

## Statement of Continued Support

April 2024

To our stakeholders:

I am pleased to confirm that Bopinc reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In line with Global Compact, our strategy is continuously based on creating more impact on the SDGs in which we actively and mainly contribute which are:

- SDG 2 Zero Hunger: working on projects of sustainable food systems, sustainable agriculture, and nutritious and affordable food
- SDG 8 Decent work and economic growth: being active on projects promoting inclusive markets and societies, developing knowledge transfer programs for sustainable increase in production and productivity and training in entrepreneurship

More specifically and through our projects we also contribute to other 6 SDGs:

- SDG 1: No poverty: reducing inequality and supporting the development of income generating activities as well as creating employment
- SDG 3. Health and wellbeing: Equalities on distribution of wealth, inclusive societies and supporting the promotion of healthy and nutritious diets.
- SDG 5: Gender equality: through women empowerment and women entrepreneurship activities and programs
- SDG 6: Clean water and sanitation: Be involved in projects that promote access to sanitation practices, education on hygiene practices and promoting the development of adequate water management systems
- SDG 7: Affordable clean energy: Sustainable and clean technologies, access to affordable and reliable energy and renewable energy product distribution
- SDG 11: Sustainable cities and communities: waste management, inclusive societies and resource efficient communities.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Ten Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Emile Schmitz", with a stylized flourish underneath.

Emile Schmitz, Managing Director

# Connecting today's low-income consumers

with the dignified  
choices of tomorrow



## About us

We believe the best products should be available, where they matter most. Fulfilling aspirations and needs is key. Through the power of entrepreneurship, every new idea is turned upside down and inside out. Until we find the right innovation, right for low-income communities.

From startups to multinationals, we help organisations to design and deliver commercially and socially viable business models. Our diverse team of global innovators and entrepreneurs, bridge the gap between private and development sectors.

## Our core expertise

To influence trillions of small purchasing decisions, our approach is simple. Through early consumer engagement, we discover and design the products people want. Through novel distribution models, we get these products to the consumer. And through creative behavioural change, we generate the pull, essential for driving product demand.

A series of intricate steps, leading to real impact for the Base of the Pyramid. Whether it's more income, cleaner water, better food or light at night. We know how to do good, while doing well, in a market of more than four billion low-income consumers.



# Organisational introduction

Stichting BoP Innovation Center (“Bopinc”) is an independent foundation founded in the Netherlands. In 2022, Bopinc implemented 63 projects across various countries, mainly in Africa and Asia. We have Bopinc staff in 10 different countries. We support companies to create commercially viable, inclusive business models that benefit Base of the Pyramid (BoP) consumers, producers and entrepreneurs. These business models deliver a wide range of products and services to low-income consumers in four sectors:



**Nutrition and agriculture**



**Water, sanitation and hygiene**



**Renewable energy**



**Finance**

Ensuring we contribute to SDGs 1, 2, 6 & 7. Our services are based on the following three areas of expertise.



## Product & Service Design

We support entrepreneurs and organisations throughout their innovation process, reducing complexity and risks as they go from idea to impact. We help develop innovative solutions for low income markets through our expertise in human-centred design, systems thinking, and entrepreneurial guidance. Through the power of innovation, we are improving access to quality and affordable products, services and income-generation opportunities for low-income communities.



## Marketing and Distribution

We provide solutions to startups, small and medium-sized enterprises (SMEs) quality and affordable products, services and income-generating opportunities for the low-income communities and corporations to ensure that their impactful products and services reach the BoP successfully - and the right behaviours are promoted and adopted. We include people in low-income markets, not only as consumers but also as entrepreneurs, in the business operations of our clients. We have built up specific knowledge and experience (including learning from failures) to provide our clients with meaningful insights and best practices to develop and implement strategies to market and distribute products and services to the BoP.



## Business Model Innovation

To foster a thriving environment for inclusive business, you need a set of non traditional business skills and mindsets to understand consumer demand and behaviour in low-income markets. Business Model Innovation (BMI) entails two key activities:

- Innovate business models with SMEs and corporates, building on best practices and lessons learned.
- Upskill key staff and actors in the value chain through a combination of innovative online and offline training.

Our strategy-focused sessions and training programs are based on real-life examples and easy-to-use tools. Support can happen individually or through cohorts and accelerators.

## Our global contribution

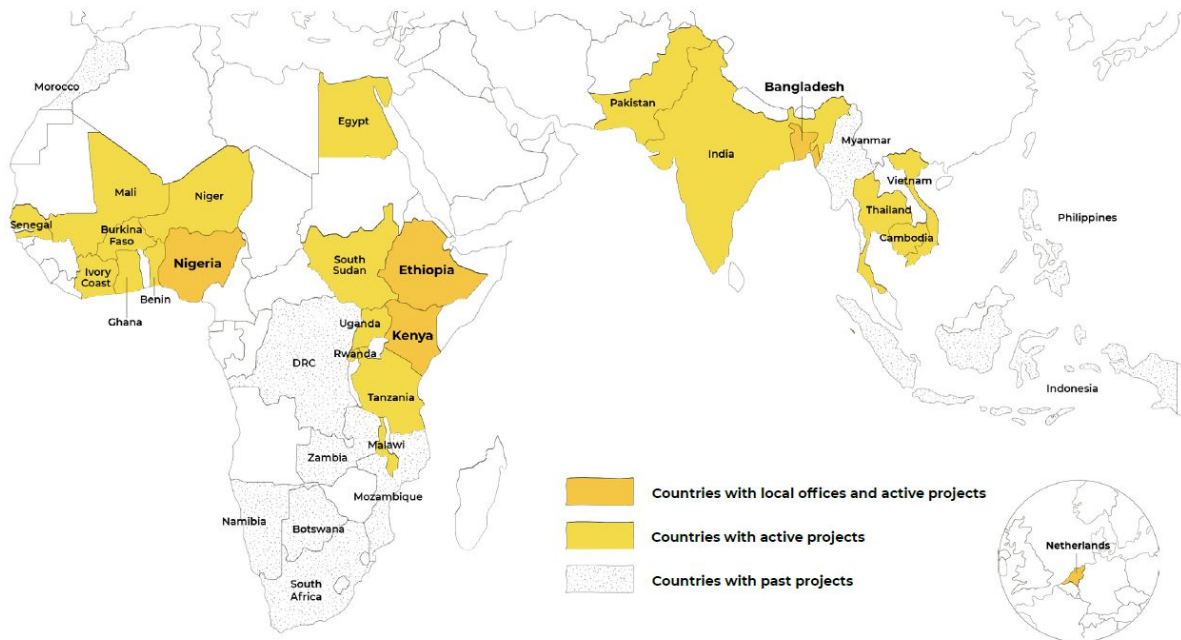
Social entrepreneurship is now integral in mitigating the world's most pressing social and environmental challenges. This is why Bopinc's strategy aligns our organisational goals with the Sustainable Development Goals set out by the United Nations. Social entrepreneurship is market-based and is focused on social good, it impacts the environment in a much broader way, as compared to the traditional development aid model. For this reason, our work affects and impacts health, nutrition, poverty, gender, economic

growth, sustainable cities, communities and sustainable energy.

To fully engage and prioritise low-income consumers in our work, it requires proximity to them. This is why we have people on the ground where it matters most. We are looking to continue this growth trajectory with new partnerships and projects focused on the BoP as consumers, retailers and demand creators. The map below shows all countries where Bopinc has a presence.

## Bopinc map

# Our presence



## Our approach

Our market-based approach begins with the BoP, as potential consumers, distributors, producers and/or entrepreneurs. We focus on delivering practical solutions that are commercially viable and based on deep market insights. We understand what the BoP actually wants, needs and can afford. We have to start looking at the BoP as ambitious consumers and creative entrepreneurs.

We value entrepreneurship as (transformational) entrepreneurship, a target of SDG 8, can have a positive effect on a country's employment rate, it can stimulate investments and contribute to a shift towards a knowledge-driven economy. Moreover, it can create social and economic innovations and new products and business models, which all can play a central role in a country's economic growth.

## Our support to the UN Global Compact Principles

The work we deliver within our pillars and dimensions is closely related to all ten principles of the UN Global Compact. Besides, Bopinc has policies and processes in place to respect human, labour and environmental rights. Our code of conduct includes an anti-corruption and anti-fraud policy.

### Key principles

We actively work with our clients on the following principles:

#### Principle 6

### **Labour: the elimination of discrimination in respect of employment and occupation.**

We are focussing in elimination labour discrimination by creating new decent jobs, especially for women as, for example, sales agents selling hygiene and nutritional products to low income consumers who currently lack access to those products.

#### Principle 8

### **Environment: undertake initiatives to promote greater environmental responsibility.**

Together with private and public partners, we are working on projects with the objective to create greater awareness on the effect of the environment of people in the BoP.

