

Rethinking Meaningful Stakeholder Engagement: Simplifying Complexity with Legal Design

Ebru Metin*

Summary: The evolving regulatory landscape mandates companies to engage stakeholders meaningfully as part of their due diligence obligations to identify, prevent, and mitigate adverse human rights and environmental impacts. However, regulatory complexity, information asymmetries, and power imbalances often hinder effective engagement, creating barriers to participation, comprehension and trust-building. As businesses navigate these challenges, there is a growing need for innovative approaches that make legal obligations more accessible, understandable, and actionable. This paper explores how legal design principles can enhance meaningful stakeholder engagement mechanisms, with a particular focus on the European Union's Corporate Sustainability Due Diligence Directive (CSDDD). Article 13 of the CSDDD introduces strict requirements for ongoing, inclusive, and informed engagement with affected stakeholders, yet its implementation remains complex due to the abstract nature of legal provisions and the diverse contexts in which they apply. This conceptual and transdisciplinary study synthesizes insights from a comprehensive review of literature across legal design, business and human rights, and stakeholder engagement fields. It develops a framework that aligns legal design principles with the stakeholder engagement requirements of the CSDDD, illustrating how techniques such as plain language, visual aids, and participatory design can foster inclusive participation, bridge communication gaps and build trust. The framework emphasizes the importance of clarity, accessibility, and co-creation in corporate sustainability practices. This paper offers a new perspective on the dynamic relationship between legal design and corporate sustainability, proposing innovative tools and strategies that can improve communication and collaboration between businesses and their stakeholders.

Key words: Legal Design, Meaningful Stakeholder Engagement, Corporate Sustainability, Business and Human Rights, Regulatory Complexity

* Early Career Researcher, Tallinn University of Technology School of Business and Governance, Department of Business Administration, Tallinn, Estonia, ebru.metin@taltech.ee.

Citation: METIN, E. Rethinking Meaningful Stakeholder Engagement: Simplifying Complexity with Legal Design. *European Studies – the Review of European law, Economics and Politics*, 2024, vol. 11, no. 2, pp. 87–114, DOI: 10.2478/eustu-2024-0018

1. Introduction

The corporate sustainability field has been undergoing a significant transformation, driven by increasing regulatory demands¹, evolving stakeholder expectations and a global push for responsible business conduct while staying ahead in the competition². In this context, it is of the essence for businesses to continuously engage with their stakeholders who are defined by Freeman (1984) as “groups and individuals that have a valid interest in the activities and outcomes of a firm on whom the firm relies to achieve its objectives”.³ As a construct, stakeholder engagement gained prominence since the beginning of 2000s where the term “stakeholder engagement” refer to various processes and strategies that businesses and other organisations implement in their stakeholder relations.⁴ However, the term ever evolved since then transitioning stakeholder engagement from a one-sided management approach to a more interactive, value-driven practice.⁵ It is also worth-noting the theoretical diversity of the literature which reflects a fragmented understanding of stakeholder engagement, drawing from stakeholder theory but extending to corporate social responsibility, sustainability and environmental policy.⁶

Buhmann et al. (2024) explain that meaningful stakeholder engagement (MSE) emerged as a normative response to the increasing dissatisfaction with the traditional stakeholder engagement practices, especially in contexts like environmental impact assessments, corporate sustainability and human rights.⁷ Both

¹ EUROPEAN COMMISSION. *European Green Deal*. Available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en [accessed 14 February 2025].

² EUROPEAN COMMISSION. *The Future of European Competitiveness: A Competitiveness Strategy for Europe*. 2024. Available at: https://commission.europa.eu/document/97e481fd-2dc3-412d-be4c-f152a8232961_en [accessed 12 February 2025].

³ FREEMAN, R. E. *Strategic Management: A Stakeholder Approach*. Boston: Pitman, 1984; FREEMAN, R. E., HARRISON, J. S., ZYGLIDOPOULOS, S. *Stakeholder Theory: Concepts and Strategies*. Cambridge: Cambridge University Press, 2018, p. 1.

⁴ KUJALA, J., SACHS, S., LEINONEN, H., HEIKKINEN, A., LAUDE, D. *Stakeholder Engagement: Past, Present, and Future*. *Business & Society*. 2022, vol. 61, no. 5, pp. 1139–1140.

⁵ Ibid., p. 1143.

⁶ Ibid., p. 1137.

⁷ BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, G. Meaningful Stakeholder Engagement: The Concept, Practice and Governance. In: SMITH, J., LEE, R., TAYLOR, P.

as a concept and a management approach⁸, MSE plays a fundamental role in ensuring that businesses engage, consult, and respond to all stakeholders with a particular focus to the individuals or groups affected or under risk to be affected by their operations. MSE gained momentum especially with the adoption of the UN Guiding Principles on Business and Human Rights (UNGPs) “Protect, Respect, Remedy” framework in 2011, which established meaningful engagement as a core element of corporate sustainability due diligence.⁹ Since then, regulatory frameworks such as the OECD Guidelines for Multinational Enterprises¹⁰ and the European Union’s Corporate Sustainability Due Diligence Directive (CSDDD)¹² have further institutionalized MSE, shifting it from a ‘nice-to-have’ to a ‘need-to-have’ practice for responsible business conduct.

A significant problem remains as highlighted both in the academic¹³ and grey literature¹⁴ in regard to the superficial stakeholder engagement is the lack of genuine, inclusive and transparent engagement with affected or under risk to be affected stakeholders that undermines the goals of corporate sustainability. This issue manifests in several ways, including the dominance of businesses in the engagement process, leading to power imbalances that marginalize the voices of vulnerable groups.¹⁵ Additionally, stakeholder engagement efforts often become transactional

(eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, p. 3.

⁸ Ibid., p. 3.

⁹ UNITED NATIONS OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS. Guiding Principles for Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework. 2011, p. 19. Available at: <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>

¹⁰ OECD. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Paris: OECD Publishing, 2023, pp. 1–76. Available at: <https://doi.org/10.1787/81f92357-en>

¹¹ UN GLOBAL COMPACT NETWORK GERMANY. What Makes Stakeholder Engagement Meaningful? 5 Insights from Practice. Insights Series – Keys to Effective Human Rights Due Diligence. 2022, p. 3.

¹² EUROPEAN UNION. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. Official Journal of the European Union, 2024, L 1760, pp. 1–58.

¹³ BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, G. Meaningful Stakeholder Engagement: The Concept, Practice and Governance. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, p. 4.

¹⁴ UN GLOBAL COMPACT NETWORK GERMANY. What Makes Stakeholder Engagement Meaningful? 5 Insights from Practice. Insights Series – Keys to Effective Human Rights Due Diligence. 2022, p. 3.

