

fundação ageas

case study



YUNUS
SOCIAL INNOVATION
CENTER
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B/SINESS & ECONOMICS

Title:

Fundação Ageas: Case Study

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Fundação Ageas

Date:

May 2025



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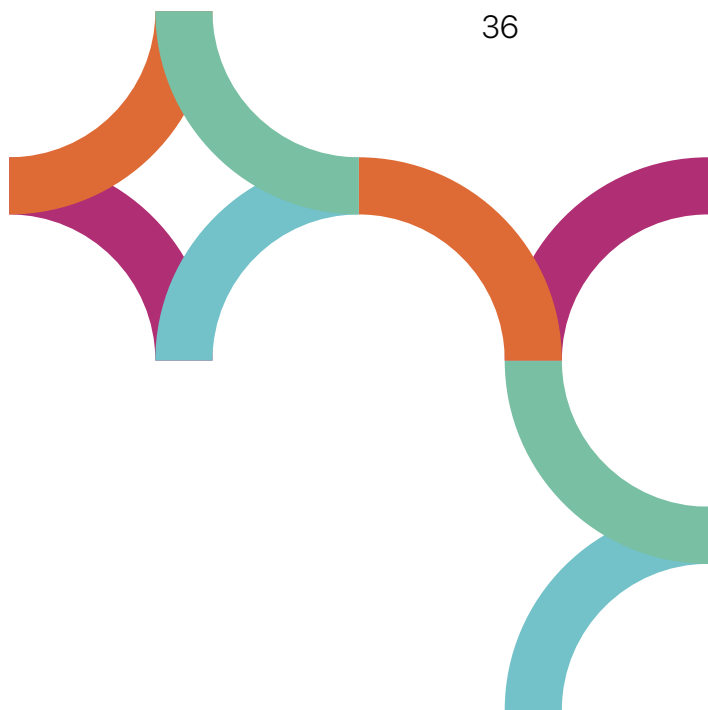
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Introduction

The Ageas Foundation is the corporate foundation of the Ageas Portugal Group and has positioned itself as an important player in Portugal's social innovation ecosystem. Over the last 25 years, the Foundation mobilized over 6.5 million euros in community support and over 197,000 hours of volunteering services, reaching more than 360 individuals and 100 Social Purpose Organizations (SPOs) with its capacity building programs.

This case study explores how the Ageas Foundation has evolved its strategy to include Venture Philanthropy, focusing on scalable solutions and revolving funds to ensure financial sustainability. It examines the key elements of its strategy, the challenges encountered, and the lessons learned, offering insights into how the Foundation navigates its dual role as an independent social actor and a corporate-affiliated entity.

We start in part one by presenting the historical path of the Foundation and the chain of events that lead to its latest strategy revision. In part two, we dive into the strategic process and resulting strategy, discussing its phases, key decisions and challenges encountered. In part three, we explore the multilayered impacts of the Foundation on its various stakeholders and broader ecosystem. Finally, in part four we conclude by highlighting the Foundation's challenges ahead.

Part I – Methodological approach

Considering that the subject under study **has a unique, descriptive, and exploratory nature**, a qualitative approach is deemed more appropriate for this research, rather than a quantitative one. Consequently, this single, descriptive case study was developed using an explanatory strategy and a holistic design, i.e., through a single unit of analysis, the AGEAS Foundation¹.

Case studies, like experiments, are generalizable to theoretical propositions rather than populations or universes and, as such, do not represent a sample. **The purpose of conducting a case study is to expand and generalize theories through analytical generalization**, rather than to enumerate frequencies through statistical generalization².

For the present study, two distinct levels of information sources were used. Regarding primary sources, the information obtained from interviews conducted with key stakeholders was analyzed. As for secondary sources, the reports produced by the AGEAS Foundation within the scope of financial statements and status reports.

One of the advantages of the chosen data collection method is the active participation and contribution of a significant number of stakeholders, which enhances the representativeness of the general understanding of the AGEAS Foundation's activities.

For the purposes of this research, **a non-probabilistic convenience sampling** method was employed. This approach, in which available units are selected³ and in which the sample is chosen according to the study's objectives, was selected due to its efficiency in conducting interviews, cost-effectiveness, and ease of access to respondents.

Thus, through a stakeholder mapping process, key stakeholders were identified, representing various organizational dimensions (partners, supported projects, Board members, AGEAS Group members) and different profiles. (see table 1)

1 Yin, R. K. (2018). Case study research and applications: Design and methods (6th ed.). SAGE Publications.

2 Yin, R. K. (2018). Case study research and applications: Design and methods (6th ed.). SAGE Publications.

3 Vehovar, V., Toepoel, V., & Steinmetz, S. (2016). Non-probability sampling. In C. Wolf, D. Joye, T. W. Smith, & Y.-C. Fu (Eds.), The SAGE handbook of survey methodology (pp. 329–345). SAGE Publications.

Name	Stakeholder	Position	Date
João Machado	Ageas Foundation	President of the Board	13/08/2024
Steven Braekeveldt	Ageas Group	CEO	19/08/2024
Katrien Buys	Ageas Group	Director	03/09/2024
Ricardo Pimentel	Ageas Foundation	Responsible for Impact Investment	29/08/2024
Ana Margarida Azevedo	Ageas Foundation	Secretária Geral	10/09/2024
Isabel Rosado	Palhaços D'Opital	CEO	04/09/2024
Sