



BENEATH THE SEAMS

Strengthening the Implementation of Business & Human Rights (BHR) and Human Rights Due Diligence (HRDD) Principles and Policies, and Understanding Their Impact on Textile Supply Chain Workers, Farmers, and Communities in India

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Change Alliance (Change Alliance Private Limited/CAPL), established in 2013, CAPL specialises in consultancy and advisory services with a mission to create positive social and community impact, with a particular focus on vulnerable and marginalised communities. Over the past decade, CAPL has delivered impact advisory and programme delivery in the areas of corporate social responsibility, gender, diversity and inclusion, climate-resilient livelihoods, and responsible business. The organisation has prioritised several key supply chains, particularly the garment sector, and has implemented major programmes and evaluations with national and international partners to advance access to remedy, grievance mechanisms, responsible business conduct, and business and human rights in India across the garment sector and other value chains. Leveraging a network of over 300 partners, CAPL offers unmatched depth and reach across all Indian states.

The **Fair Trade Advocacy Office (FTAO)** leads political advocacy for the Fair Trade Movement at the EU level. It has the purpose of promoting justice, equity, and sustainable development at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full human potential. Formed as a joint initiative of Fairtrade International, the World Fair Trade Organization, and the World Fair Trade Organization-Europe, the FTAO leverages a broad coalition of civil society groups and social enterprises committed to equitable and sustainable trade.

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Executive summary

Across the world, laws and regulations are changing to ensure that businesses respect human rights and the environment. Human Rights Due Diligence (HRDD) is now becoming a legal requirement for companies, not just a voluntary effort. The European Union's new Corporate Sustainability Due Diligence Directive (CSDDD) is one example. This directive will require companies to identify and address risks to people and the environment in their supply chains, although the extent to which this obligation will reach across different tiers of the supply chain is still under negotiation. While this directive is based in the EU, it will affect companies in countries like India that export to Europe. Countries like France, Germany, Japan, and South Korea have already begun similar efforts. India has also issued its National Guidelines on Responsible Business Conduct (NGRBC). However, Indian companies need to do more to meet global expectations. HRDD is not only about following the law, but it also helps companies reduce risk, protect their reputation, and build better relationships with suppliers and workers.

To support this effort, Change Alliance, with the support of the Fair Trade Advocacy Office (FTAO) and Fairtrade NAPP, held workshops in Delhi, Bengaluru, and Tiruppur in May and June 2025. The goal was to bring together people who work across the garment supply chain, including workers, suppliers, unions, representatives of cotton farmers, and local organisations. A total of 115 people joined these sessions, and the findings of the first session were shared with the remaining two sessions, and all findings have been consolidated in the form of this report. The discussions focused on how to make HRDD more effective and fairer, especially for people at the bottom of the supply chain, like smallholder farmers and informal workers.

The workshops focused on three key topics:

- **Living Wages and Living Incomes:** Many garment workers in India are not paid enough to meet basic needs. While companies talk about minimum wages, workers need a living wage and a living income that covers food, housing, healthcare, and education. Suppliers say they cannot raise wages unless brands¹ pay fair prices. The system needs to change so that fair wages are included in contracts and pricing, not treated as optional or extra. Reports have shown that without this, workers remain trapped in poverty.
- **Fair Purchasing Practices and Responsible Exit:** Brands often demand fast and cheap production. This puts pressure on suppliers and leads to poor working conditions, unpaid wages, and overwork. During COVID-19, many brands cancelled orders without paying, which caused large-scale job losses. When brands find issues in factories, they often walk away instead of helping to fix the problems. HRDD needs to make sure brands act responsibly when they stop working with a supplier. This includes consulting workers and sharing costs fairly.
- **Meaningful Stakeholder Engagement:** Workers and communities often do not have a voice in the decisions that affect them. Many grievance systems are controlled by employers and are not

¹ In this report, we are using the words 'buyers', 'brands' and 'suppliers'. Brands indicate buyers who usually sit at the end of the supply chain, closer to the consumers and suppliers who are placed at various tiers of the supply chain. While they may not manufacture the clothes themselves, they place orders and set requirements for how and where garments are produced. Suppliers are the factories, mills, and workshops that make the garments (or provide materials like fabric and accessories). Suppliers can exist at different tiers of the supply chain: Tier 1 Factories that cut, sew, and finish clothes (directly supplying brands). Tier 2: Mills and dyeing units that process fabric and textiles. Tier 3 and below: Producers of raw materials like cotton farmers, spinners, or chemical suppliers.

trusted by women and migrant workers. To be meaningful, HRDD must include regular consultation with these groups. It should not just be about audits or checking boxes. Companies need to listen to workers and invest in long-term relationships that build trust and improve working conditions.

RELEVANCE

India's garment sector employs over 45 million people, including 12 million in factories and many more in informal or home-based work. Most of these workers are women and migrants. Yet, their voices are often missing from decisions about wages, working conditions, and business practices. As new global laws come into force, Indian suppliers, workers and smallholder farmers will face increasing pressure to meet these standards. But this should not come at the cost of their livelihoods. Brands, suppliers, and governments must work together to support small and medium businesses, promote ethical sourcing, and ensure fair treatment for all workers.

To do this, HRDD frameworks must:

- Ensure living wages and income security for smallholders.
- Include women and marginalised groups in decision-making.
- Fix unfair business models and purchasing practices.
- Make responsible disengagement a requirement, not a choice.

KEY CONCERNS EMERGING FROM CONSULTATIVE WORKSHOPS ACROSS THE THREE THEMES

The workshops provided a space for open discussions, participatory activities, and the collection of key concerns, feedback, and recommendations across the three themes of discussion. Below are the main concerns raised, along with key recommendations suggested by the stakeholders and rightsholders who participated.

Theme 1: Integration of Living Wages and Living Income into supply chains

- Many stakeholders confuse the concept of minimum wage with that of a living wage. While the minimum wage is legally mandated, the living wage reflects the actual cost of meeting basic needs. This misunderstanding is common among workers, suppliers, and factory managers.
- Most workers and small factories lack a clear understanding of what constitutes a living wage or income. Their awareness is limited to their current earnings, which are often below both legal requirements and decent living standards.
- Suppliers argue that without improved pricing from brands, they are unable to raise wages. They remain caught between growing expectations and inadequate buyer payments.
- Brands frequently reference living wages in their public communications but fail to integrate these commitments into contracts or cost structures. As a result, such commitments appear temporary or philanthropic rather than embedded in business practices.

- The methodologies used to calculate living wages or incomes are highly technical and are not adequately communicated to stakeholders or smallholders. Moreover, distinctions between salaried workers and small farmers add further complexity.
- Workers and local organisations emphasised that living wages should not remain optional. They should be embedded in contracts or enshrined in law, with clearly defined responsibilities for brands, suppliers, and governments.

Theme 2: Responsible purchasing and disengagement practices

- Brands often engage in unfair purchasing practices. They demand rapid deliveries and low prices but do not share associated costs or risks with suppliers. This results in excessive workloads and poor working conditions for workers.
- Price pressures from buyers force suppliers to reduce wages and outsource production to informal workers, who lack adequate benefits and protections.
- Subcontracting is widespread, fragmenting the supply chain and making it difficult to identify where problems occur and who holds responsibility.
- In cases of disputes or challenges, some brands exit abruptly, leaving workers unemployed and uncompensated. There is currently no effective framework to ensure responsible brand exits.
- Contracts between brands and suppliers are often weak or absent. Key provisions such as cost-sharing, notice periods, and responsibilities during crises are rarely well-defined or enforced.
- Small suppliers possess limited bargaining power and are highly dependent on a few brands, which constrains their ability to reject unfair demands. Moreover, trade unions are frequently excluded from critical decision-making processes.
- Codes of conduct are in place, but they often omit key aspects of workers' rights and are not consistently implemented or enforced in practice.
- While some positive initiatives have been undertaken, such as adjusting payment terms or reducing orders in response to COVID-19, their reach remains limited. Stakeholders emphasised the need for binding legislation to ensure fair purchasing practices, rather than reliance on voluntary commitments.

Theme 3: Building meaningful stakeholder engagement

- There is a significant gap in reliable data on informal and migrant workers in the sector, which hampers the design and implementation of effective policies and programmes to support them.
- Workers, particularly women and migrants, are seldom included in decision-making processes that directly affect them. Their perspectives are often absent from meetings, audits, and brand consultations. Women workers are disproportionately concentrated in low-paying, repetitive roles under poor working conditions, with heightened health risks and inadequate support.
- Trade unions are frequently perceived as adversarial, even when they seek to improve workplace conditions, and are often excluded from key discussions. While workers and unions use platforms such as WhatsApp and Facebook, they lack secure and structured mechanisms for reporting grievances and monitoring supply chain issues.

- Existing grievance mechanisms, such as Internal Complaints Committees (ICCs), lack credibility among workers. Fear of retaliation, particularly among women, discourages workers from raising concerns.
- Social audits are conducted regularly but yield limited impact on improving working conditions. They are resource-intensive and often fail to involve workers in a meaningful way.
- Engagement frameworks developed by brands are typically finalised without adequate consultation with local stakeholders, and the language used is often inaccessible to workers.
- India has missed critical opportunities to participate in global labour and safety initiatives, such as initiatives similar to the Bangladesh Accord, underscoring the need to align national labour policies with international standards.

KEY RECOMMENDATIONS FOR VARIOUS STAKEHOLDERS

For the Indian Government and Other South Asian Governments

Given the multidimensional nature of this issue, the Government of India, along with other South Asian governments, can collaborate with brands, suppliers, civil society and workers to adopt a proactive approach towards Human Rights Due Diligence (HRDD). Key recommendations that emerged from the consultations for governments include the following:

1. Strengthen laws and policies on business and human rights

- Strengthen national plans on business and human rights with clear timelines, legal reforms, and public consultations.
- Transition from voluntary guidelines to strong laws on HRDD across all sectors, starting with large companies and then including smaller businesses.
- Translate international standards into local languages, creating region-specific tools for HRDD.

2. Improve governance and institutions

- To ensure effective HRDD, establish national and state platforms, like the Indian Labour Conference, for regular discussions and decision-making involving workers, including women and informal workers, unions, businesses, and government.
- Strengthen labour laws to include and enforce living wages and high standards of occupational safety and working conditions.

3. Promote responsible business practices

- Implement national regulations to mitigate inequitable purchasing practices by brands and buyers.
- Mandate the establishment of formal written contracts, incorporating equitable terms, between brands and suppliers.
- Institute regulatory frameworks for subcontracting to enhance transparency and visibility throughout supply chains.
- Develop and enforce explicit guidelines for responsible disengagement from supply chains, encompassing provisions for adequate advance notice, fair compensation for workers, and comprehensive stakeholder consultations.

4. Protect informal workers and small producers through improved access to social protection and benefits

- Officially include home-based and informal workers in HRDD systems to ensure social protection and benefits for smallholders and self-employed workers.
- Develop and enforce fair wage benchmarks across supply chains.
- Link home-based women workers to entitlements and education.

5. Enhance data collection and monitoring mechanisms

- Reinitiate labour censuses and ensure the comprehensive collection of disaggregated data pertaining to informal and migrant workers.

- Establish/include an autonomous labour data centre in current practices dedicated to the systematic monitoring of working conditions and wage structures.

6. Strengthen **workers'** voice and promote gender equality

- Involve workers, especially women and migrants, in governance and decision-making.
- Support worker-led monitoring and complaints systems that are confidential and accessible.
- Support women workers through skill-building and safety measures, especially in garments and home-based work.

7. Build business capacity and regional cooperation

- Run awareness campaigns on HRDD for small businesses.
- Provide financial and technical help to meet HRDD requirements.
- Support digital tools for workers to report issues safely.
- Encourage collaboration among South Asian countries on shared HRDD approaches.

For the European Union

In order to tackle the multidimensional nature of this issue, other key stakeholders also include the European Union. Key recommendations that emerged from the consultative workshops for the EU include the following:

1. Align CSDDD with global standards

- Ensure EU laws follow the UN and OECD guidelines, including full supply chain coverage and risk assessments.
- Provide clear guidance on living wages and incomes to remove ambiguity on methods of living wage and income calculations.
- Allow companies to work together on wage improvements without breaching competition rules to jointly agree on and support higher wages for workers in their supply chains.

2. Ensure stakeholder engagement

- Require companies to engage with smallholders, informal workers, unions, civil society and other locally significant stakeholders, including national and state government institutions, at every stage of due diligence.
- Recognise and fund grassroots organisations as key players in HRDD.

3. Enforce responsible disengagement

- Companies should only leave suppliers after trying to fix problems and consulting affected workers.
- Promote shared responsibility between brands and suppliers with the understanding of the need for compensation for workers impacted by disengagement.

4. Make buying practices fairer

- Ban unfair practices like last-minute cancellations and short deadlines.
- Make responsible buying a legal duty under EU law.
- Improve transparency in contracts, pricing, and supplier relationships.

5. Support capacity building in the Global South

- Provide financial support and technical assistance to strengthen Human Rights Due Diligence (HRDD) systems, enhance supply chain traceability, and reinforce worker protection mechanisms.
- Enhance the capacity of EU delegations in third countries to effectively monitor, document, and engage on labour and human rights conditions at the ground level.
- Invest in worker capacity-building, digital platforms for transparency, and collective organising initiatives to ensure sustained protection of workers' rights.

6. EU action in multilateral fora to support legal reforms and transparency

- Based on learnings from Third Countries, advocate in multilateral fora for improved labour laws and inspection systems across all levels, including looking inwards for improvements at the EU level.
- Promote adoption of safety frameworks like the Bangladesh Accord across South Asia.
- Push for contract terms that are fair and transparent.

For International Institutions (UN, OECD, ILO, etc.)

International institutions are key bodies for influencing policies and ensuring improved working conditions for workers and smallholder farmers across various supply chains, including the garment supply chain. Key recommendations for international institutions that emerged from the consultative workshop include the following:

1. Promote data- and evidence-based governance

- Support countries to conduct regular labour surveys, especially in informal and high-risk sectors.
- Create platforms for sharing labour data and tools globally.

2. Strengthen worker participation

- Promote standards that require workers to be involved in decision-making and audits.
- Support independent trade unions with resources and recognition in HRDD processes.
- Develop worker-friendly HRDD tools and training.

3. Improve grievance mechanisms

- Create model guidelines for fair, independent, and safe grievance systems.
- Ensure remedies are meaningful, including compensation and reinstatement.
- Share best practices on grievance mechanisms globally.

4. Ensure fair supply chains

- Work with industry to set enforceable standards on responsible purchasing.
- Push for global agreements that require shared responsibilities for rights violations.
- Set global rules on responsible disengagement, including compensation.

5. Promote Living Wages and Incomes

- Define clear standards for living incomes for workers and smallholders.
- Help countries set wage benchmarks that reflect local realities.
- Make living wages part of contract terms and pricing models.

6. Close the digital gap

- Support digital platforms that allow workers to raise issues, access information, and track supply chains safely.

7. Design local HRDD systems

- Develop context-specific indicators and tools that reflect local laws and customs while staying aligned with global standards.
- Ensure that all HRDD systems include community input and are available in local languages.

8. Create global learning platforms

- Set up regional centres for training unions, workers, suppliers, and NGOs.
- Encourage knowledge sharing between countries on HRDD implementation.
- Help develop benchmarks for responsible purchasing with input from brands, suppliers, and workers in the Global South.



Chapter 1: Introduction

THE EVOLVING LANDSCAPE OF HUMAN RIGHTS DUE DILIGENCE (HRDD)

The global shift towards stronger Human Rights Due Diligence (HRDD)² obligations is redefining corporate accountability, with foundational frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines emphasising companies' responsibilities to identify, prevent, and mitigate adverse human rights and environmental impacts across value chains. A major upcoming regulatory milestone, the EU Corporate Sustainability Due Diligence Directive (CSDDD), will mandate due diligence on human rights and environmental risks. While the CSDDD was reopened after first being agreed upon in early 2024, the intention is clear: binding HRDD is here to stay. Overall, this is a tell-tale sign of a changing Business and Human Rights (BHR) landscape globally.

Therefore, the current times are marked by a global turning point that is transforming voluntary human rights and environmental guidelines into binding legal obligations for companies. Its reach extends beyond the EU, impacting non-EU businesses operating in the European market and requiring them to proactively identify, prevent, and address adverse impacts across their global value chains. This shift from soft law to hard law sets a precedent that integrates human rights and environmental considerations into core business practices and supply chain governance. Following this shift, several countries have either adopted or begun developing national frameworks aligned with business and human rights principles.

Thailand was the first Asian country to adopt a National Action Plan³ on Business and Human Rights, while countries like Germany (Act on Corporate Due Diligence Obligations in Supply Chains)⁴ and France (Duty of Vigilance Act)⁵ had already passed similar supply chain laws that influenced the structure of the CSDDD. In Asia, Japan and South Korea are also taking steps toward regulatory guidance.⁶ For sourcing countries like India, this creates mounting pressure to align with international due diligence standards. While India's National Guidelines on Responsible Business Conduct (NGRBC)⁷ offer a domestic foundation, Indian companies increasingly need to operationalise due diligence systems to meet the expectations of global buyers and retain market access.

Embedding HRDD is not only a compliance requirement but also a strategic business imperative. It helps companies reduce legal and reputational risks, strengthen stakeholder trust, and build resilient supply chains. Ethical business practices, grounded in respect for labour rights, sustainable sourcing, and environmental stewardship, can enhance operational continuity, especially in volatile markets. For these

² In the Indian context, the term HRDD (rather than HREDD) aligns with existing government frameworks (NGRBC, BRSR) and helps build consensus without directly triggering resistance tied to the environmental vs. development debate. HRDD is more feasible and focused, while HREDD may be too broad and resource-intensive in the current context as there is limited understanding around it. Using HRDD helps Indian suppliers meet current global expectations without overextending capacity as HRDD offers a clearer entry point for businesses, policymakers, and civil society to build due diligence systems progressively while the aspect around environment is still in discussion in most supply chains and more awareness building is required to build an understanding on the same.

³ National Action Plans on Business and Human Rights. (2024). [Thailand](#).

⁴ Federal Ministry for Economic Cooperation and Development. (2023). [The German Act on Corporate Due Diligence Obligations in Supply Chains: Implications for businesses in partner countries and support from the German government](#).

⁵ Business & Human Rights Resource Centre (n.d). [France's Duty of Vigilance Law](#).

⁶ Walk Free. (2025). [South Korea reintroduces mandatory human rights and environmental due diligence bill](#); Umino, K., Okada, S., & Exten-Wright, J. (2023). [Japan leads effort in Asia to promote human rights due diligence](#). DLA Piper.

⁷ Ministry of Corporate Affairs, Government of India. (2018). [National Guidelines on Responsible Business Conduct \(NGRBC\)](#).

frameworks to have a meaningful impact, recommendations from India and the Global South must be integrated to ensure HRDD addresses ground realities and diverse stakeholder needs. In order for HRDD to achieve these intended positive outcomes, localised action plans and capacity building are essential to support suppliers in the Global South and to structure and proceed with implementation of the policies and principles in alignment with the national frameworks, such as India's National Guidelines on Responsible Business Conduct (NGRBC).

Implementing HRDD meaningfully will help companies go beyond compliance to foster equitable and sustainable global value chains. In this context, the FTAO and Change Alliance, with the collaboration and support of Fairtrade NAPP, convened three workshops across India in May-June 2025, engaging 115 participants. This helped consolidate key recommendations on some of the relevant themes that will help strengthen further implementation of the UNGPs and other frameworks in order to uphold business and human rights in value chains where workers face precarity and require support to improve their overall working conditions. These convenings were crucial, as supply chain actors in producing countries are often not aware of international regulations, and information does not percolate to the workers, even though they are the ones who contribute to the global supply chains and are ultimately those who are adversely impacted in the process of production on many occasions. Therefore, it is imperative that relevant stakeholders are not only at the receiving end but also have a say in operationalising the regulations.

1.1. LITERATURE REVIEW: THE INDIAN GARMENT SECTOR

India is one of the world's top garment and textile exporters – ranked 6th globally.⁸ In 2023, India's total textile and apparel exports were around US\$35.9 billion,⁹ 4 billion worth of garments from India in 2023 which was about 3% of total EU apparel imports.¹⁰ This was similar to pre-pandemic levels (e.g., \$5.65 billion in 2019). The EU (plus the UK) together account for roughly 15–20% of India's textile/apparel export value,¹¹ while the United States is the single largest buyer (about 29% of India's export value). India faces strong competition from other exporting nations in the EU market, primarily due to their preferential trade agreements with the EU, which often grant duty-free access. In contrast, Indian exports, without a comprehensive FTA, generally incur tariffs.

To enhance its market position, India is actively pursuing a long-standing Free Trade Agreement (FTA) with the EU. Negotiations for this EU-India FTA, along with separate Investment Protection and Geographical Indications agreements, were relaunched in June 2022. Both parties aim to conclude an ambitious and mutually beneficial FTA by the end of 2025, which is anticipated to significantly boost India's exports. Separately, India has signed a Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA) – comprising Switzerland, Iceland, Norway, and Liechtenstein – set to come into effect from October 1, 2025.¹² The EU's increasing focus on sustainability and circular fashion presents both challenges and opportunities for Indian suppliers. With the right policy support, responsible business conduct and trade deals, India can strengthen its position as a leading apparel supplier to the EU market.

⁸ Asia Garment Hub. (2025). [India](#). Asia Garment Hub.

⁹ Press Information Bureau, Government of India. (2025). [Year end review 2024 of Ministry of Textiles](#) [Press release].

¹⁰ Press Information Bureau, Government of India. (2025). [Year end review 2024 of Ministry of Textiles](#) [Press release].

¹¹ Asia Garment Hub. (2025). [India](#). Asia Garment Hub.

¹² Ministry of Commerce & Industry. (2025). [India and EU reaffirm commitment to conclude ambitious FTA by the end of 2025, deepen strategic trade ties](#) [Press release]. Press Information Bureau, Government of India.