¹⁵ ANDREWS, N., SAAKA, S. A. Considering Research Participants as ‘Affected Stakeholders’: Implications for Methodological Choices and Meaningful Engagement Outcomes. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, p. 389.

rather than transformational, focusing on regulatory compliance rather than fostering trust and genuine. The complexity of legal and technical information further exacerbates the problem, as affected communities struggle to access, comprehend, and use the information necessary to assert their rights and participate meaningfully. Without proactive measures to simplify information, involve stakeholders as co-owners in the process, and adapt engagement methods to the local context, companies risk overlooking critical human rights impacts and losing trust, ultimately undermining the effectiveness of their due diligence processes.¹⁶

The current literature indicated that MSE can foster trust¹⁷, enhance “social license to operate”¹⁸ and improve risk oversight with sustainability goals and fostering long-term sustainable value¹⁹ when applied correctly. It is important to highlight that societal grand challenges such as climate change, inequality and governance issues require systemic issue and integrative approaches in the business and society field. In this sense, stakeholder engagement literature traditionally focuses on individual entities rather than the relationships between them, missing out on the dynamic nature of stakeholder interactions.²⁰ Literature points toward the need for innovative, multi-disciplinary methods to study and implement effective MSE practices in sustainability strategies.²¹

However, there is still limited understanding of how MSE can be operationalized effectively in complex, regulatory-intensive contexts like the EU’s Corporate Sustainability Due Diligence Directive (CSDDD). Article 13 of the CSDDD requires companies to conduct due diligence in alignment with human rights and environmental standards, yet there is a lack of practical guidance on how to design

¹⁶ HAGAN, M. *Law by Design*. Self-published, 2020. Available at: <https://lawbydesign.co> [accessed 14 February 2025]; HAAPIO, H., PASSERA, S. Visual Contracts as Interfaces: How to Design Contracts to Improve User Experience. In: CORRALES, M., FENWICK, M., FORGÓ, N. (eds.). *Legal Tech, Smart Contracts and Blockchain*. Singapore: Springer, 2017, pp. 75–95. Available at: https://doi.org/10.1007/978-981-13-6086-2_5

¹⁷ EKE, S., GRANT, J. A., MAYANJA, E. N., OGUNNUBI, O. An Agential Constructivist Analysis of Meaningful Stakeholder Engagement in Africa’s Critical Minerals Sector: Insights from the Democratic Republic of Congo. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 225–243.

¹⁸ BIANCHI, L., CARUANA, R., SHIVJI, A. K. Engaging Marginalized Stakeholders: Towards a Dialogical Theorization of Effective Corporate-Rightsholder Remedy. *Journal of Business Ethics*. 2024, vol. 191, p. 9. Available at: <https://doi.org/10.1007/s10551-024-05879-6>.

¹⁹ GORSKI, A. T., DUMITRAȘCU, D. D. Stakeholder Ecosystems and Corporate Sustainability: A Nexus for Value Creation in the Age of Sustainability. *Studies in Business and Economics*. 2023, vol. 18, no. 2, pp. 175.

²⁰ BROWN, J. A., DE BAKKER, F. G., BAPUJI, H., HIGGINS, C., REHBEIN, K., SPICER, A. Building on Its Past: The Future of Business and Society Scholarship. *Business & Society*. 2022, vol. 61, no. 5, p. 970.

²¹ Ibid.

engagement processes that meet the directive's requirements while ensuring clarity, accessibility, and inclusiveness for diverse stakeholders. In this respect, this paper aims to address this gap by exploring the following research question: "How can legal design principles enhance meaningful stakeholder engagement under the Corporate Sustainability Due Diligence Directive (CSDDD)?"

This study contributes to the existing literature by introducing a legal design-based approach to MSE. Legal design applies human-centred design principles to the development of legal information, processes, and communications, making them more accessible, actionable and user-friendly. By integrating legal design into MSE processes, businesses can better align their engagement practices with the requirements of the CSDDD. The paper will propose a practical framework for MSE under the CSDDD, focusing on enhancing clarity, inclusiveness, and effectiveness. Additionally, the study will provide recommendations for regulators, businesses, and civil society actors on how to apply legal design techniques to improve engagement outcomes and foster more meaningful stakeholder participation.

2. The Regulatory Landscape

The rapid increase in sustainability-related regulations, or "legislative tsunamis", creates challenges for companies, making compliance difficult and overwhelming.²² Before 2000s stakeholder engagement was largely informal, ad-hoc and stemming from the corporate goodwill. With the developments in the globalisation of supply chains, stakeholder engagement became part of risk management frameworks rather than a voluntary corporate social responsibility activity. However, with the smart mix²³ of instruments combining soft and hard law, stakeholder engagement has been redefined and solidified as a dynamic, ongoing and participatory practice, named as meaningful stakeholder engagement.

One key milestone was the endorsement of the United Nations Guiding Principles on Business and Human Rights (UNGPs) by the Human Rights Council on 16 June 2011, which incorporated "human rights due diligence" (HRDD)²⁴ in

²² SALO-LAHTI, M., RANTA, M., HAAPIO, H. AI Tools for Sustainability–Actionable Information for Both Humans and Machines. In: *Rechtsinformatik als Methodenwissenschaft des Rechts: Legal Informatics as Science of Legal Methods. Proceedings of the 26th International Legal Informatics Symposium IRIS*, February 2023, p. 199.

²³ PETERS, A., GLESS, S., THOMALE, C., WELLER, M. P. Business and Human Rights: Towards a 'Smart Mix' of Regulation and Enforcement. *Zeitschrift für ausländisches öffentliches Recht und Völkerrecht / Heidelberg. Journal of International Law*. 2023, vol. 83, no. 3, pp. 415–460.

²⁴ Human rights due diligence (HRDD) differs from traditional due diligence frameworks by being an ongoing, dynamic process rather than a transactional one. It requires continuous monitoring of human rights risks, which evolve due to internal and external factors. Unlike generic stakeholder

its framework.²⁵ Even though it is not legally binding, UNGPs have influenced other international standards, national regulations and corporate due diligence frameworks such as OECD Guidelines for Multinational Enterprises (2011), ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (2017), International Finance Corporation (IFC) Environmental and Social Performance Standards (2012), and Equator Principles (2013) were all revised to incorporate HRDD principles from the UNGPs.²⁶ During the decade after the adoption of the UNGPs, European countries such as France, Germany, Norway and the Netherlands adopted mandatory due diligence legislation to “harden” the obligations.²⁷ However, the aforementioned national legislations vary greatly in terms of scope, standards and enforcement mechanisms.²⁸

Responding to the need for legal certainty both for the businesses and those impacted by their activities, a qualified majority of the EU member states voted in favour of the Directive on Corporate Sustainability Due Diligence Directive²⁹ (CSDDD) on 15th March 2024. This was yet another milestone marking the first “region-wide due diligence legislation”.³⁰ A key feature of CSDDD was to introduce mandatory requirements to adopt “codes of conduct” with due diligence requirements which must be enforced across global supply chains, different than earlier times where enforcement of the codes of conduct was left to the discretion of the companies.³¹

Article 13 of the CSDDD further cements the importance of meaningful stakeholder engagement. It obliges businesses to engage with stakeholders throughout the due diligence process by providing relevant and comprehensible information

categorization, HRDD mandates engagement with individuals whose dignity and equality are at risk, ensuring risks to stakeholders, not just the business, are identified and addressed. RUGGIE, J. G. *European Commission Initiative on Mandatory Human Rights Due Diligence and Directors' Duties*. 2021, pp. 1–4.

²⁵ MCCORQUODALE, R., NOLAN, J. The Effectiveness of Human Rights Due Diligence for Preventing Business Human Rights Abuses. *Netherlands International Law Review*. 2021, vol. 68, no. 1, p. 456.

²⁶ *Ibid.*, p. 458.

²⁷ BUENO, N., BERNAZ, N., HOLLY, G., MARTIN-ORTEGA, O. The EU Directive on Corporate Sustainability Due Diligence (CSDDD): The Final Political Compromise. *Business and Human Rights Journal*. 2024, vol. 9, no. 1, p. 294.

²⁸ *Ibid.*

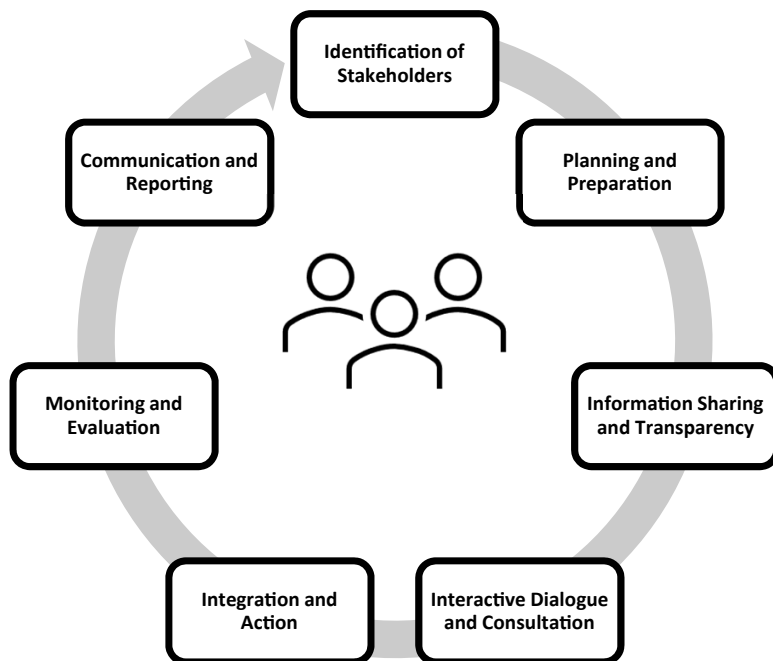
²⁹ EUROPEAN UNION. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. *Official Journal of the European Union*. 2024, L 1760, pp. 1–58.

³⁰ *Ibid.*

³¹ VANDENBROUCKE, S. The Evolution of Codes of Conduct to Ensure Labor Rights in Global Supply Chains. *AJIL Unbound*. 2024, vol. 118, p. 297.

and enabling them to request additional details when necessary. CSDDD specifies that consultations must take place at key stages, including when identifying risks, developing prevention and remediation plans, and defining performance indicators. It also emphasizes the importance of addressing engagement barriers, protecting participants from retaliation, and consulting experts when direct engagement with stakeholders is not feasible. The flexibility to fulfil these obligations through industry or multi-stakeholder initiatives is permitted, provided that the requirements for direct employee engagement are respected. This shift reflects the growing recognition of stakeholder engagement not merely as a procedural step, but as a core component of sustainable and responsible business conduct.

Figure 1. Steps of Meaningful Stakeholder Engagement Process under CSDDD.



Source: Author's own compilation.

The recitals of the CSDDD³² further elaborate on the importance of stakeholder engagement as an integral aspect of sustainable and responsible business

³² EUROPEAN UNION. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive (EU)

conduct. Recital 38 emphasizes the need to embed due diligence into companies' policies and risk management systems, while Recital 40 highlights the necessity of meaningful stakeholder engagement to ensure the effective identification, prevention, and mitigation of adverse impacts.

This regulatory evolution underscores the shift in stakeholder engagement from a superficial corporate activity to a fundamental requirement for sustainable and responsible business conduct. As companies navigate the complexities of the CSDDD, meaningful stakeholder engagement will be crucial in fostering trust, enhancing compliance, and contributing to long-term sustainability goals.

3. Meaningful Stakeholder Engagement in Practice

Translating the principles of meaningful stakeholder engagement (MSE) into practice requires companies to move beyond theoretical frameworks and embrace strategies that foster genuine, inclusive, and ongoing dialogue. The Corporate Sustainability Due Diligence Directive (CSDDD) sets out clear expectations for MSE but leaves significant room for interpretation regarding how these principles should be operationalized in diverse business contexts. In practice, companies must adopt tailored approaches that consider their industry characteristics, stakeholder composition, and operational realities.

3.1. Embedding MSE in Corporate Governance

For MSE to be effective, it must be integrated into core corporate governance structures.³³ This integration involves establishing clear policies, designating responsible teams or officers, and ensuring that engagement activities are aligned with broader sustainability goals. The development of codes of conduct, as required by the Article 7 of CSDDD, serves as a foundational step in this process. These codes should articulate the company's commitment to stakeholder engagement, specify procedures for consultation, and outline mechanisms for monitoring and reviewing engagement practices.

2019/1937 and Regulation (EU) 2023/2859. *Official Journal of the European Union*. 2024, L 1760, pp. 1–58.

³³ UNITED NATIONS OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS. Guiding Principles for Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework. 2011, pp. 1–32. Available at: <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>

3.2. Tools and Techniques for Effective Engagement

3.2.1. Information Gathering and Analysis Tools

Effective stakeholder engagement begins with understanding who the stakeholders are and what their concerns, expectations, and interests might be. Tools like stakeholder mapping and analysis help organizations identify and prioritize stakeholders based on their level of influence and potential impact. Surveys, questionnaires, and interviews provide both quantitative and qualitative insights into stakeholder perceptions.³⁴ Participatory impact assessments, such as social and environmental impact assessments, further enhance this understanding by involving stakeholders in identifying risks and potential solutions early in the decision-making process.

3.2.2. Dialogue and Collaboration Techniques

Engagement requires open, inclusive, and ongoing communication. Focus groups and workshops facilitate in-depth discussions, encouraging stakeholders to voice their concerns and co-create solutions.³⁵ Community meetings and town halls³⁶ offer broader participation opportunities, particularly for communities directly affected by corporate activities. Participatory scenario planning helps stakeholders explore potential future outcomes collaboratively, fostering proactive risk management and collective decision-making.

3.2.3. Feedback, Monitoring, and Trust-Building Mechanisms

Sustaining meaningful engagement involves continuous feedback loops and trust-building efforts. Operational grievance mechanisms (OGMs) provide accessible channels for stakeholders to raise concerns and seek remedies. Interactive digital platforms, such as online forums and webinars, extend participation to geographically dispersed stakeholders.³⁷ Collaborating with civil society organizations (CSOs) can also enhance trust, as these organizations often serve as

³⁴ ANDREWS, N., SAAKA, S. A. Considering Research Participants as ‘Affected Stakeholders’: Implications for Methodological Choices and Meaningful Engagement Outcomes. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 392–393.

³⁵ Ibid.

³⁶ FITZPATRICK, P., FAST, H. Opportunities for Meaningful Engagement: A Canadian Perspective on Regulatory Tribunals. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 151.

³⁷ PRNO, J. Creating Meaningful Community Engagement Outcomes: A Practitioner’s Perspective. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 278.

bridges between businesses and vulnerable communities, ensuring that stakeholder voices remain central to corporate decisions.

3.3. Monitoring, Evaluation, and Continuous Improvement

MSE is not a one-time activity but an ongoing process that requires regular monitoring and evaluation.³⁸ Companies must establish clear indicators to assess the effectiveness of their engagement practices, ensuring that stakeholder feedback informs continuous improvement. Conducting periodic reviews, soliciting stakeholder feedback, and adjusting strategies in response to evolving circumstances are critical for maintaining meaningful engagement over time. By adopting a proactive, design-informed approach to MSE, companies would be able to fulfil their legal obligations under the CSDDD, also strengthen relationships with stakeholders, build social capital, and enhance their long-term sustainability performance.

4. Challenges in Meaningful Stakeholder Engagement: Regulatory Complexity, Information Accessibility, and Trust

Meaningful stakeholder engagement (MSE) is essential for corporate sustainability, yet its effective implementation is with challenges. Among the most significant obstacles are the complexity of regulatory requirements, the accessibility of information for diverse stakeholders, and the need to build and maintain trust in the engagement process. These challenges can undermine the goals of MSE, particularly in the context of the CSDDD, which emphasizes inclusive, transparent, and ongoing engagement.

4.1. Regulatory Complexity

The growing number of international, regional, and national regulations has created a complex and often fragmented regulatory landscape. Companies must navigate overlapping, and at times contradictory, requirements related to human rights, environmental due diligence, and stakeholder engagement. The CSDDD, while aiming to standardize these requirements across the EU, still requires businesses to interpret and operationalize legal provisions in diverse operational contexts.

³⁸ Principle 31 of UNGPs also highlights the importance of continues improvement.

