The Social Impact Landscape for Business: Planning for 2026

From Polarisation to Performance - A Year for Trust, Resilience and Value Creation

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BUSINESS FIGHTS POVERTY

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Overarching Issues

Definition: *Business & Social Impact - Doing business in a way that meaningfully addresses societal needs, creates long-term value for business and society, and aligns with ethical or public-interest objectives.*

As businesses enter 2026, forward-thinking companies understand that social impact is no longer a peripheral concern or a reputational add-on. It is rapidly becoming a defining dimension of risk management, organisational resilience, and long-term competitiveness. Whether this is the disruptive impact of climate change on people across supply chains, or widening inequality driving economic instability. Yet the operating environment for impact professionals has rarely been more complex. Social impact professionals share that: The companies that lead in 2026 will not be those that retreat from complexity, but those that navigate it with clarity, courage, and discipline.

A central challenge for 2026 is how to effectively respond to the politicisation of social impact in some markets. Issues that were once widely understood as fundamentally beneficial, such as equal rights or protecting vulnerable communities, are now increasingly framed in some jurisdictions as ideological, divisive, or even legally risky. Human rights-related topics, including DEI and climate change, have become targets of heightened scrutiny. Practices that were previously considered responsible and mainstream are now more easily labelled "political" by some, creating fear of backlash, litigation, or reputational damage. In response, many companies have resorted to more cautious language or silence.

Another ongoing challenge across regions is the sharp reductions in public and development funding, alongside a shift in government priorities toward security and short-term national interests. In some countries, this has left gaps in areas

such as health, gender equality, and livelihoods that neither civil society nor the public sector can easily absorb.

And yet, there is reason for confidence. Across sectors, businesses continue to drive meaningful progress, often quietly, but consistently, through the actions of their people and the delivery of their core products, services, and operations. Business remains uniquely positioned to tackle societal challenges at scale, and many organisations are continuing to move forward internally despite external pressures, recognising the business case for doing so. Indeed, the Reuters Global Sustainability Report 2025 showed that corporate commitment appears to be strengthening, not retreating: 75% of C-suite leaders now rate sustainability as a top priority, up six points in just six months, and 64% of organisations remain committed to Net Zero with unchanged targets.

One of the keys to success in 2026 will be refining how social impact is communicated: grounding it in practical outcomes, shared benefits, and the real-world value it creates for employees, communities, customers, and investors alike. The way impact is framed now matters more than ever, particularly in a landscape shaped by fragmentation, misinformation, and persistent negative news cycles, forces that can erode trust, weaken focus, and undermine organisational coherence. (We have published a separate paper focused specifically on narrative and language that practitioners have found to work.)

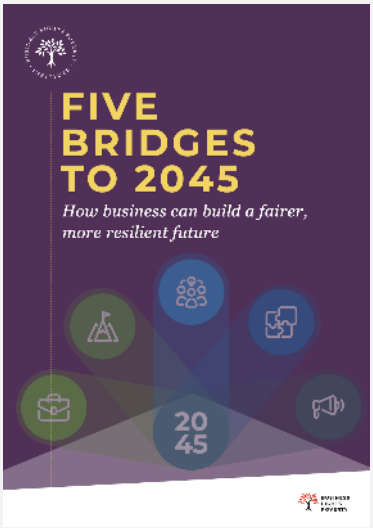
This paper draws on insights from social impact professionals across industries and spanning three continents, both one-on-one and collectively at special clinics held at Churchill College, University of Cambridge during our hybrid Global Equity Summit. Contributors consistently highlighted five key challenges they are facing in 2026 and, crucially, shared pragmatic pathways for responding to each one.

Our aim is to help impact practitioners navigate 2026 and beyond, at a time when social impact has become harder politically, but more necessary strategically.

5 Bridges to 2045:

The Business Fights Poverty Institute's recent report 'Five Bridges to 2045' set out a long-term vision for how companies can build a fairer, more resilient future by harnessing their core operations and strategic functions. It provides a North Star for practical, systems-level leadership that responds to today's intersecting crises and opportunities.

