A Case Study on Stakeholder Engagement: The FEMNET/GIZ Project "Worker-led Gender Justice – Scaling up the Dindigul Agreement" (2023-2025)
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"Meaningful Stakeholder Engagement in Textile Supply Chains: From 'proven practice' to systemic implementation"

This report is an additional output of the project "Worker-led Gender Justice – Scaling up the Dindigul Agreement" (01.09.2023 – 31.12.2025), within the GIZ Sector Program Sustainable Consumption. Its objective is to analyze actionable approaches for Meaningful Stakeholder Engagement (MSE) and provide a practical roadmap for its systemic implementation. This involves:

- Evaluating proven practices: Systematically assessing existing MSE models, including the project's core focus on the worker-led Dindigul Agreement and related frameworks such as STITCH.
- Developing transferable models: Deriving scalable and replicable principles from these initiatives.
- Providing stakeholder-specific guidance: Offering concrete steps for:
  - Purchasing companies/brands to embed MSE in due diligence.
  - Suppliers & manufacturers to operationalize engagement.
  - Civil society & MSIs to facilitate and advocate effectively.
- Centering rightsholders: Ensuring all guidance prioritizes and strengthens the participation of workers and their organizations.

1. Executive summary & key recommendations

This project aimed to translate the principle of **Meaningful Stakeholder Engagement (MSE)** into actionable supply chain due diligence, analyzing over 14 frameworks and initiatives through desk review, evaluation, and direct stakeholder dialogue. The evidence reveals a stark divide between effective and ineffective approaches. Successful models like the Dindigul Agreement[1] prove that binding commitments, direct union involvement and rightsholder-led processes yield tangible outcomes: resolved grievances, recognized freedom of association and improved wages. Yet, the question of scalability stays unclear. Conversely, common practices in many Multi-Stakeholder Initiatives (MSIs), characterized by tokenistic consultation, exclusion of legitimate unions and brand-centric grievance mechanisms, are identified as **harmful**, eroding trust and undermining local democratic structures.

Key "lessons learnt"

1. **Empowerment is non-negotiable:** Engagement fails if not designed to shift power. **Mandatory inclusion** of rightsholder representatives (especially trade unions) and investment in their capacity is the bridge from consultation to enforceable change.
2. **Purchasing practices are a due diligence issue:** Engagement is seen as insincere and fails without addressing the commercial root causes. **Price, costing and lead times** must be the first agenda item for any credible due diligence dialogue.
3. **Strengthen, don't bypass, local systems:** Building parallel external systems (e.g., third-party hotlines) often weakens sustainable local structures (unions, labour courts). Resources must reinforce existing democratic institutions.
4. **Process integrity precedes outcomes:** Trust and effective solutions are built through **long-term, process-oriented dialogues**, not short-term projects chasing PR-friendly and/or reporting-friendly results.

Top recommendations for systematization, participation & dialogue structures

The following recommendations synthesize the evidence from proven, promising and poor practices to provide a concrete action plan for embedding Meaningful Stakeholder Engagement (MSE) into the architecture of textile supply chain due diligence.

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[1] The "Dindigul Agreement to End Gender-Based Violence and Harassment" (GBVH) is the first legally binding agreement in the Asian garment industry aimed at ending sexual violence and harassment against women workers. https://www.textilbuendnis.com/dindigul-agreement/

1. Mandate rightsholder co-governance & validation
Platforms like the DNT must shift from invitation to **mandatory inclusion** of legitimate rightsholder organizations based on transparent criteria. Brands must actively **require suppliers to engage** with these validated representatives as a core condition of contract. This creates a closed loop of accountability from sector dialogue to the factory floor and overcomes the tension that suppliers feel to not be part of the conversation or decision-making processes.

2. Embed collaborative due diligence in contracts & collective action
Integrate MSE not through standalone roadmaps, but by **embedding mandatory clauses** in codes of conduct and supplier contracts that require joint risk assessment and CAP development with rightsholders. Use **collective brand leverage**—via shared supplier lists and joint engagements—to enforce this efficiently in key sourcing regions, replacing the need for newly-funded physical hubs.

