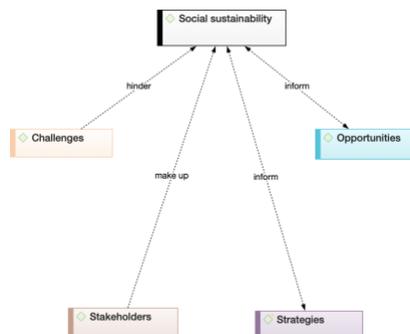


Periscoping the Future of Social Sustainability

November 16, 2023



What brings us together today is a vision: we all want to bring about a decarbonized, sustainable future. Each of us has a distinct lens on what is required to bring about that future. Some of us are charting pathways to energy transition. Others are applying principles of circularity to materials flows, biodiversity to business operations, and ideals of equity and justice - just transitions - to communities experiencing rapid disruptive change.

Our work requires innovation in product and process design, delivery, use - as well as reclamation, recovery, and re-use. Our work also increasingly requires the integration of people and communities as partners in driving this changed landscape of technical relationships.

We are seeking to collaborate in bringing about a future in which principles of human dignity and human rights are on equal and responsive footing with the protection of land, water, and air. **We are here today in a quest to continue to build cross-sector collaborations and enable cross-sector conversations on charting the 'people' dimension of sustainability.** Some solutions we feel confident pursuing - how the physical pieces fit together in circular product design. But getting-to-sustainability also implicates the frameworks of accountability and rationality we use, as well as our strategies for implementation within and beyond companies. It requires new ways of being in partnership, capacity building with new allies, and enhancing existing partnerships across industries collaboratively identifying connections among shared challenges and opportunities in common localities.

Together we are building the conversations that will allow us to chart and operationalize these re-imagined material and social relationships. As one participant corrected us during an interview, we are moving from 'social sustainability is a dimension of sustainability' and towards social sustainability *is* sustainability.

About This Report

This document is a preview of MCSC social dimensions team's in-depth work to listen and understand member company perspectives on the nature, extent, and future of social sustainability. From January-August 2023, our team conducted in-depth semi-structured interviews about challenges and opportunities facing professionals in a wide array of job functions in social sustainability across the 18 sectors of our membership. We interviewed over 50 individuals, some across multiple conversations. Our aim was to assess the depth, complexity, and structure of thinking about social sustainability, as well as concerns, needs, opportunities and trends. Our interviews were structured around four central questions:

1. What is your definition of social sustainability?
2. What processes and programs do you have in place and what are you driving forward?
3. What challenges do you face in your work?
4. What opportunities do you see in cross-sector collaboration and stakeholder partnership at the MCSC?

This report is an overview summary of identified dimensions of social sustainability. It is a sneak-peek of a forthcoming guidebook that will contain an in-depth analysis of our interview findings in which we synthesize trends, challenges, and opportunities that cross-cut industry. We aim for this research to form the basis for future MCSC work integrating the social dimensions of sustainability into our approach to climate and sustainability problems and solutions.

This report is organized around 6 network diagrams of categorical concepts, each representing a family of major themes from our interviews. Each network diagram is composed of clusters of concepts identified through an iterative process of inductive coding of interview data. Co-occurrence of prominent concepts within and across interviews is mapped by sub-clusters within a diagram. Each diagram is accompanied by a short descriptive summary of highlights from our findings.

Thank you to all who participated in this project! We learned so much from speaking with you and we look forward to continuing these conversations. Our hope is to convene focused work around common threads identified in this report - leveraging the breadth and depth of expertise at MIT for partnerships with teams at member companies on socio-technical change, community engagement, and planning for the future.

Interview Participants:

- 50+ individuals
- Representing all 18 member companies
- Wide range of seniority levels:
[Advisor, Team Lead, Manager, Director, VP, President]
- Wide range of job functions and company locations:
[corporate citizenship, business operations, business affairs, social sustainability, sustainability strategy, global giving, innovation manager, product operations, value chain manager, metrics and analysis, scientific manager, social responsibility, community investment, racial equity and justice, labor and human rights, sustainability manager, farmer livelihoods, policy, trade and investment, ESG reporting, ESG implementation, foundation president, research scientist, STEM outreach, strategic partnerships]

