

## Delta Galil Code of Conduct

### PURPOSE

This code of conduct is designed to outline the minimum requirements of doing business with the affiliated companies of Delta Galil Industries Ltd. ("Delta Galil"). Delta Galil expects all suppliers to conduct a risk assessment relating to all clauses outlined in this Code and to communicate this Policy to suppliers whose materials or inputs are incorporated in merchandise sold to Delta Galil in order to proactively reduce risk by identify gaps and potential areas of improvement.

### LEGAL OBLIGATION

Delta Galil and its affiliated companies will only do business with authorized contractors, suppliers, vendors and agents, herein referred to as "Suppliers" that comply with the applicable laws and regulations of the jurisdiction in which they operate and in jurisdictions that its merchandise enters into commerce. Delta Galil will not tolerate any failure to obey the law by its employees or its business partners and requires its employees and partners to promptly report any suspected violation of the law or regulation. In all cases where there are differences between this code, the applicable customer code, and the law, the higher standard will apply.

### TRANSPARENCY

Delta Galil expects full transparency in all matters when working together. All Suppliers and employees must be ethical in their business practices. Suppliers will maintain on-site for a period of 5 years, all documentation necessary to demonstrate compliance with these standards including, but not limited to, the recordkeeping requirements it agrees to with Delta Galil. Delta Galil will undertake affirmative measures, such as announced and unannounced on-site inspections of production facilities, to monitor compliance with these standards. Suppliers must allow Delta Galil representatives full access to production facilities, employee records and employees for confidential interviews in connection with monitoring visits. In addition, Suppliers must respond promptly to reasonable inquiries by Delta Galil representatives concerning the subjects addressed in the audit. Failure to provide full access or to respond to reasonable inquiries may result in sanctions or termination of business relationships with suppliers. Furthermore, Delta Galil is committed to knowing its suppliers at all tiers in its supply chain. Delta Galil expects its suppliers to further this commitment by assisting with mapping of all supply chains that manufacture merchandise for Delta Galil.

### EMPLOYMENT RELATIONSHIP

Suppliers must adopt and adhere to rules and conditions of employment that respect workers and at a minimum, safeguard their rights under national and international labor and social security laws and regulations. All workers must be informed of the basic terms of their employment before leaving home.

### NON-DISCRIMINATION

While Delta Galil recognizes and respects cultural differences, employment should be based on ability and not on belief or any other personal characteristics. Delta Galil is firmly committed to the fair and equal treatment of all employees. Candidates and employees shall be assessed according to their competencies, qualifications, and accomplishments. Suppliers must not discriminate in hiring, compensation, advancement, discipline, termination or retirement, including discrimination based on social group, ethnic origin, race, gender, sexual orientation, religion, nationality, age, disability, or any other characteristic.

#### FORCED LABOR

Suppliers shall not use forced labor including prison, indentured, bonded or other forms of forced labor. No worker will be required to pay for their job. All costs and fees associated with the recruitment or processing of workers must be paid by the employer and not charged back from workers. Workers must retain control of their travel documents and have full freedom of movement. Suppliers must ensure the absence of all indicators of forced labor as described in the ILO Indicators of Forced Labor. Further requirements are detailed in Delta Galil's forced labor certification which all Delta Galil suppliers must understand and sign. Any and all points in Delta Galil's forced labor certification are integrated into this Code.

#### CHILD LABOR

Suppliers shall not employ any person under the age of 15 or country legal working age or under the age for completion of compulsory education, whichever is higher. Employees under the age of 18 must be employed in line with local regulations relating to young workers.

#### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers must recognize and respect the right of employees to associate freely, to collective bargaining and to take action to safeguard their rights without fear of interference, intimidation, harassment or retaliation. Suppliers must also recognize this right in countries where the right to freedom of association and collective bargaining is restricted under local law.

#### FUNCTIONING GRIEVANCE MECHANISM

Suppliers must ensure workers have access to effective grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

#### HARASSMENT AND ABUSE

Employees are entitled to work in an environment that is free of any verbal, psychological and physical abuse, intimidation, sexual harassment, exploitation, assault or humiliation by any other employee, man or woman, regardless of their position in the company, suppliers must treat all employees with dignity and respect.

#### WORK HOURS AND REST

Suppliers must ensure employees' hours worked shall not exceed the legal limitations on regular and overtime hours in the jurisdiction in which they manufacture. The regular workweek shall not exceed 48 hours. All overtime work shall be consensual. Suppliers must not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in extraordinary circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours. All employees will be entitled to at least one day, equivalent to 24 consecutive hours, off in every seven-day period.

#### COMPENSATION

Suppliers must compensate their employees fairly by providing compensation packages that at the very least, comply with legally mandated minimum standards or the prevailing wage, whichever is higher, and provide any fringe benefits required by law or contract. Employees must be fully compensated for overtime according to local law and each employee must be provided with a clear, written accounting for each pay period. Where compensation does not meet workers' basic needs and provide some discretionary income, Suppliers must work to take appropriate actions that seek to progressively realize a level of compensation that does.

#### HEALTH AND SAFETY

Suppliers must have systems in place to pro-actively identify, prevent, and reduce risks to the safety of all workers. Suppliers must provide its employees with a clean, safe and healthy work environment, designed to prevent accidents and injury to health arising out of or occurring during the course of work or as a result of the operation of the employers' facilities. This includes protection from fire, accidents and toxic substances. Lighting, heating and ventilation systems must be adequate. Suppliers are required to comply with all applicable, legally mandated standards for workplace health and safety in the countries and communities in which they operate. Where residential facilities are provided to employees, the same standards apply.

#### ENVIRONMENT

Suppliers must manage and work to reduce the risks related to climate impacts such as energy, water, waste, wastewater, air emissions, and chemicals. Suppliers must comply with all laws and regulations relating to environmental protection in countries in which they operate. Suppliers must adopt responsible measures to mitigate negative impacts that the supplier has on the environment.

#### SECURITY

Suppliers must establish security procedures to guard against the introduction of non-manifested cargo into outbound shipments. Such items would include drugs, biological agents, explosives, weapons, radioactive materials, illegal aliens, and other contraband. Delta recognizes the United States Customs and Border Protection (CBP)'s CTPAT Guidelines for Foreign Manufacturers as minimum requirements applicable to all importing countries.

#### WOMEN'S RIGHTS

Suppliers must ensure that women workers will receive remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions open to male workers. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees. Workers who take maternity leave (of a duration determined by local and national laws) will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits. Workers will not be forced or pressured to use contraception. Workers will not be exposed to hazards, including glues and solvents that may endanger their safety including their reproductive health. Suppliers shall provide appropriate services and accommodation to women workers in connection with pregnancy.

#### SUB-CONTRACTING

Suppliers shall not utilize subcontractors in the manufacturing of Delta Galil products or components without Delta Galil's written approval and only after the subcontractor has agreed to comply with this Code of Conduct.

Violations of these principles will be properly remediated at the cost of the Supplier. Delta Galil reserves the right to take necessary measures to ensure future compliance with these standards. Failure to comply with these standards shall ultimately result in the termination of the relationship between Delta Galil and the Authorized supplier.