3. Anchor MSE in commercial incentives: The "MSE advantage"
Develop and adopt **model contractual terms** that create a clear business advantage for suppliers demonstrating high-quality MSE (e.g., functional joint committees, collective agreements). Brands should link **preferential purchasing terms** (longer contracts, faster payments) to verified MSE outcomes, aligning financial incentives with rights-based outcomes.

4. Strengthen existing local systems & peer networks
Move beyond parallel systems by **mobilizing existing manufacturer associations** for peer-to-peer learning and advocacy. Strengthen local capacity by **spotlighting and rewarding supplier leaders** who model successful MSE, and by providing rightsholder organizations with direct access to brand negotiation tables through mandated dialogue platforms.

By consolidating these approaches, the path forward is clear: **systematize** through mandated co-governance and commercial contracts; **enable** through joint processes verified by rightsholders; and **incentivize** by strengthening the local systems and collective power that guarantee rights. This moves the entire sector from assessing compliance to fostering accountability **to and with** rightsholders.

2. Introduction & methodology

- **Project context & objectives:** The project's aim focuses on translating the principle of **Meaningful Stakeholder Engagement (MSE)** into concrete, actionable **supply chain management implementation**. While the future **Dialogplattform für nachhaltige Textilien (DNT)**[2] is envisioned as a key enabling forum and networking platform, the primary objective is to develop scalable and replicable approaches that companies and their suppliers can integrate directly into their commercial relationships and due diligence systems, independent of a specific platform's final structure.

- **Expected impact:** The project is designed to generate impact at multiple, interconnected levels: within individual corporate practices, across the broader industry ecosystem facilitated by the DNT, and most importantly, for rights-holders within textile supply chains. The expected impact is not merely aspirational but is structured to create tangible, measurable shifts in how due diligence is implemented, moving from theory to embedded practice.

- **Methodology:** The project employed a sequential, mixed-methods design to ensure derived approaches were both evidence-based and practical.
  - **Desk review:** Analysis of key frameworks (e.g., UNGPs, OECD, STITCH Guidance, BNT tools) to map existing MSE norms and identify practical criteria.
  - **Evaluation analysis:** Systematic codification of findings into an Excel database to compare different MSE projects and tools, summarizing external evaluations and enabling gap analysis.
  - **Stakeholder exchange:** Field verification via Focus Group Discussions (FGDs) in India and field exchanges in Bangladesh (e.g., OROV initiative) to gather qualitative insights on challenges and effective practices from rights-holders and local actors.
  - **Mapping logic:** Synthesis of all inputs. Practices are mapped and evaluated using a **"proven/promising/poor practice" framework**[3], based on the strength of confirming evidence from the prior phases. This process ensures outputs are grounded in global standards, documented results and on-the-ground reality, providing a practical roadmap for implementation.

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[2] The Bündnis für nachhaltige Textilien (Partnership for Sustainable Textiles PST), a multi-stakeholder initiative founded in 2014, will transition to the „Dialogplattform für nachhaltige Textilien (DNT)" in 2026. This restructuring reflects a strategic shift from a formal alliance with mandatory membership commitments to a broader, more flexible dialogue platform aimed at facilitating sector-wide cooperation and exchange on sustainability in the textile and apparel industry.
[3] The framework presented is the collective authors developed framework.

3. Analyses: Evaluating engagement approaches

- **Definition of evaluation criteria** (*marked in Italic within this report*)**:**
    - *Proven practice: Well-established, documented approaches that have consistently led to measurable improvements in stakeholder relations, grievance resolution, or working conditions (e.g., certain aspects of the Dindigul Agreement's model, functionally independent grievance mechanisms).*
    - *Promising solutions: Innovative, newer approaches showing strong positive initial results and stakeholder buy-in, but requiring further evidence of scalability, replicability and long-term impact (e.g., specific feedback tools, novel worker-monitored tools facilitated by MAPs).*
    - *Poor practice: Common yet ineffective or harmful approaches that undermine meaningful engagement (e.g., tokenistic consultation without feedback loops, engagement only at the factory level without brand accountability, excluding unions/civil society organizations).*
    - *Lessons learnt: Key insights derived from both successes and failures, focusing on why something worked or didn't. These are the actionable takeaways for design (e.g., "investment in trusted local facilitators is non-negotiable," "digital tools must complement, not replace, face-to-face trust-building.").*

Desk review: Based on the desk review, **Meaningful Stakeholder Engagement (MSE)** is defined as a continuous, **empowerment-based process** aimed at achieving **tangible improvements** in human rights and environmental conditions. Its meaningfulness is determined not by the company alone, but **in consultation with rightsholders and their legitimate representatives**.