About Us

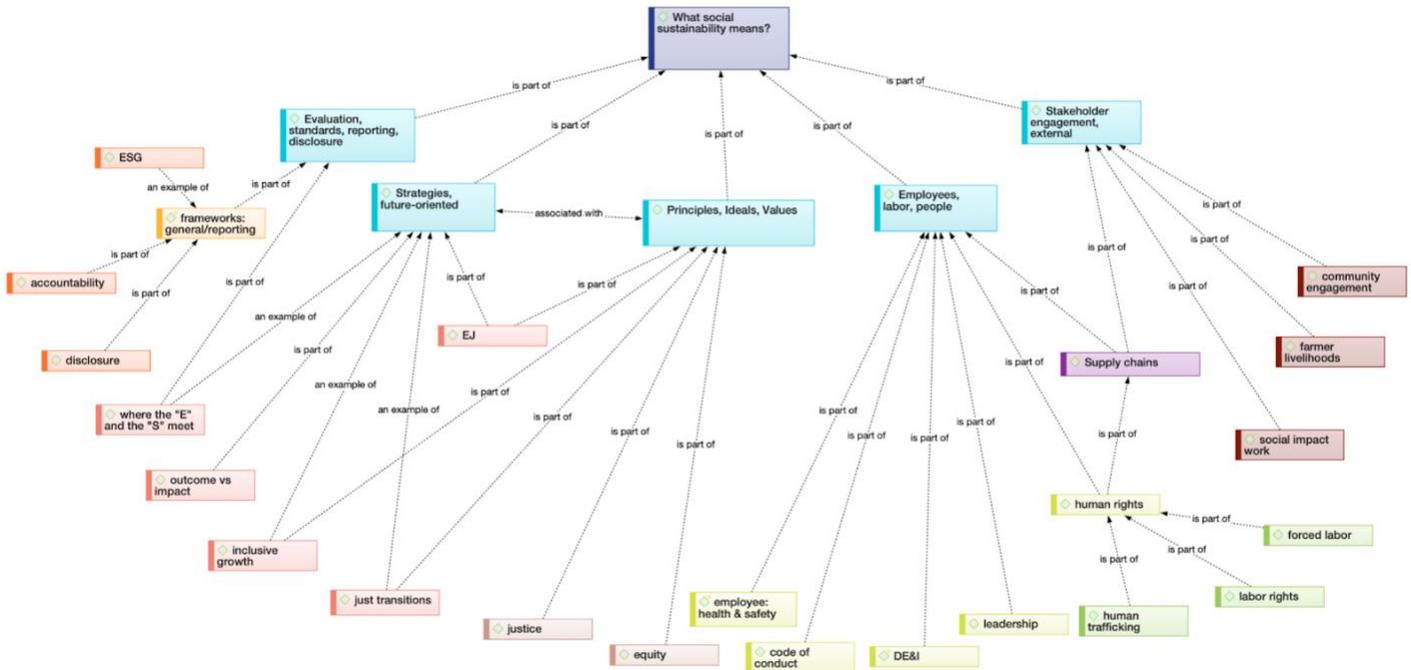


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What Social Sustainability Means



Each participant was asked to describe their perspective on sustainability and social sustainability. Participants were invited to reference elements of their background, training, job function, and vision of the future as lenses on their approach to driving sustainability initiatives at their companies. Published scholarship on sustainability highlights the multiplicity of visions of sustainability and sustainable futures. The diversity of actions taken under the banner of these distinct visions can be a significant source of friction and inertia. Our view is that articulating the value of a range of perspectives on this topic will lead to generative engagement with the drivers of unsustainability, the resources and expertise available to us at member companies, and the range of stakeholders required to drive an integrated strategy forward.

Our interviewees sometimes grounded their approaches to social sustainability in guiding principles, ideals and foundational values, such as environmental justice, equity, and inclusive growth. These principles form the backbone of key emerging regulatory and policy frameworks, such as the central imperative of mapping “Just Transitions” within the Paris Climate Agreement, and the US EPA’s Environmental Justice Screening and Mapping Tool.

