Summary of the LSE IDEAS / Human Impact Pathway Webinar: "Rethinking Social Sustainability after 2025: Challenges and Opportunities for Business", 28 May, 2025.

Introduction

While sustainability is a corporate buzzword, particularly since the launch of the Sustainable Development Goals (SDGs), implementing and sustaining effective social strategies remains challenging. The aim of the session was to explore what **good** social impact and sustainability look like, especially amid shifting legislation and stakeholder expectations. The webinar heard views from both policy and practice experts.

Responsible Business Conduct unit at DG GROW, European Commission

A policy and legislative overview from the European Commission emphasised the dual goal of increasing competitiveness while upholding ambitious sustainability goals. Key points included:

- The Commission is driving a legislative **simplification agenda** (including the *Omnibus package*) to reduce burdens on businesses (25% overall, 35% for SMEs), without lowering sustainability ambitions.
- Sustainability remains central to EU strategy and the core of the legislative instruments will remain intact, including the **CSRD, taxonomy regulations**, and the **Corporate Sustainability Due Diligence Directive**.
- The Commission takes a **holistic view**; sustainability is multi-faceted, and the Commission is aware that companies need to combine profitability with sustainability as part of **value creation**.
- There's an ongoing exploration into the landscape of **"net-positive" and purpose-driven businesses**—companies that embed positive social and environmental impacts in their core strategy.
- We can expect upcoming exploratory action, including studies and stakeholder engagement on how EU-level policies can support these net-positive businesses, recognizing them as influencers in raising industry standards.

Global Sustainability & Stakeholder Engagement, Heineken

Heineken illustrated its practical experience in implementing sustainability, particularly the social pillar of their "Brew a Better World" strategy. Key points included:

- **Three-pillar strategy**: Environmental (e.g., net zero across the value chain by 2040), Social (e.g., fair wage for all employees, diversity), and Responsible Consumption (always a choice with zero-alcohol options).
- Achievements include reaching their 2025 **gender diversity target** (30% women in senior roles) one year early, with a new goal of 40% for 2030.
- **Fair wages** and **equal pay for equal work** are major long-term goals. While achieved in many areas, Heineken continues monitoring to adapt to economic volatility.

Three in-depth case studies illustrated their dual approach of **preventing harm and creating positive impact**:

1. **Brazil brewery relocation**: After community concerns over an archaeological site, Heineken opted to relocate a major project, sacrificing sunk costs to maintain stakeholder trust, and decided to invest in the conservation of the archaeological site.
2. **Transport supplier violations**: Following revelations about exploitative labour practices, Heineken provided immediate support, terminated the contract, and invested in rest and sanitation areas for drivers at all breweries in the country.
3. **Brand promoter abuse**: After reports of unsafe conditions, Heineken conducted a global review and introduced new policies, contracts and trainings, which led to industry-wide improvements in work with brand promoters and other external contract workers.

The concluding message was that perfection isn't possible, but businesses must remain humble, transparent, and committed to learning and long-term improvement to make a positive impact.

Human Impact Pathway

The Human Impact Pathway (HIP) is a social enterprise set up by LSE to help businesses improve their social impact, particularly in fragile settings. An expert from HIP addressed the **challenges of doing business in fragile and conflict-affected areas**, drawing on field research, including in the Democratic Republic of Congo (DRC), Liberia, Colombia, and Mexico. Key points included:

- **Geopolitical instability** and **new EU legislation** (e.g., CSDDD but also deforestation regulation) can unintentionally force companies to exit fragile regions, worsening poverty and instability.
- Businesses must go beyond standard due diligence by adopting **enhanced human rights due diligence**, which considers conflict dynamics and root causes of conflict to identify human rights risks in a high-risk setting.
- HIP in collaboration with LSE and the UN has developed a **method based on the concept Human Security** that allows companies and investors to create more shared value, especially towards communities. In this method, we are using eight dimensions (economic, food, health, environmental, personal, community, political, and technological risks) to assess how business can improve stability and resilience for both companies or investors and communities.
- This method, tested in Bosnia, Colombia, Mexico, and Liberia, offers a **people-centred, bottom-up and context-specific tool** to measure and improve social impact. Currently, we are supporting a large agribusiness company to map community needs, using the Human Security approach.

HIP provides tools to help businesses **navigate complexity, enhance resilience, and build trust with communities**, which is especially important in fragile settings.

Conclusion

The chair thanked the speakers and participants, summarizing the session as a multi-layered view of how businesses can respond to the challenges of social sustainability—from regulation and strategy to operational complexity and field realities.

The next webinar will be on **Diversity, Equity & Inclusion (DEI)** on **July the 8th.**

Key Takeaways:

- **Legislation is evolving**, but effective social sustainability now needs to go beyond compliance; companies also need to think about positive impact.
- Despite the omnibus, the European Commission will **continue to promote corporate accountability and responsibility** through legislation.
- Businesses must **embrace complexity and fragility** and try focusing on areas where they can make positive impact **while navigating increasing conflict and fragility** around the world.
- Businesses should not only react to specific issues, but can **apply solutions proactively** throughout their **global operations** and commit to **continuous learning and adaptability**.
- **Real-world case studies** and **research-based frameworks** (like Human Security) help companies measure, improve, and communicate their impact in a meaningful way.