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Impact Begins After the Construction: How Development, Management and Leadership Sustain Social Transformation



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Context

A Subsistence Economy

For decades, the village of **Carrilho** (Itabaiana, Sergipe, Brazilian Northeast) lived off **cashew nut shelling**: a traditional craft, but carried out under conditions incompatible with dignity, safety, and stable income.



Triple Bottom Line

Extreme Heat & Smoke	Work performed under intense heat with direct exposure to smoke and fire
Permanent Injuries	Contact with cashew's acidic liquid caused lasting fingerprint damage
Captured by Middlemen	Most profits drained by intermediaries, leaving little for workers
Child Labour	Children worked alongside adults, sacrificing school for survival



Process of roasting cashew nuts



Child labour in cashew nut process

Company Profile

About Instituto Votorantim

The **social development arm** of Votorantim Group, one of Brazil's largest industrial conglomerates, Instituto Votorantim was created with a mandate to drive systemic, lasting ESG (Environmental, Social and Economical) change.

instituto VOTORANTIM

CSR (Corporate Social Responsibility) Credentials



Scale & Track Record

Founded in 2002, Instituto Votorantim has operated for over 20 years across 23 of Brazil's 27 states, reaching more than 10 million people - backed by BRL 1.5 billion invested by the Votorantim Group since inception.



Approach: Applied Social Intelligence

Instituto Votorantim positions itself as a center for applied social intelligence, developing social and environmental solutions oriented to measurable results, use of evidence, and good management practices. It operates across four pillars: programs & projects, consultancy, impact investing, and knowledge generation.



Alignment with Global Frameworks

The Instituto uses the UN Sustainable Development Goals (SDGs) as a guiding framework and explicitly embeds social and environmental considerations into core business models - bridging the gap between private sector competencies and community development, which is precisely what the cashew intervention exemplifies.

Company Profile

Empirical Evidence

Third-party data, international certifications, and independent assessments validate **Instituto Votorantim's impact**.

"Driving business toward a fair and sustainable future" - Instituto Votorantim

Published Report with Quantitative Impact Data

Instituto Votorantim Annual Report 2023 R$ 83 million invested across 536 projects, reaching 4,543 people in 62 municipalities across 13 Brazilian states, demonstrating the scale and geographic reach of the organization's social investment strategy.

Independent Education Impact Assessment

6th PVE (Polo de Valorização da Educação) Assessment, 2023 Municipalities participating in Instituto Votorantim's flagship education program outperformed Brazil's national IDEB benchmark by 16.39% in overall performance, with math proficiency 21.09% above the national average and an inequality reduction rate 128.3% above the national average, independently validated outcomes.

International Commitments & Recognition

UN Global Compact + WE ACT / COP28, 2023 Instituto Votorantim is a signatory of the UN Global Compact (Pacto Global da ONU) and of WE ACT – International Philanthropy Commitment on Climate Change (IPCCC). In 2023, it was also granted Observer Organization status at COP28 under the UNFCCC framework, formal international recognition of its climate and sustainability commitments.

Challenge and Initiative

When Infrastructure Is Not Enough

What was delivered

- Walls and roof of a processing facility
- Physical structure visible to funders
- Symbolic reputational return for investors

What was missing

- Machinery and productive structure
- Management and operational routines
- Commercial organization and market access
- Capacity building and local leadership

From Delivery to Capacity Building

In **2023**, in partnership with BNDES, **Instituto Votorantim** relaunched the initiative under a more complete model. While the bank provided capital, the Institute took on the structural, educational dimension.



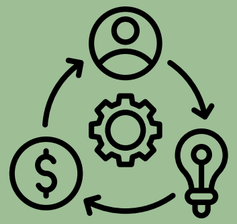
Financial Foundation

BNDES provided capital. Instituto Votorantim took on the structural, educational dimension.



4+ Years of Presence

Continuous field engagement. The project only advanced as members demonstrated solid grasp of each practice.



Management Education

Organization, logistics, production, sales, financial routines; shifting workers into owners of their own business.

Results

How the Transformation Took Place

Working Conditions	Mechanization of hardest tasks, heat and smoke contained. Traditional 50-year processing steps preserved, protecting flavor and craft.
Legal & Commercial Structure	Cooperative formalized legally and built a commercial operation. Sells directly to markets, free from middlemen.
Internal Leadership	Leader working with cashew since age 7, credibility built through lived experience. Her trajectory is the cooperative's identity.



Maria Cristina, leader of Carrilho Cooperative

Key Outcomes

The key outcomes are related to mainly **SDG Goals** 1, 8, 10 and 12.



Income: Significant gains in productivity, organization & sales.

Aid Dependency: Members less reliant on government programs.

Child Labor Ended: Children now dedicate time to school.

Cultural Heritage: Recognized as intangible heritage of Sergipe.

Impact - Theory of Change

A Distinction Often Overlooked

While **material benefit** is an outcome; income earned, infrastructure built. **Impact** is what that outcome makes possible: autonomy, self-worth, the ability to decide your own future.

1. INPUTS

- Financial capital
- Institutional support
- Specialized consultancy
- Production infrastructure

2. ACTIVITIES

- Management training
- Cooperative structuring
- Operational and regulatory compliance
- On-site continuous support

3. OUTPUTS

SHORT-TERM RESULTS

- Structured cooperative
- More efficient and safer production
- Formalized and higher-value product
- Strengthened brand
- Developed leadership

4. OUTCOME

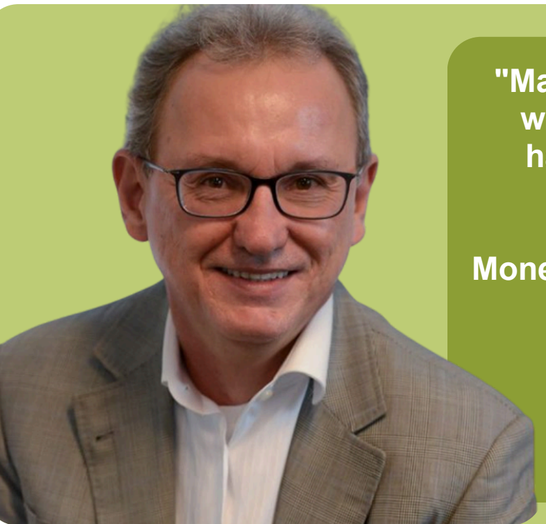
MEDIUM-TERM RESULTS

- Higher productivity and income
- Improved working conditions
- Elimination of child and unsafe labor
- Greater self-esteem and community engagement

5. IMPACT

LONG-TERM IMPACTRESULTS

- Greater economic autonomy
- Stronger community
- Cultural recognition and pride
- Long-term sustainable development



"Material benefit is an outcome. Impact is when an activity once associated with hardship comes to represent identity, recognition, and value for society.

Money matters, and deeply. But it is only the beginning."

— Cloves Carvalho
Director, Instituto Votorantim

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Sustainability

The Secret to Lasting Change

This project was more than a social transformation. It was a systemic shift that continues to unfold.

1 Ongoing Process

Not an initiative with a start and finish but a continuous journey of development and self-management.

2 Local Ownership

Self-management grounded in local leadership allows the project to endure long after supporters step away.

3 Still Operating Today

The cooperative continues to run. That fact, more than any metric, captures what lasting impact looks like.



Recognized as Intangible Cultural Heritage of Sergipe (2025)



Carrilho Cashew Nuts Package



E-commerce Carrilho Cashew Nuts

Future Outlook

Factors Shaping What Comes Next

The Carrilho cooperative is still operating, but the conditions that will determine its long-term trajectory are already in motion.



Leadership Continuity

The cooperative's strength is tied to its founding leader. Succession planning and developing the next generation of internal leadership is critical for longevity.



Market Access & Scaling

Accessing premium markets (fair trade, ESG-aligned buyers) and diversifying revenue streams will be key to sustaining income gains independently.



Cultural Heritage Recognition

The 2025 Sergipe heritage designation opens doors to tourism, brand premiums, and institutional support, creating new opportunities if leveraged strategically.



Policy & Funding Landscape

Continued reliance on public-private partnerships (e.g. BNDES) and shifts in Brazil's social policy environment may affect the sustainability of similar models.

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Thank you!



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