Even though there is a great need of “smart mix of regulatory approaches” combining public international law, domestic law and corporate self-regulation causes a regulatory diversity.³⁹ In addition to this, for businesses who operate across multiple jurisdictions would face further legislative fragmentation due to jurisdictional differences.⁴⁰ Regulatory complexity due to this diversity can overwhelm companies, particularly small and medium-sized enterprises, which often lack the resources to establish comprehensive compliance systems.

4.2. Information Accessibility

Access to clear, comprehensible information is fundamental to effective stakeholder engagement. However, legal documents are frequently drafted in technical language that is difficult for non-legal audiences to understand. This language barrier can prevent stakeholders from fully participating in consultations, providing feedback, or advocating for their interests. The CSDDD addresses this challenge by requiring companies to present information in accessible formats, yet implementation gaps persist. Innovative approaches like legal design, which applies design-thinking principles to law, can help bridge this gap by transforming complex legal texts into user-friendly materials.

In addition to this, information asymmetry can also cause power imbalance between parties where McGahan (2020) also raises concerns about the exclusion of disempowered stakeholders⁴¹. Future research can investigate how legal design can create inclusive engagement processes for marginalized voices, such as environmental advocates and vulnerable communities. Co-creation workshops and participatory design sessions with diverse stakeholder groups can help companies better capture and integrate these perspectives into their sustainability strategies.

4.3. Trust

Trust is the cornerstone of successful stakeholder engagement, but it can be fragile and difficult to establish. Historical cases of corporate misconduct, inadequate responses to stakeholder concerns, and perceived imbalances in engagement processes contribute to disengagement. The CSDDD mandates transparent,

³⁹ PETERS, A., GLESS, S., THOMALE, C., WELLER, M. P. Business and Human Rights: Towards a ‘Smart Mix’ of Regulation and Enforcement. *Zeitschrift für ausländisches öffentliches Recht und Völkerrecht/Heidelberg Journal of International Law*. 2023, vol. 83, no. 3, p. 427.

⁴⁰ Ibid., p. 445.

⁴¹ MCGAHAN, A. M. Where Does an Organization’s Responsibility End? Identifying the Boundaries on Stakeholder Claims. *Academy of Management Discoveries*. 2020, vol. 6, no. 1, pp. 8–11.

meaningful, and responsive engagement to rebuild this trust. Companies can foster trust by ensuring genuine dialogue, protecting stakeholder confidentiality, and demonstrating a consistent commitment to addressing identified risks and impacts. Additionally, the involvement of independent experts and the co-creation of engagement strategies with stakeholders can enhance perceptions of fairness and reliability.

However, trust-building in stakeholder engagement requires more than procedural compliance; it necessitates the adoption of inclusive and participatory practices that acknowledge and address stakeholder concerns. Schormair and Gerlach (2020) argue that traditional, agreement-driven approaches like Alternative Dispute Resolution (ADR) often fall short in this regard due to their transactional nature and the power imbalances they reinforce.⁴² Their case study of Barrick Gold's remediation mechanisms revealed that lack of victim participation, inadequate communication, and concealed legal alternatives eroded trust and satisfaction with the process. By first integrating proactive law⁴³ principles to prevent such outcomes and restorative justice mechanisms to address past harms, companies can establish a more resilient foundation for meaningful stakeholder engagement.

Addressing these challenges requires a shift from treating stakeholder engagement as a compliance obligation to recognizing it as a strategic tool for corporate sustainability. Legal design principles, with their focus on proactivity, clarity, inclusivity, and usability, provide promising avenues to simplify regulatory complexity, enhance information accessibility, and cultivate enduring stakeholder trust.

5. Legal Design: How to Make Stakeholder Engagement More Meaningful?

Legal design is an interdisciplinary approach that applies principles of human-centred design to the field of law to create legal documents, services, and systems that are more accessible, understandable, and user-friendly.⁴⁴ However, legal design is not merely a method for achieving positive outcomes but also an approach to prevent problems from emerging and escalating into conflicts and disputes.⁴⁵ This

⁴² SCHORMAIR, M. J., GERLACH, L. M. Corporate Remediation of Human Rights Violations: A Restorative Justice Framework. *Journal of Business Ethics*. 2020, vol. 167, no. 3, p. 477.

⁴³ SIEDEL, G. J., HAAPIO, H. Using Proactive Law for Competitive Advantage. *American Business Law Journal*. 2010, vol. 47, p. 657.

⁴⁴ HAGAN, M. *Law by Design*. Self-published, 2020. Available at: <https://lawbydesign.co> [accessed 14 February 2025].

⁴⁵ LEGAL DESIGN ALLIANCE. Legal Design Alliance Website. Available at: <https://www.legaldesignalliance.org/> [accessed 14 February 2025].

perspective aligns with the Proactive/Preventive Law approach, which emphasizes not only the prevention and resolution of legal issues but also the empowerment of individuals to achieve their commercial or personal objectives (Barton et al., 2021). This approach further enhances legal communication, services, and solutions by making them more “functional, useful, and usable”.⁴⁶ It aligns with the proactive and participatory aspects of modern stakeholder engagement, particularly in regulatory compliance, sustainability, and corporate governance. The role of legal design in achieving corporate sustainability outcomes is promising⁴⁷ as it emphasizes its value in improving the comprehensibility of legal information and fostering meaningful engagement.

5.1. Concepts and Principles of Legal Design

Legal design is grounded in principles of proactive law, value-sensitive design, and participatory methodologies. Proactive law emphasizes the preventive and promotive dimensions of legal practice, encouraging the use of legal knowledge to anticipate and avoid potential problems rather than merely reacting to issues after they occur.⁴⁸ The principles of proactive legal design align closely with value-sensitive design, which seeks to embed ethical considerations like transparency, accountability, and fairness into legal systems and documentation.⁴⁹

A key component of legal design is its human-centred approach, which prioritizes the needs, perspectives, and experiences of end-users. The design process often employs visual aids, plain language, and interactive elements to enhance understanding and usability.⁵⁰ As highlighted by Chung and Kim (2023), legal design fosters better communication between legal professionals and non-experts, promoting engagement and compliance through clarity and simplicity.⁵¹

⁴⁶ HAAPIO, H., BARTON, T. D., COMPAGNUCCI, M. C. Legal Design for the Common Good: Proactive Legal Care by Design. In: CORRALES, M., FENWICK, M., FORGÓ, N. (eds.). *Legal Design*. Cheltenham: Edward Elgar Publishing, 2021, p. 56–57.

⁴⁷ METIN, E. Legal Design: A Catalyst for Environmental Social and Governance and Sustainable Business Practices. Scientific Papers of the University of Pardubice. *Series D, Faculty of Economics & Administration*. 2024, vol. 32, no. 2, pp. 1–10.

⁴⁸ SIEDEL, G. J., HAAPIO, H. Using Proactive Law for Competitive Advantage. *American Business Law Journal*. 2010, vol. 47, p. 657.

⁴⁹ ROSSI, A., HAAPIO, H. Proactive Legal Design: Embedding Values in the Design of Legal Artefacts. In: *Internet of Things. Proceedings of the 22nd International Legal Informatics Symposium IRIS*. February 2019, pp. 537–544.

⁵⁰ HAGAN, M. Participatory Design for Innovation in Access to Justice. *Daedalus*. 2019, vol. 148, no. 1, pp. 120–127.

⁵¹ CHUNG, S., KIM, J. Systematic Literature Review of Legal Design: Concepts, Processes, and Methods. *The Design Journal*. 2023, vol. 26, no. 3, pp. 399–416.

Participatory design, a subset of legal design, involves stakeholders directly in the development of legal tools and systems. This approach ensures that the resulting legal products are more relevant, usable, and reflective of users' real-world experiences.⁵² In the realm of corporate sustainability, participatory design facilitates meaningful stakeholder engagement by integrating diverse viewpoints into the design of policies and practices. The participatory design process is particularly valuable for companies navigating complex regulatory frameworks. By involving stakeholders in the design and implementation of compliance mechanisms, organizations can foster greater transparency and trust, ensuring that legal requirements are understood and adhered to by all parties involved.

