BLUEPRINT FOR BUSINESS LEADERSHIP ON THE SDGS

1. NO POVERTY
How business leadership can advance Goal 1 on No Poverty

Poverty is a violation of human dignity, and an obstacle to the realization of all other rights. Despite progress in recent years, the number of people living in extreme poverty globally remains unacceptably high. 2.2 billion people live on less than $2 (purchasing power parity) a day. Half of these individuals live in least developed countries in Sub-Saharan Africa. Relative poverty, which considers an individual or household’s position relative to others in the society, is also a serious problem that affects both developed and developing countries. The effects of poverty are exacerbated by other forms of discrimination, including for women and persons with disabilities. Poverty eradication is central to the Global Goals, and achievement of all Goals is closely tied to the achievement of Goal 1. Poverty impedes the full participation of people in society and the economy. A society free from poverty is more peaceful, stable, innovative, and equal.

Vitally, all business has a responsibility to prevent and address human and labour rights violations, and it should identify and avoid practices that perpetuate poverty traps. Business should respect fundamental human and labour rights; adopt responsible taxation practices; and ensure that end-to-end operations do not exacerbate poverty in any way. This includes providing decent work (work that is productive and delivers a living wage); security in the workplace; social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize, and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men. Business should also adopt responsible taxation practices and should robustly assess whether its activities carry the risk of contributing to poverty, directly or indirectly. Useful tools for assessing such impacts include the UN Global Compact’s Poverty Footprint Tool. All companies are linked to global poverty, particularly through their supply chains, and have a responsibility to work towards eliminating negative impacts to the Goal.

Companies can engage in poverty-alleviation in many ways, providing ample opportunities for leadership. Given the all-encompassing nature of Goal 1, action on several other Goals such as gender equality (Goal 5), sanitation (Goal 6), and environmental impacts, and protection under the law (Goals 13, 14, 15, and 16) can significantly contribute to poverty alleviation. To directly engage with poverty-alleviation and leverage their position as employers and producers, leading businesses can engage in job-creation by expanding into new underserved areas and investing in growing businesses, focusing on least developed countries and vulnerable populations; implement programs to economically empower disadvantaged groups; and ensure decent working conditions for all employees across the business and supply chain, with partnerships to build suppliers’ capacity to do the same. Business can also lead by creating and marketing goods and services that specifically cater to, and aim to improve the lives of, vulnerable groups. Key to this is the role that business can play to alleviate the economic conditions leading to poverty through increasing business activity in least developed countries in ways that are aligned with the needs of local communities, in particular ensuring that economic benefits flow through to local workers and suppliers.

There is a strong business case for action on ending poverty. Greater prosperity means a healthier, wealthier, and more able population that will provide companies with the customers, suppliers, and employees that are needed for sustainable growth.
Business Actions in support of Goal 1

Targets of Goal 1

1.1 Eradicate extreme poverty for all people everywhere

1.2 Reduce 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

1.4 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

1.5 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

Business Actions

1. Engage in the creation of secure and decent jobs, especially in least developed countries and for vulnerable populations

2. Implement programs to economically empower disadvantaged groups

3. Ensure decent working conditions for all employees across the business and supply chain

4. Create and market goods and services that specifically cater to, and aim to improve the lives of, vulnerable groups
Do your actions satisfy the Leadership Qualities?

Intentional
- Is your company committed to supporting the achievement of Goal 1? Have you developed a holistic strategy that reflects this commitment, covering end-to-end operations and the wider community?
- Are you committed to learn from your actions and do you have processes in place to improve them accordingly?
- Is your strategy supported by the highest levels of management, including the Board of Directors?

Ambitious
- Do your actions achieve long-term outcomes that greatly exceed those resulting from current industry practice?
- Are your actions aligned with what is needed to achieve Goal 1?

Consistent
- Is support for Goal 1 embedded across all organizational functions?
- Are staff and board incentives aligned with achieving Goal 1?

Collaborative
- Do you proactively look for opportunities to partner with Governments, UN agencies, suppliers, civil society organizations, industry peers and other stakeholders to inform how to advance Goal 1?

Accountable
- Do you publicly express your commitment to advance Goal 1?
- Do you identify, monitor, and report on impacts, including potentially adverse impacts?
- Do you mitigate risks associated with your action?
- Do you remediate negative impacts associated with this action?
- Do you engage stakeholders in a meaningful way?

Key Considerations for Goal 1
Intentionality and top-level leadership are key to achieve poverty alleviation goals. It is essential to build milestones for reviewing the effectiveness of implementation strategies targeting poverty alleviation. It similarly takes support from all levels of the company and management to expand activity in developing markets.

Ambitious action to reduce poverty involves expanding decent work into economically disadvantaged communities, and creating opportunities for groups who have been marginalised, such as women, ethnic and racial minorities, and the disabled. It means community-wide engagement and empowerment.

Action to reduce poverty should be consistent across all organizational functions. Consistency requires that companies adopt responsible practices across all functions, including legal and responsible taxation practices. External communications on poverty alleviation must be aligned with internal efforts.

Action to alleviate poverty involves deep stakeholder engagement with Governments, NGOs, industry peers, economically disadvantaged groups and other stakeholders to inform the drivers of poverty traps and address their root causes. Collaboration is necessary for business action to be informed, targeted and effective.

Making commitments public, and progress transparent, is key to drive poverty alleviation. Risks of negative impacts on people and planet must be understood and managed. Poverty-alleviation initiatives must meaningfully engage all concerned stakeholders, especially local communities.
How taking action on Goal 1 is interconnected with other Goals

The Global Goals are inherently interconnected. Action taken toward one Goal can support or hinder the achievement of others. Identifying and addressing these interconnections will help business to build holistic and systemic solutions that amplify progress and minimize negative impacts. To help build a greater understanding, we have illustrated some of the ways in which the Goals connect. These are not exhaustive, and we encourage business to consider how they apply in their own operations.

Maximise likelihood of positive impact on:

Poverty is an obstacle to the realization of human dignity and development, and a barrier to many human rights. Living in poverty often means a lack of access to basic amenities such as good nutrition, sanitation, healthcare, and education. Therefore, reducing poverty can help address issues around nutrition (Goal 2), health (Goal 3), education (Goal 4), sanitation (Goal 6) and inequality (Goal 5 and 10), which collectively contribute towards building more peaceful societies (Goal 16). Lifting people out of poverty also adds positively to the labour force resulting in stronger economic growth (Goal 8) and innovation (Goal 9). It can also positively contribute to planet-related Goals (Goals 13 and 15), as poverty can be a driver of activities such as poaching, and slash and burn agriculture.

Minimise risk of negative impact on:

There are some potential risks of negative impacts associated with action on poverty alleviation. If reducing poverty leads to rapidly increasing consumption of polluting goods, this may have a negative impact on climate and the environment (Goals 13, 14, and 15). Any action to reduce poverty should also not adversely impact on the rights of disadvantaged groups, especially land rights, and companies should not engage in discrimination especially in employment practices or provision of goods and services (Goal 16).
BUSINESS ACTION 1
Engage in the creation of secure and decent jobs, especially in least developed countries and for vulnerable populations

One of the most effective ways to reduce poverty is to create decent jobs, that is, to offer people a sustainable and dependable source of income, decent working conditions, and support for basic amenities such as health, housing, and sanitation. Net job creation is an activity on which the private sector can lead. Given that most of the world’s poorest people reside in least developed countries, leadership can take the form of responsible and inclusive scaling up of operations in these countries, in ways that are designed to support the local economy and generate secure employment for local communities. Companies can also lead by investing in growing businesses in labour-intensive industries, a proven way to assist net job creation and, if undertaken carefully, in line with the 2030 Agenda as a whole.

Example practice

- An international food company commits to sourcing a significant percentage of its raw material from small-holder farmers in developing countries to boost local employment
- A chemical company in Brazil establishes an innovation fund to support local entrepreneurs in poor regions and provides assistance in developing and marketing products

Consider the leadership qualities and interconnectedness of your action, including...

Ambition: action is ambitious if it clearly aims at net job creation and focuses in areas or on populations that experience higher levels of poverty

Accountability: action to create jobs must be accompanied by identifying, reporting on, and managing the risks of negative impact, and job creation activities should include social and environmental safeguards

Interconnectedness: creating job opportunities for marginalized groups and communities can contribute to Goal 10 on reduced inequalities, as well as zero hunger (Goal 2), good health and well-being (Goal 3), and gender equality (Goal 5). Jobs should not be created at the cost of other people and planet.
Businesses can alleviate poverty through economic empowerment of vulnerable groups, including by supporting skills development and access to employment; and through support for basic amenities such as health, housing, and sanitation. All companies should be equal opportunity employers, ban discrimination against vulnerable groups, and adopt policies that support inclusion so as to contribute to economic empowerment. Leading companies can implement special programmes to economically empower ethnic and racial minorities, women, persons with disabilities, the elderly, members of the LGBT community and other vulnerable groups that have historically faced discrimination.

Example practice

• An international accountancy firm provides targeted internships and employment opportunities to young people from disadvantaged backgrounds in its local; it also sends its staff to volunteer in schools in local townships to improve educational outcomes

• An international beverage company leads on employing people with disabilities. It has a dedicated program that provides targeted professional and personal growth opportunities to people with disabilities through training, education, community events, networking etc.

• A property technology company pledges to help refugees and develops a targeted platform to ensure that the refugees can find safe homes, offers free housing, and advocates against policies that discriminate against refugees. This helps enable refugees to be part of local communities, and become economically empowered

• An IT company establishes an app that connects blind and visually impaired people with sighted helpers from around the world via live video connection to help these people access the same employment opportunities

Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: action to economically empower vulnerable groups requires collaboration with community members, NGOs, Governments and other stakeholders to ensure that it addresses the root causes of poverty and results in true empowerment, rather than perpetuating dependencies.

Accountability: working with vulnerable groups requires meaningful engagement to understand areas of need and special care to minimise the risks of negative impacts.

Interconnectedness: action to economically empower vulnerable groups can strongly contribute to Goal 10 on reduced inequalities, Goal 5 on gender equality, and Goal 16 on peace, justice and inclusive societies.

BUSINESS ACTION 2
Implement programs to economically empower disadvantaged groups
BUSINESS ACTION 3
Ensure decent working conditions for all employees across the business and supply chain

Respect and support for human rights is at the core of poverty alleviation. A key requirement is that companies have robust procedures to identify, prevent, monitor, mitigate and, if necessary, take remedial action against any activity that contributes to poverty in its own operations and supply chain. These procedures can be guided by the UN Guiding Principles and the UN Global Compact’s Poverty Footprint Tool. Leading companies take action to control poverty impacts throughout their end-to-end operations, finding and sharing novel ways to do this, and inspiring peers and suppliers to replicate their actions.

Example practice

- A clothing company takes robust measures to build suppliers’ capacity to pay a living wage and promotes the use of digital payments to ensure that progress can be properly tracked and evaluated.
- An international food company establishes an ethical and responsible sourcing framework and ensures that raw materials are traceable and sourced from audited and compliant suppliers; it publicly reports on the proportion of its goods that are traceable and responsibly sourced, working towards a goal of 100% traceability and responsible sourcing with time-bound targets.
- A chocolate company starts a think tank which undertakes research to identify methods to improve farmers’ incomes, it implements its solutions and inspires action by others by sharing learnings, and working with businesses, NGOs and Governments.
- A consumer goods company extensively maps out its supply chain, working towards full traceability and monitors working conditions across its supply chain to take action against any identified instances of child labour or exploitative work; it engages suppliers so that progress towards decent work can be continually measured using performance metrics.

Consider the leadership qualities and interconnectedness of your action, including...

Consistency: action to ensure decent work requires consistency to be implemented effectively; support for labour rights must be embedded across all organizational functions and embraced by the highest levels of management.

Accountability: companies need to robustly track and monitor working conditions, report on negative impacts and take remedial action.

Interconnectedness: building the systems to ensure that there is decent work can contribute strongly to Goal 16 on peace, justice and inclusive institutions.
Economically disadvantaged groups often have to pay disproportionately high prices for basic goods and services. For example, loans for low income households are often offered at exorbitant interest rates. In many cases, goods and services are not accessible to, or designed for, individuals or communities with low incomes. There is a large untapped market that companies can cater to, which can not only make business sense but can also constitute leadership on Goal 1 by raising living standards and helping vulnerable communities.

**Example practice**

- A start-up in India develops **feminine sanitary products that are sold at low price points** to help women conduct activities as normal while menstruating. It **hires street vendors to distribute its products** across packed urban settlements.
- A bank designs micro-loans with soft pay-back conditions, and **mobile-banking apps** to reach unbanked communities in rural Bangladesh. It collaborates with regional authorities to help increase the penetration of ID cards so that customers can easily verify their identity and access financial services.
- A company provides **solar home systems to rural households in West Africa** using a ‘pay-as-you-go’ financing approach which enables poor families to switch from kerosene to a healthier and more sustainable alternative in a way that is affordable.

**Consider the leadership qualities and interconnectedness of your action, including...**

**Intentional:** creating products for vulnerable groups must be a deliberate part of the company’s strategy, driving company-wide efforts to understand the poor’s unique consumer needs, the price points at which uptake is possible, and the methods through which products will be made accessible.

**Interconnectedness:** designing, distributing and marketing products that can help improve the situation of impoverished women contributes to Goal 5 on gender equality, to Goal 10 on reduced inequality, and Goal 16 on peace, justice and inclusive societies.
References

The Poverty Footprint
SDG Compass
UN Global Compact Industry Matrix
Global Opportunity Explorer
Navigating the SDGs: a business guide to engaging with the UN Global Goals
SDG Reporting - An Analysis of the Goals and Targets
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