The diversified export base underscores India's global role in both ready-made garments and textile materials. The Indian textile/apparel industry (including domestic and export markets) is enormous – contributing ~2 % of India's GDP and ~10 % of industrial output.¹³ Ready-made garments (RMG) are a major export category, but India also exports significant textile materials (cotton yarn, fabrics, home textiles, etc.), leveraging its large raw-material base (e.g., cotton). In fact, India is a leading producer of cotton and has a vertically integrated supply chain from fibre to finished goods, which includes ginning, spinning, weaving/knitting, dyeing and finishing, and then garmenting through Cut-Make-Trim (CMT) units.¹⁴

India's garment export sector remains *buyer-driven* – foreign brands place orders to Indian manufacturers (often through local buying agents or export firms). No single brand dominates; even the largest global apparel companies each account for only a few per cent of world production,¹⁵ and India's export output is split among many buyers. India, as a top exporter, hosts a large share of supplier factories. Based on official data from the Ministry of Textiles (2024-25), India's garment manufacturing sector comprises approximately 9,000 registered factories, including an estimated 3,800 export-orientated units. This formal sector directly employs over 12.9 million workers. Production is concentrated in major hubs like Tiruppur, Delhi-NCR, Bengaluru, and Ludhiana, which supply key export markets such as the U.S., E.U., and UAE. This formal factory base is supported by a vast, unregistered network of small and home-based workshops, which together form a comprehensive and tiered production ecosystem nationwide.¹⁶

State-wise distribution of key garment hubs with large factories and mid-sized units and their specialisation

State	Key Hubs	Large Export Factories	Mid/Small CMT Units	Specialisation & Export Value
Tamil Nadu	Tiruppur, Coimbatore, Chennai	~1,200+ (Tiruppur: ~800+)	~3,500+	<ul style="list-style-type: none"> Cotton knitwear hub: Tiruppur exports ₹39,618 cr (FY25)¹⁷
Karnataka	Bengaluru, Mysuru	~600+	~2,000+	<ul style="list-style-type: none"> High-value apparel: Silk blends, formalwear (Arvind, Gokaldas) Bengaluru contributes 30% of India's garment exports to the EU¹⁸
Maharashtra	Mumbai, Pune	~400+	~1,500+	<ul style="list-style-type: none"> Denim & fast fashion ₹25,000 cr+ annual turnover¹⁹
Delhi-NCR	Gurugram, Noida	~800+	~3,000+	<ul style="list-style-type: none"> Women's wear & luxury: NCR accounts for 40% of India's apparel exports to the EU²⁰
Gujarat	Surat, Ahmedabad	~300+	~1,200+	<ul style="list-style-type: none"> Synthetic textiles: Surat produces 9M metres of fabric/year (60% polyester); Ahmedabad produces denim²¹
Punjab	Ludhiana, Amritsar	~250+	~1,000+	<ul style="list-style-type: none"> Woollen knitwear: ₹10,000 cr+ industry; ₹1,000 cr+ exports²²
Other States	Kerala, Telangana, Rajasthan	Kerala: ~200+ Raj: ~300+	Small clusters	<ul style="list-style-type: none"> Kerala: Ethnic wear Rajasthan: Handloom/sustainable fashion

¹³ Press Information Bureau, Government of India. (2025). *Year end review 2024 of Ministry of Textiles* [Press release].

¹⁴ Modern Rural India (2023). *Why Are Women Leaving Textiles Industry in Rural India?*

¹⁵ Johny, C. & Thomas, J.J. (2024). *The limits to growth of India's garment industry*. Economic and Political Weekly, 56(27–28).

¹⁶ Ministry of Textiles. (2025). *Annual report 2024–25* (English ed., released March 12, 2025) [PDF]. Government of India, Ministry of Textiles.; For a list of readymade garment units in India, see: *List of Ready Made Garment Manufacturing Units*.

¹⁷ Tiruppur Exporters' Association. (2025). *Tiruppur knitwear makers hopeful of better profits after ban on garment imports from Bangladesh*. TEA News.

¹⁸ Dun & Bradstreet. (n.d). *Find apparel accessories and other apparel manufacturing companies in India*.

¹⁹ Dun & Bradstreet. (n.d). *Find Apparel Accessories and Other Apparel Manufacturing Companies in India*.

²⁰ Ministry of Textiles. (2024). *Annual report 2023–24*. Government of India.

²¹ Dun & Bradstreet. (n.d). *Find Apparel Accessories and Other Apparel Manufacturing Companies in India*.

²² Khalsa Vox. (2024). *Punjab's Woollen Apparel Exports Plummet Amid Economic Struggles and Global Conflicts*.

India's garment supply chain is also complex and multilayered, encompassing a wide range of actors, including smallholder farmers, informal workers, large and small manufacturers, subcontractors, and export houses. A company's HRDD processes need to involve all these stakeholders, but as previous work shows, they often just focus on the stakeholders who are easy to reach. This limits the transformative positive potential of HRDD.

The Indian textile and garment sector is one of the largest employers in the country. Government estimates often cite around 45 million workers directly employed in textiles and apparel (making it the second-largest employer after agriculture).²³ Recent research by the Katalyst Initiative, which focuses on the global garment workforce, estimates that India's garment and footwear supply chain employed about 22.8 million workers in 2023–24.²⁴ Roughly half of the garment-textile workforce is in factory settings and half in informal or home-based roles. Katalyst data for 2024 indicate about 11.5 million workers in factories, about 6.9 million home-based garment workers, and the remainder in other conditions. The nature of employment is precarious; while there is transparency till Tier 1, farm-to-factory employment practices are generally obscure. At the very base of the chain are the raw-material producers. India's cotton agriculture involves an estimated 5.8–6 million smallholder farmers.²⁵ Other fibres such as jute, silk and wool, plus synthetic fibre production, also feed the supply chain; for example, the silk sector supports nearly 9.5 million livelihoods.²⁶

Further, understanding this structure is crucial for any intervention seeking to promote ethical sourcing, improve labour conditions, and enhance transparency across the supply chain. The formal, registered factory sector represents just a fraction of the total. In fact, one study noted that only ~1.2 million garment workers were employed in factories recognised in official surveys in 2021–22, which was “less than 10 %” of the industry's total workforce.²⁷ This implies the vast majority of units operate in the informal or unregistered realm. Because of this structure, average factory sizes in India are smaller than in some competing countries. The Apparel Export Promotion Council reports an average of 600–800 workers per garment factory in India, versus ~1,200 in Bangladesh.²⁸ India has only a limited number of mega-factories; instead, output comes from many mid-sized and small manufacturers. For example, in the Tiruppur knitwear cluster, the top 100 exporters accounted for half of the area's \$5 billion in export sales, while the other 2,400+ units contributed the rest – a clear sign of many small players driving production.²⁹ India also has a huge textile manufacturing base: as of 2010, there were over 2,500 textile weaving factories and 4,100 finishing (processing) factories in India,³⁰ alongside hundreds of thousands of power loom units and traditional handlooms (over 3.5 million handloom weavers were counted in 2020).³¹ This provides substantial fabric and yarn input to the garment sector. The coexistence of high-tech mills and informal looms is another hallmark of India's industry structure.

²³ Press Information Bureau, Government of India. (2025). [Year end review 2024 of Ministry of Textiles](#). [Press release].

²⁴ Katalyst Initiative. (2025). [Global Garment Workers Count – Working Paper 4](#).

²⁵ Better Cotton. (n.d.) [Better Cotton in India](#).

²⁶ Press Information Bureau, Government of India. (2025). [Year end review 2024 of Ministry of Textiles](#). [Press release].

²⁷ [The limits to growth of India's garment industry](#). Economic and Political Weekly, 56(27–28).

²⁸ Pandya, D. et al. (2025). [Walmart turns to India to avoid high tariffs, but garment workers scarce](#). Reuters.

²⁹ Pandya, D. et al. (2025). [Walmart turns to India to avoid high tariffs, but garment workers scarce](#). Reuters.

³⁰ Johny, C. & Thomas, J.J. (2024). [The limits to growth of India's garment industry](#). Economic and Political Weekly, 56(27–28).

³¹ Press Information Bureau, Government of India. (2025). [Year end review 2024 of Ministry of Textiles](#). [Press release].

1.2. THE IMPACT OF THE EVOLVING LANDSCAPE OF HRDD ON THE SOUTH ASIAN GARMENT SECTOR

There has been significant action towards responsible business conduct in line with voluntary frameworks, such as those discussed above. Yet, progress has been uneven within the garment sector, leading to calls for binding legislation like the EU CSDDD. For instance, European garment retailers have taken steps to implement voluntary HRDD efforts in sourcing countries across Asia and Africa, as discussed below. For example, Tesco implemented a five-step due diligence framework, covering risk assessment, mitigation, grievance redressal, and ongoing monitoring, in countries like Thailand and India through its partnership with Oxfam and the Consumer Goods Forum's Human Rights Coalition.³² H&M has been using the Higg Facility Social & Labour Module (FSLM) to evaluate factory-level risks and push for improvements across the tiers of garment suppliers.³³ Meanwhile, Inditex (Zara's parent company) publicly discloses supplier lists and has developed climate-related worker safety protocols, a response to increasing factory temperatures in South Asia.³⁴ Levi's, Nike, and VF Corp have partnered with Bangladeshi and Vietnamese factories to implement heat-stress safeguards, improve ventilation, and restructure work shifts, all aligned with upcoming European regulatory frameworks.³⁵

Legal enforcement has also taken shape: the International Accord for Health and Safety in the Textile and Garment Industry,³⁶ initially forged after the Rana Plaza collapse, remains a legally binding agreement with over 199 global brand signatories, including C&A, H&M, and Adidas. In India, the Dindigul Agreement,³⁷ signed by Eastman Exports, the Asia Floor Wage Alliance (AFWA), and GLJ-ILRF, it is a pioneering example of a gender-justice-focused binding agreement, ensuring protection from gender-based violence in garment units in Tamil Nadu.

Industry-wide HRDD platforms are also playing a transformative role. The Sustainable Apparel Coalition (SAC), now rebranded as Cascale, promotes the Higg Index, which measures social and environmental performance across more than 24,000 facilities globally, including those in the Global South. The Ethical Trading Initiative (ETI) has launched gender-responsive HRDD pilots in Tamil Nadu, India, to address gender-based violence and build supplier-level accountability using worker-focused data collection methods. In parallel, European brands are increasingly deploying real-time tools such as Labour Line and WOVO, developed by Labour Solutions, to gather anonymous feedback from workers and assess factory compliance digitally across South and Southeast Asia. These efforts signal a broader movement beyond compliance, towards meaningful partnerships between European buyers and Global South suppliers.

A study published in 2023 on Sustainable Supply Chains³⁸ suggested that mandatory HRDD legislation at the EU level could have a positive economic welfare impact on the Global South by enforcing human rights and environmental compliance, correcting market failures, and reducing negative externalities. These measures could lead to improved working conditions and environmental outcomes in supplier countries, including India. At the same time, a 2024 study found that existing due diligence efforts in Germany have

³² The Consumer Goods Forum. (2021). *Human rights due diligence: Tesco's journey*.

³³ H&M Group. (n.d.) *Sustainable Impact Partnership Programme (SIPP)*.

³⁴ Reid, H. (2024). *Exclusive: Investors push Zara owner Inditex to publish full supply chain*. Reuters.

³⁵ Reid, H. (2024). *Extreme heat puts garment factory workers at risk, study shows*. Reuters.

³⁶ International Accord Secretariat. (2025). *International Accord for Health Safety in the Textile and Garment Industry*.

³⁷ Asia Floor Wage Alliance. (2023). *The Dindigul Agreement fact sheet*.

³⁸ Jäger, J., Durán, G., & Schmidt, L. (2023). *Expected economic effects of the EU Corporate Sustainability Due Diligence Directive (CSDDD)*. Research Network Sustainable Global Supply Chains.

not led to remarkable improvements for smallholder farmers and their families in the short- and mid-term,³⁹ which flags the importance of ensuring that HRDD efforts are tailored towards maximising impact on the ground. A 2024 article by the Centre for Responsible Business⁴⁰ underscores that there has been a lack of inclusivity regarding perspectives from the Global South during the CSDDD negotiations, which raises concerns about its practical implications. As documented in a 2023 briefing by the Business & Human Rights Resource Centre,⁴¹ workers in the Global South emphasised that the directive must recognise them as key stakeholders in due diligence processes, mandate comprehensive value chain oversight, and facilitate access to protection, remedy, and justice.

