The Social Sustainablity 101



IEMA

Transforming the world
to sustainability

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1. About

This first publication by IEMA's Social Sustainability Steering Group provides an introduction to the key drivers and concepts of the topic, which is wide-ranging in scope and has many meanings depending on context, organisation and audience.

The document provides a good first step for practitioners and learners to get an overview of the key terms, concepts, delivery methods and metrics.

The Social Sustainability 101 includes:

- An overview of key benefits of social sustainability ambitions and activities
- Methods for demonstrating and engaging in social sustainability within an organisation
- Metrics and tools
- Case study examples of social sustainability initiatives
- Legislative drivers in the UK and beyond



2. Introduction – what is social sustainability?

In its broadest sense, social sustainability is a state in which human beings can enjoy fulfilling lives with the best physical and mental health possible, while ensuring that future generations can continue to do the same. The social elements of sustainability are interconnected with environmental and economic sustainability, as a socially sustainable society supports environmental stewardship and economic prosperity, while these, in turn, contribute to social wellbeing. Throughout this guide social sustainability is considered in light of this interconnectedness and human and social capitals being an essential part of delivering sustainability.

The concept therefore covers a very broad scope and range including the global society and international development, public sector and organisational impacts, interactions with individuals and social groups (employees as well as customers), supply chains and procurement as well as communities and the environment.

It can encompass topics such as fairness, access and distribution of resources and opportunities, social justice, equity, equality, diversity and inclusion, education, housing, health, community cohesion, belonging and empowerment, quality of life and wellbeing, cultural diversity and heritage as well as labour rights and work conditions.

The UN's Sustainable Development Goals (SDGs) are a well-established framework for defining sustainability and it breaks this down into more detail, specifying a set of conditions that enable fulfilling lives and the best health possible while at the same time, addressing the environmental and climate change challenges. The goals are a useful first step to understanding how the principles would enable nations, communities and organisations to work towards a sustainable world.



The UN Global Compact[1] is a voluntary initiative for the business community to implement universal sustainability initiatives and supports the steps needed to achieve the UN SDGs. It defines social sustainability as "identifying and managing business impacts both positive and negative on people". It stresses that businesses have a key role to play in improving people's lives above and beyond respecting rights and avoiding harm.

Untangling the issues and identifying what organisations should do about social sustainability is complex, thus most organisations have their own view on the matter, mostly depending on the nature of their business. However the PAS 808:2022 Purpose-driven Organizations[2] sums up the considerations for organisations which seek to contribute positively to the society and work on improving our environment. They should:

- Gear their innovation to the solutions to long-term wellbeing for all people and planet;
- Prove they are not degrading the social and environmental systems that everyone relies on in the process; and
- Achieve these goals in a method that is wise and ethical, even if that is beyond what the law dictates.

Figure 1: Social sustainability concepts and terms

Internal Sphere of organisational control			**External Sphere of organisational control**	
Internal/employee	Organisational	Projects or developments	Value chain	Global and national
Equality, diversity and inclusion (EDI)	Environmental, social and governance (ESG) and corporate social responsibility (CSR)	Social impact assessment (SIA)	Modern slavery	Justice and fairness (including fair transition)
Labor and employment rights and conditions	Social impact	Inclusive community engagement	Procurement policies and legislation (including within the public sector)	Laws, regulations and organisations to support equitable and inclusive development
Employee health, safety and wellbeing	Responsible investment	Added social value	Sustainable/ responsible procurement	Social mobility
	Regulatory compliance	Legacy impacts		Cultural heritage
	Market and customer demand			Health, wellbeing and life satisfaction
				Education and skills

1 United Nations Global Compact, Social sustainability

2 BSI Group, PAS 808:2022; Purpose-driven organizations – Worldviews, principles and behaviours for delivering sustainability

Social sustainability concepts and disciplines could also be viewed through the lens of the sphere and degree of impact and influence illustrated in the table above. For example organisations can have a considerable influence on the conditions and terms of their staff employment as well as their health and wellbeing at work. However, organisations have a limited direct impact on issues such as social mobility, although their actions may contribute and enable progress towards a positive direction and organisations may wish to outline how their operations link with overall principles or goals such as the SDGs.

The UK has enacted a series of legislative instruments since the early years of this century. Each one of these instruments strengthened the consideration of social sustainability within organisations and businesses.

This guide summarises key legislation and policy drivers across the UK, as well as internationally, in Appendix A (see p23).

While legislation is a welcome start, it is clear that organisations must go beyond legally mandated requirements to demonstrate commitment and forge their own paths to work towards greater social sustainability.

As described in this section, defining social sustainability is challenging and requires organisations to consider how their activities can have an impact on human lives, not just within the organisation but across supply chains and communities spanning nations, regions and internationally.

Why is social sustainability so important?

Every human on the planet is biologically wired to pursue and satisfy a set of physical and mental wellbeing needs. Physical needs such as food, water and air are basic to our survival. But there are other fundamental needs, such as a need for safety and security, love and belonging, self-esteem and self-actualisation that really allow us as humans to thrive and have the best lives possible. Ensuring that these human needs can be satisfied over an extended period of time is surely what makes social sustainability so important in everything we do.