#### Principle 9

### **Environment: Encourage the development and diffusion of environmentally friendly technologies.**

We are working on the development and marketing and distribution of different forms of renewable energy and on how to improve energy sources with new innovations. We are also working on various waste reduction, collection and recycling programs in agriculture, electronics and plastics.

### Key actions

Besides the work we do focussed on the principles of the UN Global Compact, our work seems most fitting in the following three actions:

1. **Join and/or propose partnership projects on corporate sustainability**
2. **Engage companies in Global Compact-related issues**
3. **Join and/or support special initiatives and work streams**

Next to the ten principles of the UN Global Compact, we are also endorsing the Principles for Digital Development by the Digital Impact Alliance and the Women Empowerment Principles by UN Women and the UN Global Compact.





# How we work

In all our projects, these five rules guide our work.



Always put the **consumer first**



Be **local** and **action-oriented**



Be **innovative** and **agile**



Make partners **dance together**



Ensure a **business case**

# Dimensions of opportunity

Within our core areas of expertise we address challenges through the following dimensions:



## Circular economy

Low-income markets are too often designed around linear systems, where waste streams are often disregarded. From the agricultural waste stream to small packaging, we see opportunities to turn these systems circular and make it work for the business involved.

During our innovation process, we take the use of sustainable materials into consideration and make it easy to reuse or recycle materials used. At the end of the life stage of a product, we also look at efficient ways of waste disposal. Bopinc also works in waste value chains with last-mile waste pickers to ensure no packages are left behind.





## Digital innovation

The adoption of internet-enabled phones and an ever-increasing reach of mobile internet is connecting most consumers with social media and apps. Offline products and services can now be augmented by online data and information that can enhance customer experiences and significantly reduce operational costs when serving low income markets at scale. Examples are real-time and hyperlocal SMS recommendations for good farming practices, mobile-based loyalty and behaviour change campaigns, and data driven credit risk assessment for sales of durable goods.

While we're aiming to narrow the digital (and gender) divide, digital access offers a big opportunity. to reach our target group at a transformative scale. It also creates ample opportunities for experimenting with new ways of interacting with consumers through, for example, chatbots. Similarly, the technology provides interesting opportunities to organise and empower last-mile sales agents and retail networks. Solutions for small retailers include e-commerce, data-driven stock management, product promotions and training.



## Gender and Diversity

A business opportunity that will change the lives of millions. At times, women sales agents can be perceived as more trusted and convincing for consumers in low-income markets, especially when related to beneficial products that improve a family's quality of life. Further to this, there are also opportunities in value chains to leverage the role of women as entrepreneurs, as they already play (often unpaid) roles - to contribute to work, such as processing of food and the ownership of piped water systems. In addition, many women-led SMEs in relevant sectors can contribute to local economic growth and wider availability of essential products and services.



## Description of our actions in support of the UNGC principles

The projects below represent the many activities we do to indicate how we work with various organizations to improve their impact in line with the UNGC principles and actions.

### Product & Service Design

*Making food and other creative products out of food losses*

As part of our O-Farms project in East Africa, we built a Circular Idea Blender that helps entrepreneurs and others innovate with food losses and byproducts from food production. The tool presents real-world examples of circular companies, including the SMEs that participate in O-Farms, such as Sio Valley that increase the marketable shelf life of fresh produce without refrigeration, using an organic plant based edible spray coating called KaFresh.

O-Farms is Africa's first SME accelerator completely focused on circular agribusiness that is implemented by Bopinc and Village Capital with the support of the IKEA Foundation. Using the power of innovation and entrepreneurship we aim to make circularity a mainstream approach to agribusiness in East Africa. Bopinc provides training and one-on one coaching to SMEs to help refine their value proposition, scope for new customers and strengthen the product market fit.

### Business Model Innovation

*Capacity building for agri food companies*

Through the Alliance for Inclusive and Nutritious Food Processing (AINFP) we're helping to increase production and availability of safe, nutritious and affordable food for low-income consumers.

We designed and implemented a business challenge to train a select number of companies and provide hands-on support in designing and launching a marketing and distribution strategy for the winning companies. We trained Market Linkage Managers (MLMs) as trainers on inclusive business toolkits. While also training 90 companies in five countries on inclusive business concepts.