Key characteristics derived from the review (e.g., UNGPs, OECD, STITCH) are:

- **Dual-oriented:** It requires both **inclusive processes** (early, safe, informed participation addressing power imbalances) and **substantive outcomes** (improved conditions, access to remedy, strengthened rights like collective bargaining).
- **Integrated into due diligence:** MSE is not a standalone activity, but a cross-cutting function vital to all six steps of the OECD due diligence framework, from embedding policies to providing remedy.
- **Defined by core practices:** The review identifies non-negotiable process elements: inclusivity of marginalized groups, safe channels, dialogue, feedback loops, and long-term systems over one-off consultations.

In practice, for initiatives like DNT, this translates into recommendations to **adopt a common MSE framework**, align internal policies and systematically integrate MSE into core activities like risk analysis, transparency efforts, and joint actions, ensuring rightsholder participation in both governance and implementation.

Lesson learnt: The literature conclusively shows that the HOW of engagement must be fundamentally oriented toward empowering the WHO (rights-holders and their representatives) for it to produce the WHAT (tangible, sustainable improvements). The synthesis of existing frameworks (UNGPs, OECD, STITCH) consistently shows that MSE's defining characteristic is its empowerment-based approach. The review underscores that process elements (inclusivity, safe channels) are necessary but insufficient. True meaningfulness is determined by outcomes that address root causes and strengthen rights-holders' agency. This lesson is directly derived from the analysis that MSE must reinforce, not substitute for, freedom of association and collective bargaining, and that it requires investing in the knowledge and resources of representatives. A common failure mode identified is treating engagement as a technical checklist rather than a strategic effort to rebalance power, leading to "tokenistic consultation", an example of **poor practice.**

Evaluation analysis: Based on a systematic evaluation of the following 14 frameworks, publications and practical projects, the analysis reveals clear patterns distinguishing effective from ineffective MSE approaches. The following summary of a complimentary evaluation matrix (separate evaluation document which will be disclosed on request) applies the "proven/promising/poor practice" framework and extracts key lessons.

List of evaluated initiatives, sorted by type:

Publications (guidance & analysis)
1. STITCH Framework on Meaningful Stakeholder Engagement
2. STITCH Technical Guidance on Meaningful Stakeholder Engagement
3. UN Global Compact Netzwerk Deutschland - Insights Series: Was macht Stakeholderbeteiligung konstruktiv?
4. Rechteinhaber*innen wirksam in Multi-Stakeholder-Initiativen einbeziehen. Wo wir stehen und wo wir hinwollen - Eine Bewertung anhand von vier Beispielen (NGO-Konsortium Report)

Projects (practical implementations & pilots)

5. Better wages for homeworkers in Tamil Nadu footwear chains
6. Multi-Company Collective - Bargaining project Vietnam (MC-CBA)

7. Multi-actor partnership for improved due diligence implementation in the textile sector via worker- and community-based monitoring (Bangladesh)
8. Dindigul Agreement (India)
9. Engaging with local stakeholders in grievance handling and remediation under the MoU between PST and FW (sub-project of a Partnership Initiative, India)
10. Multi-actor Partnership on the health of workers in the clothing and footwear sector (India, Indonesia)

Multi-Stakeholder Initiatives (MSIs / partnerships)

11. Bündnis für nachhaltige Textilien (BNT) / Partnership for Sustainable Textiles (PST)
12. Forum Nachhaltiger Kakao
13. Partnerschaft für nachhaltigen Orangensaft (PANAO)
14. NAP-Branchendialog Automobil

Proven practices
These initiatives demonstrate a direct, empowerment-based link between inclusive process and tangible, verified outcomes for rightsholders.

