business practices. Training occurs at onboarding and refresher training is conducted annually.
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Company Actions and FLA Verification:

Delta Galil deploys its code of conduct training for headquarters staff through its global learning management system, STITCH, which the global human resources team manages. The company also uses a third-party platform to conduct additional targeted training. Delta Galil uses STITCH to deploy onboarding training and to create unique learning plans based on staff learning and development goals. In Q3 2026, Delta Galil will use this platform to deploy a virtual code of conduct training to all headquarters and regional staff. FLA reviewed the code of conduct training and ensured it covers all code elements and assessed how it applies to Delta Galil's supply chain decisions. Through the training platform, the human resources team

will be able to automatically deploy the training and track completion. All headquarters staff will be required to complete the training on an annual basis. In June 2026, as part of the company’s commitment to training staff on responsible business conduct, Delta Galil began requiring all staff to complete a third-party training on modern slavery awareness. All staff will have received the training by the end of 2027.

Strengths:

- Delta Galil incorporates due diligence risks identified in the facility data management platform to inform relevant staff training. For example, the company requires staff to attend a modern slavery awareness training to advance their knowledge on human rights due diligence risks around child labor, forced labor, and migrant workers. These targeted trainings support staff in staying up-to-date on labor rights risks and inform Delta Galil’s monitoring practices and remediation plans by prioritizing audits and allocating resources to specific regions and topics.

Required Follow-Up Actions:

- All Delta Galil headquarters and regional staff must attend an annual code of conduct training. Deployment will begin in Q3 2026 and continue through the beginning of 2027. FLA will verify that the company’s human resources team tracks staff attendance and deploys the training annually to all staff. This systematic tracking and deployment are crucial to ensure that all staff members, across all business lines, are knowledgeable, can identify risks to code adherence, and serve as extensions of the ESG team.

RPP Training	BENCHMARK 3.4: All relevant business and compliance staff and any contracted agent/intermediary are trained and knowledgeable of the consequences of their planning and purchasing practices on working conditions in order to mitigate negative impacts on code compliance.
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Company Actions and FLA Verification:

Delta Galil committed to conduct responsible purchasing and production training with all relevant staff in Q1 2027. The materials that will be covered in the training include the updated RP&P Policy, illustrating how each team plays a role in supporting facilities to uphold the code of conduct. The upcoming training will be rolled out via Delta Galil’s online training platform. The training was developed by teams supporting costing, forecasting, product development, and calendar functions. Following the evaluation how these teams support responsible purchasing practices, the ESG team developed a comprehensive training that will annually refresh the teams on company standards, including implementing balanced planning, adequate lead times, and appropriate financial terms. The online training platform includes a pre-training quiz and post-training survey to gauge participants’ experiences and improve future training.

Strengths:

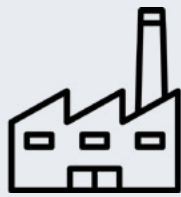
- In 2025, the senior director of compliance and sustainability, Americas, conducted in-person ESG refresher trainings for regional staff that included suppliers' roles in upholding responsible purchasing and production practices. This allowed for further in-person discussion on RPP, regional challenges, and strengths in upholding Delta Galil's commitments.

Required Follow-Up Actions:

- FLA will verify that Delta Galil executes the plan to annually train all relevant staff on responsible purchasing and production practices by the end of 2027, including staff across DGUSA, DGGUM, and owned brands.
- The RP&P training should utilize pre- and post-training quizzes and interviews, feedback surveys, and interactive activities to gauge training effectiveness. Delta Galil should use this information to inform annual training updates.

Recommendations for Continuous Improvement:

- As a continuous improvement, Delta Galil should use feedback received from its suppliers to improve the RP&P training. FLA recommends also incorporating Better Buying survey results and supplier scorecard conversations into the training, which helps improve not only the training itself but also purchasing and production practices.



PRINCIPLE 4: SUPPLIER AND PRODUCTION STAFF TRAINING

SOURCING PRINCIPLE: *Company Member obtains commitment and trains relevant supplier management on workplace standards and tracks effectiveness of supplier workforce training.*

PRODUCTION PRINCIPLE: *Company Member trains all management staff and employees at owned facilities on workplace standards and tracks effectiveness of training.*

WHY: A company’s commitment to upholding workplace standards will only have an impact if that commitment is communicated to contract suppliers and owned facilities. This principle ensures that all workers are fully informed of their rights and all staff are aware of their responsibilities to uphold workplace standards.

Written Acknowledgement to Uphold Workplace Standards	BENCHMARK 4.1 (Sourcing): Company formally conveys workplace standards to suppliers and receives written acknowledgment to uphold workplace standards, facilitate periodic assessments, including those organized by FLA, and actively contribute to consequent remediation activities.
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Company Actions and FLA Verification:

Delta Galil requires all suppliers to sign an ESG Prospective Supplier Letter (an onboarding letter), which includes a requirement to uphold ESG standards, commit to the code of conduct, grant relevant third-party audit service providers access to both owned and contract facilities, and collaborate with unions. Whenever updates are made, suppliers are required to acknowledge the latest version of the onboarding letter available. FLA verified that the ESG team manages and tracks the submission of signed onboarding letters before a facility is approved for production. The team uploads the signed letters to an online facility data management system as part of each facility’s portfolio.

Conditioning Future Business	BENCHMARK 4.2 (Sourcing): Company conditions future business with suppliers upon continuous improvement of workplace conditions.
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Company Actions and FLA Verification:

Delta Galil requires suppliers to commit to continuous improvement of workplace conditions. The compliance program uses a supplier rating system, which includes an escalation process for zero-tolerance issues and/or failure to remediate identified non-compliances. ESG team members collaborate with sourcing staff regularly to discuss non-compliance issues with facility management to ensure effective remediation. After completing an audit, Delta Galil receives, through its facility data management service, an audit report and score, corresponding with the levels of “A”, “B,” “C,” and “D,” and

the finding severity levels of “Zero Tolerance,” “Critical,” “Major,” “Moderate,” and “Minor.” Delta Galil does not approve new facilities for production with finding severity levels of “Zero Tolerance” or otherwise below “B” until CAP closure. For existing facilities with “Zero Tolerance” and “Critical” findings, Delta Galil escalates the case to sourcing and ESG leadership to ensure timely remediation. In addition, Delta Galil utilizes its third-party service provider to develop remediation plans with facilities as needed. Delta Galil incorporates all audit results into the facility’s overall ESG scorecard. The sourcing team uses the scorecard as a benchmark, together with customers’ scorecards and scorecards from other departments, to rate a facility. For more information on the overall scorecard, please refer to Principle 2.4.