Why social sustainability is good for business

An organisation's social sustainability ambitions and activities should enable benefits for itself, but also its employees, customers, the communities it operates in and wider society. For an organisation to truly strive to support their stakeholders and receive these benefits, their actions need to extend further than the (legal) requirements, complement their environmental and economic sustainability activity, and be driven from a place to positively impact society, not just organisational gain. Furthermore, many organisations and their shareholders are shifting their perspective from financial profit being the only measure of success for the business. Often organisations will examine the benefits and impacts using the concept of double materiality, which captures the mutual dependence of financial and impact materialities where the effective management of social impacts (positive and negative) feed into positive financial performance.

Figure 2: The benefits of social sustainability

For employee

- Employee offer including health and wellbeing initiatives, EDI volunteering, learning/capability and development
- Pride and sense of belonging to a responsible organisation
- Equal workplace
- Fair pay (social mobility opportunity)
- Fair recruitment process
- Access to decent employment, with protected rights and conditions.

For the organisation:

- Engaged, efficient and retained workforce
- Retain and grow business leading to increased profits
- Unlock new business model opportunities
- Source of innovation to help tackle operational risks
- Strengthen competitive advantage
- Increased trust with stakeholders
- Better integration within the communities where the organisation operates
- Support from local communities and good local reputation
- The opportunity to tap into new talent pipelines and address skill shortages
- More responsible, resilient and transparent supply chains
- Increased and positive brand profile.

For the community the organisation operates in:

- Employment opportunities (and wider business opportunities)
- Support social mobility
- Increase in shared knowledge and skills
- Avoidance of negative effect on community's welfare and livelihood
- Enabling a circular economy
- Investment in society, e.g. sponsorship, regeneration projects, development of area due to organisation location
- Delivery of niche/specific initiatives which meet the needs of the community
- The potential for a bigger platform to provide a voice for the community.

For the wider society:

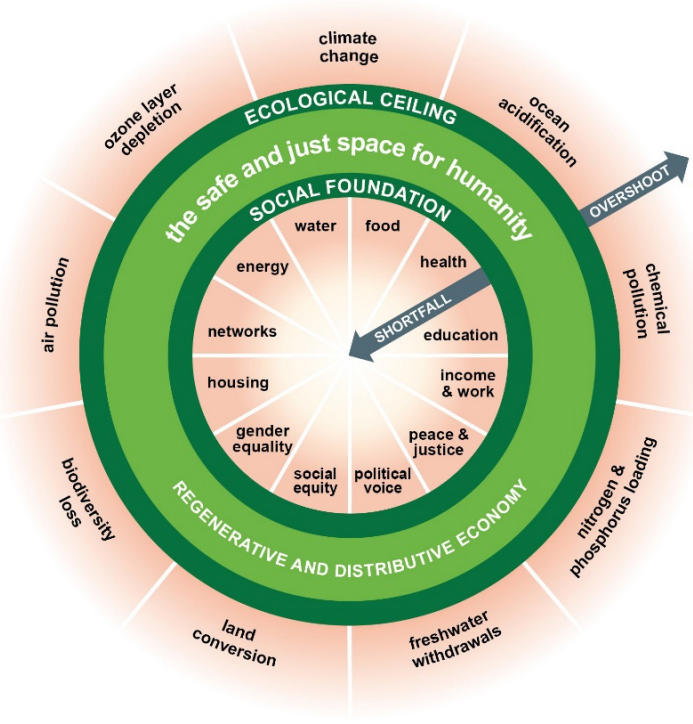
- Fairer, equal society
- Positive change from actions and outputs of an organisation (and its people)
- Providing solutions which help solve social issues.

3. Connection with environmental sustainability elements

Over the years a number of frameworks have been considered to describe the relationships between the social sustainability and environment humans live in and need to survive and thrive. This includes the initial definition of sustainability by Edward Barbier[3] showing sustainability as the intersection between social, environmental and economic development, and arguing that they are not in conflict but together, should work to improve human quality of life and welfare, now and for future generations.

As described above, the UN SDGs have characterised a number of actions to achieve sustainable development. More recently a number of frameworks and ideas have described the interconnection of social and environmental sustainability, clearly demonstrating how the environment and all its essential services are crucial to humans being able to satisfy their basic needs but also live fulfilling lives.

Doughnut Economics[4] is a concept describing the boundaries of a safe and just space for humanity to operate. The ecological or environmental ceiling describes the capacity of the earth's ecosystems to continue supporting human existence and is further described by the planetary boundaries which are a set of nine processes that maintain stability and resilience on Earth[5]. The social foundation within the Doughnut concept shows the minimum provision for all within the society to lead a safe and fulfilling life. This includes basic needs such as food, water and housing but also health, education, income, equality, safety and peace and political voice and social networks.