## Marketing and Distribution

*Developing a nutritious balanced energy protein product for pregnant and lactating women (PLW)*

Bill and Melinda Gates Foundation has been looking at advancing maternal and newborn health and nutrition by developing a novel and holistic solution for undernourished PLWs. While also testing its efficacy with clinical trials, closely matching existing products. And learning about its coverage and adherence potential among undernourished women.



The latter includes evaluating the effectiveness of a national free distribution program targeting WQ1<sup>1</sup>. Launching localised private market tests with manufacturers and distributors, whilst also seeking to identify a ‘halo effect’ between the two. Engaged by our close partner and program lead Hystra, Bopinc has supported the design of a new brand and marketing strategy for this new product called Wellma, with in-depth market and consumer testing across the product development cycle. On top of this, we also provided support in optimising the rural sales launch with our partner RSPN, leading to a successful commercial launch in 2022.

DEI global award recognition  
With Unilever and Roberts Group Consulting, we were awarded a gold medal for best corporate outreach to promote diversity, equity and inclusion in communities for our Shakti program at the Brandon Hall Group Awards. Together we created a digital learning program that builds the skills and confidence of women micro entrepreneurs in Nigeria and Ethiopia, supporting them in growing their businesses.

For more examples of our work, [visit our website](#).

<sup>1</sup> Wealth quintiles (WQ): Each wealth quintile represents one fifth of households, with quintile 1 being the poorest 20 percent of households and quintile 5 being the richest 20 percent of households.

## Circular economy

*Piloting viable and innovative refill solutions for food and WASH products*

We need to ensure that how we service low-income communities now, is not at the expense of future generations. A perfect illustration of this dichotomy is the role of the sachet package in low income markets. Sachets are currently essential to servicing low-income consumers with safe and valuable products. But with 855 billion plastic sachets (enough to cover the entire surface of Earth) sold every year, each passing year creates more and more problems.

As an immediate solution, Bopinc has started working on multiple waste collection systems in Kenya and Bangladesh. In Bangladesh, the team has gone further to co-develop a pioneer waste management model that is able to recycle even the most hard-to-recycle sachets. On a more structural level, Bopinc intends to reduce the need for sachets altogether by developing refill solutions that are specifically tailored for low-income markets. We are developing different models in Bangladesh, Nigeria and Kenya for different product categories. Visit our website for details.

## Digital innovation

*Applying human-centred design to digital agritech solutions*

While the digital transformation of agricultural value chains happens at an increasing pace, Bopinc places even more emphasis on making sure that agritech solutions are accessible and desirable for smallholder farmers.

Together with our partners like Netherlands Space Office (NSO), Solidaridad and the Netherlands Food Partnership (NFP), we have collected best practices for human centred design and provided mentoring to entrepreneurs in their programs. For NSO specifically, we looked at how open geodata can make satellite-enabled agri services more affordable for smallholder farmers, without compromising on the quality of the service (cheap is not always bad). With Solidaridad and their Fair Data initiative, we supported business model innovations that reward farmers for sharing personal data.



## Gender & Diversity

*Gender diversity and inclusion are essential in the fight against climate change*

Women are much more affected by climate change than men, yet men still dominate in climate innovation and entrepreneurship. In 2022, Bopinc supported Climate-KIC in developing a practical tool called WeClim Equally. A gender-smart handbook for climate programs offering guidance to climate incubators and accelerators to integrate a gender perspective into their programs.

It starts with goal-setting, moves into suggesting concrete activities and ends with defining a work plan for delivery and impact measurement. Check out the tool for yourself via this link. Or access any of Bopinc's many publications, tools and insights via our website.



## Measurement of outcomes

At Bopinc, each project has its own Monitoring & Evaluation framework and the project-end reports include qualitative and quantitative insights. On an organizational level, we are collecting data from projects on these cross-cutting indicators and we are aggregating across projects. We always work in partnerships and our impact is a result of a joint effort with our partners. We share our impact in our annual reports on [our website](#). We are currently preparing to step up our investment in internal impact measurement.

The cumulative impact data (from the start in 2010-2023) of Bopinc are presented below.



**5.313.785**

Low-income consumers reached

*Added 561.246 in 2023*

**123.613**

Micro-entrepreneurs earning

*Added 5.993 in 2023*

**33.638**

People trained

*Added 6.094 in 2023*

**1.224**

Companies supported

*Added 82 in 2023*

**257**

Products and services launched in BoP markets

*Added 32 in 2023*

**Find the right innovation, right for low-income communities**

**with us**



Get in touch, or visit us at [bopinc.org](http://bopinc.org)

**bop inc**