Building on the Five Bridges to 2045, this paper offers practical advice for the year ahead. Its aim is not merely to diagnose what has made social impact harder politically, but to empower professionals with concrete pathways to keep moving forward, embedding impact into business strategy, breaking internal and external silos, strengthening leadership and workforce alignment, amplifying the voices of those closest to social and environmental issues, and fostering disciplined collaboration.



Action Planning: Summary

The practitioners' concern	A Bridge to Span	Advice for 2026
'How will we talk about our work if words like 'climate' and 'women' are off limits?'	Depoliticise social impact by framing it as a business imperative, central to risk management, organisational resilience, and long-term competitiveness. Communicate its value through practical outcomes, shared benefits, and the real-world impact it creates for employees, communities, customers, and investors.	
'How can the private sector step up to build resilient supply chains?'	Connecting Social Impact and Core Business Functions	• **Hardwire Impact into How the Business Runs:** Embed social impact into core governance, operations, and incentives (not as a side initiative). • **Link Impact to Core Business Priorities:** Explicitly connect impact goals to growth, risk management, and talent retention to ensure they remain protected under pressure. • **Prove and Communicate the Business Upside:** Keep demonstrating how improving the supply chain impacts creates measurable value for both business and society.
'Understand that the root drivers of most of the environmental challenges we face are social problems (poverty, inequality)'	Breaking the Silos Between Environmental and Social Issues	• **Integrate Workstreams Early**: Align environmental and social teams from the start so strategies are designed as one joined-up resilience approach. • **Design for Societal Impact**: Embed livelihoods, inclusion, education, and caregiver resilience into climate and nature programmes to make outcomes durable. • **Strengthen Supply Chain Resilience**: Map how climate and nature loss will affect sourcing regions (near- and long-term) and act on the biggest combined social & environmental risks.
'[There is an opportunity for] greater transparency in development objectives.'	Evolving Governance and Incentives - Focusing on Leadership, Management and the Workforce	• **Radical Transparency & Credibility**: Lead openly and strengthen trust by improving measurement and evaluation of real outcomes. • **Burnout Prevention**: Build peer support and protect time for learning, recovery, and recharge. • **AI-Ready Workforce**: Develop strong governance structures during times of rapidly changing technology. Plan for AI to boost team efficiency while protecting and growing entry-level roles.

'Pay more attention to lived experiences rather than only formal reports.'	Connecting Decision Makers with Those Closest to the Issues	• **Partner with People Closest to the Issue**: Strengthen risk identification, programme relevance, and long-term sustainability by actively partnering with frontline voices and embedding lived experience into decision-making. • **Protect Time and Budget for Local Leadership**: Ringfence time and resources to ensure communities, workers, women, youth, and indigenous peoples are meaningfully involved in shaping priorities and solutions. • **Shift to Impact-Oriented Finance**: Apply impact-oriented finance strategies linked to your core balance sheet to reduce reliance on grants and protect delivery from funding cuts.
'[There is a] shift towards finance and returnable capital with an impact mandate.' *'Partnerships are increasingly aligned with overall corporate goals (and less philanthropic)'*	Strengthening Cross-Sector Collaboration	• **Collaborate Pre-Competitively, Not Casually**: Build fewer, deeper cross-sector partnerships aligned with your core strategy and designed to deliver results at scale. • **Create Shared Measures of Success**: Agree on common metrics, governance, and data-sharing from the start so every partner is accountable for outcomes, not just activity. • **Blend Finance to Unlock System Change**: Move beyond fragmented philanthropy by combining grants, returnable capital, and innovative finance to fund resilience and long-term impact.

Bridge 1: Connecting Social Impact and Core Business Functions

One of the most persistent challenges for businesses is embedding social impact into core decision-making rather than treating it as an adjunct to brand, compliance, or philanthropy. Even advanced organisations struggle with fragmented ownership across HR, procurement, risk, sustainability, and marketing, leaving impact vulnerable to budget cuts, leadership turnover, and short-term pressures. This challenge becomes even more acute when procurement, finance, and operational budget-holders are not sufficiently involved in shaping impact priorities from the outset.

This challenge is structural, not rhetorical. Short-term financial cycles, quarterly targets, and constant reorganisation crowd out long-term investments in people, communities, and systems. As a result, many impact initiatives remain superficial, isolated, or easily deprioritised. Funding structures and partner expectations can deepen this fragmentation by forcing interconnected challenges into separate categories, making genuinely joined-up action harder to deliver.