FLA has verified an example in which a new facility was not approved for production due to multiple complaints received from workers. The ESG team collaborated with the customer and sourcing team to try to remediate the grievance cases in the facility. Despite multiple efforts, including introducing a third-party grievance channel to the facility, the grievance mechanism in the facility was not robust enough to ensure timely resolution of grievances. Ultimately, Delta Galil did not approve the facility for production.

Strengths:

- For external audits, the ESG team uses a robust supplier data and risk management system that produces an audit score against Delta Galil’s code elements to assess the supplier’s overall audit performance. Each facility has its own risk portfolio and score based on audit results. This approach helps Delta Galil identify and manage specific risks in the supply chain.

Workplace Standards Accessibility	BENCHMARK 4.3 (Sourcing): Company ensures that workplace standards are accessible to workers, managers and supervisors in written form and relevant languages.
	BENCHMARK 4.1 (Production): Company ensures that workplace standards are accessible to workers, managers and supervisors in written form and relevant languages.

Company Actions and FLA Verification:

In 2025, Delta Galil completed the translation of its code of conduct in 26 languages to include all languages spoken in both owned and contract facilities. The code is linked to the supplier agreement and was sent to all new and existing owned and contract facilities, and the ESG team required evidence it was posted publicly. The audit tool verifies that factories post the code publicly and includes questions related to languages spoken at the facility, along with questions regarding migrant workers’ countries of origin to ensure appropriate translations are available. During audit field observations at a contract facility in Indonesia and an owned facility in Vietnam, FLA verified that the code of conduct was permanently and prominently posted in both factories.

Training on Workplace Standards and Effectiveness

- BENCHMARK 4.4** (Sourcing): Company ensures that workers, managers, and supervisors are trained on workplace standards at regular intervals to take account of labor turnover.
- BENCHMARK 4.2** (Production): Company (a) ensures that workers, managers, and supervisors are trained on workplace standards at regular intervals to take account of labor turnover and (b) informs managers of the potential of FLA assessments and the Company’s expectation to remediate.
- BENCHMARK 4.3** (Production): Company measures the effectiveness of training for workers, managers, and supervisors.

Company Actions and FLA Verification:

Delta Galil evaluates effective workplace standards training for workers, managers, and supervisors through its assessment tool. Human resources and ESG teams at owned facilities conduct an annual refresher training on workplace standards for all workers, managers, and supervisors. The trainings include an overview of Delta Galil’s code of conduct and other customers’ workplace standards. They also include post-training quizzes and surveys, with questions that test participants’ understanding of training topics and provide opportunities for feedback. For contract facilities, Delta Galil will roll out the first phase of workplace standards training in mid-August and aims to cover all contract facilities by Q1 2027.

During FLA audit field observations, FLA verified that assessors review training occurrences and materials and verify training effectiveness during worker interviews.



An SCI at an owned facility in Vietnam uncovered that a supervisor training did not cover all FLA code elements and employment functions. The facility remediated the finding by updating the training materials and delivered the training again after three months. In 2025, an SCI at a contracted facility found that the new employee orientation training materials did not include Delta Galil’s code of conduct and disciplinary system and the prohibition of harassment and abuse. To remediate the issue, facility management updated the training materials to include the missing elements. New employees received updated training materials.

Required Follow-Up Actions:

- Delta Galil has planned to roll out workplace standards training for contract facilities in mid-August 2026. FLA has reviewed evidence of plans for workplace standards training for facilities, the tracking system, and the training materials. The training plan also includes delivering an annual refresher workplace standards training for workers, supervisors, and managers at all owned facilities. FLA will be verifying full implementation within six months following accreditation.

Recommendations for Continuous Improvement:

- Following the workplace standards training planned for contract facilities, before accreditation, FLA recommends establishing a training feedback mechanism to measure training effectiveness, gauge interests, and inform further training needs.
- Each owned facility conducts and tracks workplace standards training independently. To support continuous improvement, FLA recommends that Delta Galil centralizes workplace standards and code of conduct training materials, along with the tracking system, to ensure that managers, supervisors, and workers in owned facilities have received relevant training regularly (at a minimum once in a three-year period).
- As a continuous improvement, FLA recommends that Delta Galil shares SCI remediation progress analysis with owned facility management to track remediation progress and ensure timely remediation of non-compliances. Sharing this information increases management involvement in the remediation process, which helps develop sustainable, systemic remediation leading to improved workers' well-being.

**PRINCIPLE 5: MONITORING**

Company Member conducts workplace standards compliance monitoring.

WHY: A company must monitor its facilities to ensure that its workplace standards are being upheld throughout its supply chain. FLA evaluates a company's monitoring programs to ensure that they have a rigorous system for assessing working conditions at all existing and potential production facilities.

Pre-sourcing assessments

BENCHMARK 5.1 (Sourcing): Company Member conducts pre-sourcing assessment of contract facilities to review compliance with workplace standards.

BENCHMARK 5.1 (Production): Company Member conducts pre-production inspections and early production assessments of new owned facilities to review compliance with workplace standards..

Company Actions and FLA Verification:

Delta Galil follows a detailed, step-by-step pre-sourcing process, described in its Manufacturing Facilities Onboarding Procedure and Monitoring Procedure, before onboarding any new owned, acquired, or contract manufacturing facilities. For contract facilities, the design, product development, and sourcing teams initiate the pre-sourcing procedure by identifying a supplier. The sourcing team then completes the ESG Supplier Onboarding Form and submits a request for the ESG and QA teams to review it. The teams will collect the facility's most recent, mutually recognized audit report and CAP from the past 12 months and request an audit equivalency (EQ) score from the company's third-party audit service provider. The equivalency score compares the submitted audit to Delta Galil's full-scope and directly commissioned third-party audit scheme. A full-scope audit is a comprehensive assessment that verifies Delta Galil's code of conduct elements and scoring criteria, is aligned with FLA's compliance benchmarks, and is conducted at least every three years or annually for high-risk countries. This audit equivalency results in an audit scoring system that aligns with the company's Approval and Escalation Matrix.

The audit scoring system, as referenced in Principle 4.2, assigns scores of "A," "B," "C," and "D." If a facility receives a "C" or "D" grade, or has a "Zero Tolerance" finding, the ESG team alerts the senior director of global compliance and social impact, who then informs Delta Galil's general counsel and the sourcing team. If the sourcing team determines that the factory is needed for production and the production timeline can accommodate the required remediation, the ESG team follows up on the remediation until all requirements are met before onboarding the facility.