5.2. Implementing Legal Design in Corporate Sustainability and ESG Compliance

Legal design has significant applications in enhancing corporate sustainability practices, especially in Environmental, Social, and Governance (ESG) compliance. As ESG requirements become more complex and demanding, companies must find innovative ways to communicate these requirements effectively to their stakeholders. Legal design techniques, such as plain language, design patterns and visual aids, help bridge the gap between regulatory frameworks and operational practices.

For instance, Salo-Lahti and Haapio (2024) demonstrate how proactive legal design can support sustainability reporting by transforming dense, technical information into accessible and actionable insights.⁵³ Similarly, the potential role of legal design in ESG strategies were explored in showing how visual aids and plain language can enhance understanding and adherence to ESG principles.⁵⁴

The integration of digital tools with legal design practices offers new opportunities for improving legal communication and stakeholder engagement. AI technologies, such as natural language processing and machine learning, can be leveraged to create adaptive legal interfaces that respond to user queries in real time. Salo-Lahti et al. (2023) highlight the potential of AI-driven legal design in simplifying sustainability disclosures and enhancing access to critical

⁵² HAGAN, M. Participatory Design for Innovation in Access to Justice. *Daedalus*. 2019, vol. 148, no. 1, pp. 120–127.

⁵³ SALO-LAHTI, M., HAPIO, H. Possibility-Driven Design and Responsible Use of AI for Sustainability. In: DUCATO, R., STROWEL, A., MARIQUE, E. (eds.). *Design(s) for Law*. Milan: Ledizioni, 2024, pp. 205–252. Available at: <https://doi.org/10.5281/zenodo.11221501>.

⁵⁴ METIN, E. Legal Design: A Catalyst for Environmental Social and Governance and Sustainable Business Practices. Scientific Papers of the University of Pardubice. *Series D, Faculty of Economics & Administration*. 2024, vol. 32, no. 2, pp. 1–10.

information.⁵⁵ Digital transformation also supports the implementation of interactive, user-friendly legal documents that can be customized to meet the specific needs of various stakeholder groups. This adaptability is crucial for multinational corporations operating across diverse regulatory environments.

5.3. The Potential Role of Legal Design in Real Life MSE Cases

The main contribution of legal design is helping diverse stakeholders to be able to make informed decisions.⁵⁶ By making legal information more functional and actionable, legal design empowers stakeholders to make informed decisions while promoting transparency, trust, and compliance with legal requirements. For example, depending on the literacy needs of the stakeholders, businesses may select to provide timely information in plain language or easy language.⁵⁷ Another potential implementation may be the possibility of using comic book contracts⁵⁸ or other material that is visually supported in case these fulfil the needs of the stakeholders.

Furthermore, Effective MSE often requires collaboration not only between the company and its stakeholders but also across different stakeholder groups. Co-creation initiatives, where stakeholders are actively involved in designing engagement processes, can enhance the legitimacy and effectiveness of engagement outcomes. Such initiatives might include joint workshops, roundtable discussions, and participatory decision-making sessions. By involving stakeholders in the design phase, companies can better understand their concerns, build trust, and develop more practical, context-specific engagement strategies.

The Fair Food Programme (FFP), the first operating worker-driven social responsibility (WSR) model⁵⁹, offers a compelling example of how authentic, worker-driven processes can successfully engage marginalized stakeholders, serving as a benchmark for designing meaningful engagement mechanisms.

⁵⁵ SALO-LAHTI, M., RANTA, M., HAAPIO, H. AI Tools for Sustainability–Actionable Information for Both Humans and Machines. In: *Rechtsinformatik als Methodenwissenschaft des Rechts: Legal Informatics as Science of Legal Methods. Proceedings of the 26th International Legal Informatics Symposium IRIS*. February 2023, pp. 199–209.

⁵⁶ OECD. *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*. Paris: OECD Publishing, 2023, p. 18. Available at: <https://doi.org/10.1787/81f92357-en>.

⁵⁷ MAAß, C. *Easy Language–Plain Language–Easy Language Plus: Balancing Comprehensibility and Acceptability*. Berlin: Frank & Timme, 2020, p. 304.

⁵⁸ ANDERSEN, C. B., DE ROOY, R. Employment Agreements in Comic Book Form: What a Difference Cartoons Make. In: HAAPIO, H., BARTON, T. D., COHN, A. (eds.). *Research Handbook on Contract Design*. Cheltenham: Edward Elgar Publishing, 2022, pp. 329–346.

⁵⁹ BIANCHI, L., CARUANA, R., SHIVJI, A. K. Engaging Marginalized Stakeholders: Towards a Dialogical Theorization of Effective Corporate–Rightsholder Remedy. *Journal of Business Ethics*. 2024, vol. 191, pp. 1–15. Available at: <https://doi.org/10.1007/s10551-024-05879-6>.

Established by the Coalition of Immokalee Workers (CIW) in the U.S. agricultural sector, the FFP addresses systemic labour rights violations by placing farmworkers at the core of the engagement and remediation process. The program operates through a legally binding agreement between participating buyers and growers, ensuring that workers are actively involved in shaping workplace standards, monitoring compliance, and reporting violations without fear of retaliation. Key components include worker-to-worker education sessions, access to a 24/7 multilingual complaint hotline, and independent audits conducted by the Fair Food Standards Council. The program exemplifies how participatory and transparent processes can foster trust, enhance communication, and deliver tangible improvements in labour conditions. This approach aligns with legal design principles, particularly the emphasis on accessibility, clarity, and co-creation. By applying similar strategies, companies can move beyond transactional engagement and foster more inclusive, effective, and sustainable stakeholder participation.

Another compelling example of stakeholder engagement that aligns with legal design principles is the case of LG Electronics (LGE) and its approach to stakeholder communication for the Sustainable Development Goals (SDGs).⁶⁰ LGE adopted a phased strategy transitioning from stakeholder communication to stakeholder involvement and, ultimately, to meaningful stakeholder engagement. This evolution illustrates core legal design principles, particularly accessibility, clarity, and co-creation. For instance, LGE employed visual tools, surveys, and tailored communication strategies to bridge information gaps and facilitate inclusive participation across diverse stakeholder groups, including employees, local communities, NGOs, and government agencies. Their use of the SDGs as a shared language for stakeholder dialogue demonstrates the application of design principles to create clearer, more actionable communications. Furthermore, the company established governance mechanisms like the Corporate Sustainability Management (CSM) Council and the CSR Committee, ensuring that stakeholder input was not only collected but also integrated into strategic decision-making. These participatory practices mirror the collaborative ethos of legal design by emphasizing co-creation, transparency, and responsiveness in corporate sustainability efforts.

⁶⁰ JUN, H., KIM, M. From Stakeholder Communication to Engagement for the Sustainable Development Goals (SDGs): A Case Study of LG Electronics. *Sustainability*. 2021, vol. 13, no. 15, pp. 6–14.

5.4. Reimagining Meaningful Stakeholder Engagement with Legal Design

Reimagining meaningful stakeholder engagement (MSE) through legal design requires a shift from compliance-driven practices toward more accessible, participatory, and human-centred processes. Legal design introduces innovative tools and methods to simplify communication, reduce regulatory complexity, and foster trust among stakeholders.

The application of legal design in MSE emphasizes the importance of co-creation, visualization, and proactive engagement. By integrating these elements, companies can better align their practices with the requirements of Article 13 of the CSDDD, ensuring more inclusive and meaningful interactions with stakeholders.

