

Designing a More Sustainable World

2024 IMPACT REPORT
DELTA GALIL



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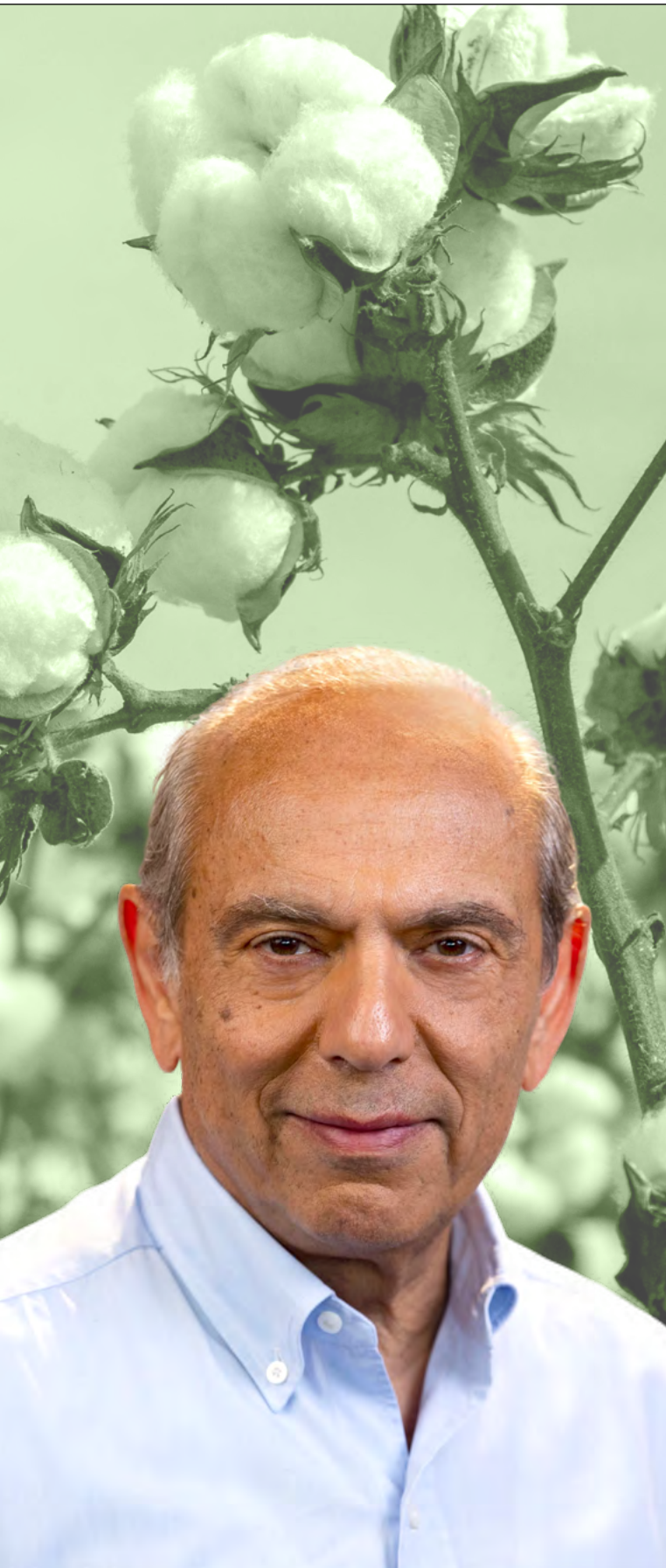
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A Message from Our CEO



Dear Stakeholders,

I am pleased to present Delta Galil's 2024 Impact Report, our tenth disclosure since we began reporting in 2007. This report reflects our commitment to ESG principles, which are central to our values and business practices. They guide our actions to create long-term stakeholder value and address key environmental and social challenges. With challenges, we also see opportunities to shape our business, and influence industry and society. ESG considerations remain central to how we operate and innovate, and we continue to embed sustainable practices across every aspect of our business.

In late 2024, we launched Detalink - our new global internal platform connecting thousands of our associates across units and in 11 languages. Detalink is already strengthening communication and engagement across the organization. In parallel, we reaffirmed and strengthened our commitment to social responsibility by expanding our affiliation with the Fair Labor Association (FLA) to include our global supply chain. We also introduced a labor performance grading system to track year-over-year progress, identify areas for improvement, and elevate working conditions across our network.

At Delta Galil, we are committed to the growth, development, and well-being of our associates across all workplaces. We are committed to upholding worker rights and workplace standards in our own factories and throughout our supply chain, as defined in the Delta Galil Code of Conduct, International Labor Organization (ILO) Conventions and the Organization for Economic Co-operation and Development (OECD) Guidelines on Responsible Business Conduct.

We believe in the power of positive change and we know that our influence is strengthened by our commitment to people and planet.

As we mark 50 years of growth and resilience, we remain committed to shaping a more sustainable future - together with our associates, partners, and customers. Thank you for being part of this journey.

Yours Sincerely,

Isaac Dabah

Chief Executive Officer

ESG Leadership Note



2024 was an exciting and productive year, alongside changes in the organizational structure and adjusting how ESG is managed, we invested in re-evaluating our team infrastructure to address key material issues. Throughout 2024, we reviewed work processes and began updating and refining internal procedures. The coming year will focus on implementing these changes across all sites and further into our supply chain. Given the scale of the company's operations, this is complex and resource-intensive work, but it is essential for driving progress, enhancing efficiency, and embedding ESG into every aspect of our work.

We are making bold steps to redefine how our company positively affects people and the environment, through thoughtful consideration of how people are treated, our work processes, sourcing of goods and materials, and improving our methods of measurement and supply chain accountability.

We also significantly deepened our environmental commitments by launching our climate strategy. We are working on a comprehensive greenhouse gas (GHG) inventory to establish a clear baseline for future reduction targets. As part of the climate plan, we initiated an assessment of our climate-related risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) framework. Looking ahead, we are preparing to

set ambitious new, longer-reaching environmental and social targets to guide our continued efforts toward a more sustainable future. We are building on the hard work and accomplishments of our talented team and expanding our efforts to support a clean, circular economy. I am proud to usher the movement forward for our company and those dedicated, passionate experts who are driving profound change.

Patrick Newsom

Vice-President, ESG

About Delta Galil



Highlights 2024

25,150

associates within our own workforce as of the end of 2024

2024 sales included:

38%

private label products

62%

branded

DELG

Delta Galil Industries is publicly traded on the Tel Aviv Stock Exchange (TASE) under the ticker symbol DELG

About Delta Galil

Delta Galil Industries manufactures and markets branded and private label apparel products globally for men, women, and children. Founded in 1975, the company is guided by a Body Before Fabric™ philosophy that emphasizes comfort, aesthetics, and quality. We design, produce and sell clothing for dozens of industry-leading customers in the United States, the UK, Europe and Israel.

Our portfolio is diverse and includes activewear, innovative seamless garments, intimate wear, and denim. We own established brands – such as Schiesser, Eminence, 7 For All Mankind, and Splendid – alongside newer brands, such as Passionata and Organic Basics. We also sell our products under well-established brand names licensed to the company, including Wilson, adidas, Columbia, and Tommy Hilfiger.

Delta Galil Industries is publicly traded on the Tel Aviv Stock Exchange (TASE) under the ticker symbol DELG.

Delta Israel Brands Ltd., a subsidiary of Delta Galil, is also traded on the TASE under the ticker symbol DLT1.

As of the end of 2024, we employed 25,150 associates within our own workforce.

Our business model includes both private label products (38% of 2024 sales) and brands (62%).



Our Vision

To harness the power of innovation and technology to create a next-generation apparel company.

Our Mission

To continuously grow our position as a global leader in intimates and activewear through innovation and creativity while staying true to our social and environmental ideals.

Our Values

The thread that binds our business activities



Delta Spirit

Adding value to everything we touch



Growth Drive

Passion for personal, professional and business growth



Teamwork

Embracing diversity, and being fully committed to working as one toward a shared goal



Fairness

Integrity, transparency and trust in everything we do



Inspired by Innovation

Celebrating creativity, an open mind and playfulness



Positive Mindset

Authentic and enthusiastic engagement with all our stakeholders

We position ourselves at the forefront of new fashion trends. A 50-year tradition of uncompromising excellence and expertise in manufacturing, marketing and service enables us to develop cutting-edge technologies and innovative fabrics in-house.

Our products are designed and developed primarily in Germany, France, Switzerland, the United States, Israel, China and Hong Kong. Approximately 30% of our products are manufactured in facilities owned by the company. We also operate logistics centers, offices, and retail stores in multiple countries around the world. Our operations are located in Israel, Egypt, Turkey, the United States, Vietnam, Thailand, China, Myanmar, Hong Kong, Bangladesh, the Czech Republic, Switzerland, Germany, France, the UK, Italy, Bulgaria, Denmark, Brazil and Mexico.

2024 saw several additions to our global portfolio and activities:

- We entered into an agreement with Reliance Industries Ltd., one of the largest retailers in India, to establish a joint venture for the design, production, marketing and distribution of underwear and sportswear in India. The collaboration will include the design and production of products for Reliance's independent brands and will allow us to respond to the unique needs of Indian consumers.
- We increased our activities in the El Minya region in Egypt, expanding current operations, operational efficiencies, and building a new socks factory.
- We began selling products under the Passionata brand, Florence by Mills (owned by Millie Bobby Brown) and Polo by Ralph Lauren, for which we received licenses.
- In 2024 Delta Israel Brands began selling Victoria's Secret products in a new branded store chain in Israel. Delta Israel Brands has also opened new branded Bath & Body Works stores.

For more information, visit www.deltagalil.com.

Information about our business segments can be found in our [financial statements](#).

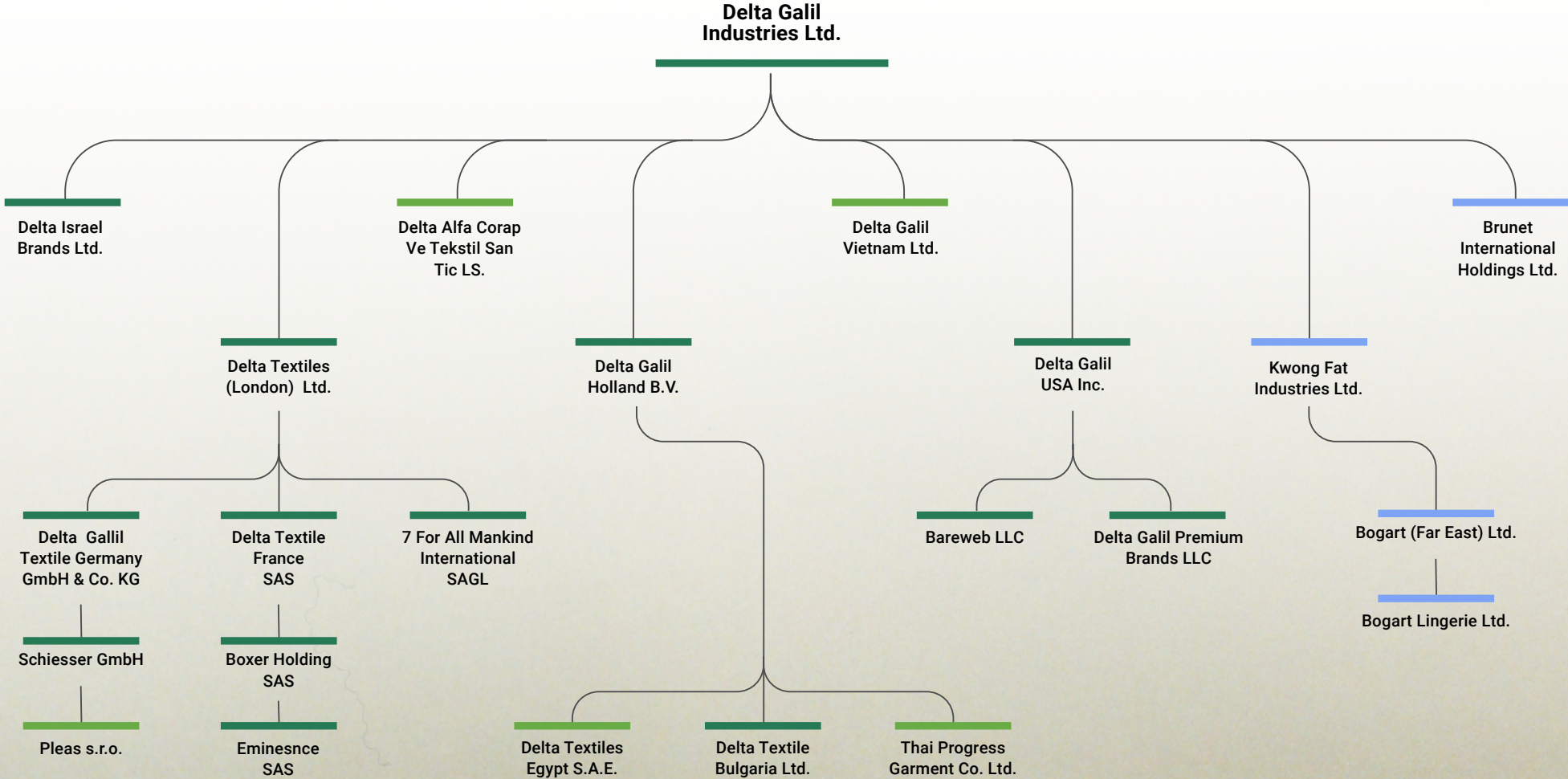
Delta Galil's Operations Worldwide



- Delta Galil's operations
- Manufacturing facilities

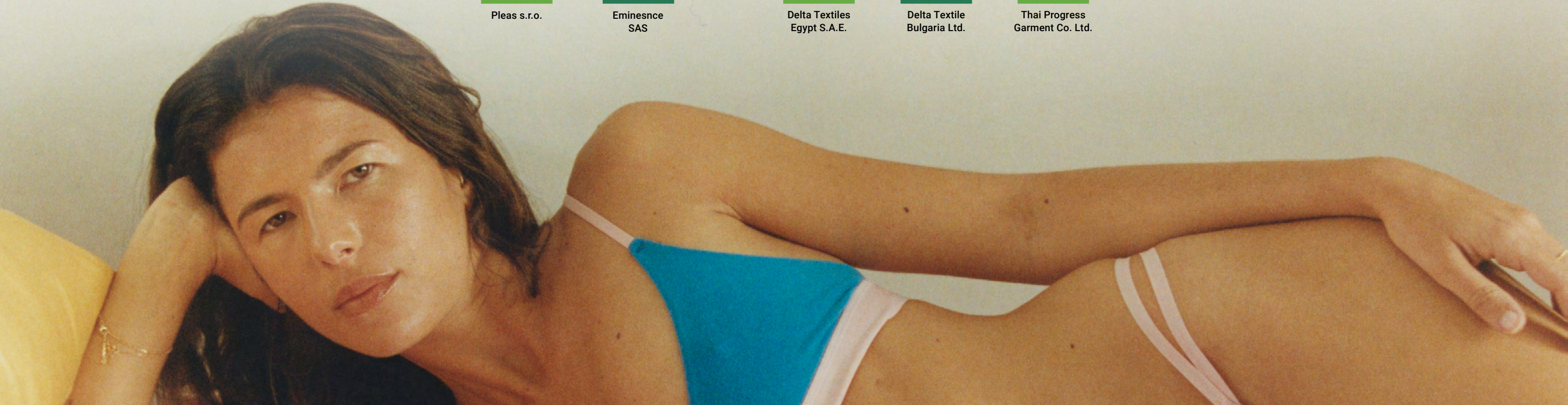
Delta Galil's Organizational Structure

The following chart represents the Company's main holdings as of December 31 2024. All of the subsidiaries are wholly owned except for Delta Israel Brands, in which Delta Galil holds 79.97% stake.



Some of the companies in Bogart Group¹
 Manufacturing Companies

¹ These companies hold fully owned subsidiaries conducting manufacturing operations in China, Thailand, Vietnam and Myanmar.



Our Owned Brands



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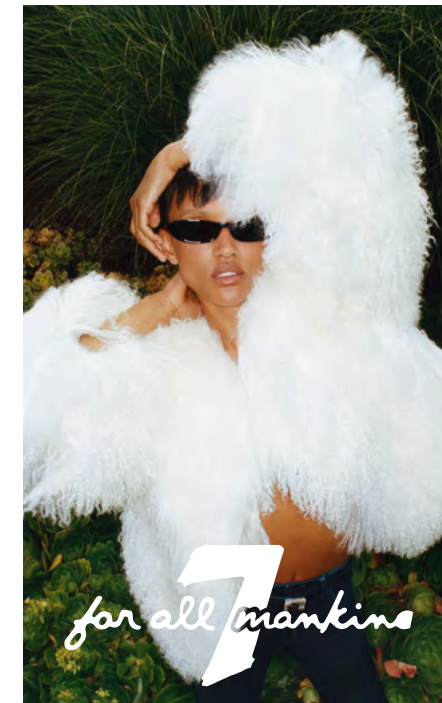
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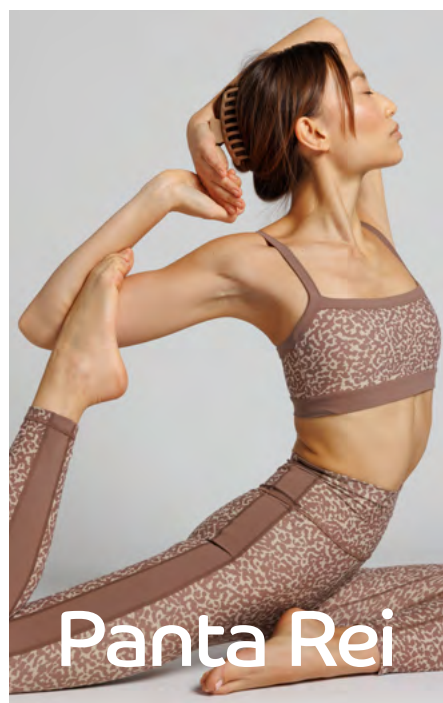
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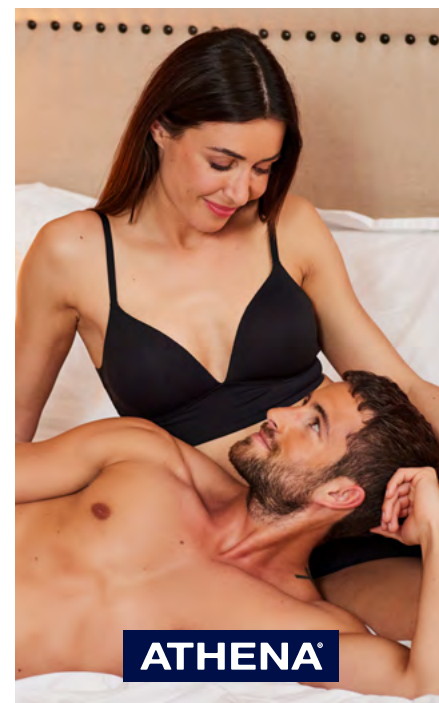
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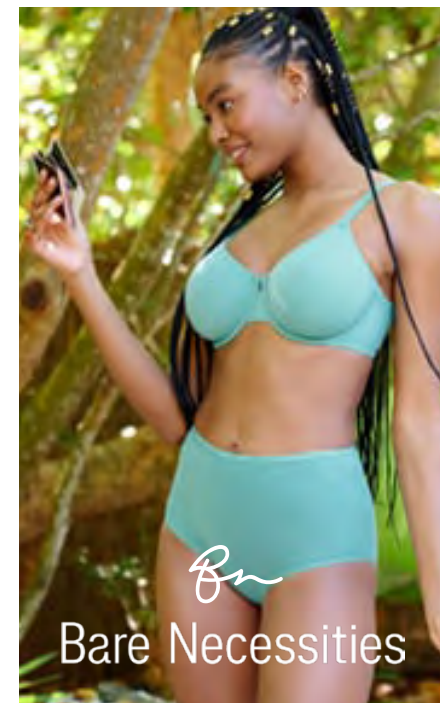
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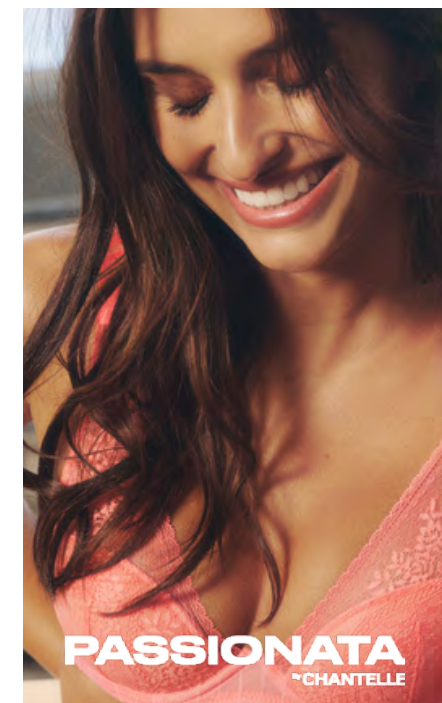
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Major licensed brands



POLO
RALPH LAUREN

LAUREN
RALPH LAUREN

TOMMY HILFIGER



Calvin Klein



ELLE



florence
by mills

Strategic Private Label Partnerships



VS&Co
VICTORIA'S SECRET & CO.

SKIMS



alo

Tommy John

MACK WELDON

SAVAGE X FENTY
LINGERIE BY RIHANNA

SPANX
BY SARA BLAKELY

VUORI

Wacoal

Calvin Klein

ATHLETA

THIRDLOVE

ADORE ME

M&S
EST. 1884

amazon

Walmart

TARGET

aerie





Our ESG Approach

“ As a member of the international community and a leader in our industry, we have an obligation to create positive change both globally and in the communities in which we operate. ”

Isaac Dabah
Delta Galil Chief Executive Officer

Our ESG Approach

During 2022, we conducted a dynamic materiality assessment based on our 2021 company-wide external stakeholder assessment survey, with the goal of addressing as many stakeholder expectations as possible. This was done according to the GRI Sustainability Reporting Standards, SASB reporting standards, analysis of reports provided by leading ESG ranking and rating agencies, and a review of media coverage of the apparel industry.

Based on this stakeholder assessment, we identified focus areas to reflect the importance of the different domains to Delta Galil’s ESG strategy. These strategic ESG topics are detailed in the following table:



Designing a Greener World

OUR ENVIRONMENTAL SUSTAINABILITY

- Sustainable materials and products
- Water and wastewater management
- Chemicals management in manufacturing and products



Designing an Inclusive World

OUR EMPLOYEES AND SURROUNDING COMMUNITIES

- Human rights and labor conditions
- Employee health and safety
- Diversity equity and inclusion (DEI)



Designing an Ethical World

OUR BUSINESS CONDUCT

- Ethical infrastructure (Corporate ethics and prevention of corruption)
- Responsible supply chain
- Innovation

We are preparing to conduct a double materiality assessment in alignment with CSRD and including relevant subsidiaries. In the meantime, this report is based on our most recent materiality analysis, which was updated in 2022. We will continue to use this framework until the new assessment is complete, which we intend to publish in our next report.

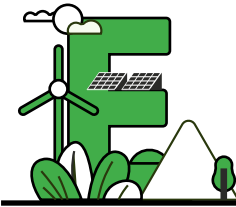
Our ESG Goals

At Delta Galil, we are dedicated to enhancing our positive impact across the company. We are developing a global ESG strategy that spans all our activities, brands, and people, while aiming to reduce our environmental footprint.

We value transparency and want to ensure that our products are sourced safely, sustainably, and ethically. With this, we are working toward greater material traceability throughout our supply chain. As we set new goals and measurable targets, we will keep our stakeholders informed of our progress.

We are currently updating our Circular Product and Materials targets as well as our Social targets as part of a broader, more robust goal-setting process. We've expanded our scope to reflect our global footprint, improved how we measure progress, and are also reassessing our social targets to ensure they align with our values and what is material to the business. Materials and circularity remain critical to reducing fashion's environmental footprint. Innovation and accountability drive us forward and we look forward to sharing our updated targets soon.

Our company supports [the UN Global Compact and Sustainable Development Goals](#), recognizing our responsibility to help drive positive change for society, the environment, and the global economy.



Our Environmental Goals

- **Move to Carbon Neutral**

Carbon neutral scope and timeline are in-progress. Foundational components of the work include:

- Renewable energy, energy efficiency, coal elimination
- Identify target year, impact areas & investments
- Commit to SBTi (Science Based Targets Initiative), measure baseline

- **Reduce Overall Water Intensity** (measured per unit for Tier 1-2 factories)

- **Zero Discharge of Hazardous Chemicals (ZDHC) and Wastewater Compliance**

- Conserve and recycle water in dyeing, washing and cooling
- Increase use of organic cotton and other sustainable materials
- Measure baseline across owned and Tier 1-2 sites and for all product life cycle
- Chemical monitoring and substitution of cleaner products

- **Zero Waste to Landfill**

- Reduce, reuse packaging and shipping materials, second life for finished goods programs
- Increase use of recycled materials
- Measure baseline across owned and operated sites and for full product lifecycle
- Develop purchasing preferred materials program. Train internal teams on materials selection

Our Environmental targets are outlined in the '[Designing a Greener World](#)' chapter. They are currently limited in scope but align with our global enterprise-wide goals. We will be revising them as part of our ESG target setting process and will report about the new targets in the future.