With the CSDDD having been reopened to political negotiations in February 2025, after first being agreed in 2024, this concern rings true now more than ever, with 75 environmental and human rights organisations from Africa, Asia, Latin America and around the world warning that reopening the CSDDD would be a deep disappointment for communities in the Global South.⁴² Fairtrade NAPP, for instance, raised concern about the major revisions proposed to the CSDDD, and urged co-legislators to safeguard the fundamental principles of HRDD to ensure that the directive drives tangible improvements in the lives and working conditions of millions of smallholder farmers and workers worldwide.⁴³ In response to the provisional political agreement by EU member states on changes to the CSDDD in June 2025, Fairtrade NAPP urged political decision-makers to stand with smallholders, workers and responsible business to defend a risk-based, whole-of-supply-chain CSDDD.⁴⁴ In addition to the need for the operative parts of the CSDDD to work towards effective HRDD, there is an additional need for accompanying measures to ensure effective implementation and safeguard the rights of those directly impacted.⁴⁵

HRDD practices by European companies have the potential to drive positive change by improving worker welfare, environmental outcomes, and corporate governance in supplier regions such as India, a key player in global value chains. While there are costs in ensuring compliance, they are usually higher under non-binding HRDD frameworks. Voluntary first movers will face higher costs than if everyone had to play by the same rules. On the flipside, implementing HRDD is associated with better risk management, which reduces costs in the long term, particularly in sectors such as textiles and agriculture; alignment with international standards could enhance their global competitiveness and strengthen buyer-supplier relationships.⁴⁶

³⁹ Kraft et al. (2024). *Assessing the German Act on Corporate Due Diligence Obligations in Supply Chains: a perspective from the smallholder cocoa farmer*, Sec. Sustainable Supply Chain Management.

⁴⁰ Centre for Responsible Business. (2024). *C4RB briefing on EU CSDDD and Global South perspectives*. [Available on request]

⁴¹ Business & Human Rights Resource Centre. (2021). *Legal brief unpacks current developments in human rights & environmental due diligence*.

⁴² Business & Human Rights Resource Centre. (2025). *Global South statement on the omnibus EU directive on corporate sustainability due diligence*.

⁴³ Fairtrade Network of Asia & Pacific Producers (NAPP). (2025). *LinkedIn post*.

⁴⁴ Fairtrade Network of Asia & Pacific Producers (NAPP). (2025). *LinkedIn post*.

⁴⁵ Fair Trade Advocacy Office. (2024). *Supporting the implementation of the EU Corporate Sustainability Due Diligence Directive in global supply chains involving smallholders and their communities*.

⁴⁶ European Commission. (2022). *Commission Staff Working Document Impact Assessment Report Accompanying the document Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937*.



Chapter 2: Purpose of this report, methodology and overarching conclusions

2.1. PURPOSE OF THIS REPORT

Recent literature highlights several critical gaps and actionable recommendations for effective Human Rights Due Diligence (HRDD) implementation in the garment sector, particularly within supply chains involving smallholder cotton farmers and Asian manufacturers. Effective HRDD requires brands to go beyond audits by co-creating remediation plans, offering financial support for ethical upgrades, and collaborating with governments and multi-stakeholder platforms to build local capacities. These measures are essential to ensure that small actors in garment supply chains, especially India's, which involves a wide range of stakeholders, are not excluded or penalised but instead empowered to comply. Given this context, the goal of this report is to:

1. Summarise key roadblocks, solutions and ideas that supply chain actors in India have for implementing specific aspects of HRDD
2. To frame recommendations for policymakers to support stakeholders in garment supply chains in implementing responsible business conduct

2.2. METHODOLOGY

This initiative employed a qualitative, participatory approach to identify key challenges and co-develop practical solutions for implementing Human Rights Due Diligence (HRDD) in Indian garment supply chains. Between May and June 2025, Change Alliance, in collaboration with the Fair Trade Advocacy Office (FTAO), organised a series of three multi-stakeholder workshops across three key regions in India: Delhi NCR, Bengaluru (Karnataka), and Tiruppur (Tamil Nadu). These locations were selected to reflect the diversity of actors and supply chain structures across major textile and garment-producing hubs. A total of 115 participants representing diverse stakeholder groups were engaged in these consultations. The workshops lasted one day each and took place in person. Participants were purposively selected to ensure representation across the value chain and included:

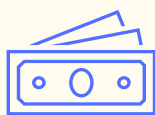


The workshops were designed with three primary objectives: (i) to build stakeholder capacity on HRDD concepts and international frameworks, (ii) to foster inclusive dialogue and enable cross-sectoral exchange on context-specific implementation barriers, and (iii) to co-develop localised action plans and policy recommendations. Particular emphasis was placed on integrating the perspectives of marginalised stakeholders, including informal workers and smallholder farmers engaged in cotton-based garment supply chains.

Data was generated through structured group exercises, thematic sessions, and plenary discussions. Facilitated sessions promoted joint analysis and deliberation on key topics such as living wage implementation, responsible purchasing practices, stakeholder engagement, grievance mechanisms, and traceability. Outcomes from the workshops were documented, thematically coded, and synthesised to identify recurring challenges and actionable recommendations. These insights are intended to inform both policy and corporate responses and contribute to the broader discourse on effective, inclusive HRDD implementation, particularly in the context of India's strategic role in global garment supply chains. For more information on the agenda and the questions asked during the group work, refer to Annexes 1 and 2.

The consultations focused on the following key themes:

The Indian garment sector, employing over 12 million people in factories and roughly 45 million people across the sector, many of them women and migrant workers, has long faced scrutiny over labour rights and economic sustainability. With growing attention on Human Rights Due Diligence (HRDD) globally, three interconnected themes have emerged as critical to making supply chains more equitable: (1) the integration of living wages and incomes, (2) fair and responsible purchasing practices, and (3) meaningful stakeholder engagement mechanisms. These themes were selected based on pre-existing research, which suggests several roadblocks in implementing each theme within HRDD efforts. Specifically:



THEME 1

Integration of living wages and living income into supply chains



THEME 2

Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts



THEME 3

Building meaningful stakeholder engagement mechanisms for long-term impact

Integration of Living Wages and Incomes

A central concern in human rights due diligence (HRDD) implementation in the Indian garment sector is the persistent failure to ensure living wages and incomes. A living wage, as per the International Labour Organisation, is the “wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the



normal hours of work.” A living income, as a related concept, refers, as per the Living Income Community of Practice’s established definition, to “the net annual income required for a household in a particular place to afford a decent standard of living for all members of the household.”⁴⁷ In short, while living wages apply to employed workers, living incomes are relevant in the context of self-employed persons, such as smallholder farmers or home-based workers. There are various established methodologies to calculate living wages and living incomes, as documented, for instance, by the OECD Handbook on due diligence for enabling living incomes and living wages in agriculture, garment and footwear supply chains.⁴⁸

Numerous studies affirm that despite full-time employment, many garment workers in India remain trapped in poverty, unable to afford food, healthcare, or education. Oxfam Australia (2021)⁴⁹ found that 100% of surveyed workers in India and Bangladesh were unable to meet basic needs, with many pushed into cycles of debt. Several authors emphasise that HRDD frameworks must go beyond compliance to incorporate living wages and incomes as essential to tackling systemic labour rights violations. The University of Greenwich for the Fair Trade Advocacy Office (2020)⁵⁰ stresses that HRDD should embed fair pricing and living income guarantees, especially for smallholder farmers and workers in high-risk supply chains. Barrientos (2019)⁵¹ similarly argues that living income benchmarks are crucial to ensuring economic sustainability for producers and preventing rights violations upstream. This need for redistribution of value is echoed in Miller and Hohenegger’s (2016) ILO study,⁵² which asserts that wage progression can only happen when purchasing practices align with cost structures that allow fair compensation. In India, however, brands often fail to commit to such wage benchmarks. A Transform Trade (2025)⁵³ report highlights how Indian manufacturers face relentless pricing pressure, leaving them unable to raise wages even when

⁴⁷ Living Income Community of Practice. (2024). [Aligned inclusive living income narrative and indicators](#).

⁴⁸ Organisation for Economic Co-operation and Development. (2024). [Handbook on due diligence for enabling living incomes and living wages in agriculture, garment and footwear supply chains](#). OECD Publishing.

⁴⁹ Oxfam Australia. (2019). [Made in poverty: The true price of fashion](#). Oxfam Australia.

⁵⁰ V. Nelson, O. Martin-Ortega and M. Flint (2020). [Making Human Rights Due Diligence Work: An Analysis of Impact and Legal Options](#). University of Greenwich Report Commissioned by the Fair Trade Advocacy Office and Brot für die Welt.

⁵¹ Barrientos, S. (2019). [Gender and Work in Global Value Chains: Capturing the Gains?](#) Cambridge University Press.

⁵² Miller, D. & Hohenegger, K. (2016). [Redistributing value added towards labour in apparel supply chains: Tackling low wages through purchasing practices](#). International Labour Organization, Conditions of Work and Employment Series No. 83.

⁵³ Transform Trade. (2023). [Wearing thin: Retailer impact on Indian garment manufacturers](#).

legally mandated. Similarly, the Better Buying Index Report (2024)⁵⁴ shows that only a minority of brands tie pricing decisions to wage outcomes, constraining suppliers from improving worker remuneration despite increased transparency in sourcing.

Reforming purchasing practices and ensuring responsible disengagement

Brand purchasing practices are a structural determinant of working conditions and labour rights compliance in the Indian garment industry. When brands prioritise cost and speed through low prices, short lead times, and order cancellations, they transfer financial risk to suppliers and indirectly enable rights violations. Despite the apparel sector showing better performance compared to others, responsible purchasing practices remain among the lowest-scoring themes in global benchmarks (e.g., KnowTheChain benchmarks).⁵⁵

Human Rights Watch (2019)⁵⁶ documented how Indian factories are often paid below production costs, leading to unpaid wages, suppression of unions, and reliance on unregulated subcontracting. These risks were amplified during the COVID-19 pandemic, when brands cancelled orders without compensation and delayed payments, exacerbating wage theft and layoffs across India's supply chains.⁵⁷ Reports such as the Common Framework for Responsible Purchasing Practices (2022) provide actionable guidelines on responsible pricing and disengagement, yet their adoption remains voluntary and weakly enforced.

Survey data from the ILO (2017)⁵⁸ reveals that Indian suppliers regularly face last-minute order changes and excessive overtime, conditions rooted in exploitative sourcing models. The Better Buying (2024)⁵⁹ report finds limited evidence of open costing or long-term buyer commitments that would enable more stable and fairer labour conditions. Scholars and practitioners alike have called out these dynamics. The Fair Trade Advocacy Office (2020)⁶⁰ critiques supplier sourcing that reinforces exploitation during crises, while LeBaron and Lister (2021, 2016)⁶¹ and OECD (2022)⁶² identify low pricing and short lead times as root causes of labour abuse. In addition, when brands encounter risks such as non-compliance or reputational damage, they often opt for abrupt disengagement instead of collaborative remediation. Such "cut-and-run" tactics worsen conditions on the ground. The Danish Institute for Human Rights (2021)⁶³ and Ruggie (2021) warn that responsible exit strategies must include stakeholder consultation, cost-sharing, and mitigation efforts. There is a need for upstream cooperation and long-term supplier relationships over reactive disengagement.⁶⁴ HRDD must therefore promote collective investment in capacity-building, rather than offloading risk onto producers.

