

**To:** WRC Affiliate Universities and Colleges  
**From:** Scott Nova and Jessica Champagne  
**Date:** July 1, 2019  
**Re:** New Remedies at Delta Apparel Honduras

We are pleased to share good news regarding Delta Apparel Honduras (DAH), a factory producing T-shirts that have been used as blanks by a number of licensees. DAH, which employs 1,200 workers, is owned by Delta Apparel (Delta), a major supplier of blanks to dozens of licensees and hundreds of other apparel firms. Delta is based in South Carolina and operates several factories in the Americas.

At a meeting between the WRC and top Delta executives on June 24, the company committed to corrective actions that *fully address* the violations of Honduran law and university codes of conduct identified by the WRC at DAH. This result reflects the power of university labor standards, vigorously enforced, to eliminate labor rights violations and improve the lives of workers sewing collegiate apparel.

Delta has committed to provide US\$334,000 in back pay; ensure that all pregnant workers are provided with appropriate light duty accommodations without loss of earnings; add additional medical personnel to the factory clinic; provide training on harassment prevention to all workers; and undertake a number of other actions, which are detailed below. Along with previous commitments made by Delta, these new commitments resolve all violations detailed in our 2018 [report](#).<sup>1</sup>

These remedial actions, which correct long-standing violations of Honduran law and bring important improvements to DAH workers, are a product of the effective enforcement of university labor standards. It was the decision of nearly two dozen licensees to cease sourcing collegiate apparel from Delta – first the firms sourcing directly from DAH and then firms sourcing from other Delta plants – that convinced the company to reconsider its position. Without university codes, and universities’ active enforcement of the codes, these violations would have gone unaddressed.

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<sup>1</sup> Worker Rights Consortium, “Worker Rights Consortium Assessment: Delta Apparel Honduras, S.A.,” (June 19, 2018), <https://www.workersrights.org/wp-content/uploads/2018/06/WRC-Assessment-re-Delta-Apparel-Honduras-6.19.18.pdf>.

## **Action by Universities and Licensees Results in Full Remediation by Delta**

As of our [last communication](#) regarding DAH<sup>2</sup>, on April 12, Delta had not yet committed to adequately remedy the violations of Honduran law and university codes of conduct identified by the WRC. Key areas remained unresolved, including inadequate accommodation for pregnant workers, lack of adequate onsite medical care, and funds legally owed to workers, according to both Honduran Ministry of Labor's investigations and the WRC's own investigation.

Given the company's persistent failure to agree to needed remedies, the WRC had communicated to all licensees that sourcing collegiate apparel from any Delta factory would render a licensee out of compliance with university codes of conduct. We shared this information with all licensees and specifically requested a response from licensees currently disclosing any Delta facility as a supplier. Twenty-three of these licensees responded either by ceasing sourcing collegiate apparel from Delta or by indicating that they had already ended the relationship for other reasons and would not resume it until the company corrected the violations at DAH. A list of these licensees can be found [here](#). The majority of these firms directly communicated their position to Delta.

In response to these licensees' actions, Delta convened a meeting with the Sindicato de Trabajadores de Delta Apparel (SITRADAHSA), the factory-level union at the plant, which is affiliated to the Federación Independiente de Trabajadores de Honduras (FITH) federation. On May 9, the factory management reached an agreement with the union in which the company pledged to take several remedial actions.

At our University Caucus meeting, on May 14, we informed the universities in attendance that we needed time to assess these commitments by Delta. In the agreement, Delta pledged to provide US\$200,000 in back pay, to increase the transportation allowance to workers living more than two kilometers from the factory, and to improve its policy regarding time off for medical visits. These points addressed specific WRC findings of noncompliance with Honduran law.

While these steps were welcome and constituted a significant step forward, they were not, by themselves, adequate to restore compliance with university codes. The back pay provided was not adequate to cover the full amount owed to workers, and the agreement involved no commitments concerning several outstanding violations, including failure to provide proper light duty for pregnant workers, failure to carry out meaningful training related to harassment of workers by supervisors, and failure to provide timely medical care in the factory clinic. The WRC advised Delta that further remedial commitments would be necessary if the company were to sufficiently correct the violations of university codes that the WRC had identified.

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<sup>2</sup> Scott Nova and Jessica Champagne, "Update: Delta Apparel" (April 12, 2019), <https://www.workersrights.org/communication-to-affiliates-2/04122019-2/>.

On June 24, WRC Executive Director, Scott Nova, met with Delta's CEO, Robert Humphreys, as well as the company's CFO and General Counsel, at Delta's headquarters in South Carolina. At this meeting, Delta agreed to address all of the remaining violations of Honduran law and university labor standards. These commitments, along with deadlines for implementation, were clarified and memorialized in writing in the ensuing days. On Friday, June 28, the WRC informed all licensees that the violations previously identified at DAH have been resolved and that sourcing collegiate apparel from Delta will no longer place licensees in violation of university labor standards.

### **Delta's Remedial Commitments in Detail**

Via the commitments made in May and in the meeting with the WRC on June 24, Delta has agreed to:

- Provide US\$334,000 in retroactive compensation for underpayment of wages and benefits identified by the Honduran Ministry of Labor and by the WRC, in the areas of off-the-clock work, unpaid meal breaks, and unpaid transportation subsidies.
- Cover all transportation costs for workers residing more than two kilometers from the factory, as required by Honduran law. In the past, the company's cash subsidies have covered only 60% of workers' costs. Because Delta also provides a cash subsidy to workers within the two-kilometer limit, it exceeds legal requirements.
- Comply with Honduran law by offering light duty to any pregnant worker who (1) has entered the seventh month of pregnancy or (2) has a medically diagnosed high-risk pregnancy that requires such accommodation prior to the seventh month. Workers will not suffer any loss in pay during the period of light duty.
- Add an additional full-time physician to the staff of the factory's onsite medical clinic, for the purpose of ensuring workers have timely access to onsite medical care, per legal requirements.
- Retain an outside provider, approved by the WRC, to provide training to workers and to supervisors, separately, concerning the prevention of all forms of workplace harassment and abuse.
- Participate in the work of a tripartite commission seeking to implement the legal requirement that factories provide child care. Delta will also initiate the provision of offsite child care for workers at DAH.
- Amend its leave policy so that workers' pay will not be arbitrarily docked if they encounter delays while accessing medical services outside the factory and provide back pay to workers whose wages were inappropriately docked in the past.
- Ensure that all workers seated for the majority of the workday have ergonomic seating.
- Provide the WRC with copies of recent air quality and noise level analyses, and, if the WRC concludes that either or both analyses fail to provide adequate proof of legal

compliance, conduct additional analyses by a service provider mutually agreed upon by Delta and the WRC and address any problems identified by that provider.

### **Better Conditions for DAH's 1,200 Workers**

The commitments Delta made last week will not only restore to workers substantial compensation and benefits that were illegally denied to them in the past but will ensure they receive all legally-mandated benefits and compensation going forward. The gains are particularly significant for women workers: the harassment prevention training and the guarantee of light duty without wage penalty for pregnant workers will reduce physical and emotional stress and risks to their health and their safety.

Ongoing dialogue between DAH management and the SITRADAHSA union will help ensure effective implementation of these commitments and safeguard compliance in the future. It is also important to note that the parties are currently negotiating a new collective bargaining agreement.

The WRC will continue to monitor DAH to ensure that all commitments are met.