Our Social Goals

- **Promote healthy safe workplaces** (compliance with Human Rights Policies) - reduce the number of accidents to zero at Delta Galil's owned sites

- **Promote gender, ethnicity, physical ability and LGBTIAQ equity and inclusivity (DEI) practices**

- **Improve representation of women and ethnic minorities** in leadership (Director and above)

- **Community** Involvement / enhancement



Our Governance Goals

- **Create awareness** of key issues that affect the business for people and planet and vertical channels for decision making with formalized controls

- **Governance model aspects:**

- Legality
- Accountability
- Ethical
- Transparency
- Participation of decision makers

ESG Governance Structure and Oversight

Delta Galil's ESG governance framework is in a phase of active development, with oversight provided by a cross-functional Sustainability Committee comprising representatives from ESG, Legal, Operations, and Human Resources. The Vice President of ESG leads the Company's ESG strategy, sets targets, and oversees the implementation and ongoing management of related policies. In addition to the Sustainability Committee, a cross functional, management level Social Impact Committee has been formed. Both Committees will meet at least quarterly to ensure consistent progress and alignment across functions. Internal processes are being strengthened to further institutionalize ESG governance and reporting lines. ESG topics have begun to be reported to the Board of Directors. Day-to-day responsibility for material ESG topics lies with the ESG leadership team members.

Association Memberships and Industry Initiatives

As a leading fashion brand, we align with sustainability standards and participate in key associations that promote responsible business practices.



Formerly Sustainable Apparel Coalition (Cascale)

Delta Galil is a member of Cascale (formerly Sustainable Apparel Coalition, or SAC). Cascale is a global nonprofit alliance empowering collaboration across the consumer goods industry to Combat Climate Change and Support Decent Work for All.

Their data-driven approach is powered by the Higg Index Tools, accessed by 40,000 users worldwide, which helps scale focused initiatives that deliver measurable progress – including an industry-wide 45 percent reduction of greenhouse gas emissions by 2030.



Fair Labor Association (FLA)

The FLA is a non-profit organization comprised of companies, universities, and civil society organizations collaborating to improve worker conditions worldwide and ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being. We are proud to be pursuing Fair Labor Accreditation. This process would verify that our company has systems in place to improve conditions for manufacturing workers in our global supply chain, based on FLA's internationally recognized standards.



Formerly the Carbon Disclosure Project (CDP)

CDP is a global non-profit that operates an independent environmental disclosure system, helping companies measure and manage their environmental impacts. By responding to CDP's climate, forests, and water questionnaires, companies demonstrate transparency and accountability in their environmental performance, aligning with global sustainability expectations and contributing to better decision-making for a more sustainable future.

Delta Galil has been reporting on the CDP platform since 2009.



Social & Labor Convergence Program (SLCP)

The SLCP is a multi-stakeholder initiative committed to improving working conditions in global supply chains. SLCP has developed a tool called the Converged Assessment Framework (CAF), which determines compliance with national labor laws and international labor standards but applies no arbitrary scoring system, allowing stakeholders the freedom to analyze the data through their own lens.

Delta Galil is a signatory of SLCP, making a public commitment to SLCP its mission and vision, and to actively implement SLCP practices in our own supply chain.



American Apparel and Footwear Association (AAFA)

AAFA is a collaborative organization forum which promotes best practices and industry innovation. AAFA delivers a unified voice on key legislative and regulatory issues. It stands at the forefront for positive change in the apparel and footwear industry. Delta Galil is a member of the AAFA, and Delta's ESG team sits on multiple committees within the AAFA addressing key topics, such as social responsibility and environmental action.



Customs and Trade Partnership Against Terrorism (CTPAT)

Delta Galil is a member of the Customs Trade Partnership Against Terrorism (CTPAT), which is a layer of the United States Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve US border security. CTPAT is a voluntary public-private sector partnership program that recognizes CBP can provide the highest level of cargo security only through close cooperation with the principal stakeholders of the international supply chain. These stakeholders include importers, carriers, consolidators, licensed customs brokers, and manufacturers. The Security and Accountability for Every Port Act of 2006 provided a statutory framework for the CTPAT program and imposed strict program oversight requirements.



Ministry of Environmental Protection's Voluntary National GHG Registry (GHG Registry)

In an effort to demonstrate our commitment to minimizing environmental impacts, Delta Galil joined Israel's MEP voluntary registry for reporting GHG emissions in 2010. Through this initiative, participating companies provide annual reports on their GHG emissions.



Manufacturers Association of Israel (MAI)

Delta Galil is a member of the Manufacturers Association of Israel, an organization that promotes economic independence and security. It influences decision-making at the macro-economic level, including labor and foreign trade, and it deals with proposed Parliamentary legislation, as well as the execution of laws.



Maala – Business for Social Responsibility (Maala Israel)

Delta Galil is proud to be an early member and continued supporter of Maala, Israel's leading non-profit organization for corporate responsibility, established in 1998. Delta Galil has participated in the ESG rating system since 2006. The organization also provides updated professional information and a network of local and international socially responsible companies. Each year, we participate in the Maala Index for Social Responsibility and have maintained "Platinum" status for the past few years.



Engaging with Our Stakeholders

Transparent, open, and continuous dialogue with our stakeholders is essential to understanding our areas of impact and supporting Delta Galil's ongoing growth. We allocate significant resources to meaningful communication and engagement with various groups to meet their requirements and expectations, providing accurate solutions where needed. We have identified nine key stakeholder groups that are crucial to our business and ESG impact:

We communicate with our stakeholders in a number of different ways. Please refer to our previous ESG report for a list of the dialogue channels and frequencies of stakeholder communication.

Delta Galil's website provides rich content that offers transparency into our business practices and the corporate culture that drives our success. Our [Corporate Social Responsibility \(CSR\) webpage](#) highlights our efforts in the field, while our owned brands' social media channels, including [LinkedIn](#), [Instagram](#) and [Facebook](#) offer regular updates and opportunities for stakeholder engagement. These platforms provide easy access to relevant information, such as news, updates, and features on our community programs and environmental initiatives, fostering interaction and involvement. Visit us at <http://deltagalil.com> for more.



ESG Highlights

Transparent Sustainability



This is our **10th** report reflecting our progress since 2007



We have been participating in leading ESG ratings for about **20 years**

Environmental Stewardship²



Renewable energy usage increased to **18.6%** in 2024



Water withdrawal intensity in m³/tonne product decreased by **12%** compared to 2019 base year



During 2024, no significant fines or non-monetary sanctions were received for non-compliance with environmental laws

Gender Equity and Diversity



76% of our work force are women

63% of our supervisors and

56% of our managers are women

30% of top senior management roles are held by women



22% of our Board of Directors are women

Innovation at Heart



~3% of revenue invested annually in R&D



3 R&D centers



29 Registered and pending patents



13 Trademarks

Community Resilience Support



\$1.3 Million

Invested in communities and donations to educational institutions, culture and welfare organizations

Upholding Ethical Conduct

No reported ethical violations that resulted in a lawsuit or fine

No reported incidents of health and safety impacts of products

No reported breaches of customer information



² See details about the scope of data coverage in the "Designing a Greener World" chapter.



Designing an Innovative World

Innovation at Delta Galil

50

years of on-trend innovative solutions

29

Registered and pending patents and 13 trademarks

7

centers of excellence

5

new patents registered in 2024

~3%

of revenue invested annually in R&D

350

highly qualified R&D and design professionals among our associates across the world

3

R&D centers

Our philosophy

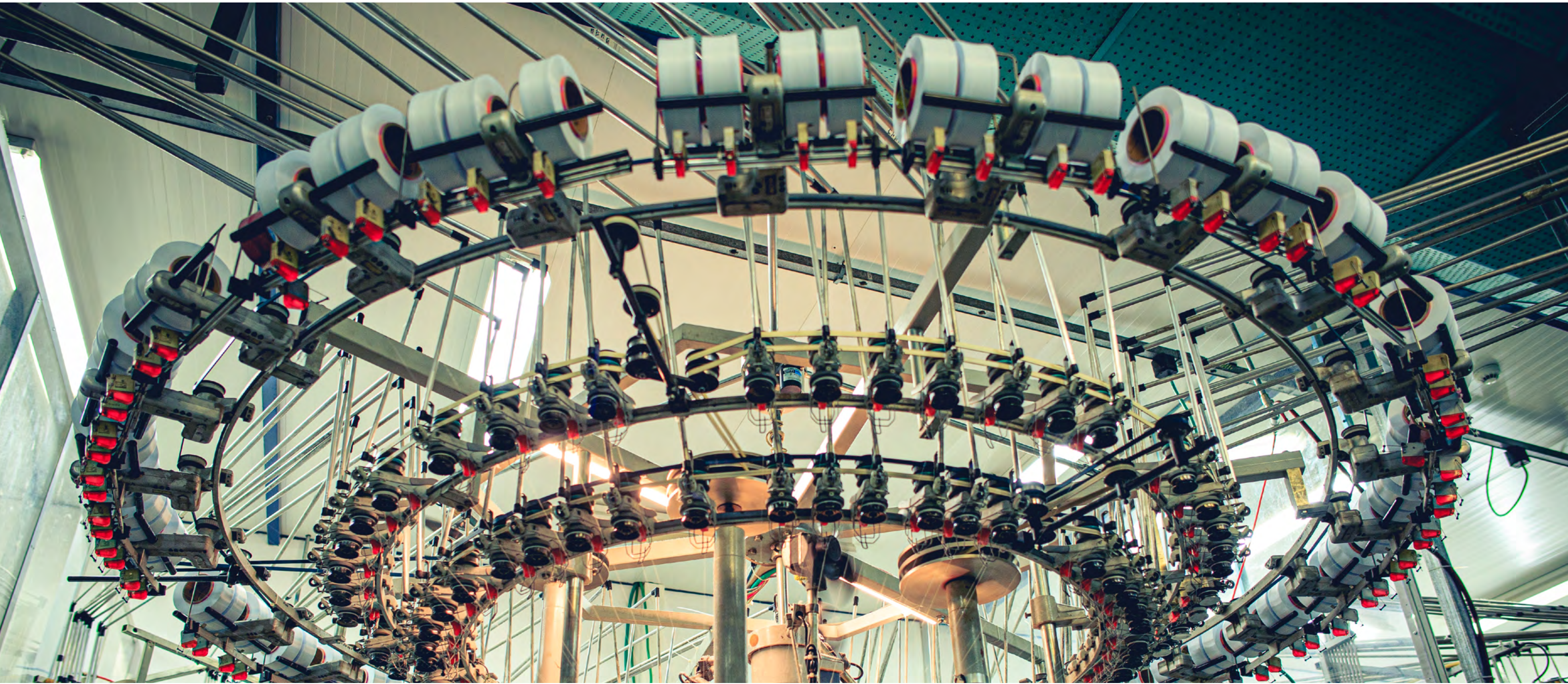
Body Before Fabric™

Our key strength

lies in developing
innovative fabrics

We are committed

to functional solutions
through technological
innovation, providing
comfort and on-trend
design



Delta Galil uses cutting-edge technologies to deliver high-quality, comfortable, sustainable apparel. For nearly 50 years, our Body Before Fabric™ philosophy has guided us in blending innovation, comfort, aesthetics, sustainability, and quality—positioning us as a global leader in intimates and activewear. With 12 owned brands and strategic partnerships, we operate worldwide, powered by strong leadership, agility, and a deep understanding of the fashion industry.

Total of 29 Active Patents & 13 Trademarks

In 2024, we submitted 5 new patents for registration:

Smart Wire | Breasts Separator | Chest Binder | The Underbelly Slimmer | Cooling T-Shirt

Trademarks



Registered & Pending Patents

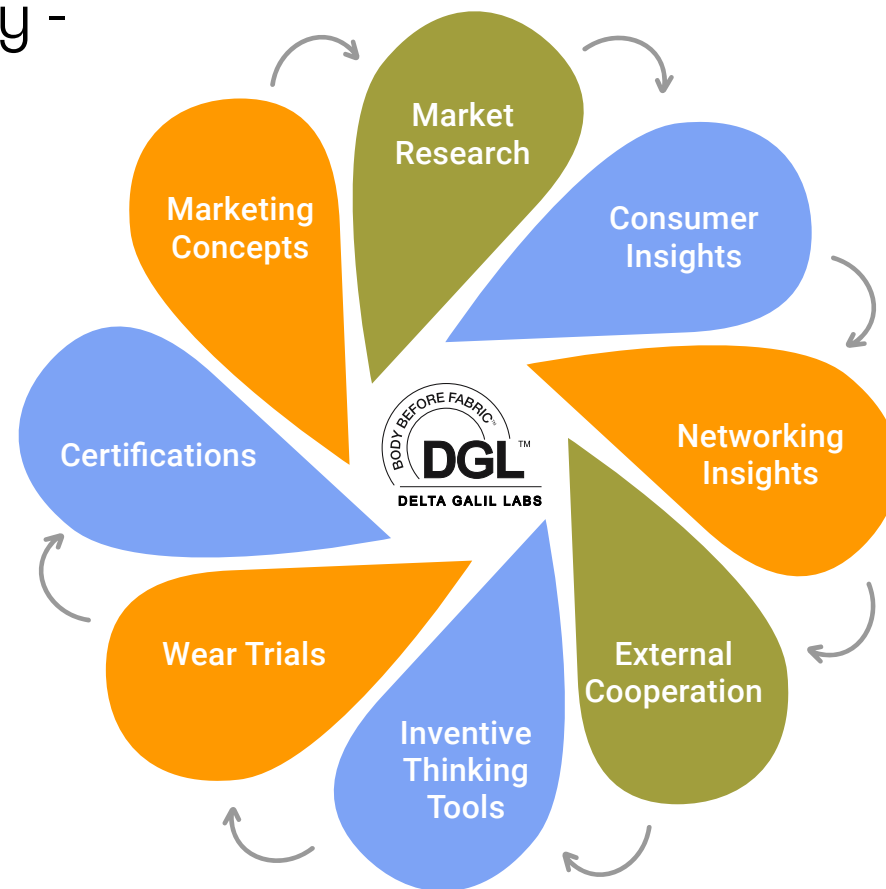


Celebrating Creativity, Open-mindedness and Playfulness

Innovation drives our business strategy and is a core value at Delta Galil. We foster a culture that embraces creative thinking and breakthrough solutions, encouraging all employees to contribute with new ideas. Innovation plays a central role in recruitment, performance evaluation, and recognition across our organization. In a highly competitive global apparel market, our commitment to innovation sets us apart - positioning us not only as brand owners but also as a trusted, strategic supplier to other leading fashion companies.

Our Business Philosophy - Body Before Fabric™

Body Before Fabric™ is our company philosophy and a guides the pursuit of Delta Galil Labs (DGL), empowering our commitment to designing apparel that responds to the body's needs and the demands of customers' lifestyles. By studying human physiology and how textiles interact with the body, we create versatile, stylish, and comfortable garments that support all-day wear across all activities, including relaxation. This approach drives our innovation, helping us develop high-quality apparel while aligning our products with our social and environmental values. To implement this philosophy, we use the Systematic Innovation Process (SIP), an interdisciplinary approach that combines design, marketing, development, and technology. Through this collaboration, we drive fresh perspectives that result in products that meet and even exceed our customers' needs.



Investing in Commercial and Breakthrough Innovation

Delta Galil introduces cutting-edge technologies across design, development, and manufacturing. Through three global R&D centers, a team of 350 specialists, and partnerships with leading universities and startups, the company develops proprietary, sustainable solutions and holds a strong intellectual property portfolio to continually deliver value to its customers.

Driving Sustainable Innovation

Delta Galil's Innovation Team continually seeks to develop manufacturing processes and fabrics that use sustainable raw materials and that reduce water consumption, chemical and material waste, and have a lower carbon footprint. Examples of our sustainability-driven innovations can be seen in the case studies below as well as the [RE&UP](#) case in the "Designing a Greener World" chapter.



Case Study

Parametric Design – Advancing Sustainable Product Creation



Delta Galil is proud to introduce **Parametric Design** - the latest in a series of innovative in-house developments that harness the power of **computational design** to optimize and elevate the product creation process. These digital tools enable designers to create, analyze, and refine complex designs with greater efficiency and precision, while significantly reducing environmental impact of the design process.

This **Computational Coloring App** allows for the creation of **multicolor and ease-dye effects**, offering endless possibilities in design while saving inputs of traditional design. Additional features, such as **print-like** and **wash effects**, enable designers to explore unique structures **and patterns** without resorting to traditional, resource-intensive processes.

To date, Delta Galil has developed over **15 computational design apps**, including tools for **tie-dye, 2D to 3D conversion**, and the color selection application **Pointillism**, with more tools set to be released. These innovations **reduce development phases, water consumption, the use of chemicals**, and the need for physical samples, cutting down on labor hours.

By embracing **Parametric Design**, Delta Galil is taking significant strides toward **sustainability**, offering a more eco-efficient, resource-conscious approach to digital product creation.



Over 15

apps developed: Selection Tool, Tie-Dye App, 2D to 3D App, Pointillism

+2 more

coming up

A Leader in Seamless Manufacturing

Delta Galil is one of the world's largest manufacturers of seamless garments, ranging from premium sports bras to shapewear, leggings, activewear tops, and underwear. A single machine can directly convert yarn into a nearly completed final product, making it possible to manufacture lightweight, form-fitting, and durable garments with a variety of textures, effects and patterns, all while generating minimal waste.

For example, the patent-pending Zero Stretch is a smart knitting technique that provides controlled stretch zones and support with both width and length expansion, transforming fabrics from rigid to flexible and allowing both shiny and matte finishes.

Collaborating with Start-Ups and Open Innovation

Delta Galil is a key innovation hub for startups in the sustainable fashion space. We collaborate with early-stage companies on solutions that have the potential to reduce our environmental impact. For example, last year Delta Galil collaborated with Algaeing™ to create the first-ever Organic Basics Algae Life collection, which used fabrics dyed with toxin-free algae-based color. Following this successful application, we used Algaeing dyes for our sock production, replacing conventional synthetic dyes. This innovation enables us to deliver high-quality, cleaner products while reducing water consumption, chemical usage, and environmental pollution. We plan to continue expanding the applications of this technology. Following the successful extension of color and option ranges for nylon and polyester, we are now focusing on **dedicated developments for cotton** - a material in high demand.

Case Study

SEACELL

SEACELL™ - Enriched Cellulose Fiber with Seaweed from SMARTFIBER AG

Delta Galil has introduced SEACELL™ by SMARTFIBER AG, a manmade **cellulosic compostable** seaweed-derived fiber, delivering bio-mass renewable material innovation at scale.

This high-performance cellulose fiber enhances the overall material characteristics of our finished products and contributes to the fabric's unique softness and comfort.

It is an excellent foundation for essential and performance garments in direct contact with the skin; including sleepwear, loungewear, activewear, undergarments, and shapewear.

While our finished garments are currently not in themselves biodegradable*, we feel that extending the use of the SEACELL™ fiber is a positive step towards circular fashion models. Utilizing SEACELL™ provides Delta Galil a unique path to meet the growing demand for high-quality, affordable garments, reaching a broader market adoption without compromising on quality or functionality.

With a promising mutual interest for collaboration between Delta Galil and SMARTFIBER AG, we hope to integrate further material advancements within the SMARTFIBER AG ecosystem addressing ethical and circular innovation.



Features



Gentle to the skin



Skin protection



High wearing comfort



Renewable raw materials



Sustainable production



Biodegradable

* The fiber is biodegradable on its own, before being combined with other materials in the garment.

Case Study

Collaborating for Innovation: Real Lasting Freshness and TextiMag Technology

Delta Galil has partnered with ICL Dead Sea Magnesium to develop RLF Real Lasting Freshness based on ICL TextiMag, a solution that utilizes the natural power of Dead Sea magnesium for the mitigation of odors in clothing caused by perspiration. This unique "Mineral Lock" technology offers an alternative to traditional odor-control methods.



REALASTING™ FRESHNESS

Lasting Freshness
Reduces odors during your daily activities

From The Lowest Point on Earth
To The Highest Point of Freshness

An innovative partnership with ICL **ICL**

ANTI ODOR | NATURAL | REALASTING™ FRESHNESS



Looking Forward

- Delta Galil is advancing Science-Driven Design with the development of a new tool that utilizes 4D scanning technology to create 3D body forms in motion. This technology allows us to design garments that offer improved comfort, fit, and performance by capturing real-time motion data, ensuring a more precise and dynamic understanding of how clothing interacts with the human body. With this cutting-edge tool, Delta Galil is pioneering the future of apparel, combining technology and sustainability to deliver clothing tailored to the needs of the modern consumer.
- We will continue to pursue important technological advancements and expand the use cases for our solutions, building on the knowledge and expertise we have cultivated over the years.



Environment

Designing a Greener World

Highlights 2024

Renewable energy usage increased to

18.6%

in 2024

Water withdrawal intensity in m³/tonne product decreased by

12%

compared to 2019 base year

During 2024, no significant fines or non-monetary sanctions were received for non-compliance with environmental laws

Designing a Greener World

At Delta Galil, we recognize the advantages of sustainable development alongside the business opportunities that innovation with environmental benefits in mind can offer. On the other hand, our industry contributes to ecological issues; notably it is a major consumer of energy and contributor to GHG emissions. We are continually advancing our approach towards addressing environmental issues.

Our environmental impacts mainly stem from the raw materials we source, the chemicals we use, the water we consume and wastewater we release during the manufacturing process, energy consumption and greenhouse gas emissions, and waste generated by our activities.

We comply with all environmental laws and regulations. **During 2024, no significant fines or non-monetary sanctions were received for non-compliance with environmental laws.**

We also work on developing more sustainable products with positive environmental and health attributes and on integrating circular principles into our R&D, offering customers a diverse selection of products that are durable, comfortable, high quality, and mindful of sustainable performance.

We track environmental metrics of our operations. Currently, we collect information on an annual basis from all of our owned production facilities, as well as selected offices and distribution centers. We present key data in the following sections. We are currently in the process of adding all other operations into the data-gathering process to provide a more complete picture of our environmental performance.

We have set environmental targets for 2025, including energy consumption, renewable energy use, water use, and waste production. In 2026, we plan to report on our performance for this cycle of targets. During the next year, we will work toward setting a science-based target.

Our Environmental Goals

- **Move to Carbon Neutral**

Carbon neutral scope and timeline are in-progress. Foundational components of the work include:

- Renewable energy, energy efficiency, coal elimination
- Identify target year, impact areas & investments
- Commit to SBTi (Science Based Targets Initiative), measure baseline

- **Reduce Overall Water Intensity**

(measured per unit for Tier 1-2 factories)

- **Zero Discharge of Hazardous Chemicals (ZDHC) and Wastewater Compliance**

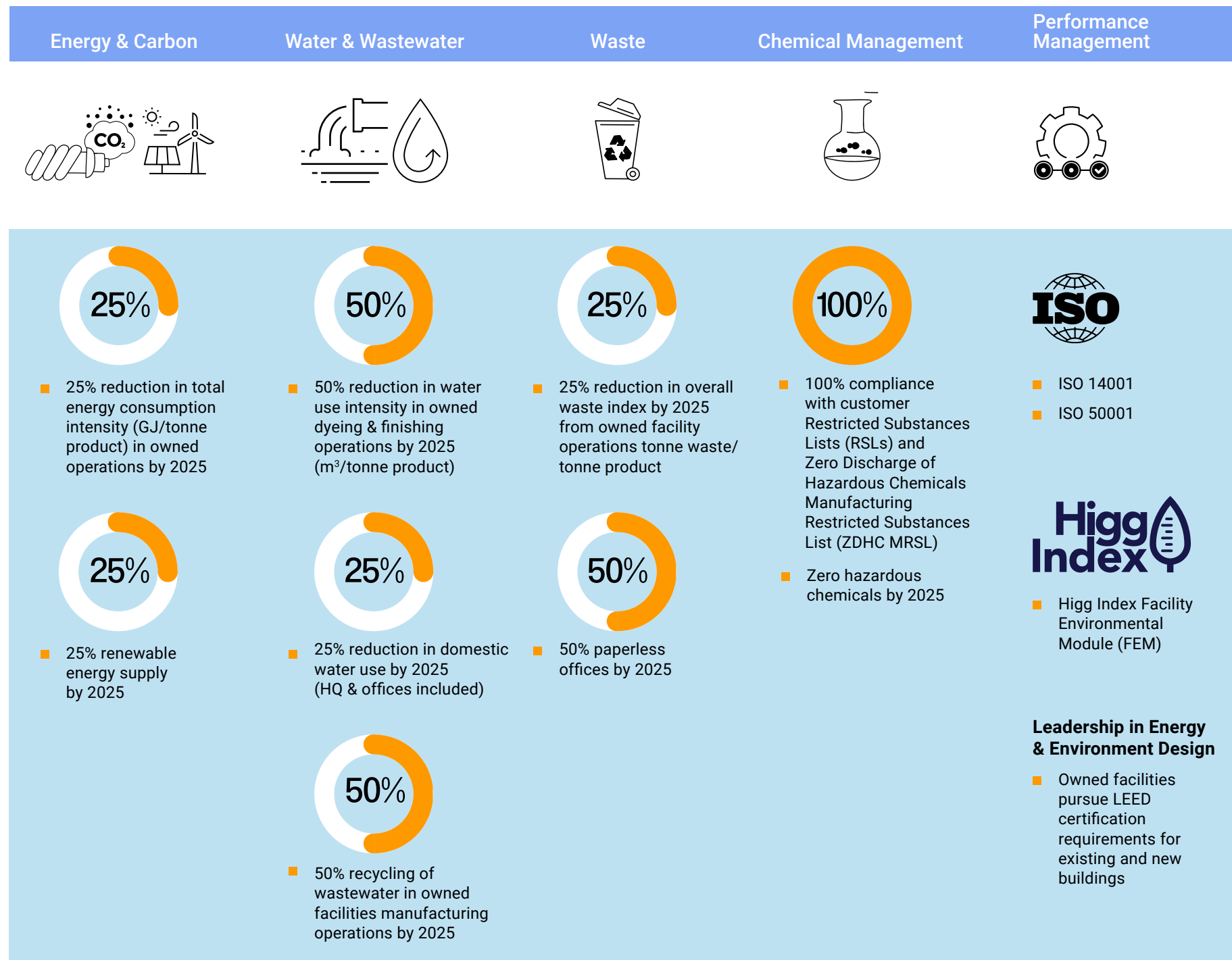
- Conserve and recycle water in dyeing, washing and cooling
- Increase use of organic cotton and other sustainable materials
- Measure baseline across owned and Tier 1-2 sites and for all product life cycle
- Chemical monitoring and substitution of cleaner products

- **Zero Waste to Landfill**

- Reduce, reuse packaging and shipping materials, second life for finished goods programs
- Increase use of recycled materials
- Measure baseline across owned and operated sites and for full product lifecycle
- Develop purchasing preferred materials program. Train internal teams on materials selection



Our Environmental Sustainability Targets for Delta Galil's Owned Facilities 2020-2025



These targets are set for base year 2019. In addition to owned production facilities, they also cover several offices and distribution centers³.

³ Data exclusions and corrections for the environmental chapter are as follows: 1. Active facilities which were acquired in 2019 or later and for which no reliable data for that year is available have been excluded from the intensity calculations but are included in absolute figures found elsewhere in this chapter: B&D Lingerie Vietnam, Brunet Thailand and B&B Kaiping China. 2. Facilities which have been divested or closed since 2019 have also been excluded from the intensity calculations but are included in absolute figures. 3. Some data errors have been corrected.

Highlights

One of the cornerstones of our sustainability efforts is the adoption of ISO 14001 Environmental Management System standard principles in our operations. These principles enable us to standardize the tracking and management of environmental topics at our facilities regardless of where they are located, and we continue to progress towards the goal of having all our owned facilities ISO 14001 certified. We have also established five-year environmental sustainability targets on the topics of energy, water and waste.

In 2024, we made meaningful strides toward our environmental targets. We are proud to report improvements in water use intensity and renewable energy supply, clearly showing that our commitment

to sustainable operations is paying off. At the same time, we recognize that energy consumption and waste production intensities didn't move in the right direction. These challenges highlight where we will double down to achieve a stronger impact moving forward.

We also advanced our ISO 14001 Environmental Management System certification efforts, expanding from 2 certified sites in 2019 to 12 in 2024, with plans to reach full certification across all owned production facilities by 2025.

The table below provides a transparent view of our performance against key environmental metrics, highlighting achievements and identifying opportunities where we must push harder:

The table below highlights our environmental performance as reflected by our environmental metrics:

Target	2024 performance compared to base year 2019	% of target achieved (base year 2019)	Status
25% reduction in energy consumption intensity (GJ/tonne product)	-11%	43%	Partly achieved
25% renewable energy supply	+124%	62%	Partly achieved
50% reduction in water use intensity (m ³ /tonne product)	-12%	25%	Partly achieved
25% reduction in waste production intensity (tonne waste/tonne product)	+53%	Not achieved	Not underway
ISO 14001 EMS Certification of all owned production facilities ⁴	from 2 sites certified in 2019 to 12 sites certified in 2024	To achieve 17 sites certified by 2025, 5 sites remain	Underway

Environmental Management Approach

We employ a variety of measures to advance environmental protection at our owned facilities, including:

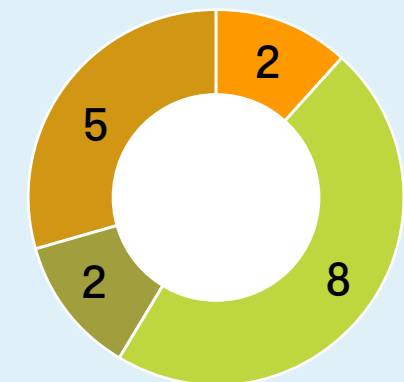
- Integrating the Higg Facility Environmental Module (FEM) into our fully owned facilities and strategic sourcing partners -- for measuring their environmental sustainability performance. All our fully/partially owned sites undergo external verification of their Higg reporting.
- Continuous improvement of chemical management -- manufacturing restricted substances for owned facilities are checked within the framework of ZDHC MRSL guidelines and customer standards. Upholding REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) requirements.
- Integrating a data management platform – for better monitoring and control of environmental metrics.
- Many of our facilities use recycled, organic or otherwise responsibly sourced materials.
- Every associate in our owned facilities receives annual training on environmental issues such as waste, water, wastewater, pollution and emissions.

The local compliance teams are responsible for labor and environmental matters at each of our owned production sites. They create work plans and targets that align with global and local standards. The local teams are in contact with managers at the plants and at headquarters, and they help to raise awareness and implement needed social and environmental measures and environmental management system requirements.

We are progressing towards our target of having all owned Delta Galil production sites ISO 14001 Environment Management System (EMS) Certified in 2025⁴. During 2024, our facilities in the Czech Republic were certified, bringing us to closer to our target with 12 certificates to date out of 17, from a starting point of 2 certificates in 2019. In addition, our Delta Turkey and Delta Galil Vietnam sites are ISO 50001 EMS certified.

Number of ISO 14001 Certificates for Delta Galil Owned Production Sites

- Certified in 2019
- Certified during 2020-2023
- Certified during 2024
- Remaining



⁴ Excluding the Karmiel site in Israel, which is mainly an R&D operation.

The Higg Index and Delta Galil's implementation of the Higg FEM

The Higg Index is the leading value chain environmental and social impact measurement methodology and suite of tools developed and owned by global nonprofit alliance Cascale. It consists of various tools, including the Higg FEM, which assesses environmental performance of manufacturing facilities across various aspects, including water and chemical use, carbon emissions, and waste.

The assessment helps to identify strengths and uncover areas for improvement. All of our main owned production sites use the Higg FEM to evaluate their annual environmental performance. These assessments are verified by third parties. During 2024, B&B Kaiping joined Higg FEM and completed the verification process.

During January 2024, Higg FEM responsible team members from the sites attended a Higg FEM 4.0 training organized by a third party. The purpose of the training was to understand the Higg FEM 4.0 framework and be ready to complete the self-assessment and verifications.

We are committed to increasing the implementation of the Higg FEM throughout our extended supply chain and expanding the adoption of this tool. In 2024, 123 of our Tier 1 suppliers globally completed a verified Higg FEM and 108 of our Tier 2 suppliers completed a verified Higg FEM assessment.



Energy Use and GHG Emissions

In 2024, we launched our climate plan, emphasizing the development of a comprehensive greenhouse gas (GHG) inventory, the establishment of new environmental targets, and the introduction of the Task Force on Climate-related Financial Disclosures (TCFD) framework. These initiatives are progressing through 2025.

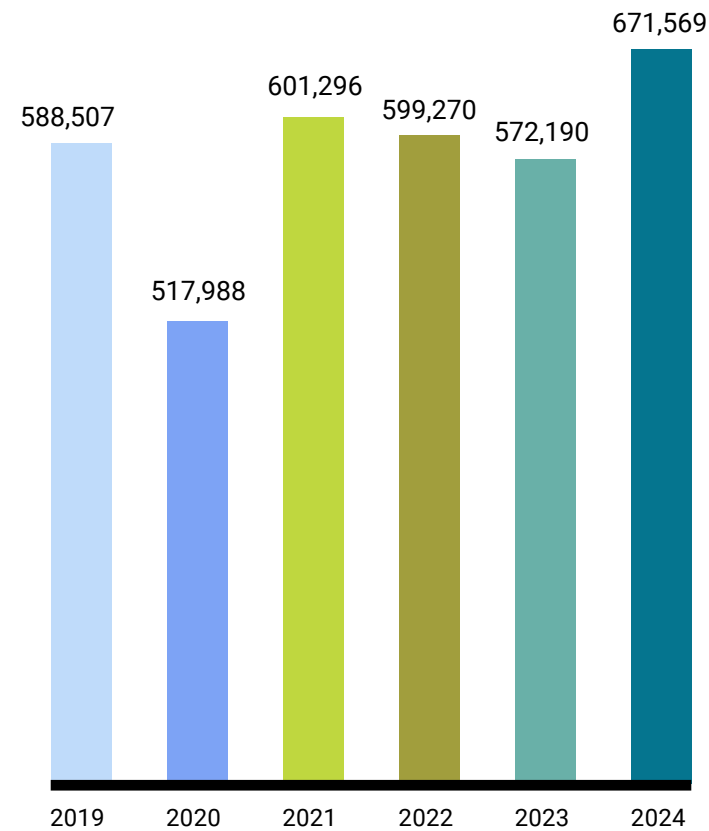
Delta Galil's Scope 1 and 2 greenhouse gas emissions are comprised of emissions from fuel combustion for manufacturing, transportation and electricity.

Our total energy consumption has increased considerably from 572,190 GJ in 2023 to 671,569 GJ in 2024. This is in large part due to extended production activities at our Egypt and Vietnam

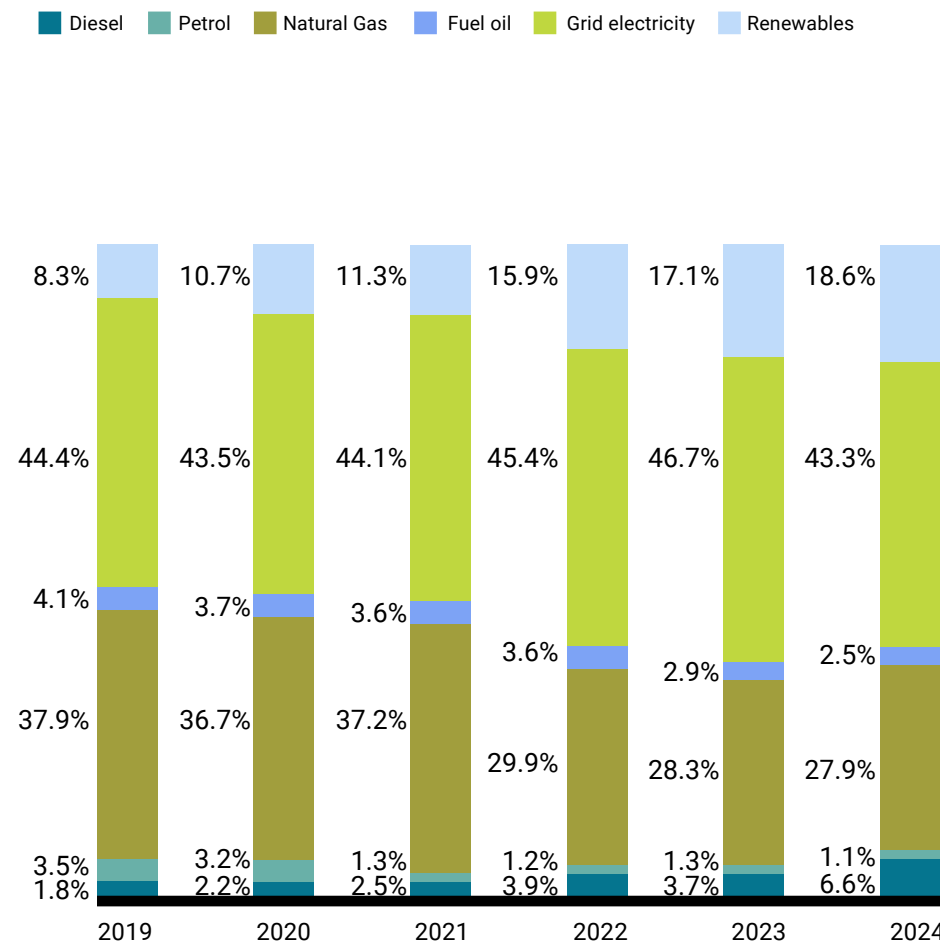
facilities and includes the energy demands of our B&B Kaiping, China facility (added to the accounting in 2024). The charts in this section show how our annual energy consumption and energy breakdown⁵ have changed over the past years. Energy consumption intensity in GJ per tonne product decreased from 41.27 in 2019 to 36.80 in 2024 (-11%).

The percentage reduction is lower than the figures reported for 2023 (-12%) due to changes in calculation methodology that were implemented this year.⁶ We will continue our efforts to reach further reductions in our energy intensity.

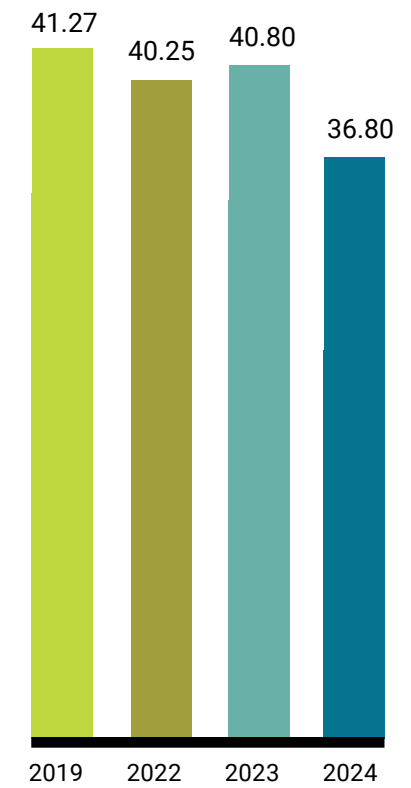
Annual Energy Consumption (GJ)



Breakdown of Energy Consumption by Energy Source



Annual Energy Consumption Intensity (GJ/Tonne Product)



⁵ Including all measured activities as explained above. Absolute and intensity figures calculated with the same exclusions as for KPIs, see [here](#).

⁶ Base year and past year data have been re-calculated for this report and certain facilities have been excluded from the data set; see [here](#). Tonne product for 2023 has been recalculated for Delta Galil Vietnam.

Scope 1 and 2 GHG Emissions

Our total scope 1 and 2 greenhouse gas emissions were 64,881 tonnes CO₂e in 2024, a significant increase from 52,699 tonnes CO₂e during 2023⁷. The increase is mainly due to the addition of the wastewater treatment plant in Vietnam to the scope 1 calculation; from the increased use of diesel for

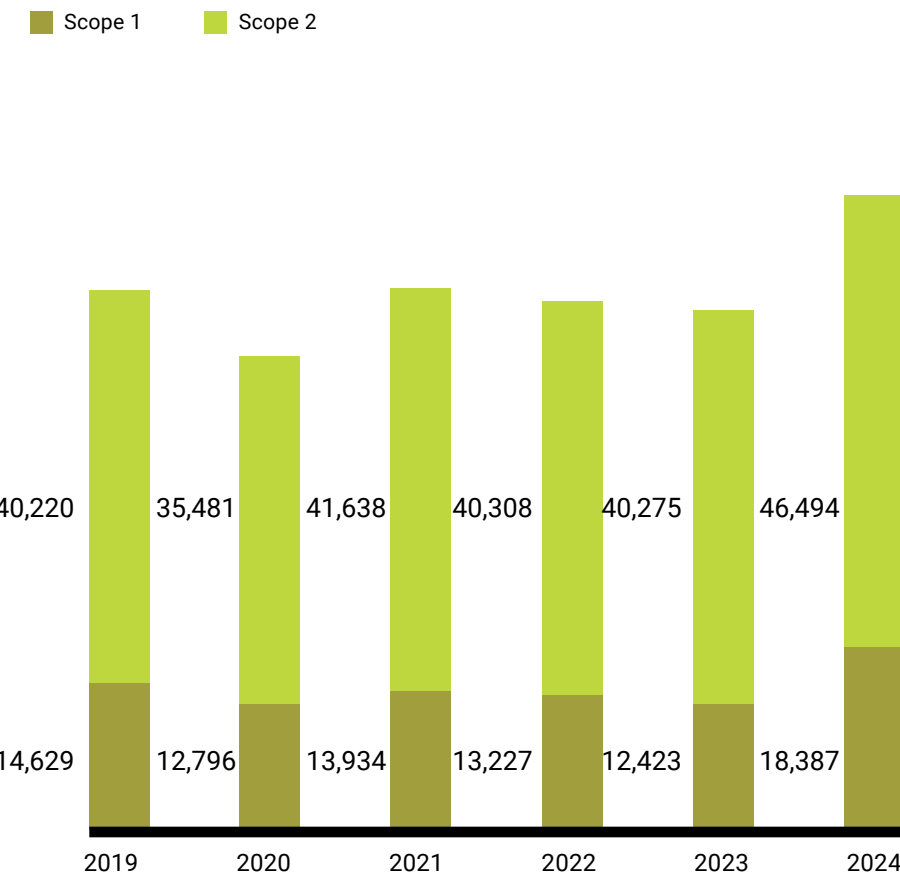
electricity generation in Egypt and Myanmar; and from increased production in Khanka City, Egypt and in Delta Galil Vietnam. It also includes the GHG emissions from our B&B Kaiping, China facility (added to the accounting in 2024). Scope 2 makes up 72% of the scope 1 and 2 emissions.

Our scope 1 + 2 GHG emission intensity in tonnes CO₂e per tonne product was reduced from 3.84 in 2019 to 3.44 in 2024 (-10%) as indicated in the chart.⁸ The percentage reduction is lower than the figures reported for 2023 (-14%) due to changes in calculation

methodology that were implemented this year. The following charts show how the emission intensity changed from 2019 to 2024⁹, and emission division between sites.

Annual Scope 1 and 2 GHG Emissions

(Tonne CO₂e)

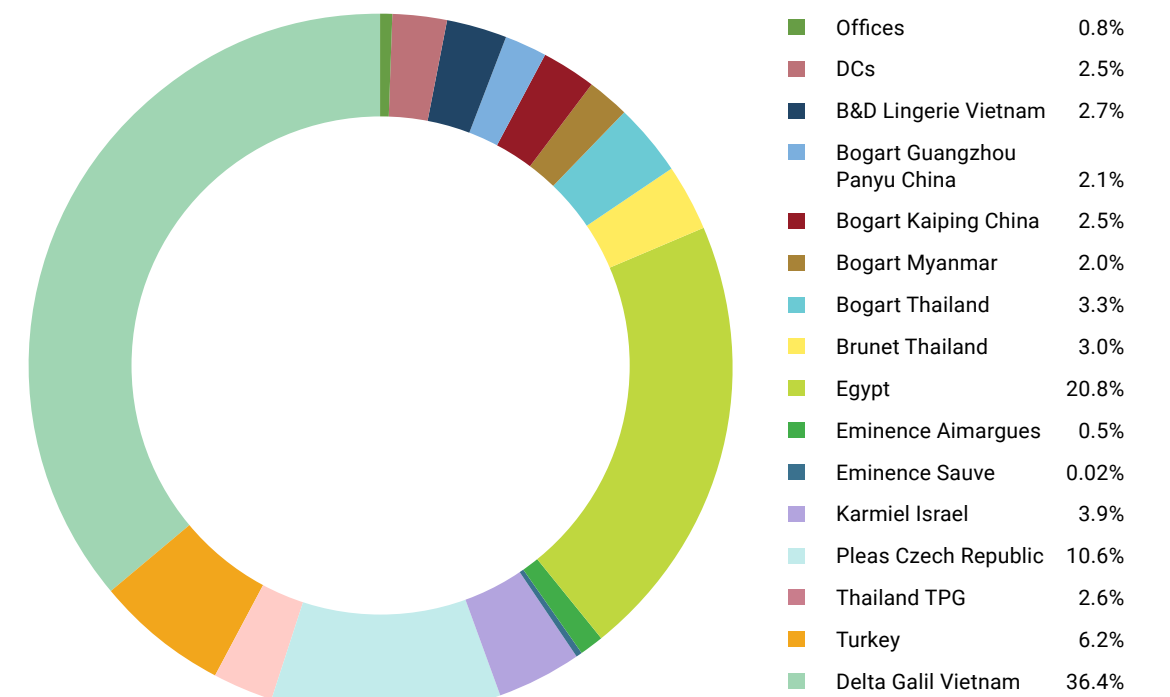


Annual Scope 1 and 2 GHG Emissions Intensity

(Tonne CO₂e / Tonne Product)



2024 Scope 1 and 2 GHG Emissions by Site



⁷ The value for 2023 was recalculated with the main change stemming from updated electricity emission factors for Vietnam and China.

⁸ See footnote in the section "Environmental Sustainability Targets for Delta Galil's Owned Sites 2020-2025" for discussion of re-calculation of base year and exclusions from the calculation.

⁹ Base year and past year data have been re-calculated for this report and certain facilities have been excluded from the data set; see [here](#). Tonne product for 2023 has been recalculated for Delta Galil Vietnam. Brunet Thailand is excluded from 2019 calculation.

We are always seeking to reduce energy consumption, use better fuels and improve equipment. Since 2009, we have been reporting on our impacts on climate change to the CDP supply chain initiative. In 2024, we began expansion of critical measurement areas to enable Delta Galil to set a well-thought-through science-based target in the future. Examples of our activities to save energy and produce renewable energy are provided in the following paragraphs.

During 2024:

- Our Czech Republic site purchased an energy and sustainability management platform to enable 24/7 tracking of energy consumption, generating real-time data that can reveal shortcomings and opportunities. We plan to deploy the platform by the end of 2025.
- Delta Galil Vietnam installed an improved steam piping insulation, took measures to control and track leakage and waste of compressed air, improved the chiller energy efficiency through modifications to the air HVAC system, and optimized the vacuum pressure setpoint for suction fans.
- Bogart Lingerie (Guangzhou) has completed the replacement of all sewing machine motors with servo motors, as well as upgrading to new and more efficient cooking equipment for the factory canteen.
- Our factory in Turkey has moved to new premises. In this new location, the old steam generator was replaced with a new high-efficiency one. Compressors were replaced with more efficient units, and we improved the monitoring of steam leaks.
- Delta Galil Vietnam joined the Carbon Leadership Program at the invitation of VS&Co., a partnership between RESET Carbon and the Apparel Impact Institute, to assess carbon and water reduction opportunities and establish concrete action plans and reduction targets to reduce climate-change impacts.

We continue to search for the best renewable energy source option for each site and develop projects. At our factory in Pleas in the Czech Republic, a photovoltaic system with a capacity of approximately 1000 kWp was installed on the roof of the production center and underwent test runs at the end of 2024. This system joins existing solar-power generating systems at our sites in Germany, France, and Vietnam. During 2024, Eminence signed a power purchase contract to provide 25% renewable electricity to four of its sites in France until the end of 2025.

Case Study

Organic Basics

Organic Basics Environmental Impact Assessment and GHG Emission Management

In 2024, Organic Basics extended its cooperation with **Made2Flow** to assess the environmental impact of its products and make those impacts visible to customers. Made2Flow is an innovative company that provides a sector-specific traceability and impact measurement tool for the textile industry. This tool enables brands to measure the environmental impact of their products with Life Cycle Assessment (LCA) methods.

Following a successful pilot project in 2023, the scope of the LCAs was extended in 2024. While in 2023 the scope was limited to gate-to-site data (up to the product arriving at the company warehouses), in 2024 it covered cradle-to-grave emissions, meaning the full lifecycle of the product was calculated from raw material to the end of its life.