Yet 2026 also presents a clear opportunity: purpose is moving from the periphery to the core of business strategy. Leading companies are hardwiring social impact into governance, incentives, and operating models, treating it as a management system rather than a narrative exercise. When purpose is embedded in decision-making, it aligns with growth, risk management, talent retention, and supply chain resilience. At the same time, a stronger business-case approach must be handled carefully: while it can increase traction and durability, it can also narrow focus toward issues that are easiest to quantify commercially, leaving less visible but equally important priorities under-emphasised.

Supply chains illustrate this shift most clearly. Once viewed primarily as cost centres, they are now recognised as the front line of trust, risk, and impact. As businesses “peel back the onion”, they uncover complex human rights, labour, and environmental realities that cannot be addressed through audits alone. The growing focus on addressing Scope 3 emissions in supply chains to meet net zero

targets is also prompting action. According to the recent Reuters Sustainability Report 2025, 25% of organisations now prioritise supplier incentivisation. Companies that invest in transparency, supplier capability, and long-term relationships will be better positioned to manage disruption, meet regulatory expectations, and maintain legitimacy. In practice, this increasingly means linking issues such as wages and gender equity to commercial performance, improving purchasing practices, looking beyond tier-one suppliers, and maintaining supplier relationships during disruption rather than simply shifting sourcing elsewhere.

Practitioners increasingly describe language itself as a strategic tool. In some markets, terms such as ESG, DEI, or even SDGs now trigger resistance, while the underlying objectives, protecting people, strengthening supply chains, and retaining talent, remain essential. Successful teams are adapting their framing without abandoning intent, translating social impact into business-native language around risk protection, resilience, and long-term value (to learn more, join our "Together for 2026" Community Forum). At the same time, a growing gap is emerging between what organisations continue to do and what they feel able to say publicly, with more neutral language sometimes preserving progress while also softening explicit commitments to equity and justice.

In a volatile world, long-term thinking is no longer idealistic; it is pragmatic leadership.

Advice:

- **Hardwire Impact into How the Business Runs:** Embed social impact into core governance, operations, and incentives (not as a side initiative).
- **Link Impact to Core Business Priorities:** Explicitly connect impact goals to growth, risk management, and talent retention so they stay protected under pressure.
- **Prove and Communicate the Business Upside:** Keep demonstrating how improving the supply chain impacts creates measurable value for both business performance and society. Ensure procurement, finance, and operational leaders are involved early so that impact is owned across the business, not only by specialist teams.

Bridge 2: Breaking the Silos Between Environmental and Social Issues

A defining shift for 2026 is the growing recognition that environmental and social challenges are inseparable. Climate change, biodiversity loss, and nature degradation exacerbate long-standing social issues, such as poverty, inequality, fragile livelihoods, and lack of opportunity.

NGOs and businesses alike emphasise that environmental risk and social risk must be addressed together. Without addressing livelihoods, inclusion, education, and caregiver resilience, climate and nature strategies will fail to deliver durable outcomes. For business, this reframing is critical: social instability in sourcing regions directly translates into operational, reputational, and financial risks. These risks are often unevenly distributed, with women workers, low-income communities, and financially excluded populations frequently experiencing climate and environmental pressures most acutely.

At the same time, parts of ESG silos are working together. Fragmented climate, nature, and social programmes are giving way to integrated resilience strategies that reflect how risks actually materialise on the ground. Companies that design joined-up approaches, linking mitigation, adaptation, biodiversity, and livelihoods, gain efficiency, credibility, and regulatory readiness. Yet one of the biggest barriers remains execution: separate budget lines, reporting structures, and institutional incentives still too often reward siloed delivery even when the risks themselves are deeply interconnected.

Nature itself is being revalued. Rather than a cost to manage, nature is increasingly seen as a strategic economic asset. Nature-based solutions, sustainable agriculture, and landscape-level approaches can deliver climate resilience, productivity gains, and social benefits simultaneously. Businesses that embed nature into core strategy, not just offsetting, are strengthening supply security and unlocking new financing and partnership models.