⁵⁴ Better Buying Institute. (2024). *Better Buying™ Index Report 2024*.

⁵⁵ Business & Human Rights Resource Centre. (2023) *KnowTheChain Apparel & Footwear Benchmark*.

⁵⁶ Human Rights Watch. (2019). *"Paying for a bus ticket and expecting to fly": How apparel brand purchasing practices drive labor abuses*.

⁵⁷ Business & Human Rights Resource Centre. (2024). *Who pays for the crisis? May 2024 analysis*.

⁵⁸ International Labour Organization. (2021). *Purchasing practices and working conditions in global supply chains: Results from field work in Bangladesh, China, India, South Africa and Turkey*; International Labour Organization. (2024). *Trade Unions, Labour Governance and Economic Upgradation in Value Chains: Framing Intervention Amidst Emerging Human Rights Due Diligence Frameworks*.

⁵⁹ Better Buying Institute. (2024). *Better Buying™ Index Report 2024*.

⁶⁰ Business & Human Rights Resource Centre. (2020). *Ensuring human rights due diligence legislation works for small farmers and workers*.

⁶¹ LeBaron, G. & Lister, J. (2021). *The hidden costs of global supply chain solutions*. *Review of International Political Economy*, 29(3); LeBaron G. & Lister, J. (2016). *Ethical Audits and the Supply Chains of Global Corporations*. SPERI Global Political Economy Briefs (1).

⁶² Organisation for Economic Co-operation and Development. (2022). *Background notes - 2022 OECD Forum on Due Diligence in the Garment and Footwear Sector*.

⁶³ Danish Institute for Human Rights. (2025). *Annual report 2024: Protecting human rights under immense pressure*.

⁶⁴ Zimon, D., Tyan, J. & Sroufe, R. (2019). *Implementing sustainable supply chain management: Reactive, cooperative, and dynamic models*. *Sustainability* 11(24).



Building meaningful stakeholder engagement mechanisms

Despite the proliferation of social audits and policies, many HRDD systems exclude the very workers and communities they are meant to protect. In India, especially, garment workers, most of whom are women and migrants, have a limited voice in workplace decision-making or grievance mechanism. The Fair Trade Advocacy Office (2024)⁶⁵ highlights the need for inclusive, continuous engagement with rightsholders across the supply chain. Without this, companies risk missing critical local knowledge and reinforcing power asymmetries. Similarly, the UN Working Group on Business and Human Rights (2023)⁶⁶ stresses that HRDD must include participatory approaches that empower smallholders, women, and informal workers to shape risk assessments and remedies.

Yet, in India's export-orientated garment zones, legal and cultural barriers to unionisation persist. Reports by Transform Trade (2025)⁶⁷ show that suppliers and workers are often excluded from due diligence processes, which remain top-down and brand-driven. Grievance mechanisms are either employer-controlled or poorly communicated, especially for marginalised groups such as women and migrants.⁶⁸ The Common Framework (2022)⁶⁹ recommends that buyers develop long-term partnerships that actively support worker representation. However, implementation is patchy and often treated as a compliance exercise rather than a transformative process, and therefore, meaningful HRDD must include support for producer training, long-term contracts, and shared accountability, not just audits or tick-box measures. Change Alliance's work in this space reinforced the business case for upholding human rights, noting that doing so reduced legal and reputational risks, strengthened stakeholder trust, and contributed to long-term sustainable growth.⁷⁰

⁶⁵ Fair Trade Advocacy Office. (2024). *Meaningful stakeholder engagement with smallholder farmers in due diligence processes of companies*.

⁶⁶ Working Group on Business and Human Rights. (n.d.) *Mandatory human rights due diligence (mHRDD)*.

⁶⁷ Transform Trade. (2025). *Wearing Thin: Retailer Impact on Indian Garment Manufacturers*.

⁶⁸ Emran, S. N., Kyriacou, J., & Rogan, S. (2019). *Made in poverty: The true price of fashion*. Oxfam Australia.

⁶⁹ Bündnis für nachhaltige Textilien. (2022). *Common Framework for Responsible Purchasing Practices*.

⁷⁰ Change Alliance. (2017). *A Primer on Human Rights and Business*; Change Alliance (2020). *Migration in Ready-made Garment Industry, causes and impact on young women workers*.

Therefore, smallholders and communities with a marginalised background remain vulnerable to systemic issues such as income insecurity and unsustainable practices. To maximise impact and inclusivity, HRDD frameworks should:

- Strengthen provisions for **smallholder inclusion** and **living incomes**.
- Mandate **gender-responsive stakeholder engagement**.
- Address **unsustainable business models that perpetuate harm**.
- Codify **responsible disengagement** with clear obligations for remediation.

2.3. OVERARCHING CONCLUSIONS

Using the methodology discussed above, the workshops found validation for several pre-existing hypotheses, as well as developed emerging insights that shed light on challenges specific to India.

Theme	Key emerging concerns from the discussion	Insights & conclusions
1. Living wages & income integration	<ul style="list-style-type: none"> • Persistent conceptual delineation challenges: minimum wage versus living wage • Methodological and conceptual gaps in understanding and implementing the living wage frameworks • Challenges in awareness and enforcement frameworks • Supplier operational limitations and limited brand accountability fulfilment • Disconnect between global brand commitments and local realities • Need for mandated benchmarks and shared responsibility 	<ul style="list-style-type: none"> • Mandatory HRDD is needed to enforce living wages • Responsibility placed on suppliers without buyer ownership and commitment • Minimum wage revisions are delayed (e.g., Karnataka litigation) • Wage benchmarking has indicated regional wage disparities are not clear to local stakeholders, seeming arbitrary, requiring clarity on localised formulas • Living wage pilots are performative, implemented as CSR with small, non-binding bonuses • Gender-caste wage gaps persist
2. Responsible purchasing practices	<ul style="list-style-type: none"> • Unfair purchasing practices and internal disjuncture undermine ethical sourcing • Price pressures transfer burden onto workers and suppliers • Subcontracting and informalisation obscure accountability • Irresponsible disengagement without remediation • Gaps in contractual agreements and cost sharing • Power asymmetries and limited bargaining space • Code of conduct gaps and weak enforcement 	<ul style="list-style-type: none"> • Procurement teams often override wage compliance; binding legislation is required • Digital traceability gaps persist in subcontracting • Gender/caste-based pricing bias, especially affecting Dalit women • Post-COVID recovery models have reduced wages, extended hours, and created new migration corridors

3. Meaningful stakeholder engagement

- Invisibility in policy, absence of data and evidence-based governance
- Workers as core stakeholders yet excluded from decision-making
- Shrinking representation of trade unions in democratic decision-making
- Superficial or lack of trust in existing grievance redressal mechanisms
- Gender-based disparities and occupational health risks
- Weak social audit systems and compliance burdens
- Tokenistic frameworks and inaccessible language used in stakeholder engagement processes
- Digital gaps in worker engagement
- Lack of local-national alignment and missed global opportunities
- Worker-led tech solutions are needed for grievance reporting
- Consultations often involve token representation through management-picked workers
- Shrinking representation of trade unions and civil society, who are often stigmatised as "anti-business", excluding them from meaningful HRDD dialogues

Chapter 3: Theme-wise summary of concerns raised by key stakeholders

3.1. THEME 1: INTEGRATION OF LIVING WAGES AND LIVING INCOME INTO SUPPLY CHAINS

Summary of concerns highlighted during thematic session 1:

- **Persistent conceptual delineation challenges: Minimum wage versus living wage:** Across all three consultations, stakeholders repeatedly pointed to widespread confusion between minimum wage (a legal baseline) and living wage (a threshold that covers the real cost of a decent life). Workers, suppliers, and even management often conflated the two, and often due to a lack of understanding, employers, like suppliers and brands, have questioned why they should exceed the statutory minimum.

"There is a lot of confusion between minimum wage and living wage. If you ask the factory staff to do a living wage, they'll say: minimum wage is here; why should we do more?"

– CSO representative, Tiruppur consultation

"Minimum wages have to be revised every three to five years. It is stuck. It is in the court... not being done."

– Trade Union Leader, Bengaluru consultation

"Living wage calculation is flawed. In Karnataka, it's ₹31,000. Why is Tiruppur set at ₹19,000?"

– CSO participant, Tiruppur consultation

There was a visible lack of conceptual clarity on living wages and living income that starkly came out during the consultations. This lack of clarity is compounded by India's highly fragmented wage structures, which vary by state, skill level, and occupation, making national implementation of a unified living wage difficult and politically complex. CSOs and worker collectives lack a clear understanding of how living wage and living income benchmarks are calculated and need further capacity-building on these issues as part of further active stakeholder engagement. Many informal and home-based workers know only their current (often informal) earnings and bonuses, without knowledge of wage benchmarks or entitlements. Simultaneously, participants echoed that living wage and living income benchmarks need to be tailored to the local context and based on the actual expenses that vary widely across Indian states. It was noted that such variation raises questions of equity and standardisation by brands with pan-India supply chains, who have reportedly had unequal progress towards closing the living wage gap. Specifically, participants

raised that some brands may apply wage top-ups only in select geographies where the living wage gap is smaller, undermining supply chain-wide improvements.

Stakeholders also raised concerns about the technical complexity of living wage calculation. The difference between “living wage” and “living income” is significant, particularly when supply chains involve both salaried workers and smallholder farmers. Additional complexity arises from factors like inflation, fertility rates, unemployment, and family size assumptions. Without broad stakeholder engagement, there is a risk of imposing abstract benchmarks that are neither context-sensitive nor operationally viable.

“Living wage must not be a donor or NGO concept. It must be embedded into purchasing practices and contracts.”

– CSO representative, Tiruppur consultation

“Only if brands, factories, workers, and CSOs collaborate will we find viable solutions.”

– Trade Union Voice, Tiruppur consultation

- Challenges in awareness and enforcement frameworks:** Like most workers, most employers also lack adequate awareness of what a living wage entails. Enforcement of even minimum wage laws remains weak, particularly at the state level. In Karnataka, wage revisions have been delayed for years due to litigation.⁷¹ Many businesses reportedly adopt symbolic commitments to social sustainability (including living wages), but participants flagged that these rarely translate into implementation across the supply chain. Concerns were raised that voluntary guidelines have not effectively addressed wage gaps or structural issues like wage suppression. Global frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) are not localised effectively, especially in relation to local wage realities. This leads to weak enforcement of living wage benchmarks and poor alignment with national wage systems in the Global South. Companies, especially micro-, small-, and medium-sized enterprises (MSMEs) in countries like India, Cambodia, Vietnam, and Bangladesh, often lack awareness or readiness to engage with living wage implementation as part of their HRDD responsibilities.

⁷¹ In Karnataka, wage revisions for garment industry workers have been delayed largely due to ongoing litigation initiated by trade unions. Specifically, around 2010, the Garment and Textile Workers’ Union filed a Public Interest Litigation (PIL) challenging the revised minimum wage notification for garment workers, which ultimately led to prolonged court proceedings. In other words, trade unions brought a PIL around 2010, resulting in a stay on garment minimum wage notifications until 2014; the government and unions then entered multi-party legal and advisory negotiations. In 2018 and again in 2023, revised wage drafts were legally challenged and stayed, leading to further delays. See: Das, J. (2023). [Makers of High Fashion, Karnataka’s Skilled Garment Workers Are Cheated of Fair Wages](#). The Wire.