The LCA data fed into a carbon calculation and offset, which was done for Organic Basics by the not-for-profit company **One Carbon World**. The product LCA data was applied to sales data for 2024. Of the calculated emissions, Scope 1, 2 and partial Scope 3 emissions were offset via the 'La Pitanga Afforestation' forest conservation project - a Verified Emission Reductions (VERs) project, in Uruguay.

In 2024 Organic Basics reduced its transport emissions per product by 65%, from gate-to-site. This was achieved by shipping 79% of products by land and sea to the brand's warehouses in Denmark and Mexico. The brand achieved its goal of reducing transport emissions per product by 50% in 2024.

Read more in the [Organic Basics 2024 Impact report](#)

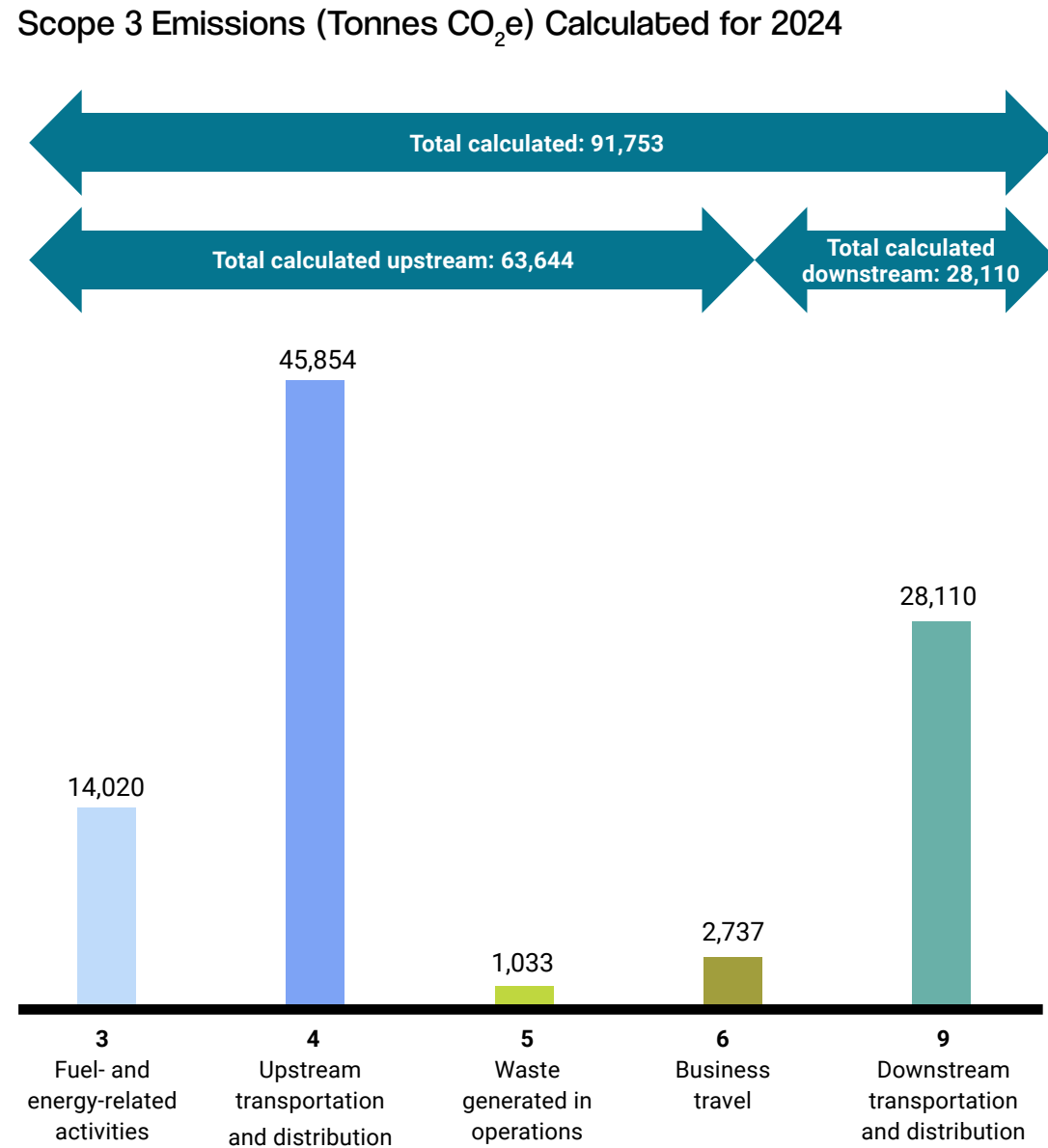
The average impact of our clothes produced in 2024 was 3.48 kg CO₂eq from cradle-to-site.

3.48 kg CO₂e equals 10.9 l of bottled water or 16 km in a car.



Scope 3 Emissions

As part of our climate plan, we intend to complete a mapping of the Delta Galil Group's Scope 3 emissions and to include them in our reduction targets. We report our annual Scope 3 emissions for categories **4** (upstream transportation and distribution), **6** (business travel), **9** (downstream transportation and distribution), **3** (fuel- and energy-related activities) and **5** (waste generated in operations). We are working on adding the rest of the relevant categories and aligning our organizational boundary with the requirements of the GHG Protocol. The following chart shows our calculated Scope 3 emissions for 2024.



Refrigerant Use

Our sites utilize a number of refrigerant gases, such as R-22, R407c and R410A, only in air conditioning systems. They cause emissions that originate from the periodic maintenance of air-conditioning units that still use these types of refrigerant gas. These gases have an effect on ozone depletion and global

warming. R-22 is an Ozone Depleting Substance (ODS). Owned production facilities are following local legal requirements and industry guidelines like the ZDHC air emissions position paper as well as Higg FEM air quality requirements, level 1. According to that, they are tracking the use of refrigerant gases.



Responsible Use of Materials and Circular Economy Solutions

Using sustainable materials and promoting a circular economy continue to be pillars of our environmental activity. Our products are produced from a variety of materials and accessories, but the main raw materials we use include synthetics, such as polyester, nylon, or elastane; natural materials, such as cotton and wool; and cellulosic materials, such as lyocell and modal. In addition to the raw materials used in garment manufacturing, we rely on a variety of packaging materials, primarily paper and plastic. Looking ahead to 2025, we are undertaking a review to establish more robust measurement of our packaging material use and to identify initiatives that will support a transition toward more sustainable packaging solutions.



In accordance with circular principles, we work hard to produce well made, long-lasting products and to increase the use of preferred materials that are recycled, organic and biodegradable.

We are seeking solutions to minimize landfill waste and increase the volume of by-products that can be reused and/or recycled.

We are proud that our sites, subsidiaries and brands continue to engage in 3rd party certification in order to promote trusted validation of sustainable programs. Delta Galil USA Inc is certified by Bureau Veritas (TE-ID: TE-00108986) to the Global Recycled Standard (GRS), Recycled Claim Standard (RCS) and Organic Content Standard (OCS). Products certified to the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS) contain recycled material that has been independently verified at each stage of the supply chain, from the recycler to the final product. In addition, for

GRS, social, environmental, and chemical criteria related to processing are required. The Organic Content Standard (OCS) verifies organically grown material and tracks it from source to final product. Organic cotton is produced and certified to organic agricultural standards. Delta Galil USA Inc continues to increase sourcing of certified organic and recycled materials across all brands.

Organic Basics is certified to the Global Organic Textiles Standard (GOTS) (certified by CU 1067589). Only products with the GOTS label and claim are certified.

Organic Basics is also certified to the GRS and OCS standards, as well as the Responsible Wool Standard (RWS), which verifies wool animal welfare and land management requirements and tracks materials from farm to final product.

Our Eminence brand provides GOTS-certified products made with organic cotton and RCS certified products made with pre- and post-consumer recycled fibers, both certified by Control Union CU 817718. All its underwear suppliers are OEKO-TEX Standard 100 certified. A range of product is certified OFG (Origine France Garantie) meaning made in France, with all knitting, cutting and sewing activities taking place at company facilities in Aimargues and Sauve.

Several of our owned manufacturing sites hold multiple internationally recognized certifications, covering organic, recycled, and regenerative materials, reflecting our commitment to responsible material use, environmental management, and safe working conditions. Collectively, these certifications demonstrate our integrated approach to sustainability – embedding rigorous environmental and social responsibility standards directly into our owned operations.

We continuously seek opportunities to further develop methods that support the **circular economy**, as can be seen in the following case studies.



Case Study

Progressing Towards Circular Economy at **Eminence**



La Lingerie en mouvement: le Collectif Lingerie

During 2024, Eminence participated in Collectif Lingerie, a French initiative dedicated to rethinking the future of lingerie through the prism of the circular economy. France had previously implemented Extended Producer Responsibility (EPR) as a policy tool to manage textile products after use. The EPR scheme is managed by the Re-fashion organization, who together with the Bluequest expert organization formed Collectif Lingerie to address the unique challenges of recycling and repairing underwear.

A dozen national and international brands, industry expert organizations, collection associations, repair professionals and recyclers collaborate on the project. It resulted in the publication of three white papers during 2025, addressing challenges and offering potential state-of-the-art solutions for recycling underwear and for extending its useful life.

Funded by eco-fees paid by brands, a "repair bonus" discount is available by French law to customers for having their shoes and clothing mended at an authorized repairer. Collectif Lingerie succeeded in making underwear eligible for the repair bonus starting 2025. We expect this change to encourage product eco-design by brands, and extended use of underwear by clients, reducing textile waste.

Our Athena brand in France has redesigned the packaging for its "My Petit Prix" product range, reducing the surface by 34 to 40 % in its x3 and x4 boxer packaging. The packaging is now only cardboard, eliminating plastic. Customers appreciated the change, which contributed to the success of the collection.



Case Study

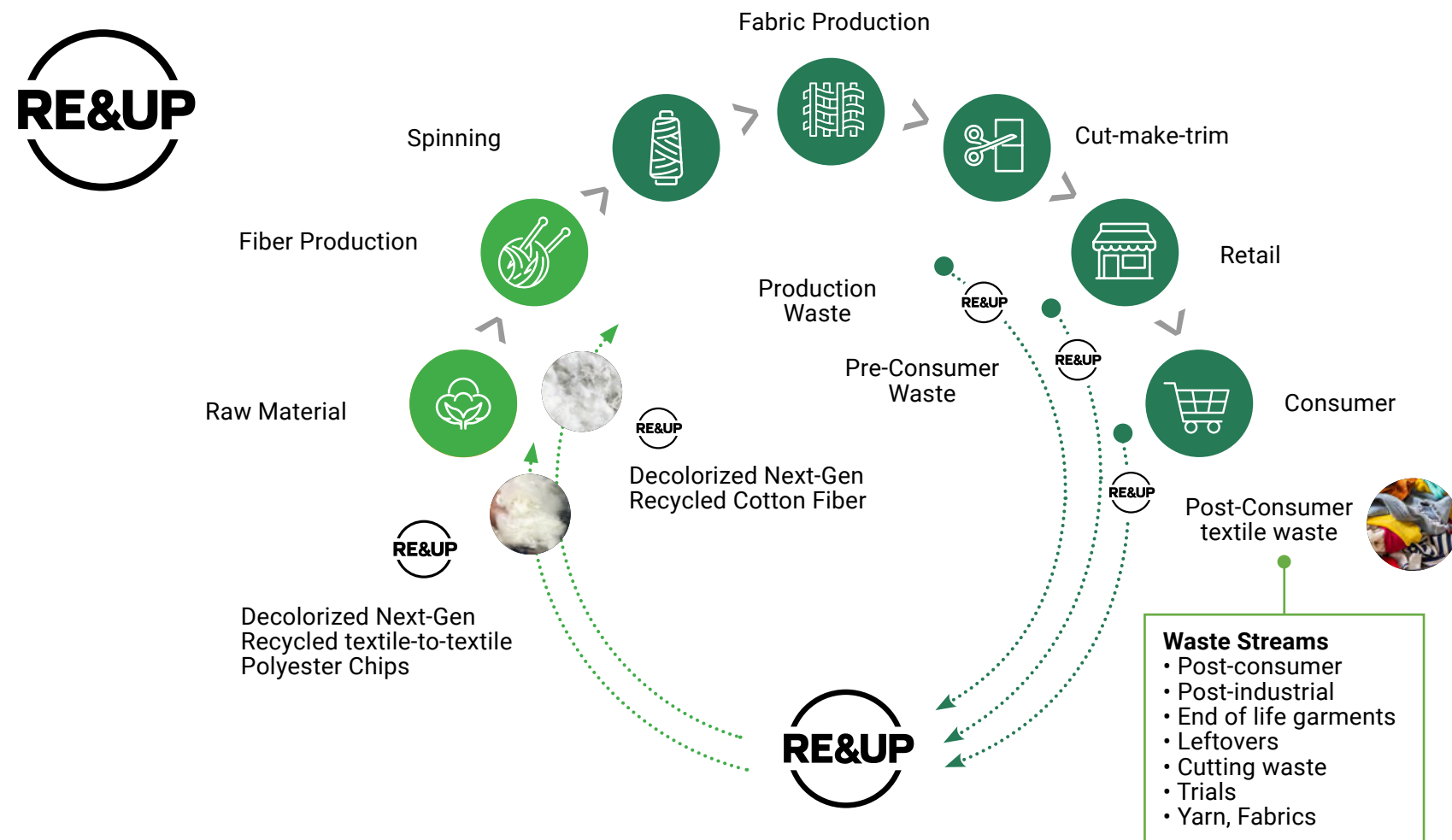
Closing the Textile Loop with RE&UP



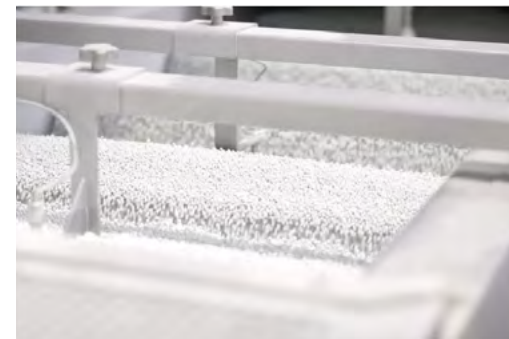
We are proud to announce our cooperation with textile recycling technology leader RE&UP. By producing Next-Gen Cotton and Next-Gen Polyester that maintain the same performance as virgin fibers, RE&UP brings circular solutions to life. In the company's operations in Turkey, pre- and post-consumer textile waste is sorted, separated by color and content resulting in cotton rich or polyester rich outputs which are subsequently decolorized. The recycling process results in Next-Gen recycled polyester chips ready for filament yarn manufacturing, and Next-Gen recycled cotton fibers ready for spinning.

During 2024, RE&UP produced several yarn types for Delta Galil integrating 70% Better Cotton Initiative (BCI) fibers and 30% post-consumer regenerated cotton. These raw yarns can be colored with bright, uniform shades as opposed to other recycled fiber types which only allow for mélange patterns. During 2025 the cooperation has already yielded fabrics and products made with the new yarns.

Based on initial results from LCA studies which are still underway, RE&UP's Next-Gen products will allow companies to produce textiles with reduced environmental impacts including water use, climate impact, land use and freshwater eutrophication.



Next-Gen Cotton



Next-Gen Polyester



Textile Waste Sourcing

Case Study

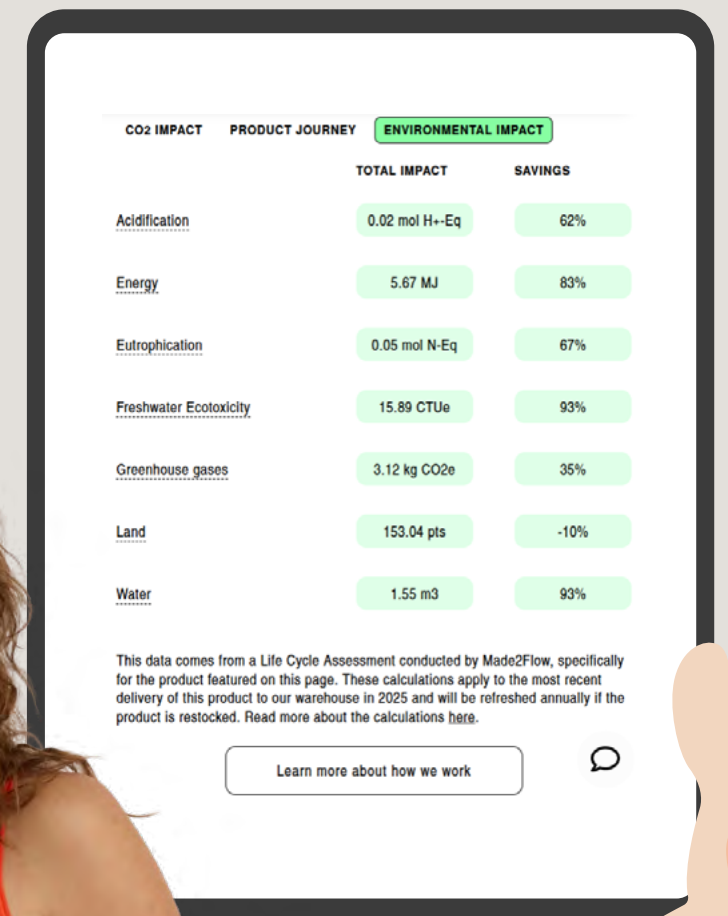
Organic Basics – Moving Ahead with Circularity

Organic Basics



Our Organic Basics brand has launched its pilot takeback program: **ReOB**. Customers can recycle their products at the end of their Usefulness. As part of the program, customers in the EU can send their old Organic Basics products to be recycled. Organic Basics will collect these products and send them in bulk to their partner recycling facility in Spain, to be textile-to-textile recycled or downcycled.

In 2025, the brand launched a **Digital Product Passport**, giving its customers full access to information about how their Organic Basics pieces were produced – not just assembly location, but also where the cotton was grown, where the fabric was dyed, and so on. The EU will require this disclosure in the coming years, but Organic Basics wants to get ahead of the curve and make sure its customers have full visibility of the production process. This project has been in motion for a while, with the 1.0 version launched on the website. This year, Organic Basics plans to equip all of its clothing with QR codes that provide customers with data about carbon footprints, traceability and environmental impact.



Responsible Use of Chemicals

In 2016, we began to streamline and unify our chemical management procedures and policies in order to comply with the **Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero Programme** in all owned operations and Tier 2 suppliers. We have integrated ZDHC MRSL (Manufacturing Restricted Substances List) and Wastewater requirements in addition to the Higg FEM Chemical management tool requirements.

Most Delta owned sites carry out chemical management and wastewater studies, as well as dedicated training for associates.

Our Delta Vietnam, China, Turkey, Egypt and Israel production sites use an online chemical inventory management tool that is a ZDHC recognized digital solution. This software helps us to sustainably manage chemical inputs against ZDHC MRSL guidelines. The sites track chemical-management performance with a monthly ZDHC InCheck report.

In 2024, our facilities Delta Alfa Turkey, Delta Fabric Egypt and Delta Galil Vietnam continued their process within the ZDHC Supplier to Zero Programme and renewed Level 1 (Foundational level) certification.

Our innovation teams continue to look for technologies that will increase the safety of chemistry in our production processes. In the reporting period, we continued to collaborate with Algaeing to extend the range of products colored with algae-based dye. More information about these cases can be found in the “Designing an Innovative World” section.



Responsible Water Usage and Wastewater Management

Delta Galil, like other companies in the textile industry, faces significant challenges in reducing the amount of water required for production and improving the quality of wastewater. We look for solutions in the field, with a particular emphasis on our owned dyehouses.

Water Usage

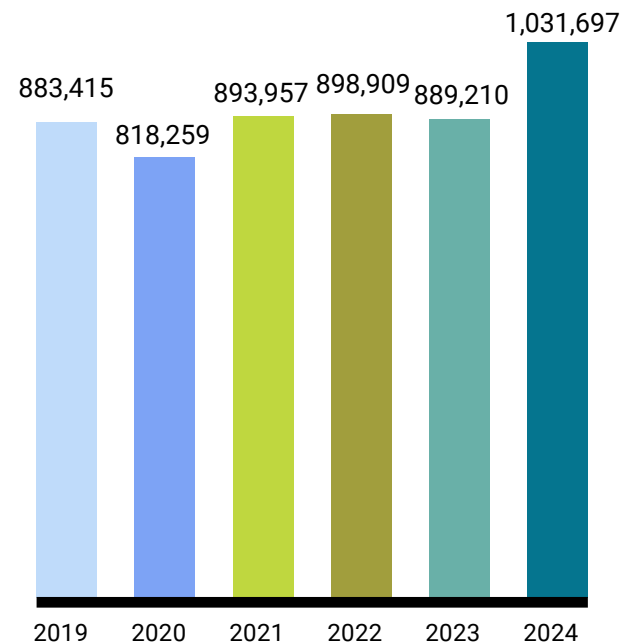
The main water users in our manufacturing facilities are dye houses located in Vietnam, Egypt and the Czech Republic. Total water withdrawal at our sites was 1,031,697 m³ in 2024. This is a significant increase from 2023, largely due to the use of new seamless dyeing machines in Egypt and to increased production at Delta Galil Vietnam. **Water withdrawal intensity in m³ per tonne of product decreased from a value of 63.9 in 2019, to 56.1 in 2024¹⁰.** We will continue our efforts towards reduction in water withdrawal intensity.

Several of our sites use ground water, including facilities in Myanmar, Turkey, Egypt and Switzerland. In the Czech Republic, we source 100% of the water we consume from the Sázava River. The facilities obtain water from groundwater or surface water within the scope of their legal permits.

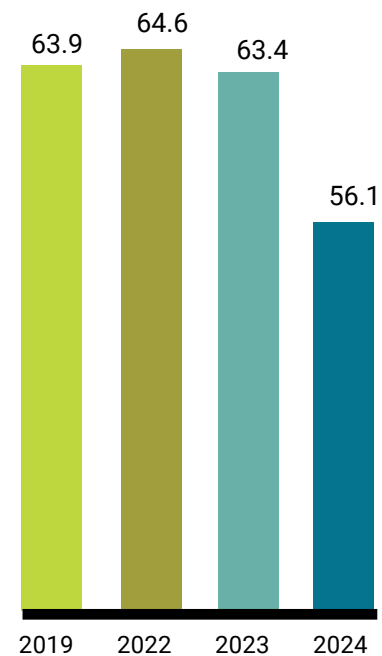
We take measures to ensure more efficient water consumption. For example, we regularly maintain our facilities and replace aging equipment. During 2024, the wastewater recycling facility that was installed in Delta Galil Vietnam recycled 254,321m³ of wastewater back into factory operations, representing 69% of the wastewater generated at the site. Out of Delta Galil's industrial wastewater, **29% were recycled.**

We still have water intensive products whose production volume is based on market trends. We will continue to explore ways to reduce water usage in the production of our products.

Annual Water Withdrawal (m³)

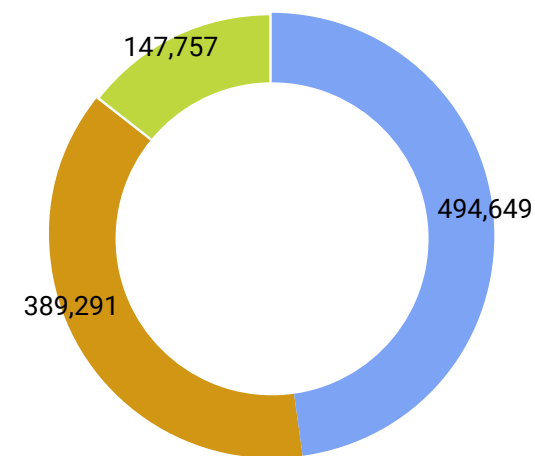


Annual Water Withdrawal Intensity (m³/Tonne Product)



2024 Water Withdrawal Breakdown by Source (m³)

- Municipal supplier
- Ground water
- Surface water

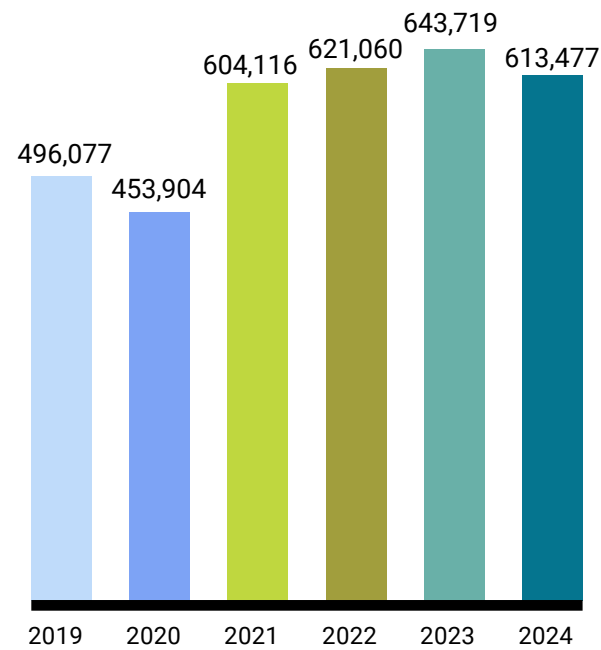


¹⁰ Base year and past year data have been re-calculated for this report and certain facilities have been excluded from the data set; see [here](#). Tonne product for 2023 has been recalculated for Delta Galil Vietnam. Note that 2022 figure has been recalculated due to a data correction.

Wastewater

Some of our manufacturing sites produce industrial wastewater which amounted to 613,477 m³ in 2024. Delta Galil does not directly release any wastewater into the environment. Our site in Karmiel, Israel releases some of its wastewater into the Mediterranean Sea and the rest to municipal wastewater treatment plants. The water released to the sea first undergoes pre-treatment. All other sites send water to municipal wastewater treatment plants, either directly or after treatment at an onsite treatment plant. The following chart shows annual industrial discharge from our facilities¹¹.

Annual Industrial Wastewater Discharge
(m³)



We comply with all legal requirements for wastewater quality by regularly monitoring our sites. Tests are performed by external laboratories in accordance with local laws and regulations. We take measures to reduce our chemical discharge to wastewater treatment systems (see 'Responsible Use of Chemicals' sub-section). Beyond regulatory compliance, our sites Delta Fabric Egypt, Delta Galil Vietnam and Karmiel Israel perform ZDHC testing of wastewater.

¹¹ Including data for the facility in Bulgaria that was closed in 2022 and which was excluded in the previous report.

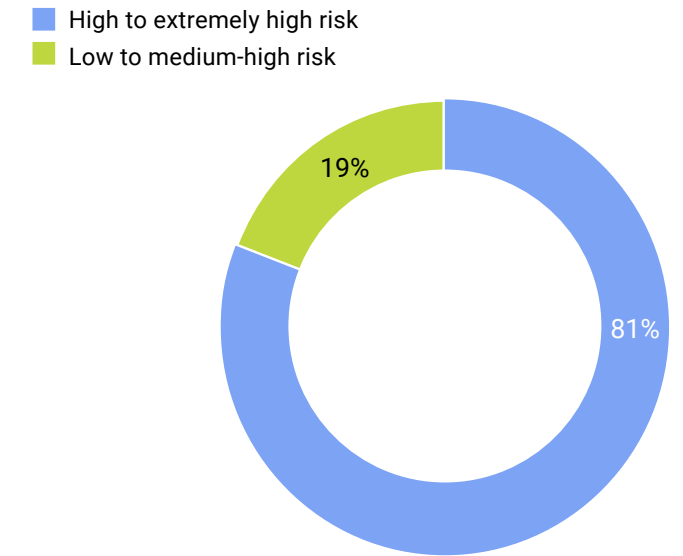


Water Risk

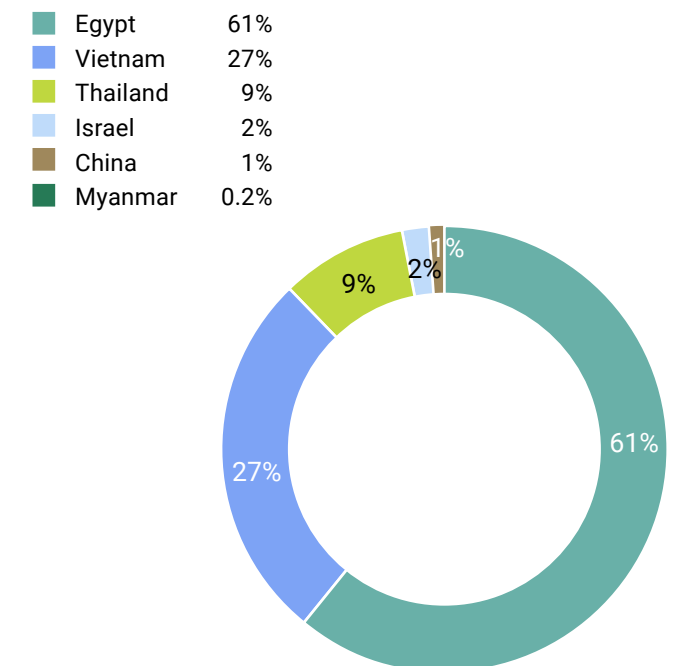
Much of the world's water supply is drawn from stressed water basins. We have checked the water risk level in the locations of our owned production facilities through the World Resources Institute (WRI)'s Aqueduct Water Risk Atlas. Eleven fully owned production facilities in Egypt, Vietnam, Thailand, Myanmar, China and Israel have been assessed as "high risk" or "extremely high risk"; an increase in the number of sites arises from the WRI Aqueduct Atlas update.

We monitor the amount of water withdrawn for use at our sites in high or extremely high risk areas, as we do for all our sites. In 2024, water withdrawal at these eleven sites constituted 81% (815,670 m³) of our total water withdrawal for use in production sites. The largest water consumers among these sites are the Khanka City facility in Egypt, and Delta Galil Vietnam, which operate dye houses. In addition, we have been submitting the CDP Water Security Questionnaire each year since 2021.

2024 Water Withdrawal Breakdown by Water Risk
(m³)



2024 Water Withdrawal in Production Sites Located in High or Extremely High Water Risk Areas
(m³)

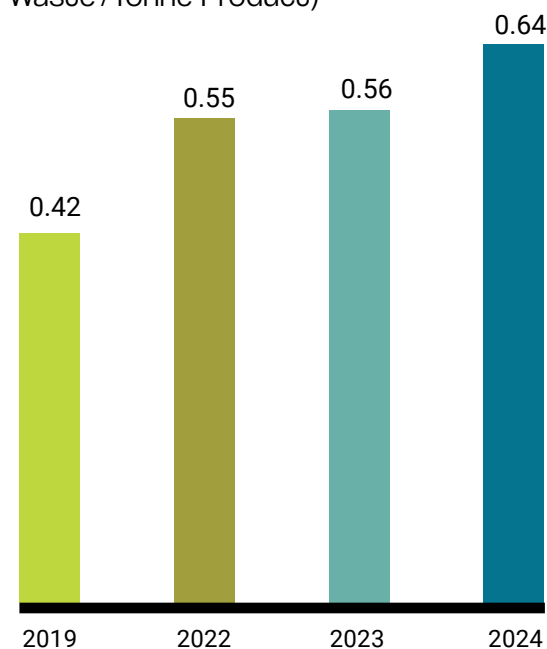


Managing Waste

Our commitment to environmental protection includes considering the product life cycle as well as its production.

We are aiming to increase our efforts in circular approach to product design from raw materials to end of life, while at the same time continuing to address responsible disposal of our current day waste. During 2024, 7,706 tonnes of waste, representing 59% of the waste generated by our facilities, was collected and sent for recycling. This included for example textile waste, plastic, metal, paper and cardboard.

Waste Production Intensity
(Tonne Waste /Tonne Product)



During 2024, we produced 13,115 tonnes of waste, of which 11,715 tonnes were non-hazardous, and 1,400 tonnes were hazardous.

The waste intensity increased from 0.42 tonne waste / tonne product in 2019 to 0.64 in 2024¹². The increase is connected to production increase in some sites. In addition, the figure is influenced by changes in data gathering quality, which has improved and become more extensive over the years. It highlights the need for more organized action on this

topic. We will continue to improve our waste management and work to rectify this issue, which will also be reflected in setting more meaningful targets for this issue in our next target cycle. Waste management activities at our different facilities are described in the following paragraphs.

Our facility in Turkey continues the Intertek Zero Waste to Landfill Program (ZWL) and achieved an Advance Waste Diversion certificate. The site mapped and verified its waste streams and implemented reduction projects. Delta Galil Vietnam is working towards its ZWL certificate.

During 2024, our Delta Galil Vietnam factory started to convert its treatment method for mixed textile waste from incineration to recycling. Mixed textile waste from sock knitting is now transferred to a carpet recycling factory and is used to produce products such as floor mats.

Our Khanka City dyehouse succeeded in reducing the percentage of waste from dyed fabrics by minimizing the fabric cut edges. This was done by installing a precise cutting system on the site's Stenter machines that reduces the edge width from 3 cm to 1.5 cm on each side of the fabric. To ensure optimal performance of the system, the site trained its teams to prepare the fabric in a specialized process.

Eminence France installed a new system to sort the waste at the company restaurant into fractions, with the main goal to reduce food waste. The sites set monthly targets and weigh the waste every day. The menu is adjusted according to the analysis of the food waste.

During its Black Friday sale, our Organic Basics brand worked with The Or Foundation, a non-profit that works primarily in Ghana to combat the global fashion waste crisis. As part of the campaign, Organic Basics donated \$18,000 to fund the removal of textile and other plastic waste from beaches in Accra. Concerns have been raised about the delicate balance of supporting the removal of textile waste while also selling new clothing. The brand hopes to take a step closer to circularity with its new take back campaign.

Green Buildings

Leadership in Energy and Environmental Design (LEED) is the most widely used and well-recognized green-building rating system in the world. Certified projects that "create healthy, highly efficient, cost-saving" structures that improve environmental performance, reducing carbon footprints and increasing indoor environmental quality.

We have previously reported on our three LEED certified buildings located in Egypt (Free Zone and El Minya) and about the LEED Silver certified building at our factory in Bulgaria (closed during 2023). Delta Galil's new logistics and office building in Caesarea, Israel, is being built to meet the requirements for a LEED Silver certification. The 17,500 m² building is expected to begin operation in 2026.

The Delta Galil Vietnam facility earned a LEED Gold certification in 2024.



Looking Forward

- We intend to set new environmental sustainability targets in the near future
- We have launched an organization-wide climate plan which includes expanding our work to include a full mapping of our Scope 3 emissions while aligning our GHG emissions data collection with the requirements of the GHG Protocol standard. The purpose of these steps is to set science based GHG reduction targets and establish a de-carbonization plan.
- During 2025 we launched the first phase of our climate risk assessment process using the TCFD methodology, an effort which will be reported on in future publications and extended as time goes by.

¹² Base year and past year data have been re-calculated for this report and certain facilities have been excluded from the data set; see [here](#). Tonne product for 2023 has been recalculated for Delta Galil Vietnam.

SOCIAL

Designing an Inclusive World

2024 Figures

76%

of our workforce is comprised of women

63%

of our supervisors are women

56%

of our managers are women

\$1.3M

invested in the community and donations to educational institutions, culture and welfare organizations



Designing an Inclusive World

Our global workforce, which totaled 25,150 associates in 2024, is our greatest strength. We are committed to fair employment practices, ensuring a safe, inclusive, and supportive work environment. Through our Human Resources model - centered on Growth and Development, Wellbeing, and the Experience of Success - we aim to become an Employer of Choice, fostering both professional and personal growth for our associates across all locations.

Our Social Goals

- **Promote healthy safe workplaces**
(compliance with Human Rights Policies) - reduce the number of accidents to zero at Delta Galil's owned sites
- **Promote gender, ethnicity, physical ability and LGBTIAQ equity and inclusivity (DEI) practices**
- **Improve representation of women and ethnic minorities** in leadership (Director and above)
- **Community** Involvement / enhancement



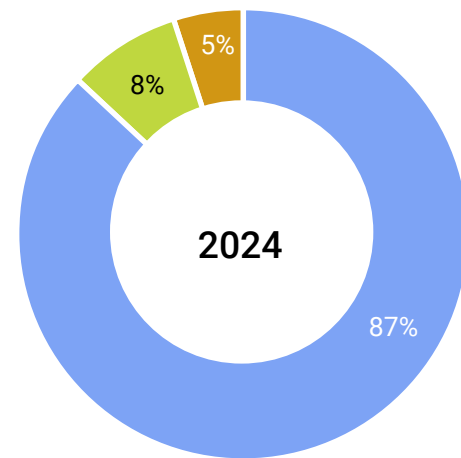
Our Employees

With a diverse, global workforce, our people are central to Delta Galil's continued success and leadership in the fashion industry. Fair, equal, and respectful treatment - outlined in our [Code of Ethics and Code of Conduct](#) - are not just policies but reinforce a genuine commitment to those employees who make our progress possible.

We invest in specialized tools, training, and development opportunities to support both personal and professional growth. Our employment culture encourages open communication, creativity, and excellence, while empowering local communities through employment and leadership opportunities.

Associates Percentage by Category, 2024

- Workers
- Supervisors
- Management



*The analysis of associates data throughout this report is based on actual reports from fully owned company sites with a substantial number of associates.

Fairness and Respect Are at the Heart of Our Employment Practices

Delta Galil is firmly committed to fostering a respectful, inclusive, and fair workplace, underpinned by strict adherence to national and international labor and social security laws and standards. We maintain collective bargaining agreements in Turkey, Thailand, the Czech Republic, France and Israel, where working conditions and matters related to associates' health and safety are negotiated openly. In locations without formal agreements, we ensure that employee voices are heard through elected worker representative committees and joint health-and-safety committees whose members are workers and managers.

We prohibit all forms of discrimination based on **ethnic origin, race, gender, sexual orientation, religion, nationality, age, disability, or any other physical or personal characteristic**, and uphold every individual's right to associate freely and engage in collective bargaining without fear of interference, harassment, or retaliation. Delta Galil strictly prohibits child labor, forced labor, and any form of abuse or harassment—verbal, psychological, physical, or sexual—regardless of an employee's role. To reinforce this culture, we provide dedicated anti-discrimination and anti-harassment training, with an 80% participation rate among employees in the United States and Israel.

Additionally, we recognize that personal wellbeing directly impacts performance, which is why we promote work-life balance through responsible scheduling practices, including limiting regular work time to 48 hours per week, capping overtime at 12 hours, and guaranteeing at least one full day of rest every seven days. Overtime is voluntary and compensated for at no less than 125% of the regular rate.



We work to ensure that all our employees receive fair wages according to an internal compensation policy. Delta Galil pays at least the minimum wage or the appropriate prevailing wage, whichever is higher, in

compliance with all legal requirements on wages and provides any additional benefits required by law or contract in the country of operation.

Case Study

Detalink

Transforming the Way We Connect at Delta Galil

Launched in October 2024, **Detalink** is Delta Galil's global internal platform, designed to connect thousands of employees across units, languages, and locations. It serves as a central hub for transparent communication, inclusive content, and a stronger sense of belonging - supporting our ESG goals in both the Social and Governance pillars.

Detalink was built around three core goals:

- Improving global engagement
- Enhancing collaboration and personal connection, and
- Creating a seamless, centralized employee experience.

These principles guide our content strategy and user experience design.

Using content in 11 languages and contributions from teams worldwide, the platform fosters cross-cultural understanding and ensures equal access to information, recognition, and organizational updates.

As of mid-2025, more than **4,400 employees** have been invited to join the platform, with **2,332 already registered**. Looking ahead, Detalink will continue to evolve as a dynamic digital space that reflects our values of **accessibility, inclusion, dialogue, and shared purpose**.



4,400
employees invited

2,332
already registered

Promoting Fair Employment and Job Security in Delta Israel Brands

As part of our commitment to fair employment practices, in 2024 Delta Israel transitioned subcontractor employees to direct employment by the Company. This important step provided these team members with greater job stability, improved employment conditions, and a stronger sense of belonging. By bringing them fully into the Delta family, we reinforced our values of responsibility, fairness and long-term investment in our people.



Dialogue with our associates generates business success and so we invite feedback from associates. We conduct global and local periodic surveys that indicate employee satisfaction in the company. We also conduct local roundtable meetings with associates a few times a year to better understand local needs and challenges.

A Workplace Distinguished by Excellent Occupational Health and Safety

Ensuring the health and safety of our employees is the highest priority at Delta Galil, especially in our global operations and at our multiple facilities. We focus on preventing incidents through clear communication, training, superior management processes, and providing required protective equipment. Our goal is to reduce workplace accidents to zero in our owned sites by enforcing strict safety protocols.

Occupational Health and Safety Management

Each of our owned sites operates a comprehensive safety program led by a trained officer, ensuring compliance with both local and international regulations. Formal safety committees - including managers, supervisors, and production workers - oversee policies, procedures, and incident responses.

We follow OSHA standards in the U.S. and use the Lost Time Incident Rate (LTIR) to monitor safety performance. Risk assessments, internal audits, and incident investigations help us identify and reduce potential hazards. All associates are responsible for maintaining a safe work environment, using proper equipment, and reporting hazards promptly. Contractors are also required to adhere to our safety standards and are encouraged to participate in training.

Mandatory training covers key topics such as fire response, electrical safety, and machinery handling. Associates working with heavy equipment, chemicals, or flammable materials are provided with the necessary protective gear. Regular emergency drills are conducted to improve preparedness, and safety findings are documented for continuous improvement. We also monitor employee travel to ensure safe transportation.

Each factory is equipped with a clinic staffed by a nurse, and some have on-site doctors. Certified personnel provide immediate first aid in case of incidents, and external medical help is engaged when needed. We also analyze "near miss" events to strengthen preventive measures.

Our safety framework includes a detailed handbook outlining site-specific rules and broader requirements set by Delta Galil and our customers. Currently, our health and safety programs cover over 85% of our workforce, and we continue to invest in new technologies and tools to enhance workplace safety across all locations.

Our LTIR is similar to last year, though slightly higher compared to two years ago. We attribute this to continued improvement in data collection processes. It is important to emphasize that the majority of reported workplace accidents are minor. We remain committed to advancing our efforts to reduce accidents, with particular focus on plants reporting higher incident levels.



LTIR is Lost Time Incident Rate - a standard OSHA metric that calculates the number of incidents that result in time away from work. Delta Galil's LTIR calculation is in accordance with OSHA standard, 4 main manufacturing sites

2022 LTIR
0.62

2023 LTIR
0.97

2024 LTIR
0.98

Fostering a Work Environment That Prioritizes Associates Welfare and Wellbeing

Delta Galil prioritizes the welfare, fulfilment, and wellbeing of our associates, recognizing their vital role in the success of our business. Our associates' welfare program is designed to foster a safe and healthy working environment that supports personal and professional growth while accommodating each associate's cultural background, life stage, and professional expertise.

The program is based on four key components:

- Fostering a progressive work environment that meets associates' needs.
- Offering an attractive benefits package, including health insurance, health exams, and family-focused activities like trips, picnics, summer camps, scholarships for associates' children, and more.
- Providing beneficial activities such as online cooking classes, parenting support, cybersecurity lessons, and financial tools.
- Promoting healthy lifestyles through programs like 'Be Yourself'.

We also provide flexibility in work schedules to help associates maintain a healthy work-life balance. In line with global trends, we strive to personalize our programs and encourage open dialogue between managers and associates through annual performance reviews.



Case Study

Well-Being, Diversity, and Employee Support in Our Facilities Around the Globe

VIETNAM

In Vietnam, Delta Galil celebrated meaningful moments with our associates, including birthdays, Vietnamese Women’s Day, and national holidays. We provided gifts and conducted gatherings, and we promoted sports and wellness activities to encourage a healthy lifestyle and physical well-being. This program also provided financial assistance for associates and scholarships for children from economically challenged families who show strong potential for success.

Delta Galil implemented women’s empowerment training programs in 2024, empowering 1,700 female employees to strengthen their personal growth, leadership potential, and workplace confidence. We also emphasized women’s health. Around 2,800 female employees participated in breast cancer screenings and health checks.

We have received several awards this year in recognition of our efforts:

- An award from the local provincial government for outstanding performance in social insurance implementation and corporate cooperation.
- Recognition from the Labor Federation for excellence in organizing activities that support both our employees and the local community.

In 2024 we also launched the WOVO system in Vietnam - a digital platform designed to enhance direct communication with associates in a simple, anonymous, and accessible way. WOVO enables associates to voice their concerns, ask questions, share suggestions, and freely express their opinions. The platform allows the company to assure clear and efficient implementation of its policies. This initiative marks a significant step toward fostering a transparent, responsive, and connected workplace culture.



Celebrating Vietnamese Women's Day



Sport Festival in Vietnam – Delta Cup



Scholarship award ceremony

1,700

female employees strengthen their personal growth, leadership potential, and workplace confidence.

Case Study

Well-Being, Diversity, and Employee Support in Our Facilities Around the Globe

TURKEY

We recognize gender equality as a fundamental human right and in 2024 conducted annual Gender Equality and Combating Violence Against Women training sessions on the International Day for the Elimination of Violence Against Women and Women's Rights Day. The training reinforced our commitment to creating a respectful, inclusive, and safe workplace. We also continued to invest in leadership training for women, focusing on self-awareness, strengthening personal efficacy, and enhancing capabilities.

Every year, in cooperation with the Provincial Health Directorate, we offer free breast and uterine cancer screenings to our female associates. Expert staff conduct awareness-raising training sessions on drug use prevention and addiction, an initiative that is part of our broader primary prevention program centered on healthy living. It aims to increase knowledge and awareness across all segments of society – especially children and young people - by promoting healthier lifestyle choices and preparing individuals to avoid harmful behaviors.

Our nutrition consultancy helps employees adopt a sustainable, healthy diet through programs tailored to their lifestyles, work conditions, and shifts. Our counseling service enables associates to meet face-to-face with psychologists as needed.

Following a roundtable discussion where associates shared that their children were curious about their workplaces, we opened the factory to visits on Children's Day. This initiative allowed kids to see where their parents work, learn more about the company, and spend quality time with their families in a fun and engaging environment.

Finally, to ensure high-quality internal training, all department supervisors who lead training sessions at the factory participate in annual Trainer Training. This program enhances their theoretical and practical training skills.



Invitation for a session with our psychological consultant and nutrition consultant.

Case Study

Well-Being, Diversity, and Employee Support in Our Facilities Around the Globe

EGYPT

In 2024, the Human Resources team at our EM factory spearheaded several key initiatives to foster a healthier, more supportive, and engaging work environment.

One of the most significant achievements of this work was the successful reduction in absenteeism, reflecting improved employee satisfaction and commitment:

- Campaigns conducted in partnership with the Ministry of Health, including screenings for breast cancer, diabetes, and blood pressure, along with awareness sessions on personal hygiene and women’s health.
- Upgraded childcare services by partnering with a new kindergarten in the Free Zone, offering enhanced support to working parents.
- Comprehensive training programs to elevate associates skills and knowledge.
- Initiated internship programs to nurture future talent and strengthen community ties.

We pursued social and awareness activities throughout the year, and we introduced Delta Cup 2024, promoting team spirit and engagement. We also celebrated religious holidays and marked International Women’s Day, culminating in a group lunch for 2,000 associates. We opened a new cafeteria designed to provide a healthier, more comfortable dining experience. The cafeteria now hosts regular awareness and training sessions on topics such as ethics, hygiene, and health and safety. Since opening, the space has boosted morale, strengthened team spirit, and supported 15,000 hours of training in 2024 - with plans to double that in 2025.



Case Study

Well-Being, Diversity, and Employee Support in Our Facilities Around the Globe

ISRAEL

Our associates receive health insurance and can access annual health exams at major hospitals around the country. In addition, each year we provide children of 13 associates with annual tuition for academic studies. Associates who request additional support are provided with economic assistance, food parcels and emotional/mental health counseling, which extends also to family members, if needed.

In 2024, our efforts included team fun days, festive holiday events, lectures, and gifts. We celebrated Family Day with special benefits, hosted an enrichment event for International Women's Day, offered bi-weekly Pilates classes, and organized breast health screenings during Breast Cancer Awareness Month. We also provided subsidized summer benefits for families and discounts on movie tickets.

We also reward outstanding associates with an 'Employee of the Year' award and dedicated recognition in each business unit. We honor our seniors with a dedicated yearly ceremony. According to our annual engagement survey conducted at the beginning of 2024, these programs have grown our associates' overall satisfaction with the company.



Case Study



Advancing Inclusion and Responsibility at Eminence

Our Eminence site has implemented a holistic approach to sustainability and employee engagement, centered around four key pillars: diversity and inclusion; community involvement; and workplace well-being.

Diversity and Inclusion are integral to the recruitment strategy, supported by the use of the AFPR scheme from France Travail to help integrate individuals distant from employment. The site has built strong partnerships with organizations such as Cap Emploi to support individuals with disabilities and regularly conducts awareness campaigns to promote inclusiveness.

Community engagement remains a strong focus, with initiatives ranging from educational partnerships and product donations to solidarity efforts like the "1 letter, 1 smile" campaign to support the elderly. The site's commitment to local development

is also reflected in its pursuit of certifications such as Label PME.

To promote **health, safety, and well-being**, the site has implemented a coordinated policy involving local experts and support teams. Specific efforts include adapting workstations for employees with health or disability-related needs and improving physical working conditions through infrastructure upgrades.

These actions reflect our France based site's commitment to creating a responsible, inclusive, and engaged workplace while strengthening ties with the broader community.



Encouraging Employee Growth and Development

As a leading employer in the industry, we provide our associates with access to our extensive knowledge base and core manufacturing expertise. By offering resources to enhance their skills, we ensure the delivery of comprehensive solutions to meet the industry’s evolving needs.

We offer various courses and learning programs aimed at strengthening leadership, with our training and development initiatives focused on three main pillars:

1. Management Skills and Knowledge

Access to new and innovative management tools, understanding our competitive industry and staying up to date on global trends.



2. Professional Skills

Based on the requirements and knowledge gaps for each profession, providing access to updated tools, new methodologies etc.



3. Work and Life Skills

Excel training, video presentation skills, understanding body language, English language courses, etc.



Personal and Professional Development

We believe continuous learning and development are essential for enhancing flexibility, adapting to trends and technology, fostering expertise and innovation, and motivating individuals to exceed expectations. To support this, we have implemented several initiatives:

- **Stitch** - a digital learning platform launched in 2023 with over 150 modules across four categories: About Delta, Managerial Tools, Growth Mindset, and Useful Tools.
- **A global onboarding program**, available in 7 languages, which includes a welcome video, company information, benefits, financial details, and regulations, as well as Orientation Day conferences at various locations.
- **Courses** for individual contributors to improve skills in communication, project management, conflict resolution, and other key areas, along with a “First Line” managerial course to enhance leadership capabilities.

The company conducts annual performance reviews for all associates, aligning compensation with individual contributions through a pay-for-performance approach. In addition, a structured talent management program supports employee growth, offering personalized training plans tailored to each employee’s role and development needs.

In order to maintain and develop an ongoing thriving culture of innovation in our organization and among our associates, we utilize learning forums and collaborative platforms for our associates to share and explore ideas, anticipate trends and eventually pass along best practices to their colleagues to ensure everyone’s success.

Celebrating Excellence

We value and encourage excellence among our employees and celebrate successes together. One example is our annual 'Employee Excellence Award', our tradition of honoring outstanding alumni associates. As part of the culture of appreciation at Delta Galil, it is important for us to say thank you and praise every associate who has passed through our doors, while recognizing their subsequent successes.

We also celebrate our long-term associates who have been with the company for 10, 20, 30 and 40 years.



Looking Forward

- We believe that our special events create a corporate culture that encourages a sense of pride to work at Delta together with a positive feeling of belonging. When planning our annual events calendar, we strive to create a meaningful work experience for every associate. As a company that places strong emphasis on innovation, we work to bring something new and different to every occasion.

Diversity and Inclusion



Delta Galil is a multicultural global firm that values diversity within our workforce, recognizing it as a critical asset that brings a variety of perspectives, talents, and strengths. We follow the legacy of our founder, Mr. Dov Lautman, who believed in diversity as an integral part of fair employment.

We actively promote diversity and inclusion, ensuring equal recognition and respect for all individuals. This commitment is embedded in our [Code of Conduct and Code of Ethics](#), where we outline our dedication to fair treatment and opposition to any form of discrimination, including race, gender, sexual orientation, religion, nationality, age, disability, or any other characteristic.

Our initiatives to promote a diverse workforce also include setting goals for hiring from social minority groups, ensuring gender equality, and supporting freedom of sexual orientation. We are proud to report that, in 2024, no significant complaints or incidents of discrimination or harassment were recorded.

In 2024, the company established an internal protocol in Israel to actively promote the recruitment of people with disabilities, reinforcing its commitment to diversity, inclusion, and equal opportunity in the workplace.

The company manages a global calendar of all the holidays in every country, including religious holidays. The goal is to increase awareness of these celebrations in all company communications.

Gender Equality

Women make up the majority of our workforce and we are proud to provide women around the world with employment opportunities. At the end of 2024:

76%
of our associates were female

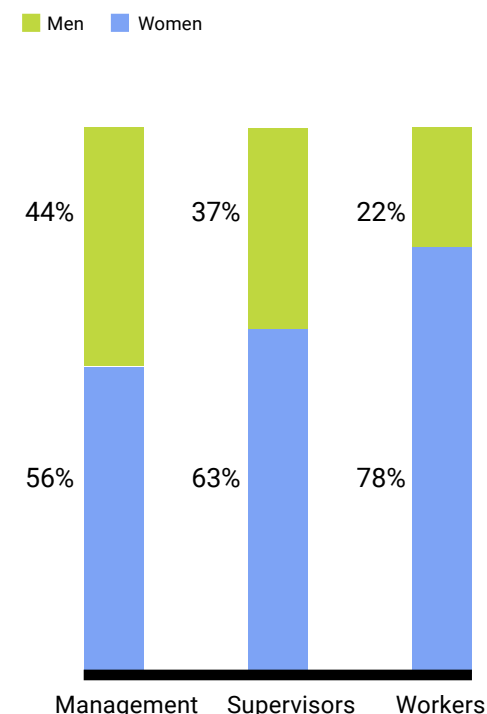
30%
of our top senior managers are women and we are also proud of that

63%
as supervisors

56%
as managers

60%
of management positions are held by women

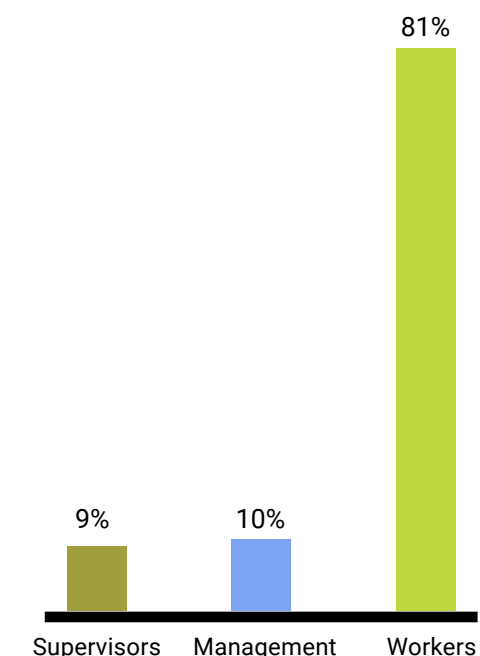
Distribution of Women and Men by Category, 2024



Valuing Experience and Age Diversity

As of the reporting year, **12%** of our associates are over the age of 50, reflecting our commitment to age diversity and inclusion in the workplace. Notably, **81%** of these associates hold operational or production-related roles, highlighting the valuable experience and expertise that seasoned workers bring to our core activities. This demographic also underscores the importance of creating age-friendly work environments that support long-term employability, knowledge transfer, and well-being across all career stages.

Distribution of associates over the age of 50, 2024

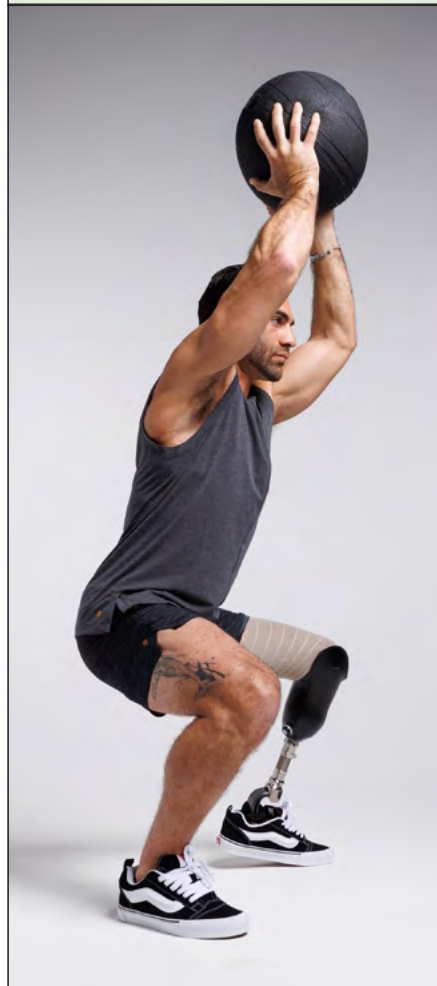


Case Study

Inclusive Fashion Launch: ADAPTIX Accessible Underwear Collection



In October 2024, Delta Israel Brands fix ADAPTIX, an accessible underwear collection designed to meet the needs of people with disabilities and promote social inclusion. Combining ergonomic design with user-friendly Velcro closures and Delta's proprietary **720 STRETCH** technology, the collection ensures comfort, independence, and adaptability for all body types. To raise awareness and foster representation, Delta featured limb-amputee models, who inspire through their personal stories and advocacy for accessibility. The collection includes adjustable bras, underwear, and unisex tops designed for ease of use in daily life, post-surgery care, or hospitalization.



Case Study

Empowering Women and Advancing Equality at DGV

Since 2023, Delta Galil Vietnam (DGV) has been working closely with global brands GAP and Victoria's Secret to promote gender equality and create a safe, inclusive work environment for all associates.

As part of this commitment and in collaboration with GAP, we implemented the RISE program (SERI – Reimagining Industry to Support Equality) which has reached over 1,250 female workers across DGV in just two years.

In collaboration with GAP, the **RISE program (SERI – Reimagining Industry to Support Equality)** has reached over 1,250 female workers across DGV in just two years.

Through internal trainings and interactive activities, RISE has helped increase awareness of workers' rights, strengthened communication skills, and empowered women to take an active role in shaping a respectful and inclusive workplace.



Participants in the RISE program



Case Study

Promoting Inclusive Fashion at Organic Basics

Throughout 2024, Organic Basics continued to enhance its size inclusivity, offering XXL consistently across all styles, including bras, for the first time. Our most significant progress lies in the new designs developed during 2024, set to launch in 2025.

For the Spring/Summer 2025 collection, we introduced 3XL sizing across our styles in both our men's and women's lines.

While we're proud of the strides we've made, we recognize that our journey toward full inclusivity is ongoing. Our mission remains clear: to design clothing that makes everyone feel comfortable, confident, and truly included.



Looking Forward

- We plan to integrate people with disabilities into our work force by formulating local plans to address recruitment challenges in compliance with local laws to make our workplaces more inclusive.

Supporting Local Community Resilience

Communities are central to Delta Galil’s success, and we are proud to support the economic and social development of the areas where we operate. We view ourselves as an integral part of these communities, building long-term relationships based on mutual respect and positive impact.

We encourage active participation across the company in community-focused activities that reflect our business, social, and environmental values. Our approach combines financial support with hands-on employee involvement, fostering a sense of purpose and deeper connection among associates.

Our efforts prioritize vulnerable groups - particularly youth, individuals with special needs, and underserved communities - through initiatives focused on education, empowerment, and leadership development. By doing so, we help build more equitable opportunities for future generations.

In 2024, Delta Galil contributed approximately **\$1.3 million** to educational, cultural, and welfare organizations, reaffirming our commitment to long-term local engagement and support.

Promoting STEM and reducing inequalities in Israel

Delta Galil is committed to long-term, meaningful community engagement focusing on education, empowerment, diversity, and social resilience. We support various initiatives, including a science and technology program for marginalized children at the Technoda center, youth leadership development through the local movement in Karmiel, and a decade-long partnership with Haifa University to support Ethiopian Israeli students with scholarships and life-skills training. We also collaborate with Ruach Nashit to raise awareness about supporting women at risk and promote gender equality. Since 2014, we’ve partnered with Shenkar College to foster innovation in textile design, offering scholarships, internships, and mentorship opportunities to shape the future of the fashion industry.

Stronger Together: Supporting Employees and Communities in Vietnam

As part of our community outreach, associates volunteer to donate blood at the local hospital and distribute gifts to orphaned children, as well as Tet holiday packages and health insurance cards to underprivileged families.

In 2024, we also contributed to local education by donating computers to schools, renovating restrooms, and providing fire extinguishers to enhance safety in primary schools in the area.



In the photo: One of the local classrooms received computers donation

Standing Together During Times of Crisis: Our Response to the Events of October 7, 2023

Following the October 7, 2023 terrorist attack on Israel, Delta Galil acted swiftly to support its associates, communities, and partners. We maintained business continuity with flexible work arrangements, prioritized the wellbeing and safety of our associates - especially those directly affected - and provided emotional, social, and financial support. Delta Galil contributed to aid and offered discounts, facilitated volunteer efforts, and supported impacted local businesses.

Additionally, we co-founded the **“Embracing the Future”** Fund to provide long-term assistance to children orphaned by the events.

Volunteering in Israel: Giving Back Together

Encouraging employee volunteerism not only strengthens our connection to the community but also fosters a sense of pride, purpose, and loyalty within the organization. Giving back is part of doing good - for others and for ourselves.

In 2024, we carried out various volunteer initiatives in Israel, totaling many hours of service and supporting various causes. Activities included donating holiday packages to mothers who have survived violence and their children, as well as assembling food baskets for families in need, assisting farmers in agriculture and fun days to children at hospitals.



Supporting Local Community Resilience

P.J. Salvage®

Supporting Breast Cancer Awareness

For the past 26 years, P.J. Salvage has encouraged its community to gift PJS pajamas as a heartfelt gesture of care and support. In 2024, the brand partnered with Susan G. Komen® to raise awareness and support for the breast cancer community through an exclusive Breast Cancer Awareness capsule collection. Committed to donating \$50,000 to **Susan G. Komen®**, P.J. Salvage highlighted the stories of four courageous Southern California survivors through a video series, emphasizing the emotional journey of breast cancer and the importance of community and support. This initiative reflects the brand's belief that self-care is an essential part of healthcare and underlines its commitment to women's health.



*Splendid**

Empowering Women and Supporting Local Communities

In 2024, Splendid marked its sixth year partnering with the **National Breast Cancer Foundation (NBCF)** through charitable marketing initiatives during Breast Cancer Awareness Month. In addition to donating 50% of gross sales from the Lolly Hearts Sweaters, Splendid hosts annual **Hope Kit Packing Parties**, assembling care packages for women undergoing treatment. Originally a small LA-based event, these packing parties have expanded into a company-wide Delta Galil initiative across offices in New York, LA, Fontana, PA and Tifton. Beyond breast cancer awareness, Splendid's ongoing commitment focuses on women's mental health, community support, and empowerment initiatives year-round.



florence
by mills™

Customer-Driven Social Impact

Florence By Mills empowers customers to make a direct impact through its **Beam platform**, launched for Women's Month. At checkout, customers can select a nonprofit to receive 1% of their purchase, funded entirely by the brand. Charities supported focus on young women and empowerment, including **PERIOD** (menstrual equity), **GIRLS INC.** (career development and STEM enrichment), and **PROJECT GLIMMER** (mentorship and empowerment programs). The platform displays percent-funded progress for each initiative, allowing customers to direct support to where it is most needed, combining positivity, female empowerment, and social impact.





International Women's Day and Humanitarian Support

In honor of International Women's Day, 7 For All Mankind collaborated with artist and philanthropist **Alexandra Nechita** to create a limited-edition capsule collection featuring embroidered portraits of women. A portion of proceeds supports the **International Rescue Committee (IRC)**, which aids individuals affected by conflict and disaster. The brand committed a minimum guaranteed donation of \$100,000 to IRC, reinforcing its dedication to global humanitarian relief and the empowerment of women worldwide.



Bn Bare Necessities

Supporting Breast Cancer Awareness Through Product Campaigns

As a leading online retailer of bras, **Bare Necessities** supports breast cancer awareness through product promotions and partnerships. In October 2024, the brand collaborated with Wacoal, donating \$2 to Susan G. Komen® for every regular-price **Wacoal** or b.tempt'd bra purchased online. The promotion covered 80 bra styles, and sales of 986 bras resulted in nearly \$4,000 donated to Susan G. Komen®, reinforcing the brand's commitment to women's health and community engagement.



Looking Forward

- We intend to enlarge our global community outreach, address the needs of our surrounding communities and scale-up employee engagement.



Governance

Designing an Ethical World



As a global company, Delta Galil is committed to conducting business in a responsible and appropriate manner. We believe that it is the responsibility of each member of our company to respect our ethical and legal standards and uphold high standards of behavior and conduct in everything that they do.

Designing an Ethical World

As a global company, Delta Galil is committed to conducting business in a responsible and appropriate manner. We believe that it is the responsibility of each member of our company to respect our ethical and legal standards and uphold high standards of behavior and conduct in everything that they do.

Our ethical framework is overseen and implemented through our [Code of Conduct and Code of Ethics](#), which lays out guidelines and expectations.. As a company with extensive global operations, our management, associates, suppliers, business partners, and other stakeholders must commit to our standards for conduct and ethics.

We are also committed to upholding a responsible supply chain that is defined by ethical, environmental and social excellence. We have established company-wide goals for the management and continuous improvement of our performance in these areas. Our supply chain due diligence program currently covers Tier 1 suppliers and selected Tier 2 and Tier 3 suppliers, with a phased approach to progressively expand its scope.

To support our ethical stance, we have a formal reporting process overseen by our Ethics Compliance Director. All reports are addressed promptly, thoroughly, and discreetly. **In 2024, one significant ethical issue was reported through these channels. No legal actions related to anti-competitive behavior, anti-trust, or monopoly practices were filed during the year.**

We had no major incidents of non-compliance related to product labeling, marketing communications, or the health and safety impacts of our products and services.

Our ethical framework is reinforced through consistent implementation, with leadership setting the tone. Training and internal communications on ethics are delivered regularly, and we continuously evaluate the effectiveness of these programs.

In 2024, we laid the groundwork for a new whistleblowing platform to encourage open communication. The platform selection process is underway, with implementation planned for 2025. All ethics related reports, including suspected bribery incidents, are handled by the internal audit department. Conflicts of interest are reviewed in coordination with relevant unit managers and inappropriate behavior is addressed through collaboration between management and HR. When necessary, disciplinary actions - including dismissal - are taken in accordance with our internal procedures.

Inquiries Sent to the Code of Ethics Commissioner's Email:

Year	2022	2023	2024
Total material inquiries	5	3	1

Year	2022	2023	2024
Areas of Complaints	<ul style="list-style-type: none"> 3 Receipt of personal gifts 2 Improper behavior between colleagues (which ended in dismissal of one) 	<ul style="list-style-type: none"> 2 Reported events on conflicts of interest 1 event of personal gift given to a purchasing team buyer 	1 personal benefit incident led to the dismissal of a manager following an internal investigation. In response, we reinforced ethical training for all employees at the relevant site and refreshed global training sessions for all procurement teams.

Our Governance Goals

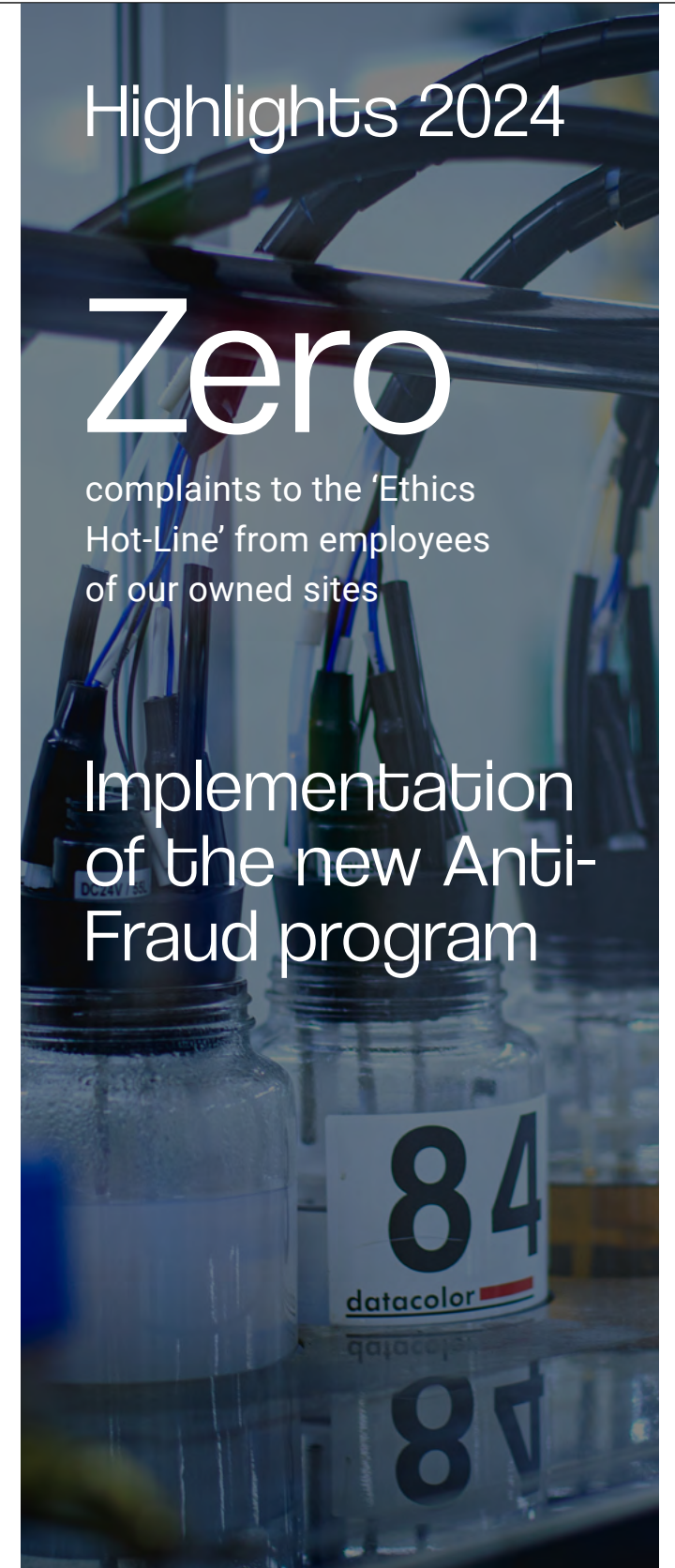
- **Create awareness** of key issues that affect the business for people and planet and vertical channels for decision making with formalized controls
- **Governance model aspects:** legality, accountability, ethical, transparency, participation of decision makers

Highlights 2024

Zero

complaints to the 'Ethics Hot-Line' from employees of our owned sites

Implementation of the new Anti-Fraud program



Our Governance Practices

Delta Galil has long been committed to upholding the four fundamental principles of Corporate Governance: fairness, transparency, accountability, and responsibility. These principles guide our decision-making processes and support our long-term sustainability and integrity.

As of the end of 2024, our Board of Directors consisted of **nine members - seven men and two women**, including **two independent external directors**. We recognize the importance of gender diversity and plan to increase female representation on the Board in the near future.

The Board convenes at least quarterly to review and approve the company's financial performance and strategic direction. Among the Board members, **three have extensive experience in the textile industry, while three are financial and accounting experts**, ensuring a skilled governance group.

The Board nominated three committees that monitor the financial and managerial activities of the company:

- **Audit Committee** – Consists of three members, two of whom are external directors. The committee appoints an internal auditor and meets once a year to approve its annual work plans. In addition, it meets on a regular basis to discuss audit reports and their findings.
- **Committee for Examination of Financial Statements** – Consists of three members, two of whom are external directors. The committee meets on a quarterly basis to discuss the financial results and recommend their approval to the Board of Directors.
- **Compensation Committee** – Consists of three board members who deal with salary and employment conditions, as well as bonuses and capital remuneration for Delta Galil's senior executives. Delta Galil manages a bonus plan for senior management, which includes compensation based on individual and division achievements, as well as meeting operation targets on a corporate level.

The Board of Directors and Compensation Committee regularly review the alignment between senior management compensation and individual performance. Compensation decisions are made under a Pay for Performance (PFP) framework, as detailed in our Time2Talk process, taking into account each manager's contribution to business objectives and adherence to work plans.

New directors participate in a dedicated **training program**, designed to familiarize them with Delta Galil's business operations, legal obligations, and governance responsibilities.

Delta Galil's Board of Directors is informed on **environmental and social aspects** of the company's activities, including topics such as supply chain, environmental related topics, employees and more. Furthermore, the Audit Committee members are updated on issues related to **ethical aspects**. The securities enforcement plan of the company is approved by the Board of Directors.

To maintain integrity, **employees are required to adhere to the organization's Code of Ethics and Code of Conduct**, which, among other topics, provide detailed guidance on avoiding, disclosing, and managing conflicts of interest.

For complete information about the members of the Board, see our [annual financial statement](#) in the section "Regulation 26 - Corporate Directors as of the Report Date."

Delta Galil ESG Summit

In April of 2024, shortly after Delta's VP, ESG Patrick Newsom joined the company, the ESG team held an in-person summit at a Delta facility in Vietnam. This summit brought together ESG representatives from all brands and divisions to discuss important topics ranging from governance and target setting to managing the complex regulatory environment and socializing ESG concepts throughout the organization. This summit laid the groundwork for increased communication, collaboration, and proposed a company-wide ESG framework. The trip ended with team-bonding activities, including a climb to visit the largest Buddha in Vietnam, at the Ong Nui Temple.