In 2026, the climate transition is no longer about ambition alone. It is about execution, adaptation, and integration, delivering outcomes that work for people, nature, and markets under real-world constraints. This is equally true of the

energy transition, where poorly managed community impacts can generate resistance, delay projects, and weaken both legitimacy and investor confidence.

Advice:

- **Integrate Workstreams Early**: Align environmental and social teams from the start so strategies are designed as one joined-up resilience approach.
- **Design for Societal Impact**: Embed livelihoods, inclusion, education, and caregiver resilience into climate and nature programmes to make outcomes durable.
- **Strengthen Supply Chain Resilience**: Map how climate and nature loss will affect sourcing regions (near and long term) and act on the biggest combined social & environmental risks. Review whether budgets, incentives, and reporting structures still force environmental and social teams to work separately, even where the underlying risks are shared.

Bridge 3: Evolving Governance and Incentives - Focusing on Leadership, Management, and the Workforce

Social impact professionals are converging on three critical action priorities: transparency, human capacity, and AI; that, if neglected, will create long-term risks for both business and society. Each is putting governance and incentives to the test, raising urgent questions about how to secure strong, positive outcomes.

Measurement and truth-telling are becoming core leadership capabilities. In an era defined by misinformation, heightened scrutiny, and declining trust, credibility depends on asking better questions, incentivising the right behaviour, measuring real outcomes, and confronting uncomfortable realities. Transparency is no longer optional; it is a strategic asset. At the same time, measurement systems must not become so dominant that they crowd out the slower work of building trust, strengthening networks, supporting worker voice, and investing in the relationships that make systemic change possible.

Human capacity is another fault line. Burnout, isolation, and eroding trust are emerging as organisational risks for social impact teams, not just wellbeing concerns. Without the right support in place for social impact professionals, sustained political pressure, funding constraints, and slow progress are exhausting practitioners and weakening honest dialogue. Disengaged teams make poorer decisions, avoid innovation, and struggle to collaborate across functions and partners. Peer support is much needed at this time. These pressures are often intensified by leadership turnover, restructuring, job losses, and the erosion of institutional memory, all of which weaken long-term organisational capability.

Rapid technological change is accelerating the exhaustion of many social impact teams, as the technology reshapes the social contract between business, workers, and society. AI in the long term may help people do more, but it is already disrupting jobs, redefining future skills, and raising urgent ethical questions

about equity and access. Institutions, education systems, and governance frameworks are struggling to keep pace.

For business going forward and particularly for social impact teams, this creates a leadership challenge: technology is advancing faster than social preparedness. Without strong intentional governance, AI could become a force multiplier for exclusion, youth unemployment, and environmental breakdown, rather than a driver of shared value. Governance is also important during these times of rapid change to ensure ethical decision-making is built into new ways of working. Youth unemployment, in particular, is becoming a systemic business risk: if left unchecked, companies will face shrinking talent pipelines and a weakened consumer base. AI may offer particular value in targeted applications such as translation, communications, and disaster-risk response, but it is not a universal solution, especially where multilingual access, governance gaps, and risks to entry-level employment remain unresolved.

This is not to underestimate the immense opportunities that emerging digital tools offer social impact teams. AI, platforms, and hybrid technologies can enable more efficient impact delivery, stronger transparency, and direct engagement with suppliers and communities, even in low-resource environments. The differentiator will be ethical and inclusive deployment, with clear guardrails around workforce impacts and equitable access. The opportunity is to reframe human capital: investing in skills, adaptability, and youth agency as drivers of long-term competitiveness, not as peripheral CSR. In many cases, progress depends less on mobilising the whole organisation at once and more on identifying the right internal champions, decision-makers, and budget owners who can unlock change where it matters most.

Advice:

- **Radical Transparency & Credibility:** Lead openly and strengthen trust by improving measurement and evaluation of real outcomes.
- **Burnout Prevention:** Build peer support and protect time for learning, recovery, and recharge.
- **AI-Ready Workforce:** Develop strong governance structures during times of rapidly changing technology. Plan for AI to boost team efficiency while protecting and growing entry-level roles. Balance formal measurement with continued investment in trust, voice, relationships, and institutional memory.