Delta Galil distinguishes between new owned facilities and the acquisition of existing facilities. For new owned facilities, the company conducts a fire, building, and electrical safety audit, followed by Delta Galil's full-scope third-party audit. This is done before production starts and again after

three months of operation. For acquisitions, the Delta Galil ESG team conducts a due diligence review of the facility’s social compliance history over the previous three to five years before production begins. This includes legal incidents, accidents, wages, working hours, and union engagement. In addition, after three months of production, the company deploys its full-scope third-party audit. Staff address any “Zero Tolerance” findings identified during pre- or early-production review and monitoring under the same guidelines as outlined above. Once Delta Galil approves production, it integrates the acquired facility into the regular annual audit schedule.

All business decisions for owned and contract facilities are made in collaboration between the sourcing, production, and ESG teams.

FLA verified multiple examples of pre-sourcing reports that Delta Galil provided to its contract facilities. FLA reviewed an example where a supplier was nominated for customer approval, and then a mutually recognized audit identified two major social compliance findings. In response, the Delta Galil ESG team discussed next steps with the sourcing team and decided not to begin production at the factory.

Strengths:

- The ESG team is highly involved in sourcing decisions, with its review serving as the first checkpoint when the company considers onboarding a new facility. Throughout the facility vetting process, for both owned and contract facilities, the ESG and QA teams lead and determine next steps, with multiple verification points and constant communication with the sourcing team. The teams collaborate closely and final decisions are made based on mutual input. This elaborate and closely connected pre-sourcing and pre-production system allows Delta Galil to mitigate risks by enhancing its identification and remediation of findings before facilities are onboarded.

Monitoring Program and Compliance Standards	BENCHMARK 5.2 (Sourcing): Company Member monitors facilities regularly to assess compliance with workplace standards.
	BENCHMARK 5.2 (Production): Company Member conducts annual social compliance assessments at every owned production site.

Company Actions and FLA Verification:

Delta Galil requires annual audits for all owned and contract facilities. Delta Galil audits its owned facilities using its full-scope and directly commissioned third-party audit tool, which aligns with the Fair Labor Code and compliance benchmarks. To reduce audit fatigue, and in response to customer demands, Delta Galil accepts a select handful of other equivalent audit schemes at contract facilities, and where one is not available, Delta requires the contract facility to undergo Delta’s full-scope directly-commissioned audit. To evaluate the EQ schemes against its full-scope third-party audit tool, Delta Galil developed its Equivalency Approach and Benchmarking Tool. The tool provides a comprehensive mapping of all accepted audits against Delta Galil’s third-party audit tool and FLA’s benchmarks, along with a gap analysis for each audit scheme and tailored plans to address these gaps.

Once the ESG team receives a report from an accepted audit scheme for a potential or existing contract facility, they send it to Delta Galil’s third-party audit service provider to analyze it and generate an Equivalency (EQ) Report. The ESG team uses this report to assess findings and identify any gaps, using the EQ Approach and Benchmarking Tool. If any gaps are found, the ESG team determines and manages follow-up actions to address them, guided by Delta Galil’s EQ Approach Risk Matrix.

Delta Galil’s EQ Approach Risk Matrix is based on its facility data management system risk platform and the type of relationship it has with the facility. The matrix results in one of three follow-up actions: “Monitor,” “Extra Due Diligence,” or an additional full-scope third-party audit. For “Extra Due Diligence,” Delta Galil has a dedicated set of actions for each accepted audit scheme’s gaps, including modular audits, worker surveys, and requirements to provide additional audit reports conducted by other audit schemes. Facilities must close all gaps within three to six months. If the company identifies high-risk gaps at any facility, or any gaps at highly strategic facilities, it commissions its full-scope third-party audit. Following this methodology, FLA verified that the company conducts an audit aligned with FLA audit standards at least once every three years at contract facilities, and annually at high-risk and owned facilities.

Delta Galil also uses its facility data management system for additional risk analysis. The system assesses risk based on Delta Galil’s leverage, country-level factors, and audit results. The company integrates this analysis into the pre-sourcing process for owned facilities and informs facility acquisition decisions. FLA reviewed audit schedules, internal communication, and audit reports for sourcing facilities, and verified that all 10 owned facilities are audited annually.

Recommendations for Continuous Improvement:

- While Delta Galil monitors all audit reports and remediation manually, due to the high volume of audits, FLA recommends that the company invests in an automated system to track audit remediation and the audit equivalency mechanism. This will enhance the efficiency of audit tracking and remediation.

Audit Components and Quality	BENCHMARK 5.3: Company Member ensures that its monitoring program includes, but is not limited to: a) Worker interviews, b) Consultation with unions or worker representative structures (where applicable), c) Collective bargaining terms review (where applicable), d) Management interviews, e) Documentation review, f) Visual inspection, and g) Occupational safety and health review.
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Company Actions and FLA Verification:

Delta Galil applies its third-party audit tool, assessor manual, and the accompanying field instruction document for all owned facilities’ assessments that it commissions. Delta Galil partially assesses contract facilities with this tool and mostly accepts mutually recognized additional audit schemes using the benchmarking tool against Delta Galil’s audit standards, as detailed in benchmark 5.2.

Third-party assessors use the third-party audit tool and field instructions to carry out an FLA-aligned workplace standards audit. FLA verified that Delta Galil’s third-party assessor manual provides comprehensive guidance on assessment requirements regarding opening and closing meetings, worker interviews, consultation with unions or worker representative structures, reviews of collective bargaining terms, management interviews, document reviews, visual inspections, and occupational safety and health reviews. Through audit field observations, FLA verified that the audit tool checks that workers, managers, and supervisors are aware of the collective bargaining agreement (CBA). In addition, the audit tool collects detailed information on the presence of a union, CBA, or worker committees in a facility. Where a CBA is in place, assessors are directed to review that CBA and apply its standards to the assessment.

Throughout Delta Galil’s accreditation journey, staff have revised applicable documents multiple times to assess alignment with the Fair Labor Code, compliance benchmarks, and principles. The assessor manual includes detailed questions for worker interviews, verifying that facilities have implemented workplace standards and grievance mechanism trainings, alongside questions verifying staff’s understanding of both trainings.

FLA has conducted six audit field observations at Delta Galil’s owned facilities in Vietnam (2017), Bulgaria (2018), the Czech Republic (2019), and Türkiye (2024). Additionally, in 2026, FLA observed an audit at a contract facility in Indonesia. These observations allowed FLA to confirm that assessors applied the instructions in the assessor manual and audit tool in practice. Any implementation gaps were addressed by the ESG team, which followed FLA’s recommendations and ensured that requirements were met.