- ***Direct union involvement in the Dindigul Agreement:** Stands out as a **proven practice**. It features a legally binding agreement with brands, direct union involvement on the factory floor, and a trusted and multichannel, local grievance mechanism. Outcomes are concrete: 242 grievances raised and resolved (76% within two weeks), recognized freedom of association, and reduced worker turnover. Its main risk to sustainability is **external**: a lack of committed brand sourcing orders.*
- ***Better wages for homeworkers in Tamil Nadu footwear chains consultation project:** A **largely proven practice** for informal workers. It achieved measurable results: a one-third average wage increase, transparent job-card systems, and co-designed payment structures. Its limitations (lack of a grievance mechanism, unresolved health issues) highlight that even successful projects require holistic design to be fully sustainable.[4]*

Promising practices
These approaches are well-designed and show strong potential but require further evidence of scalability, replicability or long-term impact.

- ***STITCH Technical Guidance:** A **promising framework**. It provides excellent practical tools (self-assessments, legitimacy checks, country-specific guides).*

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[4] https://www.homeworkersww.org.uk/resources/better-wages-for-homeworkers-in-tamil-nadu

Its promise lies in operationalizing MSE across due diligence steps. Its scalability depends on widespread corporate adoption.

- **MC-CBA Vietnam :** *A **promising model** for structured social dialogue. It creates safe platforms for workers, management, and brands, builds negotiation skills, and ensures continuity. Its promise as a scalable alternative to weak enterprise-level unions needs further validation.*

- **MAP Projects: Promising empowerment-based models**. *Both focus on capacitating rightsholders to lead assessments, negotiations and monitoring. Their success in translating this capacity into widespread, brand-driven due diligence processes remains to be fully scaled.*

- **NAP-Branchendialog Automobil:** *Shows **promising elements** of structured feedback from local CSOs and plans for funded inclusion. Its mixed success and the exit of civil society actors indicate it is still a work in progress rather than a proven model.*

Poor practices & structural gaps
These common approaches are identified as ineffective, often because they are tokenistic, exclude legitimate representatives, or fail to address power imbalances.

- **Tokenistic consultation in MSIs:** *A **widespread poor practice**. The analysis of the **BNT, Forum Nachhaltiger Kakao, and PANAO** shows that without decision-making power, dedicated resources and structured inclusion in governance, engagement remains **point-based and extractive**. Input is gathered but not acted upon, leading to disillusionment.*

- **Corporate engagement without accountability:** *The **BNT's sub-project of the Partnership Initiative on a jointly used grievance mechanism** revealed that even with good local groundwork - a promising part where local actors successfully reached out to workers within their communities to collect complaints and grievances, with a clear focus on giving voice to those otherwise unheard - engagement fails when crucial stakeholder lack commitment and longterm funding. Although these worker voices were collected, they were not formally escalated due to fear of reprisal, rendering the process sound in theory but ultimately **ineffective**.*

- **Excluding legitimate representatives:** *Any approach that bypasses or marginalizes trusted unions or CSOs inherently fails the inclusivity and legitimacy test.*

These publications are not practices per se but provide the normative and analytical baseline for evaluation: **STITCH Framework (1), UN Global Compact Insights (6), NGO-Consortium Report (7):** These provide **essential theoretical foundations,**

principles and critical analysis of MSE and MSI shortcomings. They are key for defining "meaningful" but are categorized separately from implementable practices.

Lessons learnt:

1. ***Binding agreements enable accountability:*** *The most impactful practices (**Dindigul**) are underpinned by formal commitments that lock in brand and/or supplier accountability, moving beyond voluntary corporate goodwill.*
2. ***Investment in legitimate representation is non-negotiable:*** *Sustainable outcomes require investing in the capacity and institutional role of **rightsholder representatives**. This is the bridge between individual voice and enforceable change.*
3. ***Scalability and replicability are jeopardized by unstable commercial foundations:*** *Even excellent models are threatened by brands' purchasing practices and sourcing volatility. **MSE cannot be divorced from commercial terms.***
4. ***MSI structures often perpetuate power imbalances:*** *Without intentional design, including governance seats, voting rights and resources for rightsholder representatives, MSIs (like **BNT, Forum Kakao, PANAO**) risk being **extractive platforms**.*
5. ***Safe, long-term processes are precursors to outcomes:*** *Trust-building through confidential channels, independent facilitation and engagement **outside factory premises** is essential for uncovering true risks and co-creating solutions.*