Risk Management

Delta Galil manages risks through a periodic risk assessment, implemented by our internal auditing team. The process is overseen by the board and senior management, and risk factors are reported in our financial statement.

Environmental Risks

Delta Galil operates globally and manages environmental risks at the local level within its production sites. Aligned with the ISO 14001 framework, the company actively monitors and mitigates the environmental impact of its operations on water, soil, air quality, and climate. Its goal is to achieve ISO 14001 certification for all owned production sites.

The company's manufacturing sites use chemicals and generate waste materials, which require the

company to comply with global and local regulations. The company is subject to extensive environmental, health, and safety regulations, including Restricted Substances Lists (RSLs), European Union directives, and similar requirements in other regions worldwide. These regulations govern the use, storage, registration, handling, and disposal of chemicals and waste materials, as well as air, water and soil pollution and emissions.

To date, Delta Galil has not identified any material non-compliance with any laws or regulations.

Climate-Related Risks and Opportunities

In 2024, Delta Galil introduced its climate plan, emphasizing the development of a comprehensive greenhouse gas (GHG) inventory, the establishment of new environmental targets, and the introduction of the Task Force on Climate-related Financial Disclosures (TCFD) framework. These initiatives are progressing through 2025, further strengthening the Company's commitment to transparency, sustainability, and climate resilience.

Looking Forward

- Implementing a fraud prevention strategy based on insights from the 2023 risk assessment, expanding training beyond procurement and supplier interactions, and increasing the scope of confidential inspections across additional company sites.

Our Commitment to Anti-Bribery and Corruption

Delta Galil strives for **zero corruption and bribery**. We address sourcing issues both individually by auditing supplier factories and collaboratively through work with industry associations. Delta Galil has implemented various internal controls to continually monitor fraud and improper acts by our employees. If any improper acts are identified, they will be dealt with. In addition to our annual ethical training, we also conduct a more thorough awareness training for specific departments that are considered higher risk for exposure to such threats. These risk areas were

validated in our 2023 global fraud risk assessment which was presented to the Audit Committee of the Board of Directors. The risk assessment was conducted in addition to the internal annual audits performed in different sites.

In 2024, we implemented the Anti-Fraud Program, which encompasses various initiatives, including global ethics training for all employees and procurement teams, as well as a review and enhancement of procurement processes related to third-party engagements.



Data and Privacy Security

The data privacy of our employees, customers, and suppliers is a top priority for us. **We aim for zero breaches of our systems** and adhere to all relevant laws in this area.

To ensure robust data security, we have a multi-layered firewall along with various information security systems and safeguards. Additionally, we conduct awareness training, phishing tests, and anti-phishing assessments. We also engage third-party experts to monitor and assess our employees' readiness for potential data breaches and incidents within our systems.

The integrity of information and data is critical for the continuity of our operations and for the protection of all those involved in our business. We are committed to maintaining high standards of controls and responsible information security conduct.

In recent years, we have been reinforcing our information security policies, protocols, and procedures, covering the full spectrum of our information security needs and risks to protect our business, our people and all those we serve and to whom we ensure robust compliance.

We conduct thorough risk analysis, risk assessment, and penetration testing as part of the Delta Galil Security Cycle. This process helps us identify our Cyber Security Maturity Levels and develop an annual work plan for enhancing information security protection. Our focus encompasses various areas, including networks, cloud services, email, supply chain, and operational technology.

We are committed to protecting the personal information of our employees and all others who entrust us with their data. We take a strict compliance approach, ensuring we have processes and controls in place to restrict the collection and storage of information and to manage, store, and delete information in line with clear protocols. We adapt our programs as required to meet new privacy regulations in countries where we do business, as they arise.

During the reporting period, there were **no reported breaches** of our online information systems or customers' databases.

Product Quality, Safety and Consumer Health – Critical to Our Business

Product quality and safety are crucial to the success of fashion industry products. We consider these two key elements when developing a new product, down to the choice of materials and production technologies and extending to marketing, manufacturing and distribution.

We do this through our strict procedures, specifications, system controls and precise use of raw materials. We use global standards – Industrial Standard AQL (Acceptable Quality Level) and implement tools for inspections and on-site audits. In addition, an internal audit is performed in accordance with an internal SOP through the factories, i.e. owned as well as partnered factories. We believe in continual improvement and accordingly, learn from the experiences at each of Delta Galil's business units and extend this learning across the entire company. We also invite feedback from customers and end users because it provides an opportunity for improvement, development of innovative solutions and brand differentiation.

Delta Galil has achieved significant improvement in product quality, thanks to the proactive efforts of our field teams. This progress is clearly reflected in our 2024 full-year defect rate, which dropped to **2.31%** - surpassing our company-wide goal of 3%. This success spans all entities, countries, and manufacturing sites.

Our score card in 2024: **2.31%** defective rate | **1.99%** workmanship defective rate

We have had **no complaints from customers about the quality or safety of our products.**

We set a goal of 95% for **first time pass rate** and we achieved **95.35% in 2024**, meaning that almost all our technical checks in production concluded in high quality products.

We also invest in empowering our strategic subcontractors regarding the quality standards and safety of our products through training and control that compares their actual conduct against established procedures and standards.



Delta Galil Takes a Strong Step Toward Product Safety

Delta Galil has taken a proactive approach to enhancing product safety by raising awareness to substances whose use is restricted due to health, safety or environmental concerns. We have developed our own Restricted Substance List (RSL) according to Cal Prop 65 and REACH, conducted multiple seminars and actively engaged with our suppliers to communicate our direction and collaborate on safer alternatives. Our supply chain partners are expected not to intentionally use any additive, fixing agents and dyestuff containing RSLs. This process has not been without challenges – as many RSL containing ingredients are widely used and closely tied to current fashion trends. During 2023-2024

Delta's team created a roadmap which was pursued for products of a key customer, applying active supplier engagement to promote RSL compliance and enhance product performance. The team ultimately achieved more than 80% of the customer's material suppliers (including main materials, trims and labels), tested and confirmed as being free of RSL chemicals. This exercise led to the development of a library of fixing agents that are safe for end users.

Looking ahead to 2025-26, we are broadening this initiative to include trims and other product components, ensuring a more comprehensive approach to responsible and safe manufacturing.

Case Study

Delta Galil Establishes Enterprise Standard in China for Patented Technologies

Delta Galil has long been at the forefront of textile innovation, with patented technologies such as Real Cool™ Cotton (RCC), Realasting™ Cotton (RLC), RLS, and 720 Stretch™. These innovations offer consumers benefits, such as the feel of cool cotton, pill resistance, long-lasting smoothness, and universal fit. While these technologies are well established in several markets, awareness and alignment with local standards remain a challenge in others- particularly in China, where domestic benchmarks often differ.

Recognizing the opportunity to bring these solutions to more consumers, our team initiated a collaboration with Chinese testing authorities to align our technologies with local enterprise standards. Through a series of technical presentations and discussions, we demonstrated how these patented innovations support sustainability and offer long-term performance benefits to consumers.

In July 2024, we achieved a major breakthrough: official approval for establishing enterprise standards for our patented technologies, including RCC, RLC, and 720 Stretch™, specifically for products sold in the Chinese market. This milestone has significantly strengthened our positioning in the region and marked a successful delivery of our global innovations to new consumers.

Clear and consistent testing eliminates ambiguity in performance claims. Since implementation, production testing has achieved flawless results, boosting QA efficiency. Trustworthy test reports have enhanced customer trust and solidified our reputation for quality.

This accomplishment not only reflects Delta Galil's dedication to technical excellence but also reinforces our strategic commitment to innovation, global expansion, and adapting to regional regulatory and consumer expectations.

-  **REAL COOL™**
COTTON
-  **REALASTING™**
COTTON
-  **REALASTING™**
SOFTNESS
-  **720°**
STRETCH™

Case Study

Delta Panyu Lab Expands Capabilities and Drives Operational Excellence

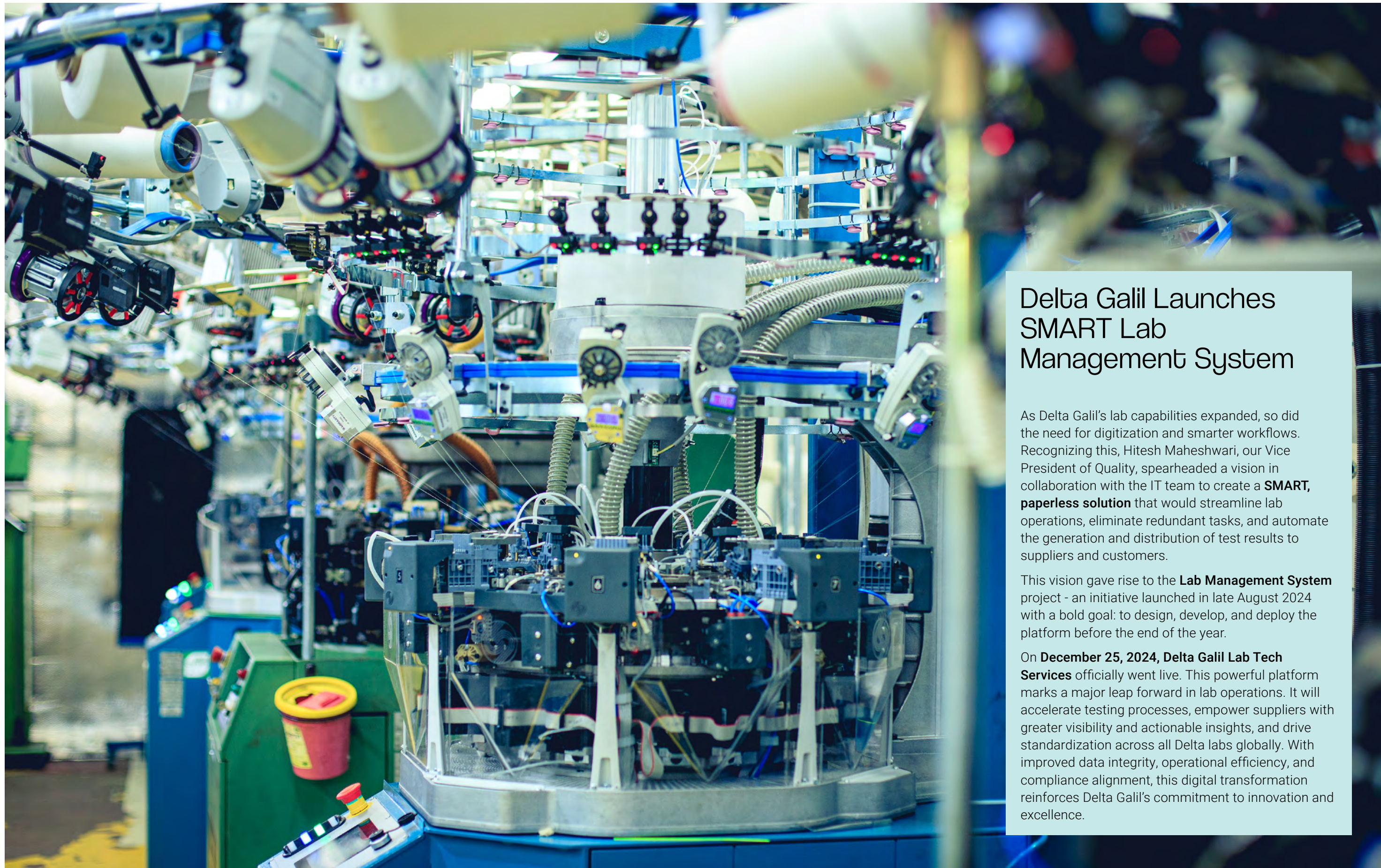
Delta Panyu Lab continued its dynamic growth in 2024, further establishing itself as a key player in Delta Galil's global quality assurance network. One of the year's most notable milestones was the lab earning certifications from leading global brands, including Walmart, reinforcing its credibility and technical standards.

With a dedicated team of four lab technicians and three colorists, the lab delivered outstanding

results in multiple areas: Growth of testing capacity, color management, and tailor-made test methods for patented technologies.

These achievements reflect the lab's unwavering commitment to operational excellence, innovation, and cross-functional collaboration. Its efforts directly contribute to meeting Delta Galil's quality objectives and strengthening strategic brand partnerships around the world.





Delta Galil Launches SMART Lab Management System

As Delta Galil's lab capabilities expanded, so did the need for digitization and smarter workflows. Recognizing this, Hitesh Maheshwari, our Vice President of Quality, spearheaded a vision in collaboration with the IT team to create a **SMART, paperless solution** that would streamline lab operations, eliminate redundant tasks, and automate the generation and distribution of test results to suppliers and customers.

This vision gave rise to the **Lab Management System** project - an initiative launched in late August 2024 with a bold goal: to design, develop, and deploy the platform before the end of the year.

On **December 25, 2024, Delta Galil Lab Tech Services** officially went live. This powerful platform marks a major leap forward in lab operations. It will accelerate testing processes, empower suppliers with greater visibility and actionable insights, and drive standardization across all Delta labs globally. With improved data integrity, operational efficiency, and compliance alignment, this digital transformation reinforces Delta Galil's commitment to innovation and excellence.

Our Responsible Supply Chain

At Delta Galil, a responsible supply chain is not just a goal - it is a core expression of our values. We are firmly committed to promoting human rights, fair and respectful working conditions, and environmental sustainability throughout our global operations. Over the years, we have made significant strides in evaluating the social practices of our suppliers, and as expectations evolve, we are expanding this focus to include environmental performance. While managing a global supply chain presents complex challenges, we remain steadfast in our mission to improve continually and uphold the highest standards.

We carefully select partners - whether suppliers, manufacturers, contractors, agents, or distributors - who operate with integrity, comply with the law, and share our commitment to ethical business practices. Delta Galil will not knowingly work with any entity that violates labor rights, environmental regulations, or health and safety standards. Our approach is rooted in transparency and collaboration, building long-term, trusted partnerships based on mutual respect and shared responsibility. We believe that through open dialogue and ongoing support, every product we create can embody both quality and accountability.

Our Supply Chain



We work with approximately

254 tier 1 factories in

30 countries



Over **50%**

of our products come from China, Bangladesh, and Vietnam



Our raw materials are supplied by a global network of partners primarily located in

**Bangladesh, Egypt
India and China**



We sell globally, with our primary markets being

USA, Europe and Israel

We manage our **responsible supply chain** framework using dedicated systems and procedures that we have formulated on the basis of many years of experience to ensure our progress and for the benefit of ongoing documentation and control.

New suppliers must meet our requirements regarding product quality, timetables and working conditions. In the process of selecting suppliers, we also perform social, local and environmental screening with an emphasis on ESG risks. Delta Galil leverages both LRQA's EIQ system and the Higg platform to monitor, analyze, and manage supplier compliance and sustainability performance, supporting data-driven decisions and alignment with industry best practices across the global supply chain. These systems allow us to assess existing facility risk rating by country, facility type, employee characteristics, product types, and social audit results.

Before entering into a partnership with new suppliers, we conduct a preliminary audit to check production capacity and quality, compliance with applicable social and environmental laws, and the principles set out in our Code of Conduct. The Code for suppliers includes commitments to safeguard human rights, fair employment, prevention of discrimination, no employment of children or forced labor, promoting employee health and safety, freedom of association and collective bargaining, and more. These are then confirmed through annual supplier compliance audits.

Since 2022, Delta Galil has implemented the **Higg Brand and Retail Module (BRM)** across **four of our owned brands** as part of our commitment to leveraging industry-standard tools to better measure

our impact and guide strategic decision-making. The BRM is a globally recognized sustainability assessment that helps companies in the **apparel, footwear, and textile industries** to evaluate and report on their **environmental, social, and governance (ESG) performance**.

By utilizing the BRM, we aim to assess our performance against the most pressing ESG issues in our industry, develop a comprehensive understanding of each brand's ESG health, and support our brands in **setting priorities and driving meaningful sustainability improvements**.

During 2024, Delta Galil initiated an evaluation process of 231 Tier 1 and Tier 2 supplier facilities using the Higg FEM (See case study "The Higg Index and Delta Galil's Implementation of the Higg FEM").

We use webinar training for suppliers in order to fully involve them in the process.

Delta Galil takes full ownership of auditing its supply chain and employs a wide range of third-party audit programs to uphold ethical, social, and environmental standards. These include customer-led audits, assessments by third-party auditors, and evaluations conducted by Delta Galil's Global Compliance Team, including through the LRQA Responsible Sourcing Assessment (ERSA). Where relevant, we also utilize globally recognized frameworks such as the SLCP, Better Work, Sedex Members Ethical Trade Audit (SMETA), Worldwide Responsible Accredited Production (WRAP), and the Business Social Compliance Initiative (BSCI).

Total number of audits



As part of our commitment to transparency and collaboration, we share relevant audit findings with customers and stakeholders when aligning on business operations. We actively promote the principles, tools, and initiatives set forth by industry leaders across our supply chain.

We expect all authorized suppliers not only to uphold Delta's ESG standards but also to apply them to their own direct suppliers and ensure they are communicated and enforced further upstream throughout the entire supply chain. In light of increasing mandatory due diligence regulations globally, Delta requires all suppliers to comply with applicable legal requirements and integrate due diligence practices into their own supplier vetting and monitoring processes.

We adhere to specific customer standards including social, ethical, environmental, product safety and Customs-Trade Partnership Against Terrorism (C-TPAT) requirements. Our Compliance team has created its own audit protocol to check supplier factories, based on factory risk.

Our suppliers are requested to sign our Code of Conduct and Purchase Terms and Conditions, which encompass ethics, fair employment practices, and sustainability in our supply chain. The complete Code of Conduct can be found on [our website](#).

In addition, Delta commissioned audits are performed at some manufacturing sites, in parallel with globally recognized supplier audits.

Data includes third-party audits carried out within our supply chain, encompassing both owned and contracted sites. Audit frameworks referenced include ERSA FLC, SLCP, Better Work, WRAP, SMETA and BSCI. Audits were conducted at Tier 1 and select Tier 2 facilities.

The main focus of our compliance efforts revolves around ensuring suppliers meet our high standards.

We prohibit forced labor, whether in the form of human trafficking, indentured labor, prison labor, child labor, or otherwise, in our supply chain. We do not knowingly work with factories that use forced labor or that are involved in human trafficking, slavery, or worst forms of child labor and we publish a [public statement](#) outlining our efforts to eradicate forced labor from our direct supply chains.

In addition to auditing, when conducting our risk assessment, we utilize intelligence from a wide variety of sources, including the the United States Government (**US State Department's Trafficking in Persons Report**), the Social Responsibility Committee of the AAFA, reports from the FLA, third-party firms, press reports, and private resources to help focus our efforts in areas where we believe there is a risk of forced labor, slavery and human trafficking.

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

In 2023 Delta Galil partnered with GoodWeave, a non-profit civil society organization that works to stop child and worker exploitation in global supply chains. The GoodWeave mission is achieved through the establishment of clear and rigorous standards, deep supply chain mapping to home-based communities, monitoring and inspection of factories and subcontracted worksites, and child labor prevention and remediation programming.

Delta Galil collaborated on 2 GoodWeave projects:

From early 2023 to late 2024, "Modern Slavery and Child Labor in Bangladesh's Garment Sector: Documenting risks and informing solutions"

From June 2023 to January 2024. "Assessment of Ready-Made Garment Supply Chains in Bangladesh." This project has been extended into Phase B that will continue until August 2026.

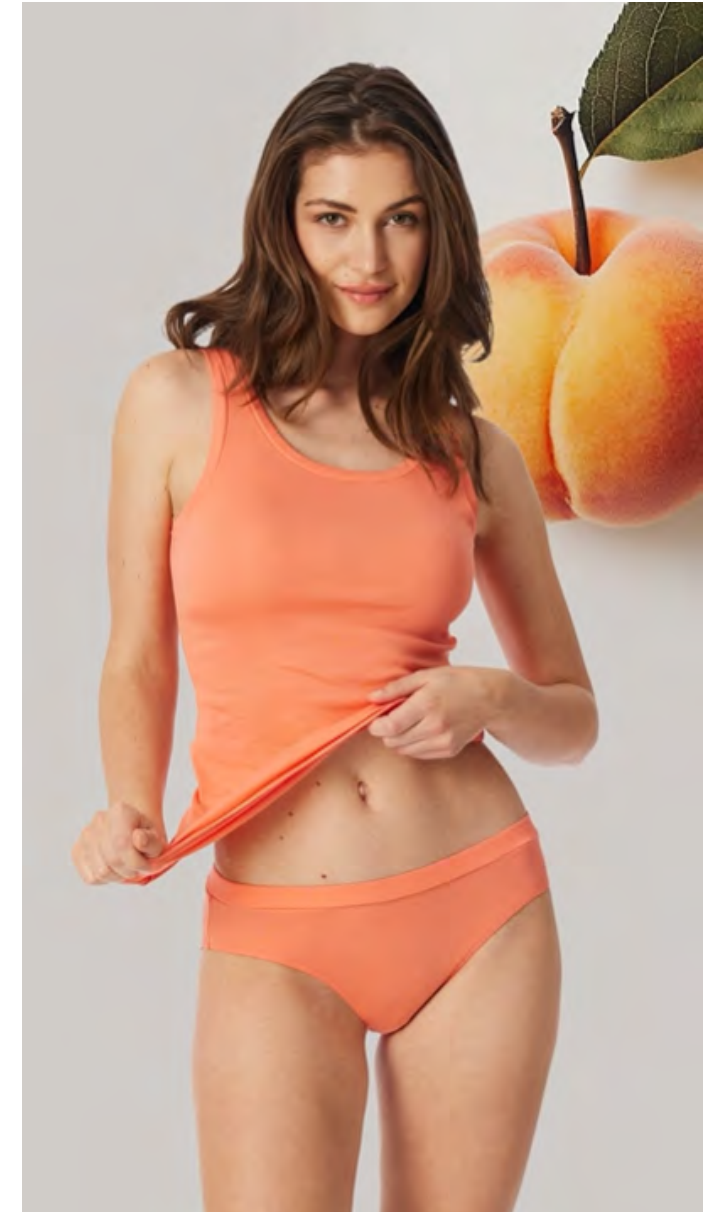
The projects have provided Delta with invaluable tools to improve our own policies and procedures and to carry out more effective due diligence in our supply chain.

Strengthening Labor Standards and Social Performance Management

In 2024, Delta Galil took two major steps to enhance our commitment to ethical labor practices and strengthen social performance across our global operations.

First, we **expanded our FLA affiliation** and scope beyond our owned facilities to include **Delta's global supply chain**. This marks a significant advancement in our human rights and labor standards work, reflecting our belief in the importance of aligning with internationally recognized frameworks. As a long-standing member, the FLA remains a key partner in our mission to uphold fair labor practices, and this expansion represents a major commitment to deepening that work across all tiers of production.

In parallel, we initiated the **rollout of a factory labor performance grading system**. This new system



will provide a consistent and transparent way to evaluate labor conditions and compliance across our facilities. It will allow us to evaluate factory risk and specifically where the risk lies within the factory. Over time, it will enable us to **implement a scorecard approach**, allowing us to **track and benchmark year-over-year progress**, identify areas for improvement, and better support factories in elevating their social performance.

Together, these initiatives lay the foundation for a more data-driven, accountable, and values-aligned supply chain. Looking ahead, we plan to continue building on this work by refining our grading methodology and deepening our collaboration with supply chain partners to drive continuous improvement.

Enhancing Supplier Due Diligence and Risk Mitigation Across Tiers

During 2024, we expanded our due diligence (DD) processes to include selected Tier 2 and 3 suppliers.

To accelerate and streamline the process, we incorporated additional assessments and data sources that enable more targeted evaluations - focusing on suppliers where potential risks have been identified.

It is important to note that suppliers with poor results are not permitted to continue working with us until they have addressed the identified deficiencies. This approach reflects our commitment to risk mitigation, recognizing that the company faces greater exposure when a supplier is unwilling to agree to social and environmental commitment documents or fails to meet the required standards.

Traceability and Supply Chain Transparency

Our most significant project in 2024 was the implementation and rollout of a comprehensive traceability platform aimed at enhancing supply chain transparency and accountability. In the first phase, we successfully onboarded **43 direct suppliers**, which enabled us to map and identify **441 indirect (upstream) suppliers** within our supply chain.

This newfound visibility allows us to proactively **screen suppliers against sanctions and restricted entity lists** - such as the U.S. CBP UFLPA list - and to analyze trends across our upstream network, including the identification of **frequently used facilities** such as **common fabric mills and yarn spinners**.

Case Study

Deepening Supply Chain Transparency at Organic Basics

As part of our ongoing commitment to radical transparency and responsible production, Organic Basics has taken important steps in 2024 to map and disclose our full supply chain -extending beyond Tier 1 (cut-and-sew facilities) to include Tiers 2, 3, and 4, where materials are processed, spun, and ultimately products are produced. This initiative aims to provide our community with greater visibility into where and how their clothing is made, while also enhancing our ability to identify and mitigate risks across the full supply chain, including social, environmental, and traceability concerns.