The following table outlines the evolution of stakeholder engagement and illustrates how legal design can transform existing practices. The separation of years in the table reflects significant shifts in stakeholder engagement practices across three distinct periods as Traditional Stakeholder Engagement (Pre-2000s) characterized by compliance-driven, one-way communication; Stakeholder Engagement in Transition (2000–2015) which marked by increased interaction and the adoption of risk-based strategies and Meaningful Stakeholder Engagement (2016–Present) that focuses on strategic, rights-based engagement with legal design principles enhancing clarity, inclusivity, and participation.

This temporal division helps to illustrate how stakeholder engagement practices have evolved in response to regulatory, societal, and technological developments, with legal design serving as a key enabler of the potential transformation.

Table 1. Comprehensive Evolution of Stakeholder Engagement into Meaningful Stakeholder Engagement with Legal Design Perspectives

Dimension	Traditional Stakeholder Engagement	Stakeholder Engagement in Transition (2000–2015)	Meaningful Stakeholder Engagement (MSE) (2016–Present)	Legal Design Perspective
Purpose	Compliance-driven (tick-box exercise)	Risk-based engagement integrated into corporate governance	Purpose-driven: Strategic and human rights-focused	Defines clear, user-centred objectives aligned with strategy and stakeholder expectations.
Communication	One-way (informing stakeholders)	Shift to interactive processes with feedback mechanisms	Two-way, dynamic dialogue: Continuous and participatory	Uses plain language, visuals, and interactive tools.
Stakeholder Role	Passive observers	Consulted for risk identification	Active participants with co-ownership	Fosters co-creation through workshops and prototypes.
Focus	Operational goals (e. g., cost reduction)	Risk identification and mitigation	Rights-based engagement: Prioritizes vulnerable groups	Promotes human-centred engagement with accessible tools.
Transparency	Minimal disclosure; complex language	Increased transparency through CSR reporting	Full transparency: Open reporting of outcomes and methods	Uses interactive policy interfaces and plain-language reports.

Dimension	Traditional Stakeholder Engagement	Stakeholder Engagement in Transition (2000–2015)	Meaningful Stakeholder Engagement (MSE) (2016–Present)	Legal Design Perspective
Accountability	Voluntary, CSR-driven practices	Emerging reporting requirements	Mandatory accountability (like <i>EU CSRD</i> and <i>EU CSDDD</i>)	Supports compliance via checklists, dashboards and dynamic reporting.
Risk Management	Reactive, post-incident engagement	Proactive risk-based approaches	Embedded in due diligence processes	Uses legal risk visualization and compliance tools.
Trust-Building	Low trust due to superficial engagement	Recognized need for trust in stakeholder dialogues	Trust-based relationships through transparency and consistency	Encourages open, user-friendly communication and trust-building workshops.

Source: Author's own compilation.

Future implications for stakeholder engagement indicate a growing need for increased personalization, as engagement approaches must be tailored to address the diverse needs of various stakeholder groups. Regulatory integration will also become more critical, with evolving frameworks like the CSDDD requiring businesses to adopt legal design principles to maintain compliance effectively. Technological advancements, particularly the use of digital platforms, AI-driven tools, and interactive interfaces, will play a central role in enhancing the accessibility and efficiency of engagement processes. Furthermore, there will be a stronger focus on sustainability, with stakeholder engagement increasingly aligning with environmental, social, and governance (ESG) goals, including the integration of perspectives from both human and non-human stakeholders. Legal design, with its emphasis on clarity, accessibility, and inclusivity, will serve as a guiding force in these developments, ensuring that engagement practices continue to evolve in response to regulatory requirements and societal expectations.

6. Discussion

The findings of this paper show the significant potential of legal design in enhancing meaningful stakeholder engagement (MSE). By applying human-centred design principles to legal information, processes and systems, businesses can overcome regulatory complexity, improve information accessibility, and foster trust in engagement practices. This discussion section reflects on these findings, examines their implications for theory and practice.

6.1. Implications for Theory

The integration of legal design into stakeholder engagement adds a novel dimension to the existing literature on business and human rights. While MSE has traditionally been explored through the lenses of corporate social responsibility and stakeholder theory, this study positions legal design as a bridging mechanism that translates abstract legal principles into actionable practices.

First, the findings align with the theoretical propositions of proactive law, emphasizing the preventive and promotive dimensions of legal interventions.⁶¹ By proactively designing engagement mechanisms that prioritize accessibility, companies can anticipate and mitigate engagement barriers before they arise.

Second, the study contributes to the conceptual development of legal design as a distinct field within legal scholarship. This paper further extends legal design's relevance to business and human rights literature, particularly in the context of the CSDDD.

Lastly, this research contributes to the understanding of stakeholder engagement as a dynamic, relational process rather than a static, compliance-driven activity. By incorporating co-creation workshops, visual contracts, and plain language materials, legal design fosters participatory engagement practices that resonate with the principles of stakeholder theory and value-sensitive design.

6.2. Implications for Practice

The practical implications of this study emphasize the transformative role of legal design in corporate sustainability strategies. Companies navigating the requirements of Article 13 of the CSDDD can benefit from adopting legal design techniques to facilitate more inclusive, transparent, and effective engagement processes.

⁶¹ SIEDEL, G. J., HAAPIO, H. Using Proactive Law for Competitive Advantage. *American Business Law Journal*. 2010, vol. 47, p. 657.

Legal design principles, particularly the use of plain language and visual aids, address the challenge of information asymmetry. For instance, companies can redesign sustainability reports into more interactive formats, incorporating infographics and summary sections to cater to non-expert audiences.

The co-creation methodologies discussed in this paper highlight the value of involving affected stakeholders in the design of engagement mechanisms. This participatory approach not only aligns with the procedural requirements of the CSDDD but also strengthens trust by ensuring that stakeholder voices are heard and reflected in corporate policies.

Legal design can also serve as a compliance facilitation tool by demystifying complex legal obligations. Interactive compliance dashboards, visual policy maps, and scenario-based training modules are practical tools that companies can deploy to improve internal understanding and implementation of due diligence requirements.

6.3. Overcoming Challenges

While the potential of legal design in enhancing MSE is evident, its practical implementation requires addressing certain challenges. Small and medium-sized enterprises (SMEs) may face difficulties in allocating resources for legal design initiatives. Collaborations with academic institutions, NGOs, and legal design professionals can offer cost-effective solutions.

The diverse backgrounds, interests, and capacities of stakeholders necessitate customized engagement strategies. Segmenting stakeholders based on literacy levels, cultural contexts, and information needs can ensure more targeted and effective communication.

As companies increasingly adopt digital engagement platforms, ensuring digital literacy across all stakeholder groups becomes crucial. Providing training sessions, multilingual interfaces, and accessible formats can mitigate this barrier.

7. Conclusion and Future Research Directions

7.1. Limitations

While this study offers valuable insights, several limitations must be acknowledged. First, the research is conceptual in nature, relying on a qualitative review of existing literature without incorporating empirical data to validate the proposed framework. Additionally, the scope of the study is confined to articles and reports published in English, which may result in the exclusion of relevant

findings from non-English sources. Lastly, the paper examines various sources from different streams of academic and grey literature, it does not delve deeply into industry-specific applications, potentially limiting the broader applicability of the findings.

In addition to this, it is essential to recognize the evolving discourse around the inclusion of nature and non-human entities as stakeholders. Current regulatory frameworks and corporate governance practices predominantly consider human stakeholders, often overlooking the ecological systems that sustain these interactions. However, environmental degradation, as highlighted in recent literature on coral reef protection⁶², underscores the interconnectedness of human and ecological well-being.

Furthermore, this paper only proposes a general conceptual framework without delving into details of methodological guidelines for the suggested legal design tools and techniques. Thus, this paper also refrains from addressing potential limitations of applying human-centred design to regulatory frameworks.