Recommendations for Continuous Improvement:

- As part of its continuous improvement efforts, FLA recommends that Delta Galil seeks ways to improve its communication with its third-party assessors to verify performance and ensure full implementation of the company’s monitoring guidelines. The company can communicate through auditor onboarding, regular training, email communication, or shadow assessments. This will allow Delta Galil to ensure that all company-commissioned audits meet its requirements, improve audit efficiency, and reduce follow-up monitoring procedures, such as additional training or follow-up audits.

Responsible Retrenchment	BENCHMARK 5.4: Company Member monitors facilities to ensure implementation of responsible retrenchment policies and procedures that uphold workplace, legal, and collectively bargained standards.
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Company Actions and FLA Verification:

Delta Galil's Retrenchment, Exit, and Closure Policy outlines how it carries out retrenchment at both owned and contract facilities. The policy aligns with FLA's responsible retrenchment guidance and includes all required steps and elements. The procedure includes policies that require facilities to consult with unions, adhere to CBAs, provide workers with payment and benefits, notify workers of factory exit, commit to re-employment, notify workers about retrenchment selection criteria, and commit to providing access to a grievance mechanism for all workers. Through document review, FLA verified an example in which Delta Galil merged two owned facilities into one. During this process, all employees from one facility were rehired at the other, with their original hiring dates preserved on their new contracts to maintain seniority benefits. Delta Galil involved worker representatives throughout the process and notified both workers and factory management about the consolidation six weeks in advance. This illustrates how Delta Galil has upheld responsible closure, responsible retrenchment, and commitment to re-employment. Thanks to Delta Galil's supplier base, the company rarely exits facilities and can largely avoid retrenchment at contract facilities.

Strengths:

- Delta Galil's comprehensive retrenchment procedures support its efforts to prioritize workers' long-term employment and reduce retrenchment, including through its pre-sourcing process, extensive resources allocated to audit tracking, long-term relationships with suppliers, and large, diverse flow of orders. Specifically, because Delta Galil's facilities are audited multiple times a year and the company has a wide product offering and a large supplier base, it can verify that facilities comply with its social compliance standards and support workers' well-being. At the same time, it can adapt production needs across locations by moving production from one facility to another. This helps maintain a balanced workload across facilities and therefore reduces the risk of retrenchment.



PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS

SOURCING PRINCIPLE: Company Member ensures workers have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

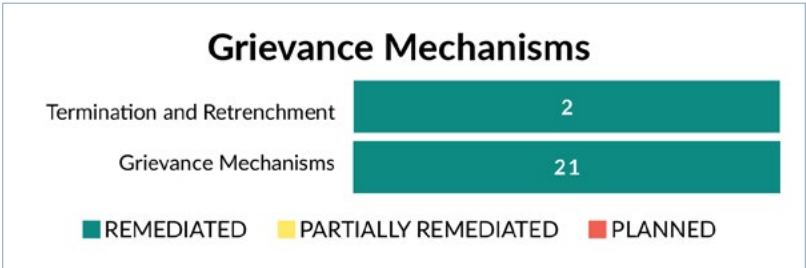
PRODUCTION PRINCIPLE: Company Member provides workers access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

WHY: Functioning grievance mechanisms provide workers with a channel to raise concerns when they think their rights are being violated or the factory is not upholding workplace standards. Although monitoring programs are meant to ensure compliance with workplace standards, they cannot uncover or address every issue on their own. Functioning grievance mechanisms complement an effective monitoring system.

Ensuring Functioning Grievance Mechanisms	BENCHMARK 6.1 (Sourcing): Company Member ensures there are functioning grievance mechanisms at facilities.
	BENCHMARK 6.1 (Production): Company Member ensures there are functioning grievance mechanisms at owned facilities.

Company Actions and FLA Verification:

Delta Galil’s third-party audit tool and monitoring program verify the existence and effectiveness of grievance mechanisms at both owned and contract facilities. Delta Galil audits all owned facilities with this tool, which includes questions assessing the existence and effectiveness of multiple grievance mechanisms, including access to at least one confidential reporting channel and one union/worker representative structure; that grievance mechanisms lack penalties for workers; and that facilities track grievances using an internal tracking system. When Delta Galil accepts other audit schemes for contract facilities, it guarantees that grievance mechanisms are properly evaluated.



In addition to the above, Delta Galil’s Grievance Policy and Procedure aligns with FLA’s requirements for handling grievances, adhering to remediation timelines, and communicating grievance statuses back to workers.

FLA verified the implementation of Delta Galil’s audit requirements through multiple field observations, a document review, and the headquarters assessment visits.

In a 2022 SCI at an owned facility in Vietnam, Delta Galil found that the facility lacked a grievance tracking system, resulting in its failure to follow up on and

resolve grievances raised during a worker-management roundtable dialogue session. One of the grievances concerned the high-heat conditions at the factory. As a result of the SCI assessment, the factory ensured a proper follow-up process was in place. Specifically, factory management addressed the excessive heat by purchasing additional fans. The remediation evidence included proof-of-purchase receipts. A 2023 SCI at a contract facility in Indonesia found that factory management did not open their suggestion box once per week, as mandated in Delta Galil's grievance handling procedure, and that the box was located near the exit, close to the security guards, in an area visible to security cameras. Following that SCI assessment, the factory relocated the suggestion box to a high-traffic, yet private, location and improved its grievance-checking process, creating a system to ensure that management checks the box weekly and follows up on grievances in a timely manner.

Strengths:

- In 2026, Delta Galil began deploying a confidential worker survey through its facility data management platform at all owned facilities and in contract facilities undergoing Delta Galil's full-scope third-party audit. This survey provides the company with feedback directly from workers on elements that might not be captured during regular audits, such as workers' trust in grievance channels.
- In addition, the human resources managers at Delta Galil's facilities in Türkiye and Vietnam conduct an annual survey to assess workers' satisfaction and the effectiveness of grievance channels. The survey is conducted on-site in local languages, removing any language barriers, and allowing local teams to address issues promptly. Findings drive continuous improvement, which builds workers' trust and supports effective remediation.

Recommendations for Continuous Improvement:

- FLA recommends that Delta Galil increases the cadence of worker surveys and actively reviews the survey results to measure workers' access to and satisfaction with factory grievance mechanisms. In addition, as a best practice, Delta Galil should use survey results to inform the company's trainings, CSO collaboration, and investments in grievance mechanisms. Given that the company does not directly conduct its third-party audits at all sourcing facilities, worker surveys provide an accessible way to enhance monitoring without mandating a full Delta Galil audit and increasing audit fatigue.

