



# Corporate impact in Latin America

The Case of Votorantim

Latimpacto

## The initiative

The ReDes Program is a strategic social-impact initiative aimed at promoting economic dynamism and productive inclusion for vulnerable groups in several regions of Brazil, mainly in rural areas. It operates through a comprehensive model that strengthens associations and cooperatives by providing financial support, tailored technical assistance, promotion of local coordination, and facilitation of market access.

The program's methodology centers on business empowerment, enabling participating organizations to consolidate their operations, generate sustainable income, and access new sources of funding and collaboration.

Through this initiative—designed to transform the quality of life of direct participants—the Votorantim Institute and the portfolio companies, in partnership with the National Bank for Economic and Social Development (BNDES), contribute to the economic and social development of the territories where they operate by fostering income generation and social mobilization and, in doing so, create shared value for both communities and corporate business.



### **Corporate:**

Votorantim Institute and Votorantim portfolio companies.

### **Partner and co-financier:**

BNDES (National Bank for Economic and Social Development).

### **Economic Sector and Company Description:**

Votorantim is an investment holding company with portfolio companies in sectors such as building materials, finance, renewable energy, metals and mining, orange juice, steel, infrastructure, real estate, and environmental services.

### **Program name:**

ReDes.

### **Countries of implementation:**

Brazil.

### **Target population:**

Vulnerable groups in various regions of Brazil, with a particular focus on rural contexts.

### **Capital invested to date:**

BRL 75.8 million

# Impact Strategy Context

## The Challenge

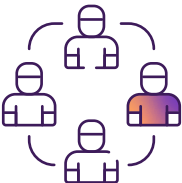


Brazil faces major obstacles related to weak economic dynamism and low productive inclusion, which disproportionately affect vulnerable populations, especially in rural areas where many people lack stable, recurring income opportunities.

Despite the presence of primary activities such as agriculture and fishing, these groups' ability to access and compete in broader markets is limited by gaps in technical know-how and managerial capacity.

In addition, there is a latent concern about employment quality and income sustainability. A large share of households depend directly on natural resources for their livelihoods, which exposes them to high socioeconomic vulnerability in the face of economic swings, climate events, and shifts in demand or prices for primary products; in this context, a lack of economic diversification and precarious jobs tends to perpetuate cycles of poverty and exclusion in these communities.

## The Solution



The ReDes program proposes a strategic intervention aimed at generating income for vulnerable populations in Brazil, seeking to reduce poverty and promote social mobilization through the strengthening of inclusive businesses that demonstrate economic viability and active support for their incorporation into the formal economy.

This way, ReDes contributes to increasing the purchasing power of the participants, seeking that this increase translates into greater access to basic goods and services, thus generating a positive systemic effect that benefits not only the individuals involved, who achieve greater freedom and financial autonomy, but also their families and the community in general, which results in broad social and personal benefits.

## Governance Strategy

### The role of the corporate

Votorantim portfolio companies play an active role in defining territorial priorities, identifying geographic areas of strategic interest for ReDes. Through their Social Responsibility and Sustainability areas, they collaborate in project planning and may contribute specific resources or technical expertise tailored to each territory and to the needs of each initiative.

Their engagement can also extend to integrating the businesses supported by ReDes into their value chains, acting as buyers of products from beneficiary associations, or establishing other forms of collaboration that reinforce these initiatives' sustainability and market access.

### The role of the Institute

The Votorantim Institute serves as the intelligence and social-solutions design hub within the Votorantim ecosystem, consolidating itself as the core center of knowledge and experience in social development. Its central role in ReDes encompasses both the design and comprehensive implementation of the program.

Based on its experience and strategic thematic priorities, the Institute is responsible for providing specialized technical assistance and ongoing support to participating associations and cooperatives. This support is adaptive, calibrated to each organization's level of maturity and specific needs, ensuring that interventions are relevant and effective.

### The role of allies

The National Bank for Economic and Social Development (BNDES) acts as a strategic and financial partner, providing resources and national-level expertise in economic development that expand the program's reach and impact across Brazil.

Local governments open opportunities for public procurement, becoming key clients for the participating associations.

Civil society organizations and community leaders help build collaborative networks and support territorial development processes.

## The Value of Partnerships

The program is structured around a core collaboration between the Votorantim Institute and the National Bank for Economic and Social Development (BNDES) and is further strengthened by the support of Votorantim portfolio companies and alliances with other strategic local actors.

These partnerships combine complementary assets—technical expertise, capacity to design social solutions, and the financial resources required for large-scale implementation—and are essential for driving project development, extending the program's reach, and connecting associations with market opportunities that underpin their sustainability and impact.



The success and scalability of the ReDes program depend on consolidating strategic alliances among multiple key stakeholders, which makes it possible to increase the scale and depth of impact.

For additional elements to help maximize impact, see the report [Corporate Impact in Latin America](#).

## The Impact Strategy

The ReDes Program offers a package of interconnected solutions tailored to the different needs and maturity levels of participating organizations. Its core strategy combines customized technical support with strategic funding, the building of local networks, and training to access new sources of resources, which not only stimulates the immediate economic development of vulnerable groups but also strengthens their capacities for autonomous, long-term sustainable growth.