This comprehensive evaluation of 14 distinct initiatives provides a robust evidence base to prioritize **proven, empowerment-based models**, develop guardrails against **poor, tokenistic practices** and invest in the **scalability and replicability conditions** for promising approaches.

Stakeholder exchange: The qualitative insights from the Focus Group Discussions (FGDs) in India and the field exchange on the OROV initiative in Bangladesh provide critical verification that validates, deepens, and, in some cases, fundamentally challenges the findings from the desk review and evaluation analysis. The stakeholder perspectives reveal why certain practices fail and what is required for engagement to be genuinely meaningful from the viewpoint of rightsholders.

Poor practices
The FGDs provide direct evidence of why certain common approaches are ineffective, labeling them as not just poor but often harmful.

- *Tokenistic consultation & the "representation gap": The systematic exclusion of legitimate, representative trade unions in favor of "more manageable" CSOs/NGOs is identified as a defect. This practice strips dialogues of legitimacy and power, reducing them to extractive exercises that create "consultation fatigue."*
- *Dysfunctional, brand-centric grievance mechanisms: Mechanisms like the Fair Wear Foundation's complaint process are described as inaccessible, untrusted and bureaucratic. They are seen as tools to outsource and distance brand accountability rather than provide remedy, with workers fearing retaliation and unions noting they are not supported building sustainable collective power.*
- *Deliberate exclusion of the state: The consensus among unions, CSOs, and even suppliers that brands and MSIs deliberately avoid engaging with national labor authorities (e.g., Indian labor departments) exposes a critical legitimacy and sustainability gap. It creates parallel systems that undermine local governance.*

Promising practices

- *The OROV project (Bangladesh) & historical roundtables (India): These are highlighted as promising models that embody correct principles. The OROV project's Rightsholders' Platform, led by unions and CSOs to co-design risk assessments, demonstrates that process-oriented, long-term and rightsholder-led engagement is possible. However, its future, due to uncertain brand commitment for the next phase, perfectly illustrates the "power contradiction." It remains a promising, not yet proven, practice because its scalability depends on brands relinquishing control and making sustained commitments.*

Poor practices

- ***A systemic gap identified - The "supplier squeeze":*** *The supplier perspective (Tiruppur) introduces a crucial, often overlooked, variable. They describe engagement as **"a dialogic impossibility"** without first addressing purchasing practices (price, lead times). This insight categorizes any MSE process that does not include commercial terms as **structurally deficient** from the outset, destined to place an unfair burden of solving brand-created problems on suppliers.*

Lessons learnt:

The field research yields foundational lessons that explain why practices succeed or fail:

1. ***Legitimacy is derived from mandated inclusion, not invitation:*** *True representation requires the **mandatory inclusion of democratic, grassroots unions and relevant state authorities**. Without this, engagement lacks the legitimacy to create binding, sustainable outcomes. Lesson: Develop and enforce clear, non-negotiable criteria for rightsholder representation.*
2. ***Process integrity precedes outcomes:*** *Trust and effective solutions are built through **long-term, process-oriented dialogues** (as seen in OROV and the 2011 Roundtable), not through short-term projects chasing PR-friendly results. Lesson: Fund and design for multi-year process cycles, not one-off consultations.*
3. ***Purchasing practices are the first agenda item:*** *Engagement that does not explicitly address **price, costing, and lead times** is perceived as hypocritical and will fail to gain the serious buy-in of suppliers or address root causes. Lesson: Responsible purchasing must be the first pillar of any corporate MSE commitment.*
4. ***Strengthen local systems, do not bypass them:*** *Building parallel, external systems (like third-party grievance hotlines) **weakens sustainable local structures** (unions, labor courts). Effective engagement should **redirect resources and brand leverage to fortify these existing democratic institutions.** Lesson: Adopt a "strengthening local systems" approach over building external alternatives*