Confidential Reporting Channel Direct to the Company

BENCHMARK 6.2 (Sourcing): Where local mechanisms are not functioning, Company Member provides alternative channels for workers to contact the brand directly and confidentially.

BENCHMARK 6.2 (Production): Company Member provides alternative channels for workers to contact the company head office directly and confidentially.

Company Actions and FLA Verification:

Delta Galil's main grievance channel is a confidential hotline for both owned and contract facilities; the ESG team manages this channel.

For owned facilities, Delta Galil's HR managers are directly responsible for implementing grievance procedures, including managing the hotline channel, maintaining suggestion boxes, hosting monthly worker roundtables, and holding meetings with unions and worker representatives. In addition, Delta Galil's owned facility in Vietnam utilizes a third-party grievance channel, which will be expanded to the company's facility in Egypt. In contract facilities in India and Bangladesh, Delta Galil operates two third-party grievance channels. All grievances submitted through these lines are directly reported to Delta Galil's ESG team, and the regional compliance managers address them as needed. In addition, contract facilities manufacturing for Delta Galil's brand, Schiesser, have an additional whistleblower system managed by the brand; Schiesser escalates grievance cases to Delta Galil's ESG team as appropriate.

Delta Galil mandates two confidential channels at all owned and contract facilities. The first is a suggestion box, which the human resources department and worker representatives operate; these teams have a weekly procedure for opening the box and providing a timely response to workers. The second grievance channel is Delta Galil's hotline. When grievances are submitted through the hotline, the ESG team responds within one business day, assigns a case manager, and reiterates Delta Galil's commitment to non-retaliation and confidentiality. The case manager is responsible for leading the process until remediation, including providing ongoing updates to the complainant, maintaining accurate documentation, and engaging all relevant parties, including, but not limited to, the sourcing and production teams, the facility, and other applicable third parties. The investigation may include meetings, additional audits, third-party investigations, or the formation of a response team. For issues deemed "Zero Tolerance," Delta Galil follows a detailed, accelerated grievance handling process.

Delta Galil has received the majority of grievances at owned facilities through suggestion boxes and worker roundtables. The company is developing a public awareness campaign to promote its confidential hotline at its owned facilities. In 2027, Delta Galil plans to continue expanding its application of a third-party hosted grievance platform for both owned and contract facility workers. FLA has verified that the company tracks and addresses grievances at both owned and contract facilities.

FLA has reviewed multiple examples of grievances that Delta Galil's regional compliance manager followed up on at contract facilities. For example, an SCI conducted in 2025 at a contract facility in Pakistan flagged issues with the effectiveness and accessibility of the confidential grievance channel. To remediate this, the factory implemented a grievance tracking system and conducted awareness-raising sessions for workers, supported by Delta Galil.

Strengths:

- Delta Galil's regional compliance manager for Bangladesh, India, and Indonesia tracks all grievances submitted at contract factories through the third-party channel and the company's hotline. For instance, Delta Galil shared a case in which the regional compliance manager received a

complaint through the third-party channel and conducted an independent internal review and in-person interviews with the worker. As a result, the compliance manager uncovered findings not listed in the original grievance, leading to more targeted and effective remediation for the affected workers. This is a good illustration of how local teams maintain direct links with facility management, third-party service providers, and local CSOs, enabling facilities to implement ESG policies and practices effectively.

Recommendations for Continuous Improvement:

- As a continuous improvement, FLA recommends that Delta Galil implements a system to track all grievances submitted at owned and contract facilities, through the company and customers’ hotlines. As the company maintains multiple grievance channels, a consolidated system will improve the ESG team’s ability to track grievances, ensure visibility, and support systemic remediation.

Training on Grievance Mechanisms

BENCHMARK 6.3 (Sourcing): Company Member ensures training and communication is provided to all workers, supervisors, and managers about the grievance mechanisms.

BENCHMARK 6.3 (Production): Company Member provides training and communication to all workers, supervisors, and managers about all available grievance mechanisms, policies, and procedures.

Company Actions and FLA Verification:

Delta Galil’s full-scope third-party audit tool and assessor manual include instructions to evaluate that owned and contract facilities conduct grievance mechanism training, and to assess training effectiveness for workers, managers, and supervisors.

As part of supplier onboarding, the Delta Galil ESG team shares a hotline poster, translated into 26 languages, with suppliers and instructs them to post it in a prominent, high-traffic location. To ensure its visibility to workers, Delta Galil instructs facilities to print the posters in A3 size and in all local languages. In addition, Delta Galil requests that suppliers conduct an annual workplace standards training that shares information on grievance procedures and the hotline poster. FLA reviewed examples of Delta Galil’s communication with facilities, confirming that they have displayed posters and incorporated the grievance mechanism into their annual training program.

An SCI assessment in 2025 at a contract facility in Bangladesh found that training on the grievance mechanism was ineffective. In response, the facility provided training to grievance committee members and conducted a grievance mechanism training for all workers.

Recommendations for Continuous Improvement:

- FLA recommends that Delta Galil continue its efforts to increase awareness of its hotline across both owned and contract facilities through annual grievance mechanism trainings and other capacity-building activities. Delta Galil is planning to develop an awareness-raising project to increase workers' knowledge and understanding of the grievance channels available to them at owned facilities, and FLA will verify this moving forward. Increasing workers' awareness of the hotline will encourage them to use it and help Delta Galil ensure grievances are addressed in accordance with the grievance policy.



PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

Company Member collects, manages, and analyzes workplace standards compliance information.

WHY: A company cannot make substantial improvements to its social compliance program and human rights due diligence systems as well as workers' lives without collecting and analyzing information related to its training, monitoring, and purchasing programs. This information allows companies to track the continuous improvement of their compliance programs and communicate that improvement to both internal and external stakeholders.

Collection of Facility Data

BENCHMARK 7.1: Company Member maintains a complete and accurate list of facilities and collects and manages compliance and workplace information.

Company Actions and FLA Verification:

Delta Galil collects data on social compliance and workplace information through two supplier data management systems. One system manages facilities' contact information, supplier agreements, and customer relationships (for those using the same platform). The other system collects information on historical audit data, the presence of unions and worker structures, and risk management. This system provides data analysis on country risk, site/supplier/facility performance, supply chain risk, transparency, wages, code of conduct compliance, and trend reports. The ESG team tracks audit cadence, historic audit data, and CAP submissions separately.

The ESG team also tracks facility information, including addresses, contact information, historical audit data and remediation progress, and the presence of unions or CBAs at all Tier One facilities. Delta Galil has fully mapped its Tier One facilities and continues to strengthen its mapping of its Tier Two suppliers and beyond.

