INSIGHTS SUMMARY

HOW CAN THE PRIVATE SECTOR ACCELERATE AND CONVERGE EFFORTS TO TACKLE POVERTY?

GLOBAL GOALS / FIRESIDE CHAT / 23 SEPT 2025

We would like to thank the following speakers:

Grazielle Parenti, Executive Vice-President Sustainability, **Vale**

Jamie Coats, CEO, **Wise Responder**

Moderator: Yvette Torres-Rahman, Co-Founder and CFO, **Business Fights Poverty**

This fireside chat explored how business can accelerate poverty reduction when guided by more accurate tools and accountable strategies. Traditional income-based measures miss the deeper realities of deprivation, leaving companies blind to the real needs of families and communities. The Multidimensional Poverty Index (MPI), developed by the Oxford Poverty and Human Development Initiative, offers a more precise and actionable approach.

Vale's use of MPI in Brazil showed how companies can design programmes that respond to genuine needs, coordinate partnerships, and embed accountability into governance. The five insights below highlight practical lessons for credible, impactful business engagement on poverty.

INSIGHT 1: REPLACE INCOME-ONLY MEASURES WITH MULTIDIMENSIONAL INSIGHT

Relying solely on income to define poverty hides the realities families face. A household may earn above a poverty threshold yet lack clean water, adequate housing, or access to healthcare. The Multidimensional Poverty Index (MPI) addresses this by combining ten indicators across Health, Education, and Living Standards. Developed by the Oxford Poverty and Human Development Initiative using the Alkire-Foster method, the MPI has been used in more than 50 countries to develop official multidimensional poverty measures. It identifies not only how many people are poor but also the intensity and type of their deprivations, offering a fuller picture of need. For companies, this diagnostic power is critical. In Costa Rica and Guatemala, retail banks applying MPI to their workforces discovered that up to 40% of employees were multidimensionally poor, despite regular wages. These hidden risks – ranging from

> ***What you're revealing is a bunch of risk that's already sitting there, but you're just blind to it, because you're just counting by money, and money is not a good diagnostic for what's going on.***
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> **Jamie Coats, CEO, *Wise Responder***

over-indebtedness to lack of financial education – would have been invisible with income-only data. By moving beyond income, firms can prioritise responses that reflect actual lived conditions and measure results transparently.

INSIGHT 2: **LEVERAGE DATA TO MEET REAL NEEDS**

Vale's programme in Brazil shows how well-targeted corporate action can achieve rapid and significant results. In 2021, the company committed to lift 500,000 people out of extreme poverty, focusing on some of the poorest states in Brazil – Maranhão and Pará. Through MPI-based surveys of 16,000 families, Vale tracked progress every quarter and tailored interventions to the realities of households in local communities. Within the first year, multidimensional poverty in participating families fell by 50%. By comparison, Brazil as a whole reduces multidimensional poverty by around 6% annually. Specific gains included a 37% drop in the number of people in poverty, a 20% reduction in poverty intensity, food insecurity halved, healthcare access improved by 67%, and access to internet increasing by 72%. In addition, at the start of the programme, 50% of families surveyed were eligible for the Government's social assistance programme, Bolsa Familia, but were not enrolled. One year later, 68% of these families were accessing this support. This private sector initiative, working with local partners, far outpaced Brazil's national average poverty reduction rate of 6% per year.

Essentially, what Vale has done is create an intelligence hub and a nervous system instead of building out everything themselves.

Jamie Coats, CEO, *Wise Responder*

INSIGHT 3: **BUILD PARTNERSHIPS AROUND INTELLIGENCE HUBS, NOT ISOLATED PROJECTS**

Fragmented social projects often collapse without coordination. Vale structured its programme as an intelligence hub, combining real-time household data with a network of NGOs, municipalities, and the Brazilian Development Bank. A small team manages this large-scale system by directing different data streams: some indicators trigger company-led interventions with local partners, while the most complex issues require advocacy with government agencies. For example, poor sanitation is flagged for municipal action, while food insecurity is tackled directly through community programmes. This hub model ensures accountability, reduces duplication, and aligns partners on clear targets. Risks persist: 'KPI wars' can arise when partners pursue too many indicators or only financial metrics. Limiting focus to ten MPI measures maintained clarity and avoided paralysis. By treating data as a shared currency, the hub motivated families, NGOs and company staff, creating friendly competition among territories to reduce deprivations. Scaled effectively, hubs allow firms to sustain impact with manageable resources.