Source: About Doughnut Economics | DEAL

3 Barbier, Edward. The Concept of Sustainable Economic Development. *Environmental Conservation*. **14**(2), 101-110 (1987)

4 Doughnut Economics Action Lab, About Doughnut Economics

5 Stockholm Resilience Centre, Planetary boundaries

The importance of food security

The unsustainable side of food supply

All humans need to eat food to satisfy our basic needs. Healthy and nutritious food enables people to thrive both physically and mentally, for example by enabling children to concentrate on education. Food security and access to food means people do not have to worry about sourcing it for themselves and their families. Food is also hugely connected to cultural heritage and can give a sense of belonging, as well as being a medium of creative expression. However, at the moment, food production across the majority of the world is done in an unsustainable manner releasing greenhouse gases (GHGs) and polluting waterways. This in turn may have a detrimental impact on the livelihoods of local people, especially those from vulnerable groups that rely on clean water and soil to provide food and income. Furthermore, food loss and waste is contributing to scarcity and provides around 6% of carbon emissions globally[6] with the majority of the waste being produced by consumers[7], most often in wealthy countries.



Living within a healthy environment inevitably has a positive impact on the quality and longevity of life. However, differing environmental conditions around the globe and across different communities mean that challenges and impacts are unequally distributed. This results in the most vulnerable of society being exposed to the most severe environmental challenges – for example, those associated with global resource consumption ranging from pollution and biodiversity loss to climate change impacts.

According to Chief Medical Officer Professor Dame Sally Davies, in 2017 deprived communities faced a "triple jeopardy of higher exposure to air pollution, a greater burden of poor health, and a greater susceptibility to the impact of pollution[8]."

It is therefore clear that decisions made by individuals and organisations about if, what and how we buy, develop or invest can contribute to social and environmental challenges across the global landscape through connections via complex global supply chains, communities, policies and climates.

6 Poore, J & Nemecek, T. Reducing food's environmental impacts through producers and consumers. *Science* **360**(6392), 987-992 (2018)

7 UN Environment Programme (2021) Food Waste Index Report

8 UK Government (2017) Annual Report of the Chief Medical Officer

Issues within renewable energy

Looking for a sustainable solution

At the centre of most organisations' decarbonisation plans is increasing the use of renewable energy, in particular solar panels and electric vehicles. While these have proven to reduce greenhouse gas emissions in use, often areas overlooked are the environmental and social impacts associated with the extraction of raw materials, manufacture and end of life. Solar panel production is haunted with issues related to human rights abuses[9]. Similarly. the supply chain related to electric vehicles is cited to leave the most vulnerable of society suffering not only from human rights exploitation but also pollution and increased danger in their local environments – for example from lithium mining. While we need these technologies to tackle issues such as climate change and poor air quality, they cannot come at these types of social expense.



Policy and legislative drivers

Social issues feature in a variety of areas of legislation and commitments range from international frameworks such as the UN SDGs described above, to distinct legislation to limit or control specific practices such as modern slavery.

Some organisations will be primarily looking to achieve compliance with legislation and limiting social risks, for example by paying minimum wage or complying with the Equality Act or health and safety regulations. More mature organisations will be considering their activities throughout the supply chains, communities and environments they operate in. Some might also be looking to harness the value through demonstrating awareness and activities in line with international and national voluntary reporting regimes (for example the UN Global Compact or the requirements of the Taskforce on Inequality & Financial Disclosures (TISFD)).

Organisations operating within the public sector sphere will need to follow the regulations defining requirements of the commissioning authorities to deliver social value and social impact and monitor and report on them as part of the procurement and contract delivery.

9 Business & Human Rights Resource Centre, Human rights in the mineral supply chains of solar panels

Organisations should consider the policy and regulatory landscape within the region or nation the activities are taking place, as these will likely vary, but should be mindful of the consequences of these inequalities and how they can alleviate them. For example, countries do not have equally stringent health and safety regulation. However, applying the highest standards across the board would help ensure that all employees are working in equally safe conditions, regardless of location.

Details of key legislation that has a direct application to social value and social impact, as well as requirements specifically for responsible business and procurement, are included in Appendix A (see p23).

How organisations can act and demonstrate their social sustainability activities to achieve the benefits:

The following section shows some examples of actions an organisation can take to meaningfully improve their social sustainability. Organisations should consider their scope of influence, the needs of the surrounding community or the fundamental issues or goals the organisation is trying to address. Many organisations use materiality assessment methods or follow principles to select SDGs (at a target level) to focus efforts and report progress against. Furthermore, collaboration across stakeholders and innovation are key to delivering meaningful actions.

1. Internal/employee

- Link executive and staff performance to key social sustainability indicators
- Listen to employees, customers, community and wider society and make responsible social sustainability business decisions and changes to better support their needs
- Pay living wage to all workers, including contractors and contingent workers
- Provide staff with meaningful development and training opportunities
- Monitor, report and continuously improve on staff health and wellbeing.

2. Organisational

- Include social sustainability at the core of the organisation's mission, vision and purpose
- Carry out a materiality assessment to identify key social sustainability issues
- Pay the right tax, at the right time in the country of operation and distribution
- Unlock finance and act as a risk transfer so money allocated by an entity to cover a risk can be reallocated to spend on improvements
- Provide assurances to enable customers to take the leap required to change behaviour, i.e. performance guarantee may enable farmers to move from intensive to regenerative farming
- Engage with charities
- Utilise insurance claims process to change internal processes/decision as well as behaviour across the organisation and its stakeholders
- Appropriately resource (both human and budgetary) social sustainability aspects within sustainability/ESG teams.

- Follow established standards and complete certification (if applicable), for example for PAS 808:2022 Purpose-driven Organizations, BS 25700:2022 Organizational Responses to Modern Slavery, ISO 2600 Social Responsibility
- Consider, assess for suitability and join externally certifiable schemes and initiatives such as Fairtrade, 1% for the Planet and B Corp.

3. Projects or developments

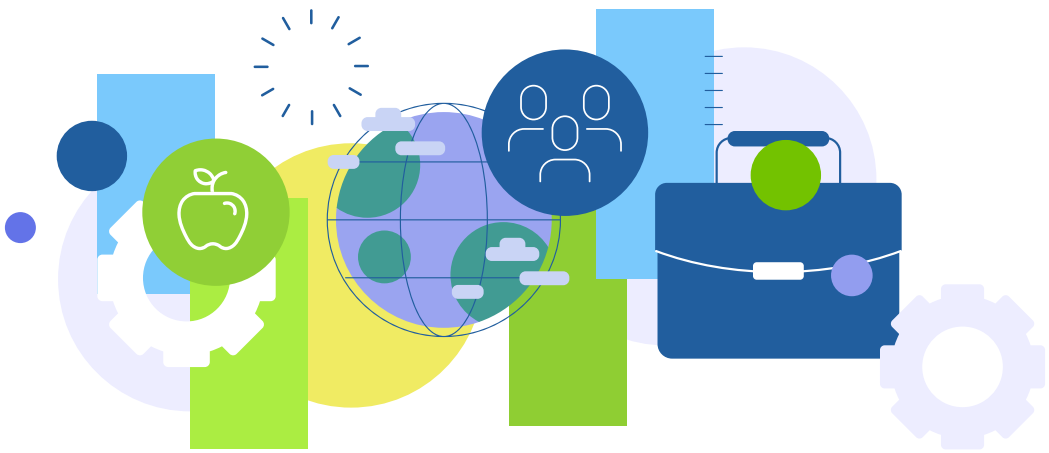
- Engage with communities significantly affected by your organisation and your organisation's infrastructure
- Focus on mitigating/reducing risks – action and change instead of offsetting
- Guarantee the protection of an asset so people want to safely invest, i.e. purchase carbon credits which protect a rainforest (and the indigenous communities within)
- Share skills and knowledge with wider communities or demographics to help inform personal, community and societal decision making, i.e. discuss cyber security with school children to protect against online issues
- Build social considerations and impacts into business cases when planning an activity; and proactively manage those throughout the lifecycle of the project/scheme/activity.

4. Value chain

- Impact supply chains and buying habits, and therefore business practices, via procurement decision making
- Ensure contractual terms and conditions are positively impacting sustainability.

5. Global and national

- Provide underlying data to companies or governmental departments to help forecasts and planning, i.e. climate data can be shared to help inform city masterplans to protect against flooding
- Provide accountability and transparency in reporting social value impacts publicly, including mitigation of negative ones, and set a clear strategy and direction that resonates with customers and is endorsed by senior teams.



4. Measuring social sustainability

Context

Measuring social sustainability is complex and can take many forms and indicators. The measurement of wellbeing, happiness or life satisfaction is an emerging trend[10]. In the UK, this is evident in the discussion around 'levelling up' and 'placemaking' agendas. In Wales, as mentioned in the section on legislation, the regulation has gone further and the effort has been to align the public realm to the wellbeing of future generations. Internationally, ESG investment has moved to a centre stage in recent years.

Although there is no single metric, the UN SDGs have been designed to measure the long-term progress of humanity towards the goals across a number of indicators.

Furthermore, Organisation for Economic Co-operation and Development (OECD) countries have committed to measuring wellbeing statistics since 2007 and have developed frameworks to help policy makers monitor progress and design policies with positive social outcomes. Similarly, the EU includes quality of life metrics in the regular Eurostat publications[11].

In the UK, the Office for National Statistics (ONS) publishes a range of indicators regularly[12]. What's more, the idea is becoming more prevalent with HM Treasury's Green Book[13], which has methodologies for assessing policy impacts. It is worth noting that the UK methodology still may require policy advisers to translate the wellbeing statistics into monetary value.

For projects and developments, social value measurements are likely to consider the inputs, outputs and sometimes impacts of the development – for example the employment opportunities provided, percentage spent with local business, or hours spent on community engagement. Impact-based measures, i.e. what change the project or initiative has delivered, are generally more challenging to develop and capture.

10 Positive psychology draws distinctions between the terms 'wellbeing', 'life satisfaction' and 'happiness', but, for the purposes of this section, the terms are used interchangeably

11 Eurostat, Statistics explained

12 ONS (2024) Measuring progress, well-being and beyond GDP in the UK

13 HM Treasury (2022) The Green Book

What and how to measure – key principles

Measuring social sustainability is generally based on social science methods, including indicator data collection of activities, experimental (e.g. surveys or interviews) and observational strategies (traffic flow measurements).