Strategic engagement with the needs and skills of stakeholders - both within and beyond company boundaries - was a central concern for the majority of interview participants. Companies are seeking input and feedback from a widening spheres of institutional, governmental, and non-governmental stakeholders as well as various configurations of relevant publics. Many participants articulated the need to build and strengthen partnerships, embedding human rights frameworks and the livelihoods of workers in supply chains, or within the work of sustainability at

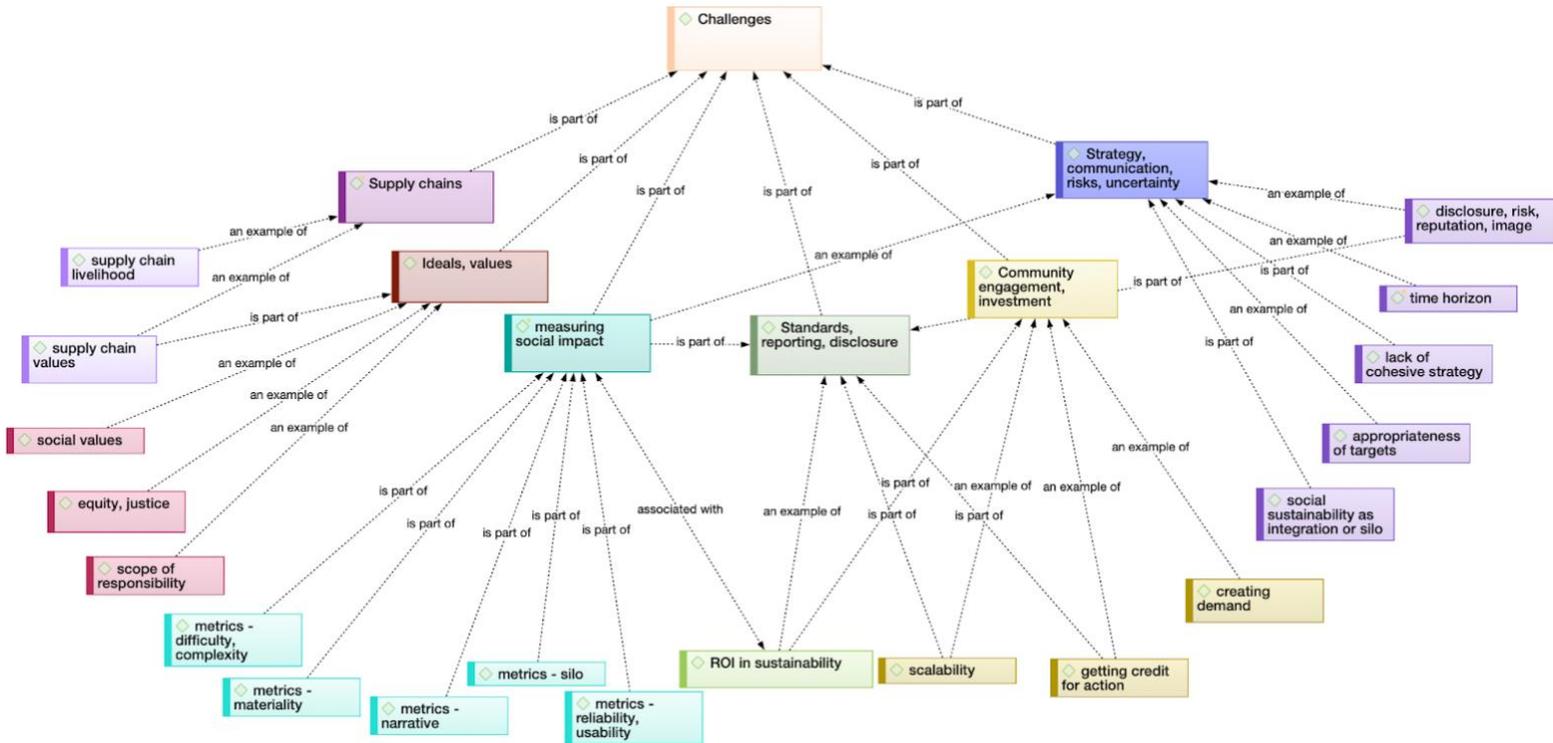
the organizational level. Some participants were focused on data-driven evaluations, standards, reporting and disclosure as a means of delivering accountability and responsiveness to a widening and more demanding sphere of stakeholders. Many interviewees emphasized the importance of concerted work to develop proactive strategy incorporating principles of sustainability in operations, R&D, and outreach. In the area of metrics, this involves recognizing the distinction between outcomes and impacts in the structure of existing programs and design of new ones. Increasing emphasis is being placed on incorporating qualitative impact narratives and non-monetary measures of impact in communities.