People really need some basic things sometimes. So we are talking about sanitation, we are talking about education, we are talking about health, but the main part that we target first is nutrition.

Grazielle Parenti, Executive Vice-President Sustainability, *Vale*

INSIGHT 4: **MEASURE IMPACT TRANSPARENTLY AND COMPARABLY**

Poverty reduction efforts gain credibility when outcomes are measured in ways that can be compared across time, geographies and actors. The Multidimensional Poverty Index (MPI) offers this by using standard indicators that governments, businesses and civil society can all apply. Vale integrated MPI into its governance processes, reporting results monthly to its executive committee and sustainability board, which placed social progress on par with operational metrics. This transparency reassures partners, such as development banks, that programmes are robust, comparable, and not merely philanthropic gestures. Using MPI also creates a common language with government agencies, helping businesses advocate for action without duplicating state responsibilities. The risk lies in selective reporting or tailoring measures to fit corporate narratives, which undermines trust. When companies adopt recognised frameworks and disclose results consistently, they provide stakeholders with evidence that can withstand scrutiny and demonstrate a genuine commitment to long-term accountability.

> ***If multi-dimensional poverty flatlines, and you're a business, you've got a problem... you may end up with no license to operate at all.***
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> **Jamie Coats, CEO, *Wise Responder***

> ***The main concern [around social impact]... is how you are able to demonstrate the change, comply with all the standards, and ensure money is well invested... The MPI framework helped us a lot in demonstrating that and also to engage other partners.***
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> **Grazielle Parenti, Executive Vice-President Sustainability, *Vale***

INSIGHT 5: **LINK POVERTY REDUCTION TO RESILIENCE AND LICENCE TO OPERATE**

In regions where companies are present for decades, community poverty directly affects business stability. High GDP in host cities often masks deep deprivation, leaving families without basic services and fuelling long-term risks. If multidimensional poverty stagnates, the consequences can escalate into unrest, reputational harm or even forced shutdowns, as seen in other mining contexts. In such cases, poverty reduction is not philanthropy but a licence-to-operate imperative. Vale treats poverty reduction in Maranhão and Pará as essential to its permanence: addressing poverty in all its dimensions strengthens household resilience and reduces the chance of social disruption. By framing action through the Multidimensional Poverty Index (MPI), Vale demonstrates how social progress safeguards business continuity. The risk is complacency – assuming short-term gains are sufficient when resilience requires sustained, generational investment. Companies that tie community well-being directly to operational security create the conditions for both social and corporate resilience.

CONCLUSION

The discussion highlighted five shifts needed for meaningful corporate action on poverty: adopting multidimensional measures, designing programmes around real needs, building intelligence hubs, ensuring transparent and comparable measurement, and linking social progress to resilience and licence to operate. Together, these approaches show how businesses can achieve results faster than national averages and deliver accountability that withstands scrutiny. The core system challenge remains defining the boundary between company and government roles, particularly in infrastructure and education. The next coordination step is for businesses, public authorities, and development banks to adopt MPI as a shared framework for measurement, ensuring collective ownership of outcomes and long-term progress against poverty.

RESOURCES

- **Juntos Contra a Pobreza / Together Against Poverty Program**
  Video overview of Vale's poverty reduction initiative in Brazil, highlighting real stories of families supported and early results achieved using the MPI framework. https://www.youtube.com/watch?v=cYXxANLnt3k

- **Multidimensional Poverty Index**
  Explains the global methodology for measuring multidimensional poverty across health, education, and living standards, with international data and country comparisons. https://ophi.org.uk/global-mpi

- **Wise Responder**
  Outlines Wise Responder's work using multidimensional poverty data to support companies in developing targeted, evidence-based social impact strategies and poverty reduction initiatives. https://wiseresponder.com/

- **Vale Commitment to Combating Poverty**
  Details Vale's pledge to help lift 500,000 people out of extreme poverty in Brazil, through multidimensional interventions focused on education, income, health, infrastructure and essential goods, and nutrition. https://vale.com/in/juntoscontraapobreza