7.2. Future Research Directions

7.2.1. Expanding the Stakeholder Definition to Include Nature and Post-Human Entities

The traditional understanding of stakeholders has predominantly focused on human rights and interests. However, as highlighted in the work of Camp et al. (2024), human well-being is inextricably linked to the health of natural ecosystems, such as coral reefs, which play a crucial role in maintaining ecological balance and protecting human communities.⁶³ Future research should explore legal and practical mechanisms for recognizing nature as a legitimate stakeholder, particularly in sectors with significant environmental impacts. This requires adapting existing frameworks to incorporate ecological considerations, ensuring that natural systems, including forests, rivers, and coral reefs, are acknowledged in corporate decision-making processes.

The concept of posthuman legalities, as discussed by Santuber and Hermansen (2024), challenges the anthropocentric bias in law by advocating for the recognition of human-nature-technology interactions.⁶⁴ Legal design, with its

⁶² CAMP, E. F., BRAVERMAN, I., WILKINSON, G., VOOLSTRA, C. R. Coral Reef Protection Is Fundamental to Human Rights. *Global Change Biology*. 2024, vol. 30, no. 9, pp. e17512.

⁶³ CAMP, E. F., BRAVERMAN, I., WILKINSON, G., VOOLSTRA, C. R. Coral Reef Protection Is Fundamental to Human Rights. *Global Change Biology*. 2024, vol. 30, no. 9, pp. e17512.

⁶⁴ SANTUBER, J.; HERMANSEN, P. Designing for Posthuman Legalities: Legal Design(ing) and the Ontological Turn. In: DUCATO, R., STROWEL, A., MARIQUE, E. (eds.). *Design(s) for Law*. Milan: Ledizioni, 2024, pp.311-349.

emphasis on clarity, accessibility, and user-centric approaches, can be extended to ecological stakeholders by involving environmental scientists, ecologists, and local communities as proxies for nature's interests. Participatory design techniques, such as co-creation workshops, can facilitate the representation of natural entities in sustainability-related decisions and help bridge communication gaps.

The relationship between human and ecological health is symbiotic, yet corporate sustainability initiatives often prioritize human interests. As Camp et al. (2024) emphasize, coral reef degradation demonstrates the cascading negative impacts of environmental harm on human communities. Future research should explore how legal design methodologies can assist businesses in navigating this balance, ensuring that short-term business goals do not compromise long-term ecological sustainability. Tools that visualize and communicate the interdependencies between human activities and natural systems could support more balanced decision-making processes.

Introducing nature as a stakeholder raises critical ethical considerations regarding representation, agency, and accountability. Future research should address questions such as: Who speaks for nature? How can competing interests be reconciled? What safeguards are necessary to prevent the instrumentalization of nature's interests for human gains? Legal design principles, such as visual contracts and participatory methods, can help create transparent and inclusive mechanisms to address these concerns.

As businesses navigate the complexities of the CSDDD, integrating nature into stakeholder engagement practices offers a pathway toward more holistic, sustainable governance models. By leveraging legal design methodologies, companies can develop engagement strategies that reflect the interdependence of human and ecological systems.

7.2.2. Investigating the Role of Digital Tools in Stakeholder Engagement

With the increasing complexity of sustainability regulations, the use of digital tools and platforms in stakeholder engagement is becoming more prevalent. Future research can explore how legal design principles can enhance the usability of such tools to facilitate meaningful stakeholder engagement (MSE) under the CSDDD.

Interactive dashboards, AI-driven insights, and participatory digital platforms could be assessed to determine their effectiveness in representing diverse stakeholder interests, including ecological stakeholders.

Furthermore, research should address potential challenges related to data privacy, algorithmic transparency, and digital accessibility to ensure inclusivity in stakeholder engagement.

7.2.3. The Role of Bottom-Up Approaches in Enhancing Stakeholder Engagement

Despite the growing recognition of meaningful stakeholder engagement (MSE) as a core element of corporate sustainability, many engagement practices remain predominantly top-down, often sidelining the voices of affected stakeholders. Scholars and NGOs have emphasized the need for alternative, bottom-up approaches that prioritize community participation in decision-making and implementation processes.⁶⁵ Bottom-up approaches shift the focus from corporate interests to stakeholder needs, ensuring that engagement processes are more inclusive, context-sensitive, and effective. However, research on how to operationalize these approaches, particularly in regulatory-intensive contexts remains limited. Empirical studies are needed to explore how bottom-up engagement methods can be effectively implemented across diverse sectors and communities.

In conclusion, MSE represents a critical component of corporate sustainability, particularly within the framework of the CSDDD. As this paper has demonstrated, the integration of legal design principles into MSE practices offers promising avenues to address persistent challenges such as regulatory complexity, information asymmetry, and trust deficits. Legal design, through its emphasis on clarity, accessibility, and co-creation, can help businesses not only meet their regulatory obligations but also foster deeper, more inclusive relationships with stakeholders. The proposed framework illustrates how plain language, visual aids, and participatory design methods can enhance stakeholder understanding, engagement, and trust, ultimately contributing to more sustainable and responsible business practices.

Looking ahead, the application of legal design to MSE necessitates further exploration, particularly in operational contexts across different industries and jurisdictions. Future research should investigate the empirical impacts of these principles on stakeholder engagement outcomes, as well as the role of digital tools and innovative communication methods in scaling engagement efforts. Additionally, expanding the stakeholder definition to include natural entities and exploring the potential of bottom-up approaches can provide new insights into more holistic and effective engagement strategies. By continuing to innovate at the intersection of legal design and stakeholder engagement, businesses can better navigate the complexities of corporate sustainability, align with societal expectations, and contribute to a more transparent, inclusive, and sustainable global economy.

⁶⁵ MAHER, R., BUHMANN, K. Meaningful Stakeholder Engagement: Bottom-Up Initiatives Within Global Governance Frameworks. *Geoforum*. 2019, vol. 107, pp. 233.

List of references

- ANDERSEN, C. B. & DE ROOY, R. Employment agreements in comic book form: What a difference cartoons make. In: CORRALES COMPAGNUCCI, M., HAAPIO, H., FENWICK, M. (eds.). *Research handbook on contract design* (pp. 329–346). Edward Elgar Publishing, 2022, pp. 329–346.
- ANDREWS, N., SAAKA, S. A. Considering Research Participants as ‘Affected Stakeholders’: Implications for Methodological Choices and Meaningful Engagement Outcomes. In: BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, C. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 387–405.
- BIANCHI, L., CARUANA, R., SHIVJI, A. K. Engaging Marginalized Stakeholders: Towards a Dialogical Theorization of Effective Corporate-Rightholder Remedy. *Journal of Business Ethics*. 2024, vol. 191, pp. 1–15.
- BROWN, J. A., DE BAKKER, F. G., BAPUJI, H., HIGGINS, C., REHBEIN, K., SPICER, A. *Building on Its Past: The Future of Business and Society Scholarship*. *Business & Society*. 2022, vol. 61, no. 5, pp. 967–979.
- BUENO, N., BERNAZ, N., HOLLY, G., MARTIN-ORTEGA, O. *The EU Directive on Corporate Sustainability Due Diligence (CSDDD): The Final Political Compromise*. *Business and Human Rights Journal*. 2024, vol. 9, no. 1, pp. 294–300.
- BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, G. Meaningful Stakeholder Engagement: The Concept, Practice and Governance. In: SMITH, J., LEE, R., TAYLOR, P. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024
- CAMOLETTO, S., CORAZZA, L., PIZZI, S., SANTINI, E. Corporate Social Responsibility Due Diligence Among European Companies: The Results of an Interventionist Research Project with Accountability and Political Implications. *Corporate Social Responsibility and Environmental Management*. 2022, vol. 29, no. 5, pp. 1122–1133.
- CAMP, E. F., BRAVERMAN, I., WILKINSON, G., VOOLSTRA, C. R. Coral Reef Protection Is Fundamental to Human Rights. *Global Change Biology*. 2024, vol. 30, no. 9, pp. e17512.
- CHUNG, S., KIM, J. Systematic Literature Review of Legal Design: Concepts, Processes, and Methods. *The Design Journal*. 2023, vol. 26, no. 3, pp. 399–416.
- EKE, S., GRANT, J. A., MAYANJA, E. N., OGUNNUBI, O. An Agential Constructivist Analysis of Meaningful Stakeholder Engagement in Africa’s Critical Minerals Sector: Insights from the Democratic Republic of Congo. In: BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, C. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 225–243.
- EUROPEAN UNION. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. *Official Journal of the European Union*, L 1760, 5 July 2024, pp. 1–58.