Synthesis with the overall evaluation

The stakeholder exchange confirms the **evaluation analysis's** categorization:

- It provides the **human narrative** behind why MSI structures are often "poor practices" (tokenism, power imbalances).
- It offers field **validation** of what makes certain aspects of the **Dindigul Agreement** a "proven practice" (union power, binding agreements) and why similar models are so scarce.
- It crystalizes the **primary barrier** to scaling "promising practices": the reluctance of brands to cede control and reform purchasing practices.

For the **DNT as well as for general textile supply chain management and supply chain due diligence**, these insights are a direct mandate: to be credible, platforms and processes must institutionalize the **mandatory inclusion** and **funding of rightsholder-led structures**, while creating **accountability mechanisms** that address the **commercial drivers** of human and environmental rights risks. The alternative is to replicate the documented failures and deepen the "legitimacy contradiction" rightsholders have so clearly articulated.

4. Mapping meaningful engagement across the textile supply chain: Focus rightsholding agency

Traditional supply chain diagrams depict a linear, top-down flow of control from brands to workers. Our findings demand a fundamental reversal of this model. The following graphic contrasts our proposed rightsholder-centered model with the traditional, prevailing approach to supply chain management. The conventional model is characterized by a **linear hierarchy of control**:

- **Linear hierarchy:** A clear, top-down chain of command flows from the brand, through the supplier, to the workers.
- **One-way communication:** Instructions and requirements flow only downward. There is no formal channel for feedback or dialogue to flow back up.
- **Audit-driven:** Reliance on external, snapshot audits replaces continuous, open dialogue and partnership.
- **Passive role of workers:** Workers are treated as subjects to be "audited" and "informed," not as active participants to be engaged.
- **Disempowered MSIs:** Multi-stakeholder platforms serve an advisory function without real decision-making power.

- **Focus on compliance:** The goal is the fulfillment of preset standards ("box-ticking") rather than co-creating collaborative solutions.

Problems created by this approach as highlighted in our findings:

- It creates dependencies instead of ownership and shared responsibility.
- It leads to superficial "box-ticking" rather than driving genuine, lasting improvements.
- It overlooks context-specific solutions that are tailored to local realities.
- It ignores and perpetuates fundamental power imbalances.
- It generates resistance and a lack of meaningful engagement from rightsholders.
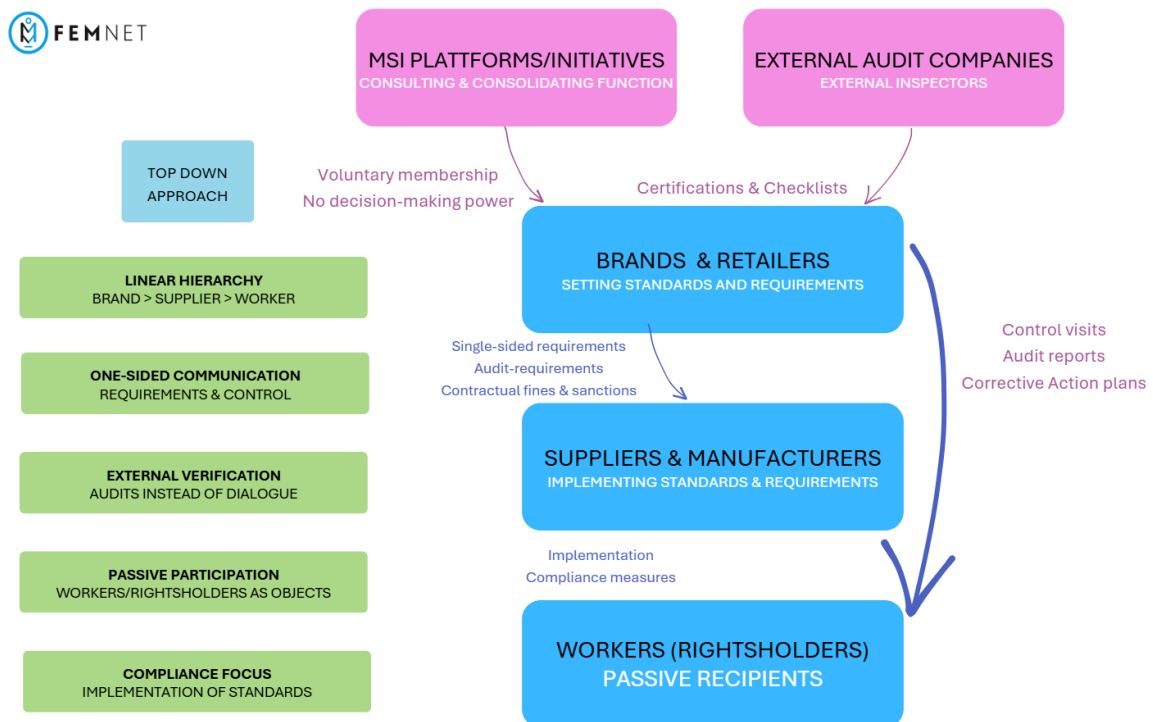