Strengths:

- Delta Galil uses multiple systems to record and track facilities' compliance and workplace information, as well as risk analysis, allowing a comprehensive understanding of a facility's status ranging from customer approval status to an overall social compliance risk-based rating.
- ESG staff upload facilities' historical and present audit data to a third-party supplier data management system for risk analysis. The platform combines audit results and country risks to give each facility a rating. This provides valuable information for Delta Galil to understand overall supply chain risks, allocate resources for facility management, and develop suitable programs to improve working conditions across its broad supplier base.

- Delta Galil subscribes to a media screening tool to check previous labor disputes and accidents related to potential sourcing facilities, providing critical labor rights information before the company approves any new facility for production.
- Delta Galil piloted a project to improve product traceability in 2024. To date, 86 suppliers have participated in the pilot. The company adopted a supply chain traceability software to map each of the production facilities that contribute to creating a single product, from raw material suppliers to Tier One facilities. The initiative enables Delta Galil to better manage supply chain risks across all tiers and ensure product safety.

Recommendations for Continuous Improvement:

- Currently, the ESG team relies on suppliers to provide factory information updates as needed. Beyond accreditation, FLA recommends that Delta Galil updates facility information proactively and regularly to obtain up-to-date information for monitoring and risk management.
- FLA recommends that Delta Galil continues expanding its supply chain mapping into deeper upstream tiers to enhance its human rights due diligence processes. This work can be supported through the supplier data management system and the new traceability tool, which Delta Galil leverages to collect risk information on factories and incorporate outside reports and sources into each facility's overall risk assessment.

Analyzing Social Compliance Trends

BENCHMARK 7.2: Company Member analyzes trends in noncompliance findings.

Company Actions and FLA Verification:

Using data that Delta Galil's ESG staff have gathered and uploaded to its online supplier data management system, the company analyzes social compliance trends based on country, product, industry risk, region, non-compliance type, production percentage, remediation progress, and internal audit score. The platform additionally provides scores on a country's risks in areas including civil society engagement, migrant workers, hours of work, and wages, allowing visibility into salient issues across sourcing and production countries.

ESG staff use audit trend analysis to develop department goals and present the goals to senior leadership annually to ensure adequate budget allocation. The ESG team utilizes the facility data management platform to inform follow-up audits and prioritization based on a supplier's audit score results and non-compliance risks.

Recommendations for Continuous Improvement:

- FLA recommends tracking remediation progress to ensure that findings uncovered in audits are remediated in a timely manner, apart from tracking CAP submissions manually. Tracking CAP submissions provides only partial knowledge of remediation progress, and to ensure findings are rectified, Delta Galil must track remediation evidence for individual findings and conduct timely reviews of remediation progress.



PRINCIPLE 8: TIMELY AND PREVENTATIVE REMEDIATION

Company Member works with suppliers to remediate in a timely and preventative manner.

WHY: Monitoring gives a company visibility into the workplace standards violations in its supply chain. An effective remediation system is necessary so that a company can address and fix those issues over time.

Remediation
Procedures

BENCHMARK 8.1: Company Member provides regular follow-up and oversight to implement corrective action following assessments.

Company Actions and FLA Verification:

Delta Galil’s Monitoring Procedure outlines the company’s requirements for suppliers to remediate non-compliances in a timely manner. The requirements are aligned with Delta Galil’s code of conduct, ESG Prospective Supplier Letter, social compliance requirements, and all applicable legal obligations. The document also includes supplier reporting requirements, the audit program and monitoring cadence, CAP management, and remediation and escalation procedures. Regarding audit scoring, as detailed in Principle 5.2, Delta Galil approves facilities with audit scores of “A,” “B,” or “C,” and conditions its approval with a remediation plan. To remediate issues, based on the ESG team’s decision, facilities are required to participate in a third-party remediation program and e-Learning opportunities. Approved facilities are subject to annual monitoring. Delta Galil has outlined all “Zero Tolerance” issues in its ESG Prospective Supplier Letter and monitoring SOP. Worker engagement is also included in the procedure, providing the opportunity for Delta Galil and suppliers to include worker/safety committees, unions, or NGOs in remediation.

FLA verified examples of Delta Galil collaborating with suppliers to remediate audit findings and manage CAPs. Delta Galil’s ESG team tracks CAP implementation and evidence submission.

Recommendations for Continuous Improvement:

- Beyond accreditation, FLA recommends that Delta Galil refines its monitoring procedure by ensuring consistent and equitable engagement with all unions and worker representative structures among its owned and contract factories. If a non-compliance is uncovered during an audit, Delta Galil should involve all unions and worker representative structures in both owned and contract facilities in the remediation process.

Root Cause Analysis	BENCHMARK 8.2: Company Member works with the supplier to determine root causes and take action to reduce risk and prevent future noncompliance.
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Company Actions and FLA Verification:

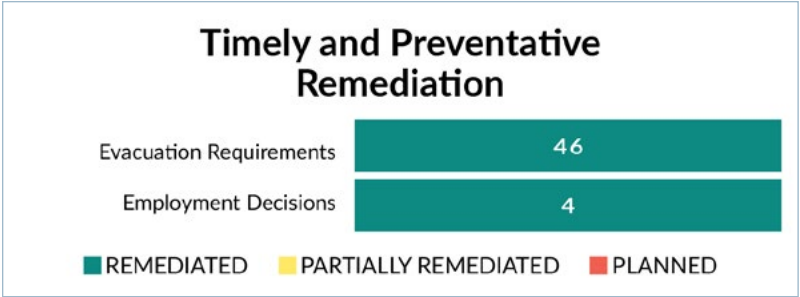
Facility management is required to conduct root cause analysis (RCA) during the corrective action plan process. Delta Galil includes this information for suppliers in the CAP template. Facility management receives training on RCA through a third-party service provider. The ESG team, with support from a third-party service provider, reviews and tracks RCA and closure for each CAP finding. The ESG team supports the RCA process as needed. In cases where the RCA is not sufficient, the ESG team asks the facility for more details and explanations for root causes. FLA verified that Delta Galil conducts RCA by reviewing an example of an audit in Bangladesh in 2024, where assessors identified issues related to supervisor behaviors. The regional compliance manager, sourcing team, the worker representative structure, a third-party auditor, and facility management were involved in remediating grievance issues. They met to discuss the root cause of the grievance and developed a remediation plan. The plan included training all line supervisors, disciplining the supervisor involved, and raising awareness of respectful behaviors on the production floor.

During a July 2024 audit field observation at an owned facility in Vietnam and a February 2026 audit field observation at a contract facility in Indonesia, FLA verified that Delta Galil informed facility management through documentation that RCA is a collaborative process.