- EUROPEAN COMMISSION. *European Green Deal*. Available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en [accessed 14 February 2025].
- EUROPEAN UNION. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. *Official Journal of the European Union*. 2024, L 1760, pp. 1–58.
- FITZPATRICK, P., FAST, H. Opportunities for Meaningful Engagement: A Canadian Perspective on Regulatory Tribunals. In: BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, C. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 148–165.
- FREEMAN, R. E. *Strategic Management: A Stakeholder Approach*. Boston: Pitman, 1984.
- FREEMAN, R. E., HARRISON, J. S., ZYGLIDOPOULOS, S. *Stakeholder Theory: Concepts and Strategies*. Cambridge: Cambridge University Press, 2018.
- GORSKI, A. T., DUMITRAȘCU, D. D. Stakeholder Ecosystems and Corporate Sustainability: A Nexus for Value Creation in the Age of Sustainability. *Studies in Business and Economics*. 2023, vol. 18, no. 2.
- HAGAN, M. *Law by Design*. Self-published, 2020. Available at: <https://lawbydesign.co> [accessed 14 February 2025].
- HAGAN, M. Participatory Design for Innovation in Access to Justice. *Daedalus*. 2019, vol. 148, no. 1, pp. 120–127.
- HAPIO, H., BARTON, T. D., COMPAGNUCCI, M. C. Legal Design for the Common Good: Proactive Legal Care by Design. In: CORRALES COMPAGNUCCI, M., HAPIO, H., HAGAN, M., DOHERTY, M. (eds.). *Legal Design*. Cheltenham: Edward Elgar Publishing, 2021, pp. 56–81.
- HAPIO, H., PASSERA, S. Visual Contracts as Interfaces: How to Design Contracts to Improve User Experience. In: CORRALES COMPAGNUCCI, M., FENWICK, M., HAPIO, H. (eds.). *Legal Tech, Smart Contracts and Blockchain*. Singapore: Springer, 2017, pp. 75–95.
- JUN, H., KIM, M. From Stakeholder Communication to Engagement for the Sustainable Development Goals (SDGs): A Case Study of LG Electronics. *Sustainability*. 2021, vol. 13, no. 15, pp. 1–19.
- KUJALA, J., SACHS, S., LEINONEN, H., HEIKKINEN, A., LAUDE, D. Stakeholder Engagement: Past, Present, and Future. *Business & Society*. 2022, vol. 61, no. 5, pp. 1136–1196.
- MAAß, C. *Easy Language–Plain Language–Easy Language Plus: Balancing Comprehensibility and Acceptability*. Berlin: Frank & Timme, 2020, p. 304.
- MAHER, R., BUHMANN, K. Meaningful Stakeholder Engagement: Bottom-Up Initiatives Within Global Governance Frameworks. *Geoforum*. 2019, vol. 107, pp. 231–234.
- MCCORQUODALE, R., NOLAN, J. The Effectiveness of Human Rights Due Diligence for Preventing Business Human Rights Abuses. *Netherlands International Law Review*. 2021, vol. 68, no. 1, pp. 455–478.

- MCGAHAN, A. M. Where Does an Organization's Responsibility End? Identifying the Boundaries on Stakeholder Claims. *Academy of Management Discoveries*. 2020, vol. 6, no. 1, pp. 8–11.
- METIN, E. Legal Design: A Catalyst for Environmental Social and Governance and Sustainable Business Practices. Scientific Papers of the University of Pardubice. *Series D, Faculty of Economics & Administration*. 2024, vol. 32, no. 2, pp. 1–10.
- OECD. *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*. Paris: OECD Publishing, 2023, pp. 1–76.
- PETERS, A., GLESS, S., THOMALE, C., WELLER, M. P. Business and Human Rights: Towards a 'Smart Mix' of Regulation and Enforcement. Zeitschrift für ausländisches öffentliches Recht und Völkerrecht / Heidelberg. *Journal of International Law*. 2023, vol. 83, no. 3, pp. 415–460.
- PRNO, J. Creating Meaningful Community Engagement Outcomes: A Practitioner's Perspective. In: BUHMANN, K., FONSECA, A., ANDREWS, N., AMATULLI, C. (eds.). *The Routledge Handbook on Meaningful Stakeholder Engagement*. London: Routledge, 2024, pp. 273–279.
- ROSSI, A., HAAPIO, H. Proactive Legal Design: Embedding Values in the Design of Legal Artefacts. In: *Internet of Things. Proceedings of the 22nd International Legal Informatics Symposium IRIS*, February 2019, pp. 537–544.
- RUGGIE, J. G. *European Commission Initiative on Mandatory Human Rights Due Diligence and Directors' Duties*. 2021, pp. 1–4.
- SALO-LAHTI, M., HAAPIO, H. Possibility-Driven Design and Responsible Use of AI for Sustainability. In: DUCATO, R., STROWEL, A., MARIQUE, E. (eds.). *Design(s) for Law*. Milan: Ledizioni, 2024, pp. 205–252.
- SALO-LAHTI, M., RANTA, M., HAAPIO, H. AI Tools for Sustainability–Actionable Information for Both Humans and Machines. In: *Rechtsinformatik als Methodenwissenschaft des Rechts: Legal Informatics as Science of Legal Methods. Proceedings of the 26th International Legal Informatics Symposium IRIS*, 2023, pp. 199–209.
- SANTUBER, J., HERMANSEN, P. Designing for Posthuman Legalities: Legal Design(ing) and the Ontological Turn. In: DUCATO, R., STROWEL, A., MARIQUE, E. (eds.). *Design(s) for Law*. Milan: Ledizioni, 2024, pp. 311–349.
- SCHORMAIR, M. J., GERLACH, L. M. Corporate Remediation of Human Rights Violations: A Restorative Justice Framework. *Journal of Business Ethics*. 2020, vol. 167, no. 3, pp. 475–493.
- SIEDEL, G. J., HAAPIO, H. Using Proactive Law for Competitive Advantage. *American Business Law Journal*. 2010, vol. 47, pp. 641–686.
- SJÄFJELL, B., MÄHÖNEN, J., JOHNSTON, A., CULLEN, J. Obstacles to Sustainable Global Business: Towards EU Policy Coherence for Sustainable Development. *University of Oslo Faculty of Law Research Paper*. 2019, no. 2019-02, pp. 1–108.
- UN GLOBAL COMPACT NETWORK GERMANY. What Makes Stakeholder Engagement Meaningful? 5 Insights from Practice. *Insights Series – Keys to Effective Human Rights Due Diligence*. 2022, pp. 1–16.

- UNITED NATIONS OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS. *Guiding Principles for Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*. 2011, pp. 1–32. Available at: <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights> [accessed 14 February 2025].
- VANDENBROUCKE, S. The Evolution of Codes of Conduct to Ensure Labor Rights in Global Supply Chains. *AJIL Unbound*. 2024, vol. 118, pp. 297–302.
- WETTSTEIN, F. The History of Business and Human Rights and Its Relationship with Corporate Social Responsibility. In: DEVA, S., BIRCHALL, D. (eds.). *Research Handbook on Human Rights and Business*. Cheltenham: Edward Elgar Publishing, 2020, pp. 23–45.