

From Tokenism to Transformation: A Practical Roadmap for Meaningful Stakeholder Engagement

Key findings from the report
"Meaningful Stakeholder Engagement in Textile Supply Chains:
From 'proven practice' to systemic implementation"

A Case Study on Stakeholder Engagement:
The FEMNET/GIZ Project "Worker-led Gender Justice – Scaling up the Dindigul Agreement" (2023-2025)
Authors: Lavinia Muth, Daniela Bartsch, Luise Tegeler, Roxana Zimmermann





Everybody is talking about Rightsholders....

In the STITCH Framework (Meaningful Stakeholder Engagement - MSE), rightsholders are defined as individuals whose human rights are potentially or actually impacted by business activities. This includes workers, farmers, fishers, miners and affected communities, whose engagement is essential for meaningful human rights due diligence.

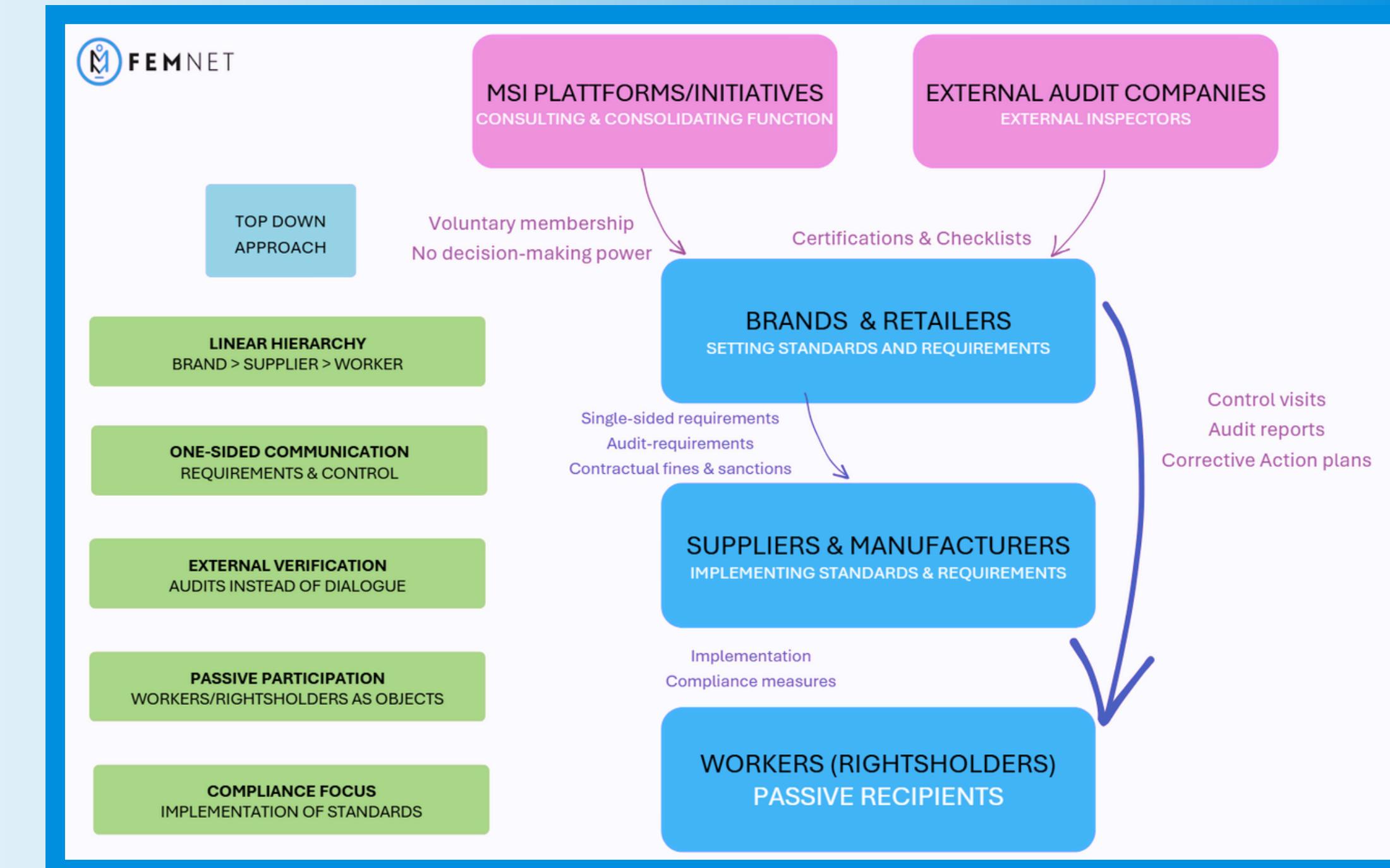
<https://www.stitchpartnership.org/mse-framework>