Bridge 4: Connecting Decision-Makers with Those Closest to the Issues

A powerful shift underway is the movement toward localisation and a deeper connection with lived experience. Businesses and NGOs alike recognise that top-down strategies often fail because they are disconnected from local realities and frontline insights. Authentic, lasting positive change requires a deep understanding of the nuanced challenges involved.

In 2026, there is growing recognition that businesses need to listen to and partner with people on the frontline: farmers, workers, communities, women, youth, and indigenous peoples whose voices have historically been marginalised. Embedding local perspectives improves risk identification, programme relevance, and long-term sustainability. It also aligns with growing regulatory and stakeholder expectations around human rights and inclusive development. Those closest to the issues are not only sources of insight but often the holders of practical solutions, while one of the central barriers remains the weak connection between these actors and those controlling capital, procurement, and strategic decision-making.

Recognising that this shift is taking place amid severe funding constraints, it is essential to protect time and budgets to ensure that people with lived experience and those closest to the issues are central to decision-making. Only those most proximate to the challenges can determine whether long-term social impact is truly being achieved. This requires more than consultation alone. It may require redesigning decision-making processes so that local intelligence shapes investment, purchasing, product, and partnership choices earlier and more meaningfully.

Advice:

- **Partner with People Closest to the Issue**: Strengthen risk identification, programme relevance, and long-term sustainability by actively partnering with frontline voices and embedding lived experience into decision-making.

- **Protect Time and Budget for Local Leadership**: Ringfence time and resources to ensure communities, workers, women, youth, and indigenous peoples are meaningfully involved in shaping priorities and solutions.
- **Shift to Impact-Oriented Finance**: Apply impact-oriented finance strategies linked to your core balance sheet to reduce reliance on grants and protect delivery from funding cuts. Treat frontline actors as co-designers and solution-holders, not only as consultees.

Bridge 5: Strengthening Cross-Sector Collaboration

Complex, systemic challenges cannot be solved by individual organisations acting alone. This is no longer a theoretical insight; it is an operational necessity. While partnering and collaboration have long been promoted as answers, the social impact professionals who contributed to this paper offer practical guidance on how to ensure these approaches deliver real results.

Businesses increasingly recognise that pre-competitive, cross-sector collaboration can reduce risk, unlock scale, and accelerate innovation. Whether a partnership focuses on youth employment, climate adaptation, or women's economic development, shared infrastructure, common metrics, and blended finance enable change at the systems level.

At the same time, collaboration is becoming more disciplined. Scarcity of funding and rising complexity are driving a shift away from many shallow partnerships toward fewer, deeper collaborations aligned with core business strategy.

Yet the space for experimentation and ambition is narrowing. Cuts to aid, tighter corporate budgets, and shifting donor priorities are raising expectations that business will help fill gaps left by retreating public institutions, while still justifying every investment internally.

This tension is reshaping finance. Traditional grants are increasingly complemented or replaced by innovative, impact-oriented mechanisms such as blended finance, adaptation products, parametric insurance, and returnable capital. While these approaches are growing, far more is needed. As aid contracts, the private sector has the potential to become a backbone of resilience in many regions. Even so, private capital, blended finance, and local actors cannot be

expected to substitute straightforwardly for the role public development funding has historically played, and any transition will require realism about what these mechanisms can and cannot do.

This new landscape also creates both pressure and opportunity for corporate foundations. They can evolve from complementary grantmakers into systemic actors in development finance. By collaborating more effectively, including with donors and development banks, embracing systems change, aligning with corporate competencies, and devolving power locally, foundations can turn their unique position at the intersection of business and development into a force for closing and reshaping the global financing gap. In parallel, many companies are moving beyond fragmented philanthropy toward shared-value models that integrate community impact, employee engagement, customer trust, and advocacy (see also Adapting to the Changing Aid Landscape).

For business, the implication is clear: social impact can no longer depend on peripheral funding or goodwill. It must be embedded in core financial, risk, and investment decisions, connecting boardrooms with realities on the ground. In practice, however, collaboration is often constrained not only by strategy or intent, but by procurement cycles, payment terms, contracting complexity, and limited working capital among social enterprises and local delivery partners.