The measures or indicators can have a variety of forms including primary and secondary data, qualitative and quantitative measures, but all should have clear methods, sources and any assumptions described transparently.

Organisations should consider a materiality assessment of the key relevant social sustainability issues (possibly aligned with SDGs) to identify areas of measurement.

The choice of measurement design depends on the activity and project, data availability, and ethical considerations related to the population and context. Measurements should be specific to the activity and the impact goal and should be SMART (Specific, measurable, achievable, relevant and time-bound). Good measurements should consider additionality factors (i.e. positive impacts or outcomes that would not have otherwise occurred without the project or development) and the long-term legacy of the interventions, for example measuring the employment outcomes of interns after the end of the project.

Monetisation and tools

Monetisation of social value has gained traction in the past few years to further demonstrate positive impacts to society. It can be summarised as the financial proxies that are applied to social impacts. Some of the most common valuation methods used for the calculation of these financial returns are the HM Treasury Green Book mentioned above and updated in 2022 and the OECD guidance.

Assigning a pound sign to a change in wellbeing of an individual or community is not a straightforward task. Typically, it is much easier to quantify inputs (for example, the number of hours volunteered) while it is much harder to articulate the impact/output resulting from that intervention (what the volunteering hours achieved and how they improved the wellbeing of a community). The latter requires a much-considered approach to capture feedback from those benefiting from the intervention, as well as potentially measuring other adjacent indicators over a period of time (for example job prospects of the volunteers).

In the context of business cases and return on investment, it is appealing to have an extra level of intelligence on social value, demonstrated in financial terms. The conflict this presents, subject to much debate within the social value community, is when monetisation overshadows the what, why and how of delivering positive social impacts.

It is therefore a consideration to strike a balanced approach; if choosing to monetise social value, use those financial values in context and without overriding meaningful strategies and actions that are based on societal and community needs.

Some of the social value tools for monetisation are included in the list below. This is not an exhaustive list and is intended for guidance only.

- Social Value Portal (TOMS)
- HACT Tool
- Social Return on Investment (SROI)
- WELLBY
- THRIVE tool/THRIVE APP
- Loop Rail Social Value Tool
- London Benchmarking Group Model



5. Case Studies

Social sustainability is relevant throughout an organisation's supply chain, as well as outside it. It encompasses actions we can take as individuals, organisations or communities to improve society. This section includes some examples with different levels of scalability to illustrate social sustainability in action; from international impacts to localised ones.

The recurring theme is how each story plays a part in increasing societal wellbeing; from enhancing quality of life and reducing inequalities present in society, to improving community satisfaction and empowering learning.

RUM CASE STUDY

Social sustainability upstream

Diageo is an alcoholic beverage company that sources sugarcane throughout Central America and the Caribbean, particularly within its rum supply chains. They have partnered with La Isla Network (LIN), a non-profit organisation that works to prevent heat related illnesses, injuries and deaths, as well as other occupational health and safety risks facing labour forces.

More than one billion workers across the globe already experience heat stress at temperatures above 35°C and unless timely action is taken, more than four billion people will experience negative health and safety effects in the course of the 21st century. One of the perils of working in high heat is chronic kidney disease of non-traditional causes (CKDnt). CKDnt is the leading or second leading cause of death in men aged 18-45 in the cane producing regions of Central America and Mexico. While the sugar industry is undoubtedly a factor, it has the opportunity to be a leader in addressing the issue.

Through this initiative, Diageo has partnered with LIN to make changes in not just the harvesting and milling of sugarcane, but the organisational management. The net result is a reduction of harm for the most at-risk workers, improved productivity, a positive return on investment (ROI) and improved access to remediation for those who have suffered harm. The outcomes of this project will be safer working conditions in sugarcane farms and mills, and lower occurrence of occupational injuries and illnesses, such as CKDnt. It will also mean higher productivity and ROI for producers, driving long-term engagement from leadership, as well as healthier, thriving workers in the community, positively impacting families and communities with improved income.



Source: La Isla Network

TRANSPENNINE LONG-TERM CHANGE

Social sustainability measured downstream

The Transpennine Route Upgrade (TRU) is a major multi-billion-pound programme of railway improvements which will bring better journeys to passengers travelling across the Pennines between Manchester, Huddersfield, Leeds and York.

What did we do? Major programmes like TRU have profound impacts on people's wellbeing. Commutes impact our disposable income, our free time with family and friends and our levels of stress. To measure this, TRU undertook a new, cutting-edge economic appraisal called a WELLBY assessment in order to understand the social outcomes of a major project beyond the construction phase.

A WELLBY is a measurement of change in life satisfaction as a result of a direct intervention, which calculates the net positive or negative change in population wellbeing using a number of factors known to influence wellbeing.

What was the outcome? TRU was able to measure wider community wellbeing from changes in life satisfaction as a result of programme interventions. In total, the project estimated a contribution of £4.9bn in wellbeing impacts:

- £2.8bn as better connectivity improves job satisfaction when people can access better employment opportunities
- New access to better active travel is expected to generate £156m in value
- £636m through reduced air pollution
- The programme is anticipated to generate greater satisfaction with neighbourhoods, as better access to tourism and less noise will generate £893m in value
- £617m in value through the shift in travel away from cars towards more environmentally friendly options.



Source: Transpennine Route Upgrade

TIDEWAY PROJECT[14]

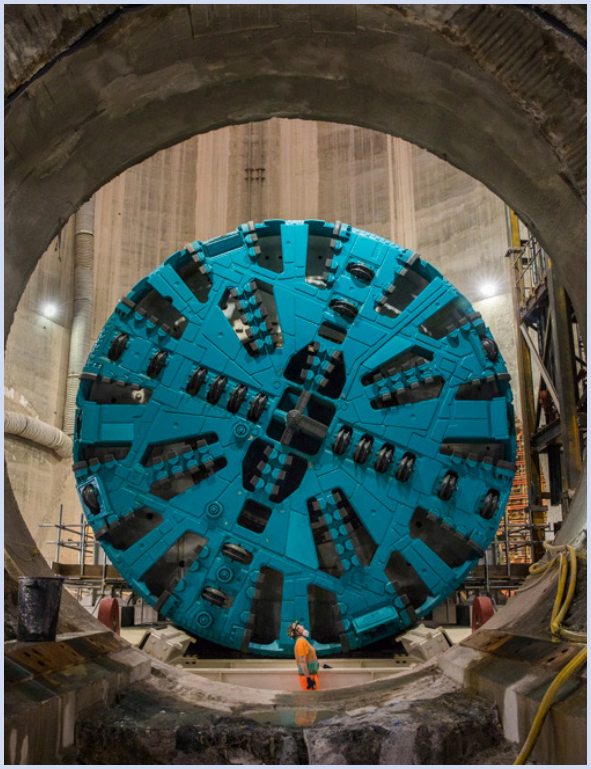
Using WELLBYs

Tideway is upgrading London's sewer system to cope with its growing population by building a 25km tunnel under the River Thames. The project will reduce sewage overflows, improve water quality, and reconnect London with the River Thames.

In this report the team used Social Cost Benefit Analysis (CBA) – the main quantitative appraisal and evaluation framework from HM Treasury's Green Book – to perform an impact evaluation of the Tideway Legacy Programme.

Overall, the social value was assessed as totalling approximately £96m, with a benefit-cost ratio of 1.72, meaning that for every £1 invested, the initiatives generated £1.72 of social value. The project's social value elements were made up of a range of activities classified under:

- Greenhouse gas emissions
- Accident prevention
- Taking lorries off the road
- Employment of the workless
- Apprenticeships
- Employing people with convictions
- Promoting STEM careers
- Supporting London Living Wage
- Volunteering
- Local employment
- River Reconnection partnership programmes



As part of the Tideway Legacy Programme, social value evaluation report, the WELLBY data has been published. A WELLBY is a unit of Wellbeing-adjusted Life Years as defined in the HM Treasury Green Book – a one-point change in life satisfaction for one year.

For example, the report identified that having employed 36.8 apprentices on projects for 12 weeks, this led to a total WELLBY change of 4.355 or 0.118 WELLBYs per apprentice. Similarly, the metric was used to assess the value of employing the workless.

Source: Tideway

14 Tideway, Social impact and value assessment of Tideway's Legacy Programme

BALFOUR BEATTY IN WEST CUMBRIA

Working alongside communities for social sustainability – volunteering in communities

Activity one: building equipment for a local charity

Working in partnership with other companies, Balfour Beatty helped build polytunnels, yurts and raised beds for a local charity that helps people into work who are long-term unemployed or have learning disabilities, through the medium of growing vegetables

Outcome: By increasing their capacity to grow produce, the charity is moving towards a sustainable future as they can sell vegetable boxes to the public, bringing in vital funds to support their learners with upskilling.

Activity two: reading with local schoolchildren

Staff from Balfour Beatty and other partner companies used their volunteer hours to read one-to-one in primary schools, both in person and virtually, in order to raise the confidence of five-year-olds and their attainment levels.

Outcome: More than 300 volunteers are supporting children in west Cumbria. Children involved can go up one to three reading levels across the year which helps to close the gap for future learning and development between disadvantaged children and their better-off peers.



Source: Balfour Beatty

6. Glossary

Corporate social responsibility (CSR)

Voluntary practices by businesses to contribute positively to society and the environment, beyond statutory obligations. CSR efforts often focus on sustainability, community involvement, and ethical practices. CSR helps improve various aspects of society, as well as promoting a positive brand image of companies.

Cultural heritage

The preservation and promotion of tangible and intangible aspects of culture, such as historic sites, traditions, and knowledge.

Double materiality

Double materiality is a concept that helps organisations and institutions (including financial institutions) to recognise that they must manage and take responsibility for the actual and potential adverse impacts of their decisions on people, society and the environment. The concept acknowledges that risks and opportunities can be material from both a financial and non-financial perspective. The concept is incorporated into sustainability reporting legislation such as the EU's Corporate Sustainability Reporting Directive (CSRD) and reporting standards such as Global Reporting Initiative (GRI).

Equality, diversity and inclusion (EDI)

Equality: Ensures that individuals have equal opportunities and are not treated unfairly or discriminated against because of specific characteristics, as protected under the Equality Act 2010. These include age, disability, gender reassignment, race, religion, sex, sexual orientation, marriage, civil partnership, and pregnancy/maternity.

Diversity: Recognises and values the differences between people, promoting a culture where diverse perspectives and backgrounds are embraced.

Inclusion: Fosters an environment where all individuals feel valued, respected, and supported, ensuring full participation in workplaces and communities.

Equity

Equity refers to the principle and practice of ensuring fairness by recognising and addressing systemic inequalities that prevent individuals or groups from having equal opportunities. Unlike equality, which treats everyone the same, equity focuses on providing people with the resources and support they need based on their unique circumstances, to achieve fair outcomes.

Environmental, social and governance (ESG)

A framework for assessing an organisation's operations in three key areas – environmental impact, social responsibility, and governance structures. A correlation has been discovered between good environmental and social performance and financial performance, with companies with strong environmental, social and governance (ESG) performance outperforming companies with weak ESG performance, as measured in accounting terms. In the UK, ESG is increasingly tied to regulatory frameworks such as the UK Corporate Governance Code and reporting requirements.

Fairness and justice

Ensures equitable treatment, access to opportunities, and impartiality in decisions impacting individuals or communities.

Fair and just transition

This refers to managing the shift to a low-carbon economy in a way that ensures the inclusion of workers and communities without disproportionate negative impacts. A just and fair transition ensures that environmentally sustainable economies are promoted in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. It aims to ensure that the transition to net-zero emissions and climate resilience is orderly, inclusive and just.

Inclusive community engagement

Active, participatory approaches to involving diverse groups in decision-making processes, ensuring representation from marginalised or underrepresented voices.

Legacy impacts

The long-term social, economic, or environmental effects of projects or activities. In the UK, these are considered during project planning, particularly for infrastructure and community developments.

Modern slavery

Severe exploitation of individuals, including forced labour, human trafficking, and servitude, as defined by the UK's Modern Slavery Act 2015. UK organisations are required to address risks of modern slavery in their supply chains through transparency statements.

Responsible investment

An approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance factors, and of the long-term health and stability of the market as a whole. It recognises that the generation of long-term sustainable returns is dependent on stable, well-functioning and well-governed social, environmental and economic systems.

Social impacts

Defined as any impact from an intervention (policy, plan, or project) that impacts people's welfare and wellbeing, positively or negatively. These impacts may encompass changes to living standards, health, education, cultural identity, community structures, and access to resources and opportunities.

Social impact assessment (SIA)

A systemic approach to identifying social risks and opportunities of a project, aiming to minimise and mitigate negative impacts while enhancing positive opportunities. This includes the effective and ongoing engagement of affected communities in participatory processes of identification, assessment, and management of social impacts throughout the project life. See also IEMA social impact assessment.

Social mobility

The ability of individuals to improve their socioeconomic position. In the UK, promoting social mobility involves tackling barriers like educational inequity, regional disparities and access to quality employment.

Social value

Social value refers to the additional benefits to society generated by an organisation's activities, beyond its primary purpose of delivering goods or services. It encompasses economic, social, and environmental impacts that contribute to the well-being of individuals, communities and the planet.

Social value can include a range of outcomes, such as leaving a skills legacy by employing locally and creating sustainable apprenticeships in the area around the scheme, and boosting local small, medium and micro businesses and social enterprise by ensuring they form a core part of the supply chain and that a high proportion of the project spend goes to local suppliers. Reducing air pollution, maximising green space and ensuring the value of materials is optimised through a circular economy.

In the UK context, social value is particularly significant in public sector procurement, where organisations are required to demonstrate how their projects or services contribute positively to society. Social value is about understanding the relative importance that people place on changes to their wellbeing and using the insights we gain from this to make better decisions. This principle is enshrined in the Public Services (Social Value) Act 2012, which mandates public bodies to consider the social, economic, and environmental wellbeing of the area when awarding contracts.

Sustainable/responsible procurement

Practices that incorporate environmental, social, and ethical considerations into procurement decisions. The organisation seeking to demonstrate responsible or sustainable procurement would set out principles to guide acquiring goods and services to promote sustainable, ethical, and socially responsible practices throughout the supply chain.

Taskforce on Inequality & Financial Disclosures (TISFD)

A global initiative to develop recommendations and guidance for businesses and financial institutions to understand and report on impacts, dependencies, risks and opportunities related to people. The aim of the taskforce is to incentivise business and financial practices that create fairer, stronger societies and economies.

Useful links

UN, The 17 Goals

DEAL, About doughnut economics

BSI Knowledge (2022)PAS 808:2022

UN Global Compact, Social sustainability

IAIA, Social Impact Assessment

ISO, ISO 26000 Social responsibility

TISFD Global Initiative, Taskforce on Inequality & Financial Disclosures

Social Value International

World Bank Group, Social sustainability in development



Appendix A: key legislation on social sustainability

2006

2013

2014

2015

2021

In the UK

Section 172 of The Companies Act 2006 requires directors to have regard to the impact of the company's operations on the community and the environment. The ongoing campaign by The Better Business Act seeks to amend and strengthen Section 172 to ensure every company in the UK aligns their interests with those of wider society and the environment.

In the United Kingdom social value was put into legislation with The Public Services (Social Value) Act which came into force in 2013. This required people who commission public services in England and Wales to think about how they can also secure wider social, economic and environmental benefits. Social Enterprise UK has estimated that social value now influences £100bn of public spending, up from just £25bn in 2017.

While the legislation was aimed at public sector bodies; this of course in turn affected private sector companies who were bidding into public sector works and were expected to demonstrate how they would deliver social value for specific contracts. This approach still drives much social value in the UK.

Scotland introduced the complementary Procurement Reform (Scotland) Act 2014 covering public procurement.

The Wellbeing of Future Generations (Wales) Act 2015 goes the furthest, requiring each public body listed in the act to improve the economic, social, environmental and cultural wellbeing of Wales, in accordance with seven wellbeing goals.

The UK's Modern Slavery Act (2015) requires businesses over a certain size to disclose each year what action they have taken to ensure there is no modern slavery in their business or supply chains.

Northern Ireland's Social Value Policy PPN 01/21 – Scoring Social Value is similar to the Social Value Model in England and Wales with 10% minimum weighting to social value in procurement.

2023

The Procurement Act 2023 requires contracting authorities to have regard to the importance of "maximising public benefit". However, central government bodies must still comply with the requirements in the Procurement Policy Note 06/20, which strengthened the Social Value Act 2012 by changing the wording from 'consider' to 'require' for evaluating social value in procurement.

1948

Rest of the world

The Universal Declaration of Human Rights (UDHR, 1948) is a milestone document in the history of human rights. Drafted by representatives with different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the United Nations General Assembly as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected.

2015

The 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

2022

In July 2022 the UN General Assembly declared access to a clean, healthy and sustainable environment a universal human right. "The resolution will help reduce environmental injustices, close protection gaps and empower people, especially those that are in vulnerable situations, including environmental human rights defenders, children, youth, women and indigenous peoples", stated UN Secretary-General, António Guterres.

1985

In the EU

The EU's Environmental Impact Assessment (EIA) Directive (2011/92/EU as amended by 2014/52/EU) first came into force in 1985 and notes terms such as population and human health, wellbeing, material assets and cultural heritage. The Strategic Environmental Assessment directive considers plans and programmes.

2024

In the EU, companies listed on European stock exchanges will be required to comply with the Corporate Sustainability Reporting Directive (CSRD), based on 2023 performance. The directive requires detailed reporting related to environmental, social, and governance topics relating to an organisation's own workforce (ESRS S1), workers in the value chain (ESRS S2), affected communities (ESRS S3) and consumers and end-users (ESRS S4).

The CSRD applies to companies outside the EU that do business in the EU above a threshold, with around one third of those being based in the USA. However, the CSRD is the only framework that requires reporting of double materiality (i.e. impacts that the organisation has on the external physical and social environment). Other reporting standards, including the International Financial Reporting Standards (IFRS S1 and S2) focus on enterprise value.

The European Commission has also produced guidance on making socially responsible purchases.

Internationally ISO 26000 Social responsibility provides guidance (not a certifiable standard) to those who recognise that respect for society and environment is a critical success factor.

1994

In the US

The US National Environmental Policy Act (NEPA, 1969) first introduced the statutory concept of taking social consequences of projects, programmes and policies into account when making decisions. In response to the Act, a group of social scientists formed the Interorganizational Committee on Guidelines and Principles for Social Impact Assessment and published guidelines in 1994 to support different organisations to fulfil their obligations under NEPA.

Similarly to the UK Modern Slavery Act, Section 307 of the Tariff Act of 1930 prohibits the import of goods made with slave labour. This has been extended with a recent law called the Uyghur Forced Labour Prevention Act that has a presumption that all imports from the Xinjiang Uyghur Autonomous Region (XUAR) are made using forced labour.

Social sustainability and impact assessment

Following evolving practice and increased understanding, an updated approach was set out by the International Association of Impact Assessment – which included managing as well as identifying impacts. Over time, the topics considered have also widened in scope.

While social aspects have not always been explicit in varying impact assessment regimes, the World Bank deliberately brought the environmental and social impacts together in their Environmental and Social Framework[15] (ESF) update. The ESF advocates for an integrated approach to assessing environmental and social risks and impacts of development projects, given the inter-linkage between them in particular with regard to health and safety (Environmental and Social Standard 4 – ESS4) and biodiversity management (ESS6). The standard also requires consideration of impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7). Multilateral finance is where the term 'ESIA' or environmental and social impact assessment is most likely to be used.

The other angle is health in impact assessment, defined by the World Health Organization (WHO)[16] as a practical approach used to judge the potential health effects of a policy, programme or project on a population, particularly on vulnerable or disadvantaged groups.

In the UK, the Equality Impact Assessment (EqIA) process stems from the Public Sector Equality Duty[17] . EqIAs assess whether a new or changed policy has a disparate impact on persons with protected characteristics.



15 World Bank, Environmental and Social Framework

16 WHO, Health impact assessment

17 House of Commons Library (2020) The Public Sector Equality Duty and Equality Impact Assessments

Further information

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