The core problem: Engagement is broken

Why are current efforts failing?

- Tokenistic consultation: Extracting insights without sharing power or acting on feedback.
- Exclusion of trade unions: Bypassing legitimate worker representatives.
- Brand-centric systems: Grievance mechanisms that are inaccessible and untrusted.
- Ignoring root causes: Engagement that fails to address purchasing practices (price, lead times).
- Graphic 1: The linear hierarchy (created by the authors), page 13 of the report



The promising alternative: What actually works?

Lessons from the frontlines: The Dindigul Agreement

1. Binding agreements: Legal commitments with brands, not just voluntary promises.
2. Direct union power: Workers' legitimate representatives at the core.
3. Trusted local systems: Grievance mechanisms that are safe, local, and effective.

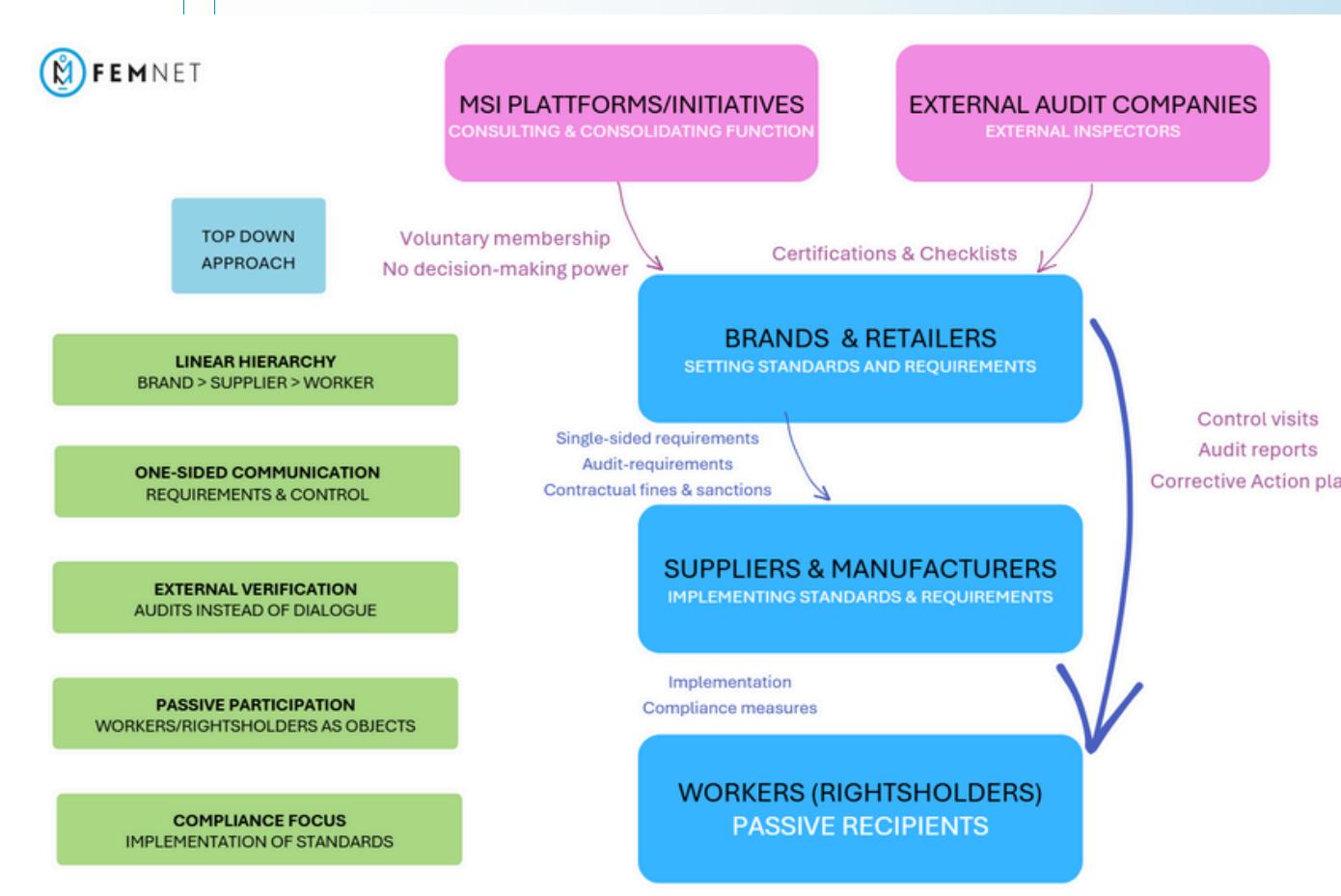
Key result: 242 grievances/year (2023) raised and resolved; recognized freedom of association.