By building a more complete view of our product journey - from raw material to finished garment - we are strengthening our capacity for data-driven due diligence, improving accountability, and reinforcing our commitment to ethical sourcing. This comprehensive mapping effort will culminate in the public launch of our updated supply chain transparency platform in early 2025, giving customers the ability to trace the origins of their Organic Basics pieces with confidence and clarity.



Case Study

Preparing for Climate Change in Our Value Chain

We engage with suppliers, customers, and other partners in our value chain on climate-related issues. We are working through a methodical process to engage our suppliers to improve climate-related issues. We are communicating with our Tier 1 suppliers first to put systems in place for environmental management and data collection, with tools such as the Higg FEM. We are also focusing on improvements with our top suppliers, which typically comprise 80% of our business.



Ensuring Human Rights Enforcement in Our Supply Chain

At Delta Galil, we recognize that transparency is essential to responsible supply chain management - especially when it comes to addressing critical issues such as human trafficking and modern slavery. In 2024, we made significant progress in our traceability and due diligence efforts, deepening our engagement across supplier tiers.

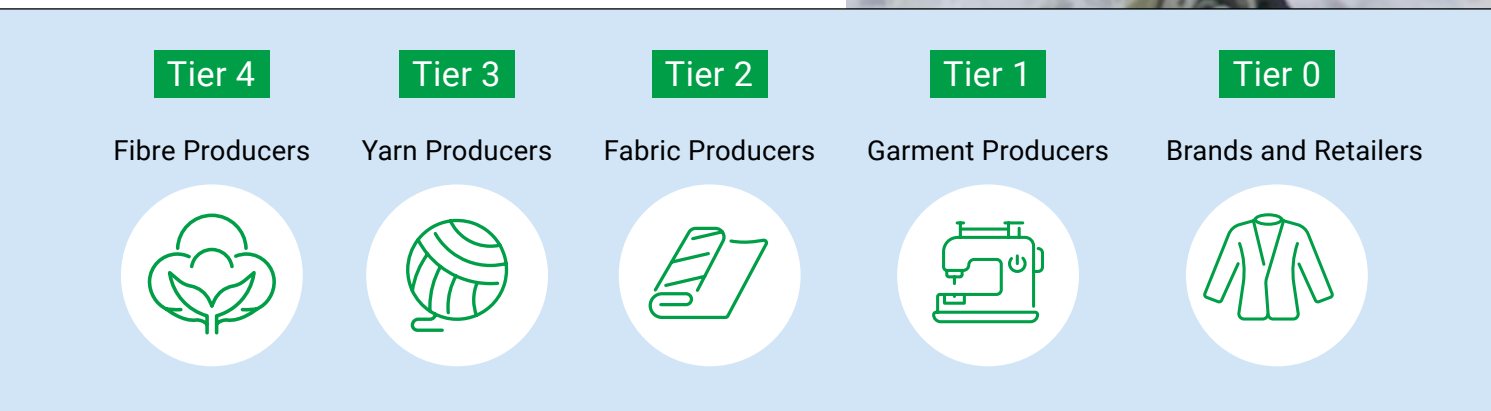
We expanded our outreach to **160 Tier 2 suppliers**, up from 107 in the previous year. This group includes many of our **strategic and nominated material sources**. All Tier 2 suppliers received, acknowledged, and signed our **Supplier Code of Conduct**, affirming their commitment to our ethical and social standards. The majority also underwent **third-party audits**, followed by **remediation processes** where necessary, to ensure compliance and drive continuous improvement.

In addition, we initiated **due diligence with seven Tier 3 suppliers**, targeting those with potentially elevated risk profiles. This marks an important step toward **mitigating risks deeper in our supply chain** and reinforces our long-term commitment to ethical sourcing and human rights protections.



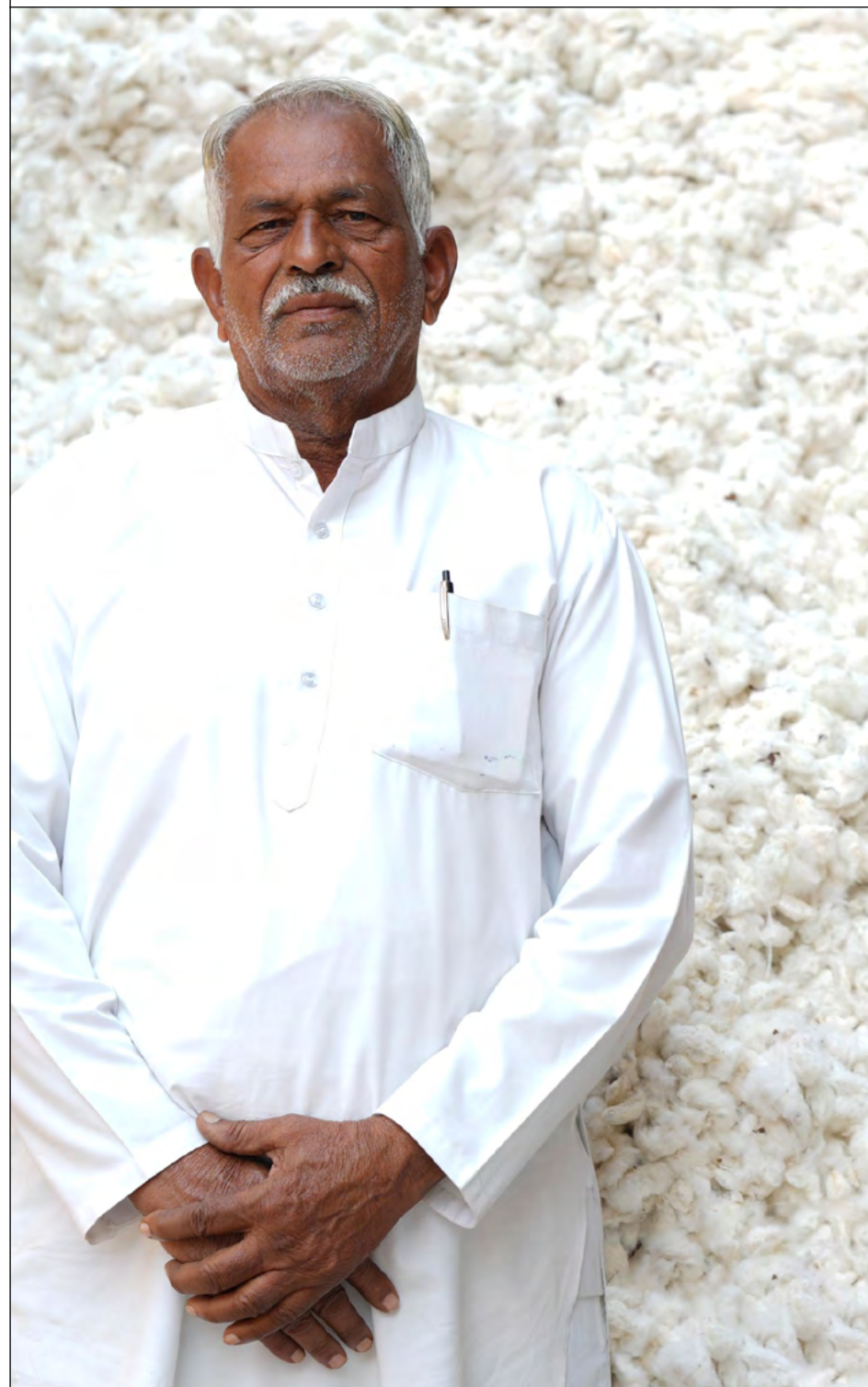
We require our employees involved in supply chain management to participate in external training programs and seminars on key topics such as social compliance, human trafficking, and modern slavery. These sessions are delivered by third-party experts, customers, and industry organizations including the AAFA and the FLA.

In addition, our supply chain staff receives training on all relevant company policies, including our **Code of Conduct**. These programs are designed to ensure that employees are well-informed about the complex issues affecting global supply chains - particularly the risks of human trafficking, forced labor, and the worst forms of child labor. The training places a strong emphasis on risk awareness and proactive mitigation strategies, helping to build a culture of accountability and ethical responsibility throughout our operations.



Case Study

Delta Galil Joins Efforts to Transform Working Conditions in the Cotton Sector



Delta Galil remains committed to the [Harvesting the Future](#) - Cotton in India initiative, led by the FLA, alongside 23 other global apparel companies and local partners. This multi-stakeholder project aims to improve working and living conditions for cotton producers, harvesters, and their families across more than 30 villages in Madhya Pradesh, India - one of the country's key cotton-growing regions.

Running through 2027, the initiative takes an area-based approach to embed human rights due diligence (HRDD) at the village level while promoting responsible practices throughout the cotton value chain. By supporting efforts such as supply chain mapping, child protection, awareness-raising, and health and safety interventions, Delta reaffirms its commitment to ethical sourcing and long-term, sustainable change in cotton-producing communities.



Looking Forward

- We plan to **expand the implementation of the BRM across additional brands** in our portfolio, further strengthening our ESG oversight and enabling more data-driven action toward our sustainability goals.
- **During 2025**, we will focus our efforts to promote traceability and supply chain transparency on **high-risk categories, specifically cotton products and selected styles or purchase orders**. This phase will involve conducting **chain-of-custody verification and collecting supporting evidence to ensure compliance and ethical sourcing** throughout the supply chain.
- We plan to establish an ethical committee with senior associates and relevant executive members.

Appendix



About this Report

This report is Delta Galil's 10th Environmental, Social & Governance (ESG) Report, prepared with reference to the GRI Standards 2021 and incorporating SASB guidelines. Our previous report, published in 2024, covered the years 2022-2023. Since 2007, we have published a biennial report, but moving forward, we intend to transition to an annual reporting cycle. The report summarizes our activity in the areas of the economy, environment, society and corporate governance in 2024 (covers the period from January 1, 2024 to December 31, 2024). Unless otherwise indicated, it covers 100% of Delta Galil's production, manufacturing and logistics sites.

We look forward to the expected release of the GRI's Textiles and Apparel Sector Standard in 2026 and we are learning the CSRD/ESRS disclosure guidelines, as we prepare for our next annual ESG disclosure.

The report does not include information regarding retail outlets or small local marketing offices, unless expressly stated. It also does not include activity in our joint ventures.

Throughout the report, we only mention the names of subsidiaries abroad when we describe the activities that take place in those companies. Environmental data analysis is done through a third-party consultancy.

The data in this report corresponds with other reports issued and information presented by the Group in past years. This report is not part of the financial statements of the company or Immediate Reports or Periodic Reports of Delta Galil, and in the unlikely event of any discrepancy, the version in the financial statements is binding. The contents of the report are also published on Delta Galil's Corporate Social Responsibility [website](#) and on the company's main [website](#).

For Organic Basic's 2024 Impact Report click [here](#).

Good Vision, of the Fahn Kanne-Grant Thornton Group, has been commissioned by Delta Galil to undertake an independent limited assurance for the 2024 Designing a More Sustainable World Report. Their report is presented in the following page.



This ESG report was prepared with the assistance of Sher Consulting & Training LTD of the Mérieux Nutrisciences Group and was designed by Mina Portnov Mishan.

Thanks for reading Delta Galil's 2024 Impact Report. We welcome any comments, suggestions or feedback. For more information, please contact:

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Independent Limited Assurance Report



October 25

Limited Review of Delta Galil Industries Ltd.'s 2024 ESG Report

Background

Good Vision Corporate Responsibility Consultants Ltd. of the Fahn-Kanne Group, which is an organizational stakeholder in the Global Reporting Initiative (hereinafter: "GRI"), has been requested by Delta Galil Industries Ltd. (hereinafter: "Delta" or the "Company") to conduct a review process for the Company's ESG report for 2024.

The review procedure was conducted during September-October 2025 for a fee and was carried out as objectively and professionally as possible, based on the information provided by Delta.

The findings of the review process are intended for publication to all the company's stakeholders (internal and external).

Methodology

To examine how the report complies with ESG reporting best practice, this review was based on the reporting principles of the GRI.

The review included the report's compliance, inter alia, with the following principles:

1. Inclusivity – identifying stakeholders and involving them in the process of formulating substantive issues, while allowing for responses.
2. Materiality – The report clearly addresses the company's material issues.
3. Responsiveness – transparent conduct in the context of substantive issues and their effects.

Work Process

The reporting review of Delta's ESG report for 2024 was conducted by asking and clarifying with company officials how the data was collected and presented in the report in accordance with accepted principles, as well as by reviewing and analyzing documents that documented relevant data and work processes. In this context, it is important to note that the work was carried out with full cooperation and transparency on the part of the company. Additionally, as part of the review process, Delta updated and corrected numerical and qualitative discrepancies that appeared in the report.

At the conclusion of the process, a detailed report was submitted to the company, outlining the main findings of the review process, and a summary of it appears at the end of this report.

Findings and recommendations

According to the review carried out, in the process described above, and in accordance with the materials presented to us, it can be determined that the Delta Report for 2024 is written according to the reporting best practice.

As part of the review, we found that the report addresses material issues as required by the GRI standard. We believe that the report presents data comprehensively and clearly and extensively describes the company's ESG activities.

However, we recommend expanding on the following topics and/or reporting the following in Delta's next report:

- Climate risk reporting in accordance with TCFD recommendations
- Double Materiality Assessment, which presents both the financial impacts of environmental and social risks on Delta and Delta's environmental and social impacts
- Develop a robust and more comprehensive set of goals and targets to guide the future development of corporate responsibility at Delta.

Signed



Ivri Verbin, CEO

Good Vision Corporate Responsibility Consultants



Supporting the UNGC and SDGs

As part of a globally impactful industry, we support the UN Global Compact and Sustainable Development Goals, recognizing our responsibility to help drive positive change for society, the environment, and the global economy. As part of our ESG commitments and the resulting strategic framework, we lead activities related to SDGs 3, 4, 5, 7, 8, 9, 12 and 13. The following tables provide an overview of the SDGs we focus on and our support of the UNGC principles.

SDGs and Delta Galil's Commitment



We prioritize health, safety, and wellbeing by ensuring fair employment, high product quality, and reducing our environmental impact. To drive progress, we set clear targets, follow standardized processes, and monitor health and safety through policies, training, protective measures, and LTIR tracking. In 2024, our LTIR stands on 0.98.

Read more in ["Designing an Inclusive World"](#) and in ["Designing a Greener World."](#)

At Delta Galil, we believe learning drives growth and success, which is why we invest in our employees' personal and professional development through targeted training and education. We also support youth skill-building in our communities to help close social and academic gaps, while strengthening a diverse talent pipeline for the future.

Read more in ["Designing an Inclusive World."](#)

Delta Galil is committed to global female empowerment and gender equality, recognizing the importance of supporting the women who make up the majority of our workforce. We invest in their wellbeing and development through locally tailored initiatives, aiming to foster future female leaders and inspire positive change within families and communities. This is why women account for 63% of supervisors and 56% of our managers.

Read more in ["Designing an Inclusive World."](#)

Delta Galil promotes resilient infrastructure and sustainable manufacturing while supporting local economies, advancing wellbeing, and fostering innovation through research and technology. In 2024, Delta Galil has invested ~3% of its annual revenue invested in R&D and has 29 registered and pending patents and 13 trademarks.

Read more in ["Designing an Innovative World"](#) and in ["Designing an Inclusive World."](#)

The textile industry is a major energy consumer and contributor to global emissions, making climate action essential. Delta Galil embarked on a climate plan, emphasizing the development of a GHG inventory, the establishment of new environmental targets including plans to adopt a Science Based Target, and the introduction of the TCFD framework. It also promotes renewable energy and boosts energy efficiency to support a sustainable future.

Read more in ["Designing a Greener World."](#)

Delta Galil is a global company that fosters economic growth and creates opportunities worldwide. We are dedicated to the health, well-being, and personal development of our employees, while promoting equal opportunities, diversity, and inclusion in the workplace.

Read more in ["Designing an Inclusive World."](#)

The fashion industry heavily impacts planetary resources, so we invest in production methods aimed at minimizing environmental impacts and ensuring long-term sustainability. We incorporate circular economy principles in our R&D and aim to increase the use of recycled and preferred materials.

Read more in ["Designing a Greener World."](#)

UNGC Principles and link to Relevant Section in this Report

UNGC Principles	Link to Relevant Section in this Report
Support a precautionary approach to environmental challenges	Designing a greener world
Undertake initiatives to promote greater environmental responsibility	Designing a greener world
Encourage the development and diffusion of environmentally friendly technologies	Designing a greener world
Support and respect the protection of internationally proclaimed human rights	Designing an inclusive world
Make sure that there is no complicity in human rights abuses	Designing an inclusive world
Uphold the freedom of association and the effective recognition of the right to collective bargaining	Designing an inclusive world
Eliminate all forms of forced and compulsory labor	Designing an inclusive world
Effective abolition of child labor	Designing an inclusive world
Elimination of discrimination with respect to employment and occupation	Designing an inclusive world
Work against corruption in all its forms, including extortion and bribery	Designing an ethical world

GRI Content Index 2024

GRI 2: General Disclosures 2021

Topic	Data Description	GRI	Link to Relevant Chapter in Report
1. The organization and its reporting practices	Organizational Details	2-1	About Delta Galil
	Entities included in the organization's sustainability reporting	2-2	About Delta Galil
	Reporting period, frequency and contact point	2-3	About this Report – Jan 1, 2024-Dec 31, 2024
	Restatements of information	2-4	The environmental data has been updated in this report. Read more in Designing a Greener World
	External assurance	2-5	A limited assurance has been conducted by Good Vision of the Fahn Kanne-Grant Thornton Group
2. Activities and workers	Activities, value chain and other business relationships	2-6	About Delta Galil
	Employees	2-7	Designing an Inclusive World
	Workers who are not employees	2-8	Designing an Inclusive World
3. Governance	Governance structure and composition	2-9	Designing an Ethical World
	Nomination and selection of the highest governance body	2-10	Designing an Ethical World
	Chair of the highest governance body	2-11	Designing an Ethical World
	Role of the highest governance body in overseeing the management of impacts	2-12	Designing an Ethical World
	Delegation of responsibility for managing impacts	2-13	Designing an Ethical World
	Conflicts of interest	2-15	Designing an Ethical World - See our Code of Ethics
	Communication of critical concerns	2-16	Designing an Ethical World
	Collective knowledge of the highest governance body	2-17	Designing an Ethical World
	Evaluation of the performance of the highest governance body	2-18	Designing an Ethical World
	Remuneration policies	2-19	Designing an Ethical World
	Process to determine remuneration	2-20	Designing an Ethical World
	Annual total compensation ratio	2-21	Designing an Ethical World
4. Strategy, policies and practices	Statement on sustainable development strategy	2-22	A Message from Our CEO
	Policy commitments	2-23	Designing an Ethical World - see our Code of Ethics
	Embedding policy commitments	2-24	Designing an Ethical World - see our Code of Ethics
	Compliance with laws and regulations	2-27	Designing an Ethical World
	Membership associations	2-28	About Delta Galil

Topic	Data Description	GRI	Link to Relevant Chapter in Report
5. Stakeholder engagement	Approach to stakeholder engagement	2-29	About Delta Galil
	Collective bargaining agreements	2-30	Designing an Inclusive World
GRI 3: Material Topics 2021	Process to determine material topics	3-1	Our ESG Approach
	List of material topics	3-2	Our ESG Approach
	Management of material topics	3-3	Our ESG Approach
GRI 205: Anti-corruption 2016	Communication and training about anti-corruption policies and procedures	205-2	Designing an Ethical World
	Confirmed incidents of corruption and actions taken	205-3	Designing an Ethical World
GRI 301: Materials 2016	Materials used by weight or volume	301-1	Designing a Greener World
	Recycled input materials used	301-2	Designing a Greener World
GRI 302: Energy 2016	Energy consumption within the organization	302-1	Designing a Greener World
	Energy intensity	302-3	Designing a Greener World
	Reduction of energy consumption	302-4	Designing a Greener World
	Reductions in energy requirements of products and services	302-5	Designing a Greener World
GRI 303: Water and Effluents 2018	Interactions with water as a shared resource	303-1	Designing a Greener World
	Management of water discharge-related impacts	303-2	Designing a Greener World
	Water withdrawal	303-3	Designing a Greener World
	Water discharge	303-4	Designing a Greener World
	Water consumption	303-5	Designing a Greener World
GRI 305: Emissions 2016	Direct (Scope 1) GHG emissions	305-1	Designing a Greener World
	Energy indirect (Scope 2) GHG emissions	305-2	Designing a Greener World
	Other indirect (Scope 3) GHG Emissions	305-3	Designing a Greener World
	emissions intensity	305-4	Designing a Greener World
	Reduction of GHG emissions	305-5	Designing a Greener World
	Emissions of ozone-depleting substances (ODS)	305-6	Designing a Greener World
	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	305-7	Not reported as these are no emissions of significant impact for our activities. NOx, SOx and other significant emissions are measured annually or biannually, based on the facilities' emission scopes. These parameters are below detection limits.

GRI Content Index 2024

Topic	Data Description	GRI	Link to Relevant Chapter in Report
GRI 306: Waste 2020	Waste generated by type and disposal method	306-1	Designing a Greener World
	Waste diverted from disposal	306-4	Designing a Greener World
	Waste directed to disposal	306-5	Designing a Greener World
GRI 306: Effluents and Waste 2016	Significant spills	306-3	In the scope of health and safety and environmental protection facilities have emergency plans for spill management (chemicals, hazardous substances etc.)
GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	403-1	Designing an Inclusive World
	Hazard identification, risk assessment, and incident investigation	403-2	Designing an Inclusive World
	Occupational health services	403-3	Designing an Inclusive World
	Worker participation, consultation, and communication on occupational health and safety	403-4	Designing an Inclusive World
	Worker training on occupational health and safety	403-5	Designing an Inclusive World
	Promotion of worker health	403-6	Designing an Inclusive World
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7	Designing an Inclusive World
	Workers covered by an occupational health and safety management system	403-8	Designing an Inclusive World
	Work-related injuries	403-9	Designing an Inclusive World
GRI 405: Diversity and Equal Opportunity 2016	Diversity of governance bodies and employees	405-1	Designing an Inclusive World
	Ratio of basic salary and remuneration of women to men	405-2	Designing an Inclusive World (in Israel)
GRI 406: Non-discrimination 2016	Incidents of discrimination and corrective actions taken	406-1	Designing an Ethical World
GRI 408: Child Labor 2016	Operations and suppliers at significant risk for incidents of child labor	408-1	Designing an Inclusive World
GRI 409: Forced or Compulsory Labor 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1	Designing an Inclusive World
GRI 413: Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	413-1	Designing an Inclusive World
	Operations with significant actual and potential negative impacts on local communities	413-2	Designing an Inclusive World

Topic	Data Description	GRI	Link to Relevant Chapter in Report
GRI 414: Supplier Social Assessment 2016	New suppliers that were screened using social criteria	414-1	Designing an Ethical World
	Negative social impacts in the supply chain and actions taken	414-2	Designing an Ethical World
GRI 416: Customer Health and Safety 2016	Assessment of the health and safety impacts of product and service categories	416-1	Designing an Ethical World
	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	Designing an Ethical World
GRI 418: Customer Privacy 2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Designing an Ethical World



SASB - Apparel, Accessories & Footwear

Sustainability Accounting Standard

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	Reply
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA-250a.1	Product Quality, Safety and Consumer Health
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2	Product Quality, Safety and Consumer Health
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	All owned facilities have wastewater discharge permits
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's (Cascadia's) Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	100% owned T1 100% owned T2
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	100% owned T1 100% owned T2 100% 3 rd party
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	Information is available via LRQA's EIQ platform where we are uploading audit information
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA-430b.3	Labor – Fire systems – Obstructed pathways and exits Environment – Chemical control
Raw Materials Sourcing	1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	n/a	CG-AA-440a.3	A mapping of purchased priority materials has not been performed as such. The company has several ongoing projects for preferred material certifications and ongoing programs to engage with suppliers on environmental and social issues and monitor risks. We have implemented a comprehensive traceability platform aimed at enhancing supply chain transparency and accountability. We have launched a supply chain mapping exercise with a subset of our core suppliers with a roadmap intended to expand to our full supplier base. Concurrently we are pursuing preferred material programs in a structured way based on supply chain visibility and aligning with our global custom base.
	1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Metric tons (t)	CG-AA-440a.4	

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	Reply
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 14 Q	Quantitative	Number	CG-AA-000.A	14 T1 owned facilities 3 T2 owned facilities



² Note to CG-AA-430a.1 – The entity shall discuss its supply chain risks associated with discharge of water from supplier facilities and describe how it manages these risks.
³ Note to CG-AA-430b.2 – Disclosure shall include a discussion of additional context around supply chain auditing, such as audit methodologies and supply chain transparency.



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