"Most workers only know they are getting ₹1,500 as a bonus; they don't know what 'living wage' means."

– CSO representative, Tiruppur consultation

"We are fighting for workers, but they don't understand why. They fear being penalised if they raise their voice."

– CSO representative, Tiruppur consultation

"We are still stuck at the minimum wage level. Talking about living wage feels distant."

– Trade union representative, Bengaluru consultation

"The government talks about 'ease of doing business' but ignores 'ease of living' for workers. How can we talk about living wages when even minimum wages are not enforced?"

– Union organiser, Bengaluru consultation

- **Supplier operational limitations and limited brand accountability fulfilment:** Suppliers in all three locations reported that they are under extreme pricing pressure from brands and cannot afford to pay higher wages without corresponding adjustments in Free on Board (FOB) pricing. Many felt caught between expectations of social compliance and harsh commercial realities. Some brands have initiated pilot programmes like "living wage bonuses", but participants noted that these are small-scale and inconsistent, failing to meaningfully alter purchasing practices or create sustainable change.

"The government talks about 'ease of doing business' but ignores 'ease of living' for workers. How can we talk about living wages when even minimum wages are not enforced?"

– Union organiser, Bengaluru consultation

"Brands demand low FOB (Free on Board) prices, leaving us with razor-thin margins. If we raise wages, we risk losing contracts to cheaper factories in Bangladesh or Vietnam."

– Supplier Representative, Bengaluru consultation

"A couple of brands have tried this living wage bonus scheme. But it's not implemented across the board."

– Worker Representative, Bengaluru consultation

"I will give 1,000 t-shirts for a living wage, but what about the other 499,000? Factories can't comply with fragmented orders."

– Union Leader, Tiruppur consultation

- **Disconnect between global brand commitments and local realities:** Workers and local stakeholders noted that while brands make public commitments to living wages, these are often treated as corporate social responsibility (CSR) add-ons or pilot projects rather than integrated into core procurement contracts or costing models. As a result, suppliers are asked to deliver on living wage expectations without contractual or financial support. This disconnect between commitment and practice contributes to scepticism among workers and unions, who view such programmes as temporary or symbolic. Such pricing decisions also deepen gender and caste inequalities, pushing Dalit and Adivasi women into the lowest-paid, least-protected roles.

"Brands see it as CSR or charity, not embedded into their core purchasing practices."

– CSO Participant, Tiruppur consultation

"Can the responsibility be fixed on the brand to arrive at a living wage based on international norms and hold them accountable?"

– Group Work Reflection, Bengaluru consultation

"In spinning mills, 80% of workers are Dalit women. They earn less than men for the same work."

– Worker leader, Bengaluru consultation

- **The way forward: Mandated benchmarks and shared responsibility:** Workers emphasised that payments that allow for decent living of people in garment supply chains, via living wages and living incomes, must become legally or contractually binding, not discretionary. Otherwise, brands will continue to hide behind "law of the land" arguments while profiting from underpaid labour. Across all consultations, there was a strong call for transparent and brand-specific⁷² living wage and living income benchmarks, shared accountability between brands and suppliers, formal integration of living wage and living income commitments into costing and contracting, not just voluntary CSR, and government support to revise and enforce minimum wages promptly.

⁷² Transparent and brand-specific living wage benchmarks do not mean a brand creating a new wage, but rather that it commits to using a credible, transparent methodology like the Anker Methodology to apply living wage calculations to its specific supply chain. This involves using location-specific data to identify the gap between current wages and the benchmark and then working with suppliers in a "shared responsibility" model to close that gap. The process also requires nuanced calculations that exclude overtime pay and account for gross versus net wages to ensure a truly sufficient, take-home living wage is achieved. This approach fosters a genuine, ethical strategy that empowers workers beyond a simple check-the-box approach.



3.2. THEME 2: ENHANCING RESPONSIBLE PURCHASING PRACTICES TO ENSURE FAIR TRADE AND PROMOTING RESPONSIBLE DISENGAGEMENT PRACTICES THAT MINIMISE NEGATIVE IMPACTS

Summary of concerns highlighted during thematic session 2:

- **Unfair purchasing practices and internal disjuncture undermine ethical sourcing:** Across the three consultations, stakeholders consistently identified exploitative purchasing practices as a core structural issue undermining labour rights in India's garment supply chains. With a continued prioritisation of cost reduction, volume and speed increase, etc., human rights and sustainability commitments usually fall far behind, leading to harmful practices that plague the garment supply chains, including short lead times, last-minute specification changes, lack of cost-sharing, and cancellation of orders. Compounding this, internal silos within various buyers and brands mean that while compliance teams may work with workers or CSOs, procurement teams make decisions that contradict these efforts. These disconnects result in policies that are often non-sustainable and non-transformative and reinforce extractive business models.

"Buyers take too long for approvals, but want faster production. This leads to 12-hour shifts and overtime without pay."

– CSO representative, Tiruppur consultation

“There is no shared risk. Brands shift all costs and risk to the supplier.”

– CSO representative, Tiruppur consultation

“Compliance teams work closely with workers, but procurement teams don’t talk to them, or even to each other.”

– CSO representative, Bengaluru consultation

- **Price pressures transfer the burden onto workers and suppliers:** Suppliers across consultations described how brands’ aggressive pricing tactics lead to wage suppression, informalisation, and outsourcing of risky work. This downward pressure results in cost-cutting at the expense of worker protections.

“So how will the supplier absorb the cost? Wages will be cut, social security will be cut, and outsourcing will be done.”

– Garment Collective Representative, Delhi consultation

“I used to demand 10–20 cent reductions per unit, thinking it came from profits. Only later did I realise it was stolen from workers’ wages.”

– Former Brand Executive, Bengaluru consultation

- **Subcontracting and informalisation obscure accountability:** Large orders, tight delivery schedules, and inadequate FOB (Free on Board)⁷³ prices incentivise subcontracting, often to informal or unregistered units. This fragmentation makes traceability and worker protection nearly impossible.

“A garment gets dissected, cutting at one unit, stitching at another, collars somewhere else. The chain becomes invisible.”

– CSO Participant, Tiruppur consultation

“In factories, piece-rate informal workers work full-time without Provident Fund (PF) or Employees’ State Insurance (ESI). Subcontracting has obscured the accountability of manufacturing units towards the social security of workers.”

– Worker Collective Representative, Tiruppur consultation

⁷³ For a detailed explanation of “Free on Board” payments, see: Ljarja, A., Musiolek, B., & Vanpeperstraete, B. (2023). [Fast fashion purchasing practices in the EU: Unfair business relations between fashion brands and suppliers](#). Fair Trade Advocacy Office & Clean Clothes Campaign Europe.



- **Irresponsible disengagement without remediation:** A recurring concern across the three consultations was that brands often terminate relationships abruptly at the first sign of reputational risk, such as labour unrest or compliance gaps, without attempting remediation. This "cut-and-run" approach disproportionately harms workers, especially when factories rely heavily on one or two brands.

"One brand left overnight after a strike, fearing bad publicity. Hundreds lost jobs, no notice, no severance."

– Supplier Representative, Bengaluru consultation

"It's easy for a brand to say: 'I'll go somewhere else.' But disengagement should be the last resort."

– Workshop Participant, Tiruppur consultation

"If brands want to withdraw, it should be under a legally binding agreement, with reasons stated and 3-month compensation for workers."

– Group reflection Participant, Bengaluru consultation

- **Gaps in contractual agreements and cost sharing:** Discussions and supplier testimonies revealed a widespread lack of comprehensive, written contracts between brands and suppliers. These often exclude crucial clauses on notice periods, crisis cost-sharing, or payment for delays, leaving suppliers financially vulnerable. Moreover, suppliers are often expected to absorb the costs of compliance with international standards, including social audits, training, and reporting, without financial support.

"Many times, the buyer and the seller do not have written contracts... who will bear the cost if there is any change in specification or crisis?"

– Labour Expert, Delhi consultation

"Some companies give money for training... share audit costs... but mostly they don't. Then all these costs come to the supplier, and it goes to the worker."

– Supplier Representative, Delhi consultation

- **Power asymmetries and limited bargaining space:** Suppliers and workers reported having minimal leverage in price negotiations or dispute resolution. Dependency on a few buyers limits the ability of small and medium suppliers to demand fair terms or push back against unjust practices. In many cases, union voices are excluded from contractual or procurement decisions altogether. This imbalance reinforces a race to the bottom where suppliers compete by cutting labour costs rather than improving quality or sustainability.

"If these buyers are not happy... they will lose the business, which means the workers will also lose their job."

– Supplier Representative, Delhi consultation

- **Code of conduct gaps and weak enforcement:** While most global brands boast corporate Codes of Conduct, stakeholders pointed out that these documents rarely include or enforce crucial labour rights, such as freedom of association, fair wages, or grievance protections. This performative approach results in compliance on paper but continued violations on the ground.

"Forced labour and child labour are mostly written... but the rest, like need for unionisation, wages, working conditions, are not included."

– Labour rights expert, Delhi consultation

- **Industry Momentum and policy opportunities:** Despite widespread concerns, there were signs of positive shifts. Participants highlighted some brands taking early steps toward more responsible procurement, such as forecasting, reducing order volumes post-COVID, and disclosing payment terms. However, this is not yet mainstreamed within the garment industry, which risks putting those implementing responsible purchasing practices at a competitive disadvantage. This underscored the need for binding legislation that makes responsible purchasing a legal obligation, anchored in living wages, stakeholder engagement, and limits on irresponsible disengagement.

"A leading brand is disclosing what is paid on average within 15 days. Another US-based brand realised after COVID that penalising suppliers caused disruptions and began reducing order volumes instead."

– Brand Representative, Delhi consultation



3.3. THEME 3: BUILDING MEANINGFUL STAKEHOLDER ENGAGEMENT MECHANISMS

Summary of concerns highlighted during thematic session 3:

- **Invisibility in policy, absence of data and evidence-based governance:** A consistent concern across the consultations was the glaring absence of credible, disaggregated data, particularly on informal and migrant workers in the readymade garments (R&G) sector. Participants highlighted how this data gap obstructs effective policymaking, programme design, and labour rights enforcement. The lack of a labour census since 2000 and the absence of the Indian Labour Conference since 2011 were cited as evidence of systemic neglect of labour governance.

“We do not have true data for anything, not even for informal workers, not even for migrant workers.”

– Participant, Delhi Consultation

This concern underscores the need for institutional mechanisms to regularly gather, publish, and use data to drive targeted reforms for marginalised worker groups, especially those in informal and home-based employment. This also underscores the need for brands and companies to engage with actors in their own supply chains to have a general understanding of their specific suppliers.

- **Workers as core stakeholders yet excluded from decision-making:** Despite being the backbone of the supply chain, workers, especially women, migrants, and informal workers, are often structurally excluded from governance spaces. From price-setting negotiations to brand audits and stakeholder consultations, their participation is either absent or tokenistic. Participants repeatedly called for participatory approaches to HRDD and living wage implementation that recognise workers not just as beneficiaries but as co-creators of solutions.

"Brands only meet selected workers, chosen by factory management. There is no real dialogue."

– Worker Representative, Bengaluru consultation

"Even if I've worked for 12 years in a factory, I'm not allowed to casually meet brand representatives."