But...

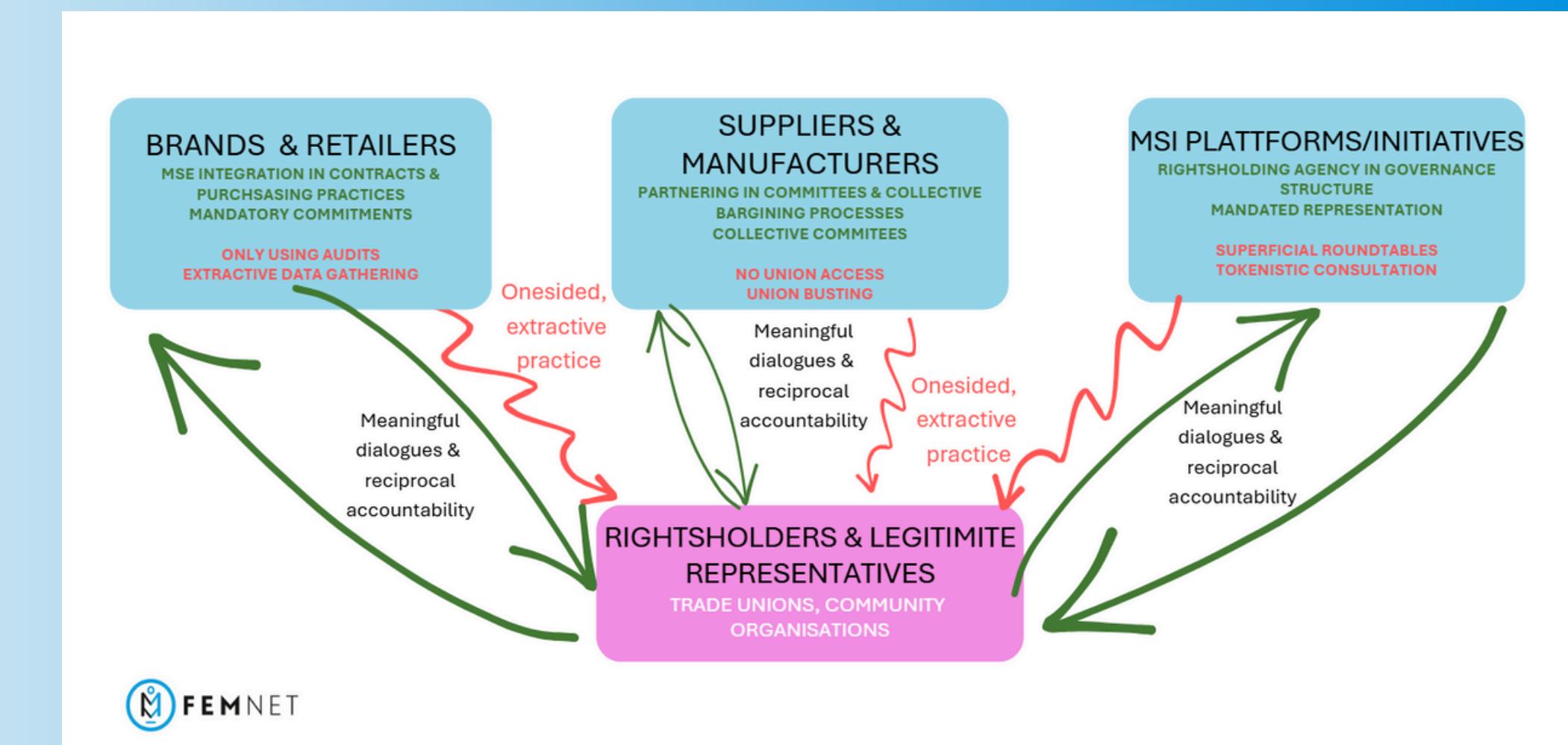


The foundational shift in mindset: We need to flip the model

OLD Brand -> Supplier -> Worker:
"Control & Compliance"



NEW Rightholders (workers & communities) in the center: "Partnership & Accountability Ecosystem"



Lesson #1: Empowerment is non-negotiable

Meaningful engagement shifts power

"The HOW of engagement must be fundamentally oriented toward empowering the WHO."

This means mandatory inclusion of democratic unions and investment in their capacity to negotiate. It's the bridge from consultation to enforceable change.