In terms of the social dimensions, I think the link between the environmental and the social is becoming clearer than ever. But I think it's a space that probably is not fully understood in the way that it might need to be going forward. But there's more there, we can see it start to come up more and more now. (VP)

There are some broad commitments that we want to make from an ESG perspective to show how we recognize all of these things coming together. Corporate Citizenship, diversity, equity and inclusion, sustainability, and workforce development. All of these things that were previously more siloed. We want to show from a commitment standpoint that we see them coming together. (Director)

Can we develop a framework that's more comprehensive than what exists out there - companies soon have to do due diligence on both human rights and environmental impacts - how can we get companies to be comfortable with it? What's practical to measure for companies? At which scale - national? Industry? (Director)

Challenges



We asked participants to reflect on the challenges they face implementing social sustainability within their role. Many grounded their view of challenges in common principles and values such as responsibility, equity and justice. Partnerships, engagement, collaboration, and feedback from stakeholders formed other central challenges, both within supply chains and external to operations. Within companies' customer base, participants were focused on creating demand and designing incentives to change behavior. The bulk of stakeholder concerns implementing social sustainability transcends the traditional scope of operations or sales. Challenges such as 'appropriateness of technology', 'supply chain livelihood' and 'reputational risk' reflect current trends in the expectations placed on companies to be responsive to the complex needs of communities and publics in the face of accelerating environmental and social crises. Crafting internal strategy poses its own set of organizational challenges. Many participants were weighing whether to pursue environmental justice or social sustainability via integrated strategy or as standalone initiatives. Several participants reflected on the unique challenge of unsustainability as requiring a proactive approach to problem anticipation. Proactive approaches posed their own challenges to justification - sometimes opening new ways of leveraging familiar business rationalities - such as risk, uncertainty, discounting, and ROI.

Measuring social impact presented myriad challenges, at all stages of the metrification process: selection and design, categories and quantification, and use of both new and established frameworks. Some participants looked forward to further harmonization across classification schemes, to improvement in the integration of environmental and social frameworks, and robustness checks on frameworks from external accountability mechanisms. Others pointed to fundamental flaws in the uses these systems are put towards. These flaws include: the 'appropriateness of targets', the data burdens of the reporting process, and the inappropriate transfer of environmental classification schemes into the more complex and context-specific social domain. There were many perspectives articulating an overreliance on metrics, the metrification of reputational risk, and a subsequent diversion of resources towards outcomes over impact. Some interviewees attributed their concerns to the challenges they face internally, having to translate measurable social impact into often quantified 'ROI in sustainability'. Multiple participants highlighted emergent challenges with the use of metrics, asking for MIT to chart an analysis of the dynamics driving systems of metrification and reporting, and to chart a course towards a system focused on usability and impact. Several participants lamented the distance between the outcomes of data collection and the creation of impactful solutions. The complexity posed by multiple interrelated dimensions of environmental and social sustainability can itself be a deterrent to action. One participant, a Senior Global Director of Sustainability, pointed to increasingly one-dimensional scrutiny on material savings alone as a structural deterrent to crafting programs under the banner of sustainability.

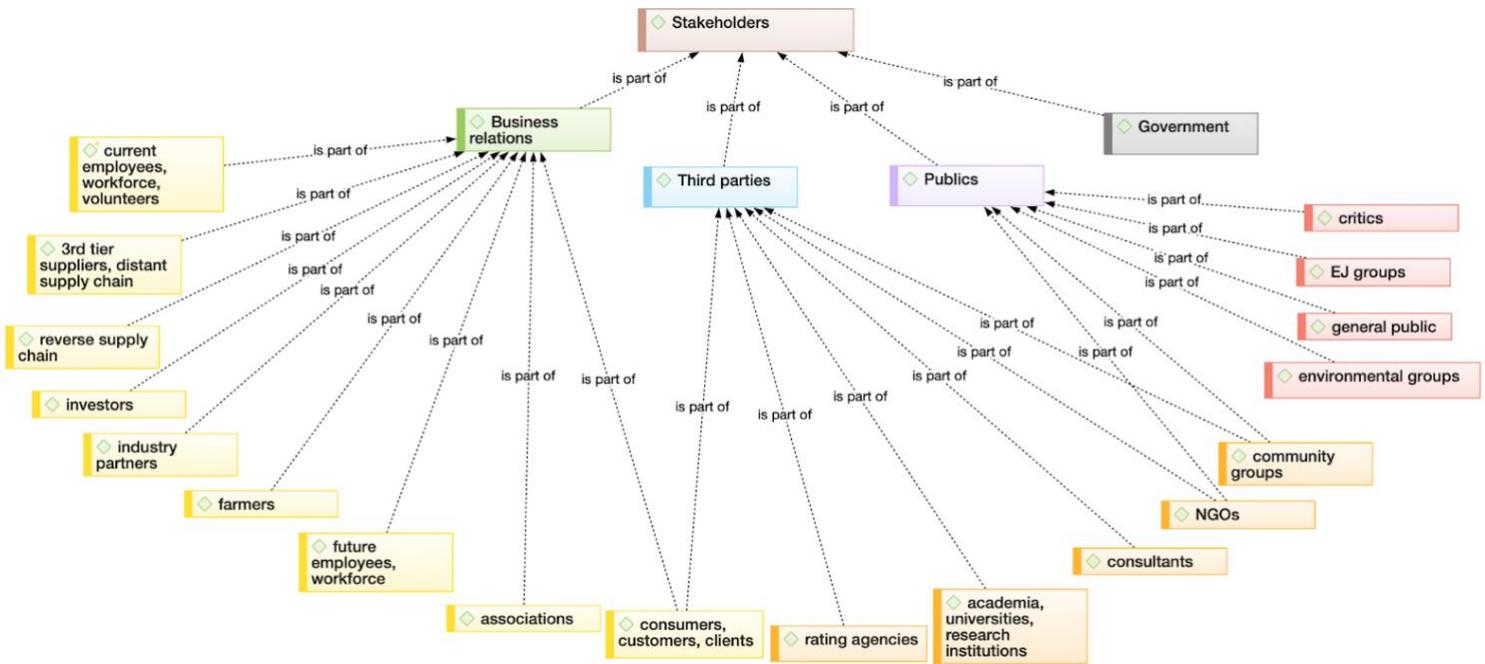
We throw down the word 'impact' a lot but we don't achieve impact. Most of our metrics in this space are outcomes-based metrics with a misnomer of impact. (Enterprise Strategy Lead)

People will start with the 'how', 'how can we measure something', instead of thinking first about why. (Head of Sustainability)

*Data collection is not a mechanism of solution identification. (Senior Director)
ESG ratings and rankings are very difficult, they default to things that are easier to count. So instead of a theory of change, we get a list of things that are quantifiable. (VP, ESG)
Designing a system to the measurement of certain things doesn't fix the system. (Director)*

*Too much focus on reporting and accounting detracts from actual work. (VP)
Every dollar we spend on reporting is a dollar we don't spend on doing - it's a direct relationship. (Managing Director)*