Ensuring Effective Remediation	BENCHMARK 8.3: Company Member records and tracks the progress and effectiveness of remediation for internal assessments.
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Company Actions and FLA Verification:

Delta Galil’s ESG team tracks CAP submissions manually to ensure that facilities submit the CAP and evidence on time. Facility management must submit a completed CAP with evidence of remediation no later than 90 days after receipt of the audit report. Delta Galil has an escalation procedure in place, in case facilities fail to remediate audit findings. FLA verified an example in which Delta Galil implemented its escalation procedure and conducted a follow-up audit at a contract facility in Bangladesh. The ESG and sourcing teams joined efforts in working with the facility to remediate a persistent safety issue. As a result, the facility committed to rectifying the issue according to an agreed-upon timeline. The teams continue to meet quarterly to ensure remediation progress proceeds as scheduled.



FLA verified examples of successful remediation of SCI findings at Delta Galil’s owned facilities in Thailand and Vietnam, along with contracted facilities in Indonesia. During an SCI at an owned facility in Thailand in 2018, the assessor found that all evacuation maps lacked a first aid box symbol. The facility remediated the issue by updating the maps with the required symbol. During a 2022 SCI at an owned facility in Vietnam, assessors found two violations related to unmet evacuation requirements—namely, insufficient exit signs and a lack of an evacuation map in the temporary parking lot. Delta Galil provided proof of remediation in a timely manner.

During an SCI at a contracted facility in Indonesia in 2025, assessors uncovered that the laser machine and the radiation equipment in a production building’s cutting section lacked hazard signs and safety guards. The facility remediated the issue by installing the safety guards and posting a hazard warning sign.

Strengths:

- Delta Galil provides support to contract facilities for non-compliance remediation by enrolling them in a third-party service provider’s free remediation program. This helps contract facilities to remediate audit findings efficiently.
- Delta Galil employs regional staff based in China and Bangladesh to assist facilities in remediating the issues uncovered in audits. They are in constant communication with facility management, visit facilities frequently, and provide guidance on remediation. Regional staff support effective and sustainable remediation.

Recommendations for Continuous Improvement:

- Beyond accreditation, FLA recommends that Delta Galil tracks remediation progress to ensure that findings uncovered in audits are remediated in a timely manner, in addition to tracking CAP submissions manually.
- Beyond accreditation, FLA recommends that Delta Galil includes a facility’s remediation efforts as one of the components in the facility scorecard system.

**PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY**

Company Member identifies, researches, and engages with relevant labor non-governmental organizations, trade unions and other civil society institutions.

WHY: Local, labor-focused CSOs help companies better understand local conditions and issues that most acutely impact workers, which enable companies to make their supply chains more responsive to workers' needs.

**Civil Society
Engagement Strategy
and Mapping**

BENCHMARK 9.1: Company Member develops a CSO outreach strategy that reflects the geographical distribution of sourcing.

Company Actions and FLA Verification:

Delta Galil's Civil Society Organization Strategy is a comprehensive document that demonstrates the company's commitment to engaging with CSOs and unions, emphasizing how this engagement improves workplace conditions. The strategy illustrates Delta Galil's engagements with CSOs and unions across high-risk and high-production countries, including Vietnam, Myanmar, Bangladesh, Thailand, and India. Delta Galil utilizes a third-party risk analysis service provider to determine country-level risks, including geography, local CSO activity, risk management, worker sentiment, and other parameters, as detailed in Principle 7.1. The strategy outlines the expectation that Delta Galil holds at least two quarterly meetings with unions at owned facilities. Additionally, it includes the company's commitment to ongoing relationship-building and knowledge-sharing with CSOs, as well as specific country-based challenges and an approach to respond to incoming inquiries from CSOs and unions.

Delta Galil conducted a stakeholder mapping exercise that includes a classification of stakeholder type, topic of engagement, influence, engagement approach, and countries of operation. The mapping includes CSOs, government agencies, intergovernmental organizations, unions, academic institutions, and other groups. It highlights groups in Vietnam, Myanmar, Bangladesh, Thailand, and India; includes the engagement status for each CSO; and highlights implemented projects and activities. The ESG team regularly updates the mapping tracker and examples of activities.

**Engagement on Local
Labor Issues**

BENCHMARK 9.2: Company Member develops and maintains links to relevant CSOs to gain understanding of local labor issues.

Company Actions and FLA Verification:

Delta Galil’s ESG team, local compliance teams, and HR staff in China, The Czech Republic, Egypt, France, Myanmar, Thailand, Türkiye, and Vietnam effectively engage with CSOs in Asia, which contributes to the company’s understanding of the local landscape and regional issues. In 2022, Delta Galil’s owned facility in Thailand partnered with the [International Organization for Migration \(IOM\) and Diginex](#) on a three-month project using a blockchain-based app to improve its understanding of recruitment and employment risks facing migrant workers in Thailand. In 2024, Delta Galil Vietnam (DGV) deployed the Supporting Equality by Reimagining Industry (SERI) program, (formerly Reimagining Industry to Support Equality, or RISE), a 12-month workplace training program that helps prevent and remediate gender-based violence and harassment (GBVH) and provides facility management with practical support to strengthen the policies and mechanisms that prevent and address GBVH. Furthermore, to improve health and safety conditions in the workplace, Delta Galil engaged with the Life and Building Safety (LABS) Initiative in facilities in Indonesia, as well as the Nirapon project for Safety Management Program (SMP) in Bangladesh.

Strengths:

- Delta Galil developed and maintains meaningful relationships with civil society groups in Asia to address specific labor issues. For example, in countries where labor safety issues are critical, the company partnered with professional organizations such as LABS in Indonesia and Nirapon in Bangladesh to improve working conditions.
- Delta Galil’s robust, in-house local compliance and HR teams in production countries engage with local CSOs, unions, and worker representatives.

Recommendations for Continuous Improvement:

- As continuous improvement, Delta Galil should keep engaging with additional CSOs and unions in sourcing countries to enhance the team’s understanding of local labor issues and improve working conditions.

Engagement on Training, Worker Communication Channels, and Remediation	BENCHMARK 9.3: Company Member strategizes with CSOs and knowledgeable local sources in the design and implementation of workplace standards compliance programs.
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Company Actions and FLA Verification:

Delta Galil has leveraged engagement with civil society groups to inform how improvements are made to enhance grievance mechanisms, union engagement, and social dialogue with suppliers. Between October 2024 to August 2026, Delta Galil worked with GoodWeave International (GoodWeave), who partnered with Impactt Limited; these organizations conducted risk assessments at Delta Galil’s contract Tier One, Two, and Three

facilities in Dhaka, Bangladesh, focused on child and forced labor risks. In addition, the organizations evaluated two Tier Two suppliers for compliance gaps and ethical practices. Although no child or young worker cases were identified, the findings revealed issues relating to grievance mechanisms, transparent work terms, wages, and persistent overtime issues. Following the assessments, GoodWeave provided a series of trainings and capacity building sessions to all facilities, including enhancing the facilities’ recruitment process and grievance systems. Delta Galil’s regional compliance manager was involved in the project, and Delta Galil provided additional funding as needed.