Graphic 1: The linear hierarchy (created by the authors)

The following comparison makes the necessary **paradigm shift unmistakably clear**: from a **control-and-compliance model** to a **partnership-based accountability ecosystem** centered on rightsholders.

The below graphic therefore maps a new paradigm for meaningful stakeholder engagement, derived from our analysis of frameworks, initiatives and on-the-ground insights. It places **rightsholders and their legitimate representatives** at the center of the due diligence ecosystem, the non-negotiable core from which all authority and accountability must flow. Radiating from this center are three key actor groups: **brands, suppliers, and multi-stakeholder initiatives**. The graphic visualizes the shift required from each:

- From extractive, one-way practices (shown as red, one-way arrows) that must be overcome.
- To meaningful engagement (shown as green, two-way arrows) defined by partnership, co-governance and accountability to rightsholders.

The core message is clear: effective due diligence is not a corporate-controlled management task, but a **rightsholder-driven accountability ecosystem**. This map provides a visual blueprint for the integrated strategy needed to move from checkbox compliance to fostering genuine accountability.
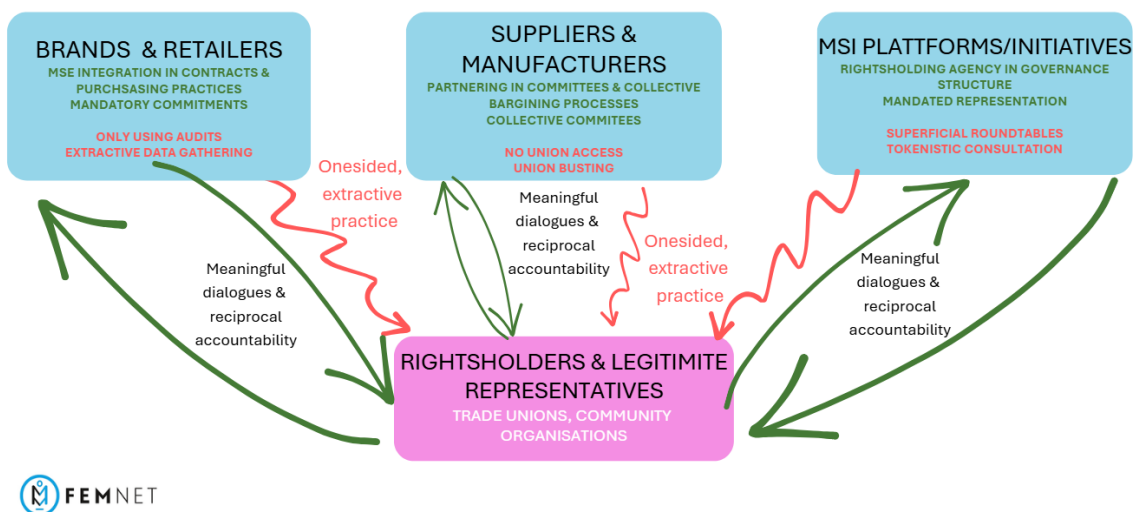
Graphic 2: MSE ecosystem with rightsholding agency (created by the authors)

5. Synthesis: Scaling up for practical implementation

Based on the comprehensive analysis, encompassing normative frameworks, evaluation of 15 initiatives, and field verified stakeholder insights, scaling Meaningful Stakeholder Engagement (MSE) requires moving beyond a singular, prescriptive model. Instead, a multi-pronged strategy is necessary, tailored to different leverage points within the textile ecosystem and textile supply chains. The following three pathways are not mutually exclusive but are complementary, addressing systemic change at the sector, corporate and production levels.

