



End poverty in all its forms everywhere



The role of business

Despite progress under the MDGs, approximately 17% of the world's population – more than 1 billion people – still lives at or below \$1.25 per day. Over the past decade, markets in developing countries have expanded dramatically, and the volume of funds flowing from the private sector to these countries now dwarfs that of foreign aid, making the private sector one of the most significant influencers of global poverty.

Certain groups are disproportionately represented among the poor, and face additional constraints – such as limited access to productive resources and markets – in escaping poverty. These include women, persons with disabilities, children, and indigenous peoples.

Businesses should ensure that they meet their responsibility to respect human rights, including the rights of these groups. Businesses also have the opportunity to proactively take measures to address constraints faced by these groups, such as through inclusive business models, innovative products and/or services that better meet the needs of such groups, and by leveraging the unique perspectives of these groups as consumers, employees, suppliers and distributors in the value-chain, and community-members.

Beyond income, business can influence other dimensions of poverty, such as limited opportunities and capabilities. These inter-linked dimensions include food/nutrition insecurity, lack of access to basic, quality services such as health care, education and sanitation, and low empowerment and personal security. Several of these dimensions, especially for the poor, are closely related to the environment – for example health is directly affected by declining environmental quality in ways that the poor may find harder to address individually. These multiple dimensions of poverty – when suitably measured – convey a more complete picture than provided by the income indicator alone. Business' role in poverty eradication also should address framework conditions of poverty, for example, by engaging in policy dialogue for the provision of basic goods and services where they operate.

Key business themes addressed by this SDG

- Availability of products and services for those on low incomes
- Earning, wages and benefits
- Economic development in areas of high priority
- Access to quality essential health care services
- Access to WASH
- Electricity availability and reliability
- Non-discrimination

Examples of key business actions and solutions

The below examples are non-exhaustive and some may be more relevant to certain industries than to others.

- Develop products and services tailored for poor customers (e.g. mobile based money transfer services for unbanked consumers).
- Improve access to basic goods and services for people living in poverty (e.g. through core business, policy dialogue, social investment).
- Recruit, train and employ local community members, including those living in poverty, and integrate them in your value chain (as producers, suppliers, distributors, vendors).
- Invest in business-driven poverty eradication activities (e.g. develop living wage policy).
- Partner with civil society networks to provide education and entrepreneurial skills training.



Examples of key business indicators

- UN Global Compact-Oxfam Poverty Footprint, PF-1.2: Average wage of workers (disaggregate data by gender, type of contract, e.g., permanent, contractual or piece-rate, and report difference between low and high season for temporary workers)
- UN Global Compact-Oxfam Poverty Footprint, PF-1.12: Do major employers along the value chain and the wider company system negotiate wage and benefits standards through collective agreement?
- GRI G4 Sustainability Reporting Guidelines, G4-EC8: Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics
- GRI G4 Sustainability Reporting Guidelines, GRI G4-DMA-b, Guidance for Procurement Practices: Describe policies and practices used to promote economic inclusion when selecting suppliers
- Access to Medicine Index, D.III.2: Does the company take into consideration needs-based affordability when making pricing decisions for relevant products targeted at the poorest population segments in relevant countries?

The complete overview of business indicators can be found at www.sdgcompass.org

Examples of key business tools

- UN Global Compact-Oxfam Poverty Footprint Tool
- UN Guiding Principles of Business and Human Rights Reporting Framework
- Women's Empowerment Principles
- Inclusive business primer

The complete overview of business tools can be found at www.sdgcompass.org

The SDG targets

- 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
- 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
- 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programs and policies to end poverty in all its dimensions
- 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