The program's flexibility is reflected in how support is adapted to each organization's stage of development, ranging from assistance with production processes for emerging groups to the design of sales strategies for more consolidated ones. This learning journey is essential for enabling organizations to later access other calls and funding sources, thereby ensuring the sustainability and expansion of their initiatives.

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### Financial support

**Modality:** Gradual disbursement to associations and cooperatives.

**Use:** Aimed at structuring and strengthening businesses.

**Key:** Close support to ensure efficient resource management.

2

### Tailored technical advice

**Scope:** Guidance on financial management and production optimization.

**Local Respect:** Does not impose methodologies but instead engages in dialogue to understand the existing context and capabilities.

**Innovation:** Introduces improvements and facilitates market access.

**Nature:** Ongoing and adaptable to each group's needs.

3

### Local coordination

**Objective:** To strengthen group organization.

**Synergy:** Mobilizes public-private partnerships and local-level collaborations to add value.

**Expansion:** The number of participants in productive initiatives increases.



ReDes maximizes the scalability of its impact by providing support and accompaniment that respond to the different stages and levels of need of beneficiary organizations. For further elements to help maximize impact, see the report Corporate Impact in Latin America.

## Impact Measurement

The ReDes Program uses an impact-measurement methodology based on two key indicators to evaluate its effectiveness and long-term sustainability, monitored annually during implementation and for up to five years after completion, which provides a comprehensive view of the continuity of the results achieved.

The first indicator is the survival and sustainability rate of the supported businesses, which assesses whether the economic activities of beneficiary organizations persist over the medium and long term and thus reflects the resilience and autonomy of the incubated projects.

The second indicator, known as “social payback,” quantifies the return on investment generated by the projects by comparing the initial investment made by the program with the cumulative income generated by beneficiaries over time; a social payback greater than 1, as currently observed, shows that project revenues have exceeded the initial investment and therefore demonstrate the social profitability of the intervention.

In 2020, the BNDES team conducted an independent impact evaluation of ReDes beneficiaries from 2012 to 2017, using cross-referenced data from the Single Registry, and found significant improvements in indicators related to labor-market participation, gross income, and the probability of belonging to the economically active population, confirming the program’s positive effects on productive inclusion and on participants’ socioeconomic conditions.



## The Impact Achieved



To date, 76 projects have been supported, with a business **survival rate of + 70%.**



**More than 4,200 people** have been mobilized as beneficiaries across the participating projects.



For every real invested, **BRL 1.52 in income has been generated.**



**In aggregate, more than BRL 64.2 million** in aggregate income for participating communities.



*"What we do is important for companies because we have understood that business and investments cannot prosper in very fragile territories. Therefore, working to increase the economic dynamism of the territories is important not only as a social strategy, but also as a business strategy."*

### **Ligia Saad**

Coordinator of Institutional Relations of the Votorantim Institute.

*"Through the ReDes program, associations and cooperatives can improve their production and market their products, and thus begin to generate more income, boosting the local economy and generating shared value."*

### **Bianca Costa Beltrami**

Project Coordinator in Economic Dynamism at the Votorantim Institute.

## Articulation With the Business

The ReDes Program is closely aligned with the core business strategy of Votorantim's portfolio companies, based on the understanding that long-term investments across different sectors cannot prosper in socioeconomically fragile environments. In territories marked by instability, high vulnerability, and scarce opportunities, companies face heightened operational risks, supply-chain disruptions, social conflict, and reduced local purchasing power; promoting economic dynamism in these areas is therefore not only a matter of social responsibility but also an intrinsic business strategy.

ReDes facilitates the integration of supported vulnerable groups into Votorantim companies' value chains as local suppliers, within a shared-value approach that links business success with social progress and creates mutual benefits by strengthening supply-chain resilience while opening up sustainable income opportunities for communities.

Investing in initiatives such as ReDes also supports proactive management of social and environmental risks associated with Votorantim's operations: by addressing local vulnerabilities, companies can mitigate potential community conflicts, ease pressure on natural resources, and contribute to more sustainable development in their areas of influence.



## Lessons Learned

### Facing Contextual Challenges

The success of the program is intrinsically tied to careful consideration and ongoing monitoring of external contextual factors that can influence its operation. Elements such as road conditions for transporting products from rural areas to larger markets or the effects of climate change on production chains can significantly affect outcomes.

The key lesson is the critical importance of maintaining a constant presence in the territory: building strong relationships among communities, Votorantim companies, and public authorities is essential to addressing day-to-day local challenges and enhancing the program's capacity to adapt and remain resilient in the face of each region's specific circumstances.

### Strategy design should focus on the target population

Listening to the needs of the target population, co-developing business plans, jointly identifying challenges and opportunities from their perspective, and incorporating local knowledge have all proven crucial.

This participatory approach not only increases the relevance and local ownership of the solutions but also facilitates entry into the territory by aligning interventions with the region's productive vocation and with each group's specific characteristics and level of maturity in relation to the business model being developed.

### Learn More

[www.institutovotorantim.org.br/es/projetos/redes/](http://www.institutovotorantim.org.br/es/projetos/redes/)

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