Option 1: DNT as a rightsholding dialogue platform

This pathway transforms the DNT from a conventional MSI into a **rightsholder-convened platform** that explicitly challenges power asymmetries and sets new industry norms.

Guiding principles:

- **Mandate, don't invite:** Shift from voluntary inclusion to mandatory, criteria-based representation of legitimate rightsholder organizations.
- **Leverage existing obligations, don't fund new processes:** Use brands' own commitments under UN Guiding Principles, OECD Guidelines, and their corporate policies to mandate their internal funding for rightsholder participation in dialogues that concern them.
- **Address the commercial core:** Keep focus on purchasing practices & remedy. Dialogues are convened only when tied to actionable brand commitments.

Option 2: Direct brand supply chain implementation

This pathway mandates the integration of MSE into brands' existing, non-negotiable supply chain processes, enforced through collective accountability.

Guiding principles:

- **Integrate into existing contracts & audits:** Embed mandatory MSE criteria into current code of conduct compliance and supplier contracts, avoiding parallel systems.
- **Collective enforcement is key:** Use pre-competitive collaboration to set and enforce a single, baseline MSE requirement for all shared suppliers.

- **Mandate public reporting with MSE-add-on:** Track and disclose a minimal set of leading indicators using existing reporting frameworks (e.g., human rights due diligence reports or Green Button reporting). But also, track leading indicators of MSE quality (e.g., union recognition status, co-developed CAPs) over lagging audit findings.

Option 3: Supplier-led capacity development & collective action

This pathway empowers manufacturers and their associations to own the MSE narrative, transitioning from passive audit subjects to **activating supplier self-interest and existing peer networks** like [The Sustainable Terms of Purchasing Practices (STTI)](#) to drive MSE adoption, supported by clear incentives from brands.

Guiding principles:

- **Reframe MSE as strategic management:** Position strong stakeholder engagement as a driver of productivity, quality, and workforce retention, reducing the cost of turnover and audit failures.
- **Mobilize existing networks:** Leverage manufacturer associations as the primary engines for peer-to-peer learning and advocacy for rightsholder inclusion.
- **Spotlight & reward MSE leaders:** Use recognition and preferential terms to reward proactive suppliers, creating a competitive race to the top.

6. Conclusion: An integrated strategy centering rightsholding agency

The most effective strategy for implementing meaningful stakeholder engagement is to activate all three pathways in a mutually reinforcing manner. This creates an ecosystem where sector dialogue, corporate action and supplier empowerment converge to systematically transfer power and resources to rightsholders.

- **A Rightsholder-convened dialogue platform (Pathway 1)** generates legitimate, co-created **mandates**.
- **Direct brand implementation (Pathway 2)** codifies these mandates into **enforceable commercial requirements** in contracts and audits.
- **Supplier-led empowerment (Pathway 3)** operationalizes these mandates on the ground, supported by **incentives and peer networks**, strengthening collective bargaining.

This approach fundamentally redefines the roles within due diligence:

- **Sector dialogue** is legitimate only when it is convened by rightsholders to broker direct negotiations and set binding standards.
- **Brand implementation** is meaningful only when its processes are co-designed, monitored and validated by rightsholders, shifting from consultation to verification.
- **Supplier-led action** is sustainable only when it recognizes and partners with the self-organized power of the workforce.

By structurally centering the agency of rightsholders, this strategy moves beyond extracting their insights to embedding their power. The ultimate measure of success is not a corporate report, but the demonstrable growth in the security, power and prosperity of workers and communities in the supply chain.

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