The organisations that succeed will be those that invest in partnership architecture: clear governance, trust, data-sharing, and aligned incentives, while navigating political sensitivities and regulatory constraints. Collaboration is no longer about goodwill; it is about execution at scale.

Advice:

- **Collaborate Pre-Competitively, Not Casually**: Build fewer, deeper cross-sector partnerships aligned with your core strategy and designed to deliver results at scale.
- **Create Shared Measures of Success**: Agree on common metrics, governance, and data sharing from the start so that every partner is accountable for outcomes, not just activity.
- **Blend Finance to Unlock System Change**: Move beyond fragmented philanthropy by combining grants, returnable capital, and innovative finance to fund resilience and long-term impact. Address procurement, payment, and working-capital barriers if collaboration with local enterprises and frontline partners is to function effectively in practice.

WHAT SOCIAL IMPACT LANGUAGE IS WORKING?

In several countries, the case for "shared value," the idea that businesses and society benefit together when companies integrate social impact into their core strategy, has become harder to communicate. This is not because social impact is less important, but because the language around it has become politicised and, in some contexts, misunderstood. As a result, credible work can be questioned or dismissed before its value is recognised.

To help social impact professionals navigate this ever-changing language, we explored what is working best at this time. Their responses highlight how effective communication is increasingly about building trust, reducing friction, and making impact legible to business decision-makers. Across sectors, the strongest approaches prioritise clarity, credibility, and real-world relevance, helping leaders and teams see social impact as essential to performance, resilience, and long-term competitiveness. Language adaptation may be strategically necessary, but it must be handled with care so that commitments to equity, justice, and rights are not diluted to the point of losing substance.

Five actions consistently emerged as most effective.

- **Simplify messaging and strengthen credibility:** Use plain language, remove acronyms, and be transparent about what is working and what is still being learned.
- **Speak impact like a business**: Anchor narratives in measurable outcomes such as risk mitigation, workforce readiness, and operational stability.
- **Move from polarisation to performance:** Avoid politicised labels and communicate evidence-based, practical benefits like health, jobs, trust, and stability.
- **Centre on real people and real examples**: Use human stories, local language, and realistic milestones to make impact tangible and memorable.
- **Make people and planet one story**: Link livelihoods and wellbeing with environmental outcomes to create common ground and shared responsibility.

Conclusion:
From Risk to Renewal

The social impact agenda for 2026 sits at a crossroads. Political polarisation, global instability, and funding constraints are raising the barriers to action. Yet the strategic importance of social impact has never been clearer. 2026 is an opportunity to get the internal mechanics of business-driven social impact in order. It's a year to sharpen measurement and data, communicate social impact in business-relevant terms and find ways for AI to work for social impact objectives, whilst also ensuring that governance and finance models are working their hardest for maximum impact. In 2026, embed impact more deeply across supply chains, and ensure that everyone involved, from practitioners to those closest to the challenges, is valued, supported, and cared for. It is also a moment to preserve nuance: resisting overly simplified business cases, avoiding unrealistic assumptions about financial substitution, and recognising that execution depends as much on trust, relationships, and decision-making power as it does on strategy and metrics.

Across businesses and NGOs, a consistent message emerges: integration beats fragmentation; long-term thinking beats short-termism; outcomes beat ideology; and collaboration beats isolation.

Social impact must continue to evolve from a moral aspiration into a core capability, shaping resilience, legitimacy, and long-term value creation.

In a polarised world, the future belongs to businesses that can connect purpose with performance and prove it. The companies that lead in 2026 will not be those that retreat from complexity, but those that navigate it with clarity, courage, and discipline.

The Business Fights Poverty Institute aims to advance knowledge and foster peer learning to ignite business innovation and drive actionable, cross-sector collaboration for a more equitable and resilient world.

Launched at the Business Fights Poverty Global Equity Summit on 7 March 2024 at Murray Edwards College, University of Cambridge, the Institute is the culmination of nearly 20 years of Business Fights Poverty's community-driven approach to peer learning and collaboration. Through the Institute, we create cutting-edge thought leadership reports and toolkits that drive forward thinking and, importantly, bridge the gap between academic research and business action.

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