Stakeholders



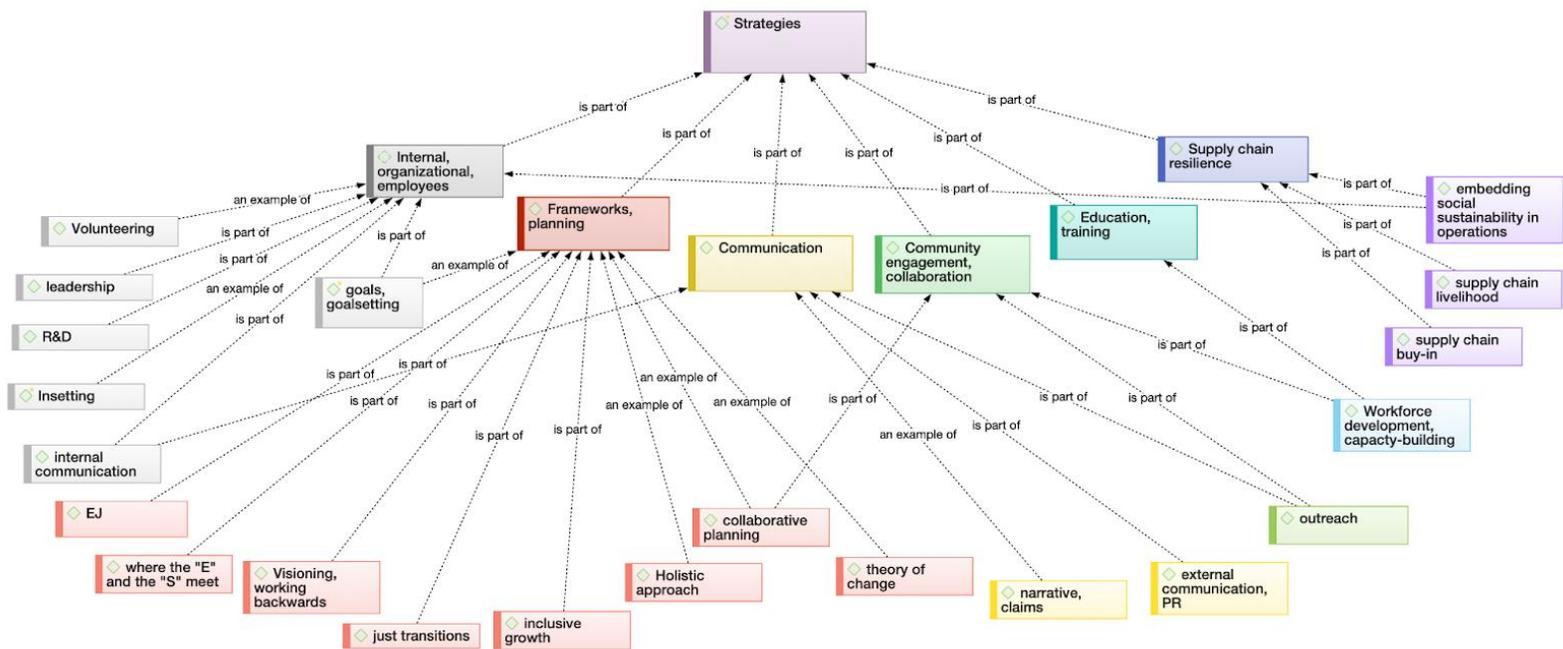
Participants highlighted an environment of ever-widening spheres of accountability, engagement, and responsibility. They identified a need to maintain a responsive relationship with the rapidly evolving social justice and environmental convictions of their current and future workforce. Many are working to chart collaborative labor and community relationships - not just within the structure of extractive supply chains, but also with the reverse supply chains required by emerging circular material flows. Several participants highlighted a shift in scale from KPI's centered on the individual to community-wide or resilience-grounded KPIs as a potential solution to the pitfalls and burdens of metrification. Several participants enumerated tools and data sources they use to gather the views of various publics and other stakeholder groups in crafting their approach.

We have so many metrics that - what do we stand for? So we went back and started narrowing the metrics ... to the number of people within communities that are benefitting from the climate resiliency work we are doing. (President)

Historically our community impact work has been focused on marginalized and underserved communities with a narrow focus on jobs and starting businesses. Now we're adding on bits that are more interesting - a focus on people and their future, the viability of their communities. (Director)

The more traditional sustainability focused clients, those who are just starting, are focused on sustaining their business, their position in the market. Clients who resonate more with equity, wellbeing, biodiversity, are more advanced in their journey are moving a step beyond - towards regeneration. (Director)

Strategy



Many participants spoke of their work in the context of an organizational strategy. Some explicitly contrasted this work with legacy models of environmentalism focused on individual action or behavior change (e.g. promoting “15 minute showers” or reusable bags). Cited challenges to internal organizational change included: siloization, distance between core business operations and the functions of reporting, communications, and R&D, and performance indicators designed for constrained optimization of narrow targets. Internal strategy for pursuing social sustainability leverages strategic communication, goal-setting, and embedding to galvanize support, mobilize co-workers, materially refocus the approaches of teams, and catalyze a shift in the values of the organization. Many participants stressed the importance of leveraging core capabilities to bear on the problems of unsustainability; these leaders have developed strategies for employee engagement and providing structural support for social impact work within the company including volunteer programs. External strategy focuses on building relationships with communities and forging strategic partnerships with outside-of-sector businesses as well as external stakeholders. Emerging areas of collaboration include partnerships with NGOs critical of corporate operations, and next-generation community collaborative strategies that engage with the history, context, and drivers of vulnerability, dispossession, and environmental racism. Participants focused on organizational change for sustainability identified a distinction between reactive and proactive responsiveness to sustainability challenges.