– Factory Worker, Bengaluru consultation

- **Shrinking representation of trade unions in democratic decision-making:** Trade unions often operate within a challenging environment, facing various operational hurdles that limit their substantial potential to foster responsible industry practices. This underutilisation highlights a critical concern among stakeholders: the imperative to effectively integrate independent unions and worker collectives as fundamental participants within due diligence and broader responsible business frameworks, thereby addressing the trend of their diminishing representation.

"A similar notion has been made about trade unions... But today, the day has changed. Time is changing."

– Trade Union Representative, Delhi consultation

"Brands rarely consult trade unions. They are simply not part of those conversations."

– Senior CSO representative, Bengaluru consultation

- **Superficiality or lack of trust in existing Grievance Redressal Mechanisms:** Grievance redressal mechanisms (GRMs), including Internal Complaints Committees (ICCs), were widely described as performative. Workers, particularly women and informal workers, reported a lack of access, awareness, confidentiality, and trust in these systems. Fear of retaliation remains high. There was a strong push for independent, worker-informed grievance systems with robust protections against retaliation. Rights violations are embedded throughout the supply chain, including at levels often overlooked. Addressing this complexity requires continuous engagement with a wide range of stakeholders (workers, transporters, communities). Businesses often do not invest in meaningful remedy processes as a safeguard from harm. Effective remedy requires transparent grievance mechanisms and inclusive engagement with affected stakeholders, especially workers and vulnerable communities. Failure to contextualise global frameworks and to co-develop solutions with local stakeholders undermines credibility and sustainability. Multi-stakeholder processes must include worker voices, trade unions, and community representatives to ensure long-term accountability.

"Even if Internal Complaints Committees (ICCs) are formed, women are afraid to complain. They fear retaliation or being removed from work."

– Women-led CSO, Tiruppur consultation

"Grievance redressal exists on paper. There is no remediation after complaints are raised."

– Civil Society Participant, Tiruppur consultation

"If I say something to the brand, I might lose my job. So, I don't speak up."

– Worker Participant, Bengaluru consultation

- **Gender-based disparities and occupational health risks:** Women continue to be relegated to low-paying, repetitive roles in the garment sector, with limited access to skills training, leadership, or upward mobility. Poor working conditions, such as long hours sitting on the floor, were linked to serious health consequences. Women home-based workers were also reported to have a limited understanding of their rights, with minimal support from factory management or public systems.

"Women sit 8–12 hours on the floor. Later, they face health issues like uterine problems or infertility."

– CSO Speaker, Tiruppur consultation

"In Tiruppur, high-paying jobs like cutting and pattern-making go to men. Women are in low-paid, repetitive roles."

– Worker Union Representative, Tiruppur consultation

- **Weak social audit systems and compliance burdens:** Factory representatives expressed frustration with the high cost and low impact of frequent compliance audits. These are typically designed without worker consultation and fail to improve actual working conditions. Instead, they divert resources from welfare initiatives. This was accompanied by demands for transparency, worker involvement, and consolidation of overlapping audit requirements.

"We have around 24 to 25 social compliances every year. That costs more than 8 to 10 lakh rupees (approx. €9,000 or €12,000) for us. We want to save that money and contribute it to the welfare of our workers."

– Factory Owner, Delhi consultation

- **Tokenistic frameworks and inaccessible language used in stakeholder engagement processes:** Participants criticised the superficial nature of many stakeholder engagement processes, particularly those initiated by global brands or MSIs. Participants alleged that often, due diligence frameworks are introduced for stakeholder consultation after they have already been finalised, with little room for grassroots shaping or adaptation. Stakeholders called for both the language and format of such frameworks to be made culturally and contextually relevant to the people most affected.

"Most frameworks are presented to us when they are already framed; we're asked for feedback as a formality."

– CSO Leader, Bengaluru consultation

"For a Dalit woman in a factory in Erode, 'business and human rights' means nothing unless made accessible."

– CSO representative, Bengaluru consultation

- **Digital gaps in worker engagement:** Although digital tools like WhatsApp and Facebook are widely used, trade unions and workers have limited access to structured, secure platforms for grievances, monitoring, and supply chain traceability. Bridging this digital divide is crucial for making HRDD frameworks more real-time, worker-friendly, and scalable.

"We are using WhatsApp and Facebook a lot... but our search is not able to go beyond this."

– Trade Union Participant, Delhi consultation

- **Lack of local-national alignment and missed global opportunities:** Participants flagged that India has failed to adopt or engage with impactful global frameworks like the Accord on Fire and Building Safety.⁷⁴ While such initiatives have been embraced in Pakistan and Bangladesh, India lags behind in labour and factory safety standards integration and adoption of the National Action Plan on Business & Human Rights. There was a strong call for aligning national frameworks like the NGRBC with international best practices and ensuring that worker voices influence how these are localised.

"The Accord went to Pakistan last year. It is very sad that it did not go to India."

– Union/worker collective representative, Delhi consultation

⁷⁴ India has not adopted the Accord on Fire and Building Safety. The Accord on Fire and Building Safety in Bangladesh was signed in 2013 after the Rana Plaza collapse. It is a legally binding agreement between brands and trade unions to ensure worker safety through independent inspections, transparency, and remediation. India was not included in the original Accord, nor in its successor agreements (Transition Accord and International Accord), despite having a large garment manufacturing sector with similar labour and safety concerns. In 2023, the International Accord expanded to Pakistan, marking a missed opportunity for India to benefit from an internationally coordinated framework for factory safety.



- The Value of Multi-Stakeholder Consultations:** Despite critiques, there was strong appreciation for inclusive, action-orientated spaces such as these three regional consultations. These platforms were seen as rare opportunities where factory owners, workers, unions, brands, and CSOs could engage meaningfully and co-create solutions. This validation underlines the need to institutionalise such forums to ensure sustained dialogue, trust-building, and progress monitoring.

“Such multi-stakeholder consultations raise and highlight voices from the grassroots and from everyone else across the board and help us understand the true picture.”

– Participant, Delhi consultation



Annexure 1: Agenda for the Multistakeholder Consultations

Agenda for the Multistakeholder Consultations on

Strengthening the Implementation of Business & Human Rights (BHR) and Human Rights Due Diligence (HRDD) Principles and Policies, and Understanding Their Impact on Textile Supply Chain Workers, Farmers, and Communities in India

Organised by Change Alliance supported by Fair Trade Advocacy Office, Brussels

Date: 12th May 2025 (Delhi NCR),

Venues: Magnolia Hall, India Habitat Centre (New Delhi)

Timing: 9:30 AM to 5PM

AGENDA FOR THE CONSULTATION IN NEW DELHI

Time	Activity	Details
9:30 - 10:00 AM	Registration for participants	
10:00–10:20 AM	Welcome & introduction to the consultative workshop	<p>Introduction to the consultation and objectives, overview of the agenda</p> <ul style="list-style-type: none"> - By Dr Archana Shukla Mukherjee, Chief Executive Officer (Interim), Change Alliance <p>Introduction to Change Alliance and its focus in this area</p> <ul style="list-style-type: none"> - By Chitranka Banerjee, Manager – Gender, Diversity & Inclusion, Change Alliance <p>Overview of Fairtrade Napp and its work in this domain</p> <ul style="list-style-type: none"> - By Sahiti Kachroo, Social Compliance and Risk Management, Fairtrade NAPP
10:20-10:30 AM	Opening Remarks	<p>Garment industry and sustainability</p> <p>-By Dr Vijay Mathur, DG & CEO of Apparel Training & Design Center</p>

10:30-10:45 AM	Context setting	<u>Understanding HRDD Frameworks</u> <ul style="list-style-type: none"> • Overview of HRDD: Objectives, Scope, and Implementation • Introduction to Key Guidelines and Standards: <ul style="list-style-type: none"> ○ United Nations Guiding Principles on Business and Human Rights (UNGPs) ○ OECD Guidelines for Multinational Enterprises ○ Key Focus Areas for Businesses and other stakeholders - <i>By Vir Mehta, Solidaridad</i>
Part 1: Capacity Building and discussion session to increase our understanding of key concepts & themes within BHR & HRDD		
<p>The aim of this segment is to unpack key concerns across specific themes and document first-hand experiences from various actors, while also clarifying and responding to critical concepts. This segment combined with the group work will help us formulate actionable recommendations:</p> <ul style="list-style-type: none"> • For the Indian government and other South Asian governments, e.g., on recommendations on integrating Human Rights Due Diligence (HRDD) into National Action Plans, positioning India as a regional leader. • For the EU, e.g., early insights on aligning the CSDDD with UNGPs and OECD Guidelines; ensuring responsible disengagement; embedding stakeholder and NGO engagement in due diligence; supporting non-EU actors through multi-stakeholder platforms and workshops. • For the international institutions (UN, OECD, ILO, etc.) and other stakeholders across the supply chain, e.g., call for further guidance on living wages and incomes, including clear definitions and implementation pathways, especially for home-based and self-employed workers. 		
Facilitator 1: 10:45 – 11:15 AM	<u>Theme 1: Integration of Living Wages and Living Income into Supply Chains</u> This session will explore the concept of living wages, living income, their relevance in global supply chains, and practical strategies for implementation. <ul style="list-style-type: none"> - <i>By Wage Indicator</i> 	
11:15–11:30 AM	Tea break	
Facilitator 2: 11:30 AM – 12:00 PM	<u>Theme 2: Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts</u> A look at best practices in ethical sourcing, with a focus on how businesses can align procurement with HRDD principles. Discussion on approaches to responsibly disengage from problematic suppliers or harmful practices while minimising negative impacts on affected communities. <ul style="list-style-type: none"> - <i>By Dheeraj, Lead - Programmes, Praxis</i> - <i>By Jhumki Dutta, Lead – Programmes, Partners in Change</i> 	
Facilitator 3: 12:00 AM to 12:30 PM	<u>Theme 3: Building Meaningful Stakeholder Engagement Mechanisms</u> Best practices for meaningful stakeholder engagement, including inclusive approaches to consultation and grievance redressal. <ul style="list-style-type: none"> - <i>By Shahnaz Rafique, Union Representative, Textile & RMG</i> - <i>By Dr Archana Shukla Mukherjee, Chief Executive Officer (Interim), Change Alliance</i> 	

Part 2: Group work & Discussion on challenges, opportunities, recommendations and co-creating actionable steps on practical implementation

12:30 – 1:30 PM	Group discussions (3 groups): <ul style="list-style-type: none"> • Group 1: Integration of Living Wages and Living Income into Supply Chains • Group 2: Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts • Group 3: Building Meaningful Stakeholder Engagement Mechanisms 	
1:30 – 2:30 PM	Lunch Break	
2:30 – 3:30 PM	Report Back & Group Discussion	Presentation of group feedback from group work session, followed by open floor discussion for additional insights and recommendations
3:30 – 4:00 PM	Closing Remarks & Next Steps	Summary of key takeaways, discussion on follow-up actions, and collaboration opportunities
4:00 – 4:15 PM	End of consultative workshop	Vote of thanks
4:15 – 5:00 PM	Tea Break & networking opportunities	

Agenda for the Multistakeholder Consultation on Strengthening the Implementation of Business & Human Rights (BHR) and Human Rights Due Diligence (HRDD) Principles and Policies, and Understanding Their Impact on Textile Supply Chain Workers, Farmers, and Communities in India

Organised by Change Alliance supported by Fair Trade Advocacy Office, Brussels

Date: 6th June 2025, Friday

Venue: Lemon Tree Premier - Ulsoor Lake, Bengaluru
2/1, St John's Road, Bengaluru 560042, Karnataka, India

Timing: 9:30 AM to 5PM

AGENDA FOR THE CONSULTATION IN BENGALURU

Time	Activity	Details
9:30 - 10:00 AM	Registration for participants	
10:00–10:30 AM	Welcome & introduction to the consultative workshop	<p>Introduction to the consultation and objectives, overview of the agenda</p> <ul style="list-style-type: none"> - By Dr Archana Shukla Mukherjee, Chief Executive Officer (Interim), Change Alliance <p>Introduction to Change Alliance and its focus in this area</p> <ul style="list-style-type: none"> - By Chitranka Banerjee, Manager – Gender, Diversity & Inclusion, Change Alliance <p>Overview of Fairtrade Napp and Its work in this domain</p> <ul style="list-style-type: none"> - By Manoj Kumar, Senior Program Manager, Fairtrade NAPP
10:30-10:45 AM	Opening Remarks	<p>Garment industry and sustainability</p> <ul style="list-style-type: none"> - By Viraf Mehta
Part 1: Capacity Building and discussion session to increase our understanding of key concepts & themes within BHR & HRDD		

The aim of this segment is to unpack key concerns across specific themes and document first-hand experiences from various actors, while also clarifying and responding to critical concepts. This segment combined with the group work will help us formulate actionable recommendations:

- For the Indian government and other South Asian governments, e.g., on recommendations on integrating Human Rights and Environmental Due Diligence (HREDD) into National Action Plans, positioning India as a regional leader.

- For the EU, e.g., early insights on aligning the CSDDD with UNGPs and OECD Guidelines; ensuring responsible disengagement; embedding stakeholder and NGO engagement in due diligence; supporting non-EU actors through multi-stakeholder platforms and workshops.
- For the international institutions (UN, OECD, ILO, etc.) and other stakeholders across the supply chain, e.g., call for further guidance on living wages and incomes, including clear definitions and implementation pathways, especially for home-based and self-employed workers.

Facilitator 1:
10:45 – 11:15 AM

Theme 1: Integration of Living Wages and Living Income into Supply Chains

This session will explore the concept of living wages, living income, their relevance in global supply chains, and practical strategies for implementation.

- By Gopinath Parakuni, Founder, Cividep

11:15–11:30 AM

Tea break

Facilitator 2:
11:30 AM – 12:00 PM

Theme 2: Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts

A look at best practices in ethical sourcing, with a focus on how businesses can align procurement with HRDD principles. Discussion on approaches to responsibly disengage from problematic suppliers or harmful practices while minimising negative impacts on affected communities.

- By Susan Bhaktul, Senior Director, IndusTree Foundation

Facilitator 3:
12:00 AM to
12:30 PM

Theme 3: Building meaningful stakeholder Engagement mechanisms to ensure responsible business practices

Best practices for meaningful stakeholder engagement, including inclusive approaches and grievance mechanisms for creating responsible and ethical business practices that are compliant with BHR and HRDD policies.

- By Sonia Wazed, Project Lead – Access to Remedy, Change Alliance

Part 2: Group work & Discussion on challenges, opportunities, recommendations and co-creating actionable steps on practical implementation

12:30 – 1:30 PM

Group discussions (3 groups):

- **Group 1:** Integration of Living Wages and Living Income into Supply Chains
- **Group 2:** Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts
- **Group 3:** Building Meaningful Stakeholder Engagement Mechanisms

1:30 – 2:30 PM

Lunch Break

2:30 – 3:30 PM

Report Back &
Group Discussion

Presentation of group feedback from group work session, followed by open floor discussion for additional insights and recommendations

3:30 – 4:00 PM

Closing Remarks
& Next Steps

Summary of key takeaways, discussion on follow-up actions, and collaboration opportunities

4:00 – 4:15 PM

End of
consultative
workshop

Vote of thanks

4:15 – 5:00 PM

Tea Break & networking opportunities

Agenda for the Multistakeholder Consultation

on

Strengthening the Implementation of Business & Human Rights (BHR) and Human Rights Due Diligence (HRDD) Principles and Policies, and Understanding Their Impact on Textile Supply Chain Workers, Farmers, and Communities in India

Organised by Change Alliance supported by Fair Trade Advocacy Office, Brussels

Date: 9th June 2025, Monday

Venue: Mayberry Hotel

Timing: 9:30 AM to 5PM

AGENDA FOR THE CONSULTATION IN TIRUPPUR

Time	Activity	Details
9:30 - 10:00 AM	Registration for participants	
10:00–10:45 AM	Welcome & introduction to the consultative workshop	<p>Introduction to the consultation and objectives, overview of the agenda</p> <ul style="list-style-type: none"> - By Dr Archana Shukla Mukherjee, Chief Executive Officer (Interim), Change Alliance <p>Introduction to Change Alliance and its focus in this area</p> <ul style="list-style-type: none"> - By Chitranka Banerjee, Manager – Gender, Diversity & Inclusion, Change Alliance
Part 1: Capacity Building and discussion session to increase our understanding of key concepts & themes within BHR & HRDD		

The aim of this segment is to unpack key concerns across specific themes and document first-hand experiences from various actors, while also clarifying and responding to critical concepts. This segment combined with the group work will help us formulate actionable recommendations:

- For the Indian government and other South Asian governments, e.g., on recommendations on integrating Human Rights and Environmental Due Diligence (HREDD) into National Action Plans, positioning India as a regional leader.
- For the EU, e.g., early insights on aligning the CSDDD with UNGPs and OECD Guidelines; ensuring responsible disengagement; embedding stakeholder and NGO engagement in due diligence; supporting non-EU actors through multi-stakeholder platforms and workshops.
- For the international institutions (UN, OECD, ILO, etc.) and other stakeholders across the supply chain, e.g., call for further guidance on living wages and incomes, including clear definitions and implementation pathways, especially for home-based and self-employed workers.

Facilitator 1: 10:45 – 11:15 AM	<u>Theme 1: Integration of Living Wages and Living Income into Supply Chains</u> This session will explore the concept of living wages, living income, their relevance in global supply chains, and practical strategies for implementation. <ul style="list-style-type: none">- By Rohini Chandrasekaran, India Country Lead, RISE (RISE Reimagining Industry to Support Equality), BSR	
11:15–11:30 AM	Tea break	
Facilitator 2: 11:30 AM – 12:00 PM	<u>Theme 2: Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts</u> A look at best practices in ethical sourcing, with a focus on how businesses can align procurement with HRDD principles. Discussion on approaches to responsibly disengage from problematic suppliers or harmful practices while minimising negative impacts on affected communities. <ul style="list-style-type: none">- By Dr Annadurai, Independent Consultant (Better Cotton, READ, etc.)	
Facilitator 3: 12:00 AM to 12:30 PM	<u>Theme 3: Building meaningful stakeholder engagement mechanisms to ensure Responsible Business Practices for long-term impact</u> Best practices for meaningful stakeholder engagement, including inclusive approaches and grievance mechanisms for creating responsible and ethical business practices that are compliant with BHR and HRDD policies. <ul style="list-style-type: none">- By Karuppusamy, READ	
Part 2: Group work & Discussion on challenges, opportunities, recommendations and co-creating actionable steps on practical implementation of HRDD within supply chains		
12:30 – 1:30 PM	Group discussions (3 groups): <ul style="list-style-type: none">• Group 1: Integration of Living Wages and Living Income into Supply Chains• Group 2: Enhancing responsible purchasing practices to ensure fair trade and promoting responsible disengagement practices that minimise negative impacts• Group 3: Building Meaningful Stakeholder Engagement Mechanisms	
1:30 – 2:30 PM	Lunch Break	
2:30 – 3:30 PM	Report Back & Group Discussion	Presentation of group feedback from group work session, followed by open floor discussion for additional insights and recommendations
3:30 – 4:00 PM	Closing Remarks & Next Steps	Summary of key takeaways, discussion on follow-up actions, and collaboration opportunities
4:00 – 4:15 PM	End of consultative workshop	Vote of thanks
4:15 – 5:00 PM	Tea Break & networking opportunities	



Annexure 2: Questions asked during group work that structured the discussion

GROUP 1: THEME 1: INTEGRATION OF LIVING WAGES AND LIVING INCOME INTO SUPPLY CHAINS

1. Are the concepts of *Living Wages (LW)* and *Living Incomes (LI)* clearly understood by stakeholders across the supply chain? What are some common misunderstandings or gaps in comprehension?
2. While living wages are anchored in ICESCR and decent work standards and now defined by the ILO, living incomes lack a formal international definition. Are current legal norms sufficient? Where should additional legal recognition be established, at international or national levels?
3. If a brand contributes only a small share of orders to a manufacturer, what realistic steps can it take to help raise wages across the entire facility?
4. How can we ensure that cost increases paid by brands (e.g., to CMT units) are fairly passed on down the supply chain, to sub-suppliers and ultimately to workers and producers?
5. Can “open costing” (i.e., transparent itemised costs) support accountability and adequate wage/income provisions for workers and producers? What are the benefits and possible limitations of this approach?
6. For informal or self-employed workers like smallholder farmers or home-based workers, who should act as their representatives or intermediaries in the dialogue for securing living incomes?

GROUP 2: THEME 2: ENHANCING RESPONSIBLE PURCHASING PRACTICES TO ENSURE FAIR TRADE AND PROMOTING RESPONSIBLE DISENGAGEMENT PRACTICES THAT MINIMISE NEGATIVE IMPACTS

1. Which current purchasing practices most undermine the ability of suppliers to uphold safe and decent working conditions?
2. When brands require suppliers to “respect human rights” through codes of conduct, what impact does this have on the supplier’s capacity and accountability?
 - What supportive actions should accompany such requirements to enable actual improvements?
 - What is one key fair purchasing practice that would most enable sustainability and decent work (e.g., advance payments)?
3. How can suppliers protect themselves against unfair practices such as last-minute order changes or returns of unsold stock? What mechanisms, e.g., collective bargaining and complaint platforms, are most effective?

4. What challenges do brands face in ensuring responsible purchasing practices reach all tiers of the supply chain, including spinners, weavers, and raw material producers?
5. When human rights violations are systemic, how can a brand assess if disengagement is the only ethical option left? What are the indicators?
6. Before terminating a supplier relationship, what steps must a brand take to minimise harm to workers (e.g., loss of income, layoffs)? Who should be consulted, including sub-suppliers, and how?
7. Are there known cases where brands have responsibly exited supplier relationships? What actions did they take to ensure a just transition for affected workers and communities?

GROUP 3: BUILDING MEANINGFUL STAKEHOLDER ENGAGEMENT MECHANISMS

1. What are the primary challenges to implementing meaningful stakeholder engagement in global supply chains?
2. How can supply chain actors collaborate to improve visibility and identification of all relevant stakeholders, especially in complex and informal production systems?
3. Who still needs training on responsible business conduct and HRDD processes (e.g., suppliers, workers, government officials)? Who is best placed to deliver these trainings (brands, governments, multilateral bodies)?
4. Beyond training, what other types of information are essential for effective stakeholder engagement (e.g., who the buyer is, retail pricing)?
5. The OECD and UNGPs call for stakeholder engagement throughout HRDD. What are the distinct stages of HRDD, and how can engagement improve results at each stage?
6. Workers and producers often lose income by participating in engagement processes. What solutions can balance the need for their participation with the need for income security?
7. Brands may not be fully aware of all supply chain realities. Besides grievance mechanisms, what innovative or practical channels can empower workers and producers to initiate engagement with buyers?



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