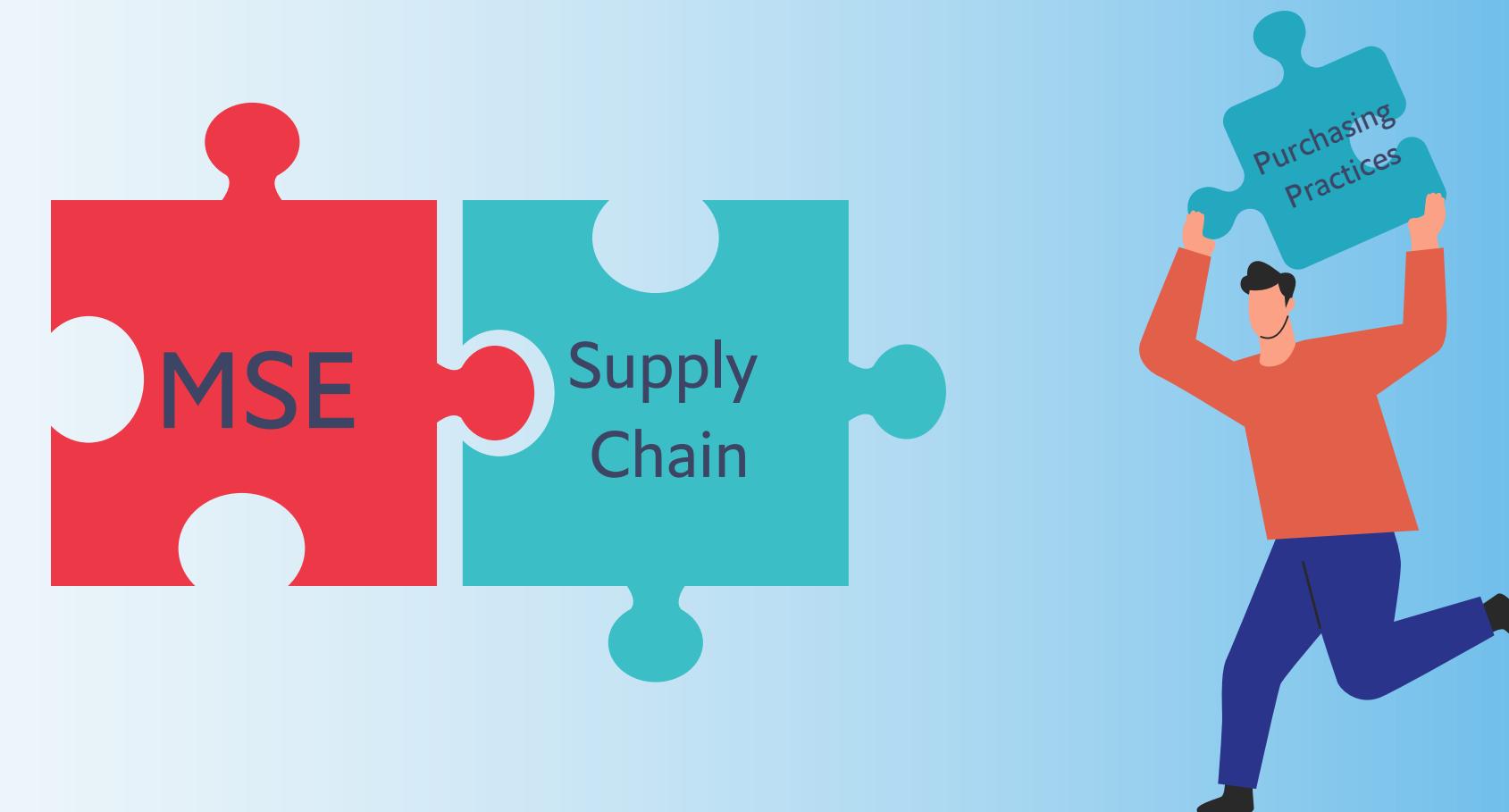


Lesson #2: Address the commercial core

No credible dialogue without discussing Purchasing Practices

From our field research: Suppliers see engagement as a "dialogic impossibility" if price, costing, and lead times are off the table.

Conclusion: Responsible purchasing is the first pillar of any credible due diligence dialogue.



A three-pathway strategy for implementation

Systemic change requires action on three fronts

Pathway 1: Rightholder-Convened Dialogue (e.g., DNT)

Shift: From inviting to mandating rightholder representation.

Pathway 2: Direct Brand Implementation

Shift: Embed MSE clauses into contracts & audits; enforce collectively.

Pathway 3: Supplier-Led Empowerment

Shift: Position MSE as a strategic advantage for suppliers; reward leaders.



Practical tool: The "MSE Advantage" contract

Align incentives with outcomes

Create model contractual terms where suppliers who demonstrate high-quality MSE get tangible benefits.

Examples of "Advantages":

- Longer-term contracts
- Faster payment terms
- Preferential buyer status

MSE outcomes
(e.g. joint committee)



Business benefits
(e.g. contract)



Call to Action for Brands

Your Concrete Next Steps

Actions:

- Mandate & include: Require suppliers to engage with validated union/rightsholder reps as a contract condition.
- Integrate & collaborate: Embed MSE in Codes of Conduct and develop Corrective Action Plans jointly with rightsholders.
- Incentivize & report: Create the "MSE Advantage" and publicly report on leading indicators (e.g., union recognition status).



Conclusion & Vision

From Assessing Compliance to Fostering Accountability.

The ultimate measure of success is not a perfect corporate report, but the demonstrable growth in the security, power and prosperity of workers.

"Systematize through mandated co-governance. Enable through joint processes.
Incentivize by strengthening local power."



Q&A

Thank you. Let's discuss.

Check in with the Bündnissekretariat to receive the report "Meaningful Stakeholder Engagement in Textile Supply Chains: From 'proven practice' to systemic implementation".

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