In October 2024, Delta Galil engaged with Phulki at a contract facility in Bangladesh. Phulki held worker interviews and conducted a survey to clarify existing complaints about harassment, verify workers’ awareness of the facility’s anti-harassment committees, and evaluate the effectiveness of the internal grievance system. Additionally, the survey gathered feedback on general working conditions, including supervisor and management behavior, the quality of facilities, and the adequacy of pay and benefits. Through an interview with Delta Galil’s regional compliance manager in Bangladesh, FLA verified that Phulki helped the facility improve its training system and the procedure for handling workers’ complaints.

Recommendations for Continuous Improvement:

- Beyond accreditation, Delta Galil should continue developing and implementing engagement with CSOs and unions in sourcing countries, including joining projects that its customers initiate.
- To support continuous improvement in production countries, FLA recommends Delta Galil continues engaging with CSOs and unions on the topics of worker and facility training.
- Beyond accreditation, Delta Galil should publish documented examples of the company’s top management engaging with CSOs and unions.

Union and Worker Representative Consultation	BENCHMARK 9.4 (Sourcing): Company Member consults with supplier management and legally constituted unions or worker representative structures to gain an understanding of relevant relationships. BENCHMARK 9.4 (Production): Company Member consults with legally constituted unions or worker representative structures at owned facilities.
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Company Actions and FLA Verification:



The Delta Galil Civil Society Organizations Strategy identifies unions and worker representatives as key stakeholders at both contract and owned facilities. It also provides guidance on how the company engages with unions during regular audits, when issues arise, as part of the remediation process, and as part of ongoing civil society engagement. The ESG team tracks and records all existing unions and standing CBAs.

Through interviews with the local compliance and HR teams at an owned facility in Türkiye and the trade union at an owned facility in Vietnam, FLA verified that facility management holds weekly meetings with unions, provides support, and respects union activities.

A 2022 SCI in Delta Galil’s owned facility in Egypt found that a CBA was in place and concluded with elected worker representatives, but the facility had not yet posted copies within its premises. The ESG team worked with local compliance staff to ensure copies of the CBA and photos of the labor committee members are posted on the notice boards and visible to workers.

Recommendations for Continuous Improvement:

- Beyond accreditation, FLA recommends that Delta Galil continues to engage with local unions and CSOs and support industry initiatives to strengthen freedom of association and industrial relations practices in countries where such issues are salient.

**PRINCIPLE 10: VERIFICATION REQUIREMENTS**

Company Member meets FLA verification and program requirements.

WHY: FLA requires that companies maintain SOPs related to FLA membership to ensure that the company is upholding FLA requirements regardless of employee turnover, changes in ownership, changes in supply chain, etc. These SOPs ensure that the company will adhere to FLA requirements.

FLA Membership

BENCHMARK 10.1: Company Member maintains standard operating procedures related to FLA membership.

BENCHMARK 10.2: Company Member participates in FLA due diligence activities, including assessments at facilities and company headquarters, as applicable.

BENCHMARK 10.3: Company Member completes a standardized annual report on fulfillment of Principles of Fair Labor and Responsible Sourcing.

BENCHMARK 10.4: Company Member maintains a complete and accurate profile and list of facilities with FLA and publicly.

BENCHMARK 10.5: Company Member responds to FLA requests for documentation, contracts, information and clarification in a timely manner.

BENCHMARK 10.6: Company Member pays annual dues and applicable fees on schedule.

Company Actions and FLA Verification:

Delta Galil is an active participant in FLA's governance. The former global compliance director was a member of FLA's manufacturing committee and the FLA board of directors. The company's senior director of global compliance and social impact, as well as Delta Galil's vice president of production and sourcing, participated in a panel discussion on collaborative responsible purchasing practices for sustainable supply chains during the Fair Labor Global Summit in March 2026. In addition, Delta Galil's senior director of global compliance joined FLA's communications committee in July 2026. Delta Galil fulfills all FLA administrative requirements, including paying annual dues, completing milestone evaluations, and cooperating with SCI assessments and field observations.

Delta Galil has been working towards accreditation for over a decade, a timeframe that exceeds the required accreditation timeline of approximately five years. This was partly due to the fact that between 2011-2023, Delta Galil grew significantly and acquired 11 additional brands, growing to a multinational enterprise with a global footprint. In 2023, to support Delta Galil in prioritizing steady progress toward accreditation, FLA and Delta Galil developed and agreed on a time-bound improvement plan, setting October 2026 as the deadline to reach alignment with FLA standards and achieve accreditation. Since implementing the approved plan and re-scoping its accreditation to include its full Tier One supply chain, Delta Galil

has made consistent progress, demonstrating a strong and sincere commitment to FLA's [Principles of Fair Labor and Responsible Sourcing and Production](#) to uphold and protect workers' rights.

Recommendations for Continuous Improvement:

As a continuous improvement, FLA recommends that Delta Galil develops a more robust system to regularly maintain accurate factory information to avoid canceled SCIs, duplications, and incorrect factory names.

APPENDIX A: REMEDIATION PROGRESS

The chart below shows the full remediation progress analysis from Delta Galil's SCI assessment included throughout this report.

Delta Galil Remediation Progress

Chemical Management	14
Termination and Retrenchment	2
Employment Decisions	4
Grievance Mechanisms	21
New Employee Orientation	17
Evacuation Requirements	46
Machinery Safety	26
Supervisor Training	12
Sexual Harassment	NO FINDINGS
Production Targets	NO FINDINGS
Freedom of Movement	NO FINDINGS
Monetary Fines	1
Employer Interference in Union Operations	NO FINDINGS
Pregnant Worker & New Mother Protections	2
Legally Mandated Benefits	8
Proof of Age Documentation	1
No Rest Day	5
Accurate Wage Records, Calculation, & Payment	6
Collective Bargaining Agreement Compliance	1
Minimum Wage	3
Forced Overtime	1
Personal Protective Equipment (PPE)	9
Recruitment Practices	2
General Compliance Hours of Work	NO FINDINGS

■ REMEDIATED ■ PARTIALLY REMEDIATED ■ PLANNED