



**STAKEHOLDER
CLARITY OF
CONTRACTUAL
AGREEMENTS**

GUIDE



INTRODUCTION

Ensuring that all stakeholders fully understand the legal, financial, and practical implications of the contractual agreements you make with them is essential for risk management, adhering to ethical best practices, and building trust.

Opaque, unclear or misleading contractual agreements can lead to confusion, uncertainty, and legal disputes. They can also damage reputations, harm relationships, and cause financial losses. Clear communication and accessible processes are key to achieving this goal.

CONSIDERATIONS TO ENSURE STAKEHOLDER UNDERSTANDING

Examples of contractual agreements include sales contracts, licensing agreements, employment contracts, partnership agreements, non-disclosure agreements (NDAs), and many more. To effectively communicate information about these crucial documents to stakeholders, consider the following:

SIMPLIFICATION

Legal agreements can be overwhelming, often packed with jargon that confuses rather than clarifies. While involving legal council to provide guidance on and review agreements is often essential, ensuring that agreements use language that is accessible to all is also key:

- Use plain, accessible language that any stakeholder can understand, avoiding unnecessary technical or legal terms.
- Avoid burying key information in sub-clauses where it may be difficult to find. Include concise summaries or bullet points at the start of the agreement to highlight key terms, responsibilities, and consequences.
- Add visual aids, such as flowcharts or infographics, to explain complex processes or implications.

ACCESSIBILITY

Provide agreements on a secure, user-friendly online platform, where stakeholders can view, review, and sign agreements digitally. This ensures agreements are always accessible and reduces reliance on paper copies.

Offer agreements in multiple formats to accommodate diverse needs, and translate agreements into different languages where relevant, to avoid misunderstandings due to language barriers.



EDUCATION

Invest in stakeholder education to build understanding and confidence:

- Host workshops, webinars, or onboarding sessions to explain agreements in detail and address common concerns.
- Provide guides, glossaries, and FAQs that clarify terms, simplify unavoidable jargon, and outline the intent of the agreements.
- Make these resources accessible as as reference tools throughout the process.

REVIEW

Collect feedback from customers, suppliers, and employees about their experiences with your agreements. Track patterns in disputes or misunderstandings to identify areas needing further clarification and refine agreements and processes over time.

LEGAL IMPLICATIONS

In many jurisdictions, including the UK, a breach of contractual transparency can lead to enforceable action.

[Section 68 of the Consumer Rights Act 2015](#) states that a written term in a consumer contract or notice must be transparent. This means that written terms and notices must be plain, comprehensible, understandable and legible.

We recommend always seeking legal council to provide guidance on any legally binding contractual agreement.

NEED MORE HELP?

If any further advice is needed please contact us: info@future-plus.co.uk.