We’re currently focusing on what stakeholder groups are expecting of us. That is how we react and provide information to do the work. That kind of external reactive approach is challenging to deal with and doesn’t lend itself to integration. (Enterprise Strategy Lead)

Implementation in the frame of compliance is the absolute bare minimum, and is antithetical to visioning from an end-state approach, such as a just transitions framework. (Labor and Human Rights Manager)

How can we focus on driving towards a positive end-state, versus risk-mitigation? (Director)

We want to tighten the alignment between employee outreach initiatives and core business operations. (VP ESG)

I haven't quite figured out what the boulder is that we keep hitting our heads on - it's reactive as opposed to proactive. We're in a place of reaction trying to fulfill compliance requirements. Our company is an old company, how can our actions come from the core of what we do as a company as opposed to an external requirement. (Enterprise Strategy Lead)

Case Study: Cargill

Farmer livelihoods and professionalization of local farmers as a key element to enhancing social sustainability.

Cargill, like most member companies of the MCSC, is highly dependent on its supply chain. As a result, the company strives to work collaboratively with primary producers across diverse geographies, from cocoa farmers in Ivory Coast to seaweed farmers in Chile, all in the service of establishing productive and accountable relationships with farmers. Cargill has found these collaborations most effective when they are driven by partnerships with farmer-serving organizations – local NGOs and cooperatives depending on the location. The Cocoa Sustainability team's strategy is built on an identified overlap between the company's need to reduce scope three emissions while safeguarding farmer livelihoods (i.e., how to increase farmer living income and farm productivity) and human rights liabilities. As the cocoa crop requires small-holder farming, Cargill's philosophy is that data collection and solution-building ought to be channeled through a network of small-holder farmers. For example, in Côte d'Ivoire, so far, Cargill's Cocoa Sustainability Team has worked with 150 farmer cooperatives, of which 150,000 farmers are members. Cargill supports the governance and staffing structure within each cooperative. A cooperative-identified sustainability administrator, hired locally, works with farmer coaches in each cooperative. About 1,500 farmer coaches each conduct a farm diagnostic by going to a farm and talking with the farmers to fill out a survey and collect information digitally using a tablet. The information collected is jointly analyzed to generate plans that are based on the cooperative or individual needs, identifying emergent needs to support farmer livelihoods and professionalization. The team's vision is that the cooperatives should be training members themselves because there are inherent business benefits in training the professionals on the ground, building the farmer's capacity. The key is building this relationship and doing the co-design of an intervention and operation model that enables flexibility to account for specific differences in the needs of the farmers and simultaneously remains impactful and scalable.

Sources:

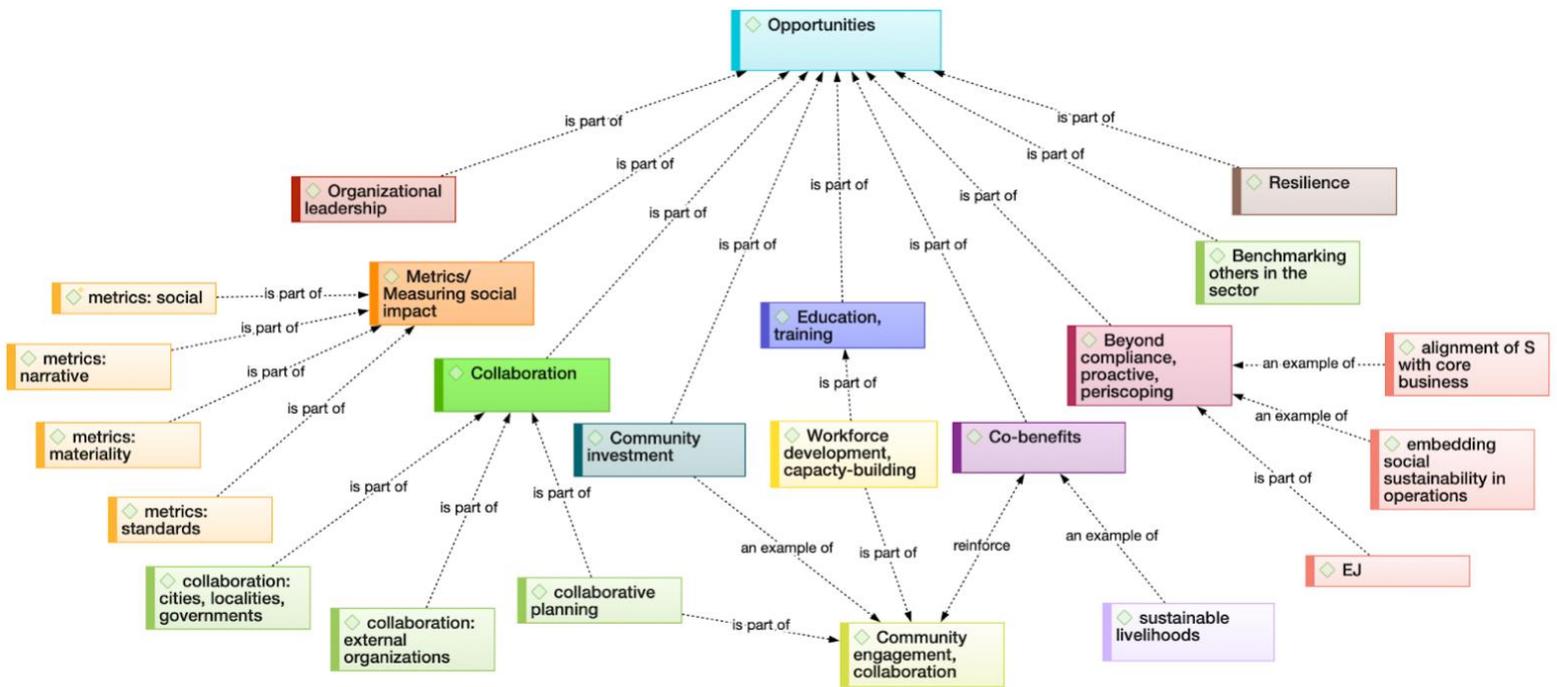
Interview, Farmer livelihood advisor (2023)

Interview, Farmer livelihoods lead, Sustainability Global Impact Team (2023)

<https://www.cargill.com/doc/1432076281104/ccp-making-a-living.pdf>

<https://scopeinsight.com/get-to-know-us-scopeinsight/farmer-professionalism/>

Opportunities



Participants looked to the MCSC to convene interactions around some of the key challenges and opportunities in developing a cross-sector sustainability strategy. Many stressed the importance of driving approaches to climate and resilience that would allow for the equitable and inclusive integration of stakeholder voices. Those working with community partners emphasized the co-benefits of collaborative engagement, including capacity building of their current and future workforce. Participants located in both leadership and reporting stressed the importance of proactive approaches to sustainability, responding to escalating demands for change in business practices from many areas of society. Others recognized the importance of developing easily accessible education and training materials on general principles of sustainability that could be shared within their employee base as well as supply chain collaborators and partners. They emphasized the professionalization and incentivization in the workforce as both a matter of capacity-building and an aid to more effective community engagement. Some participants anticipated the future beyond compliance, reporting, and existing standards, environmental justice rooted in all future operations, embedding social sustainability proactively at all corners of business operations.

The big trajectory has been trying to show ties to corporate strategy - not just volunteering, but why we do it, to build relationships at local level, with skills-based volunteering. This is tied to the company longer term - more tightly tied to our business value - and strategy at the system level (VP)

Capitalizing on the opportunities of climate change and the focus on climate change through workforce development is a wonderful opportunity. (President)

Specifically I think we've seen some regulations in Germany recently and in the US and that we are really trying to make sure that we're being proactive and out in front of being able to assure that we're compliant and our first and second and their suppliers all down the chain are compliant as well. (Global Director, Supply Chain)

I do feel like people get really siloed on sustainability. There are a lot of cross-functional links. (Director)

We are educating our team and leadership that everything is sustainability. How do we think about our responses to those instances that are more about resiliency and mitigation and not reaction. (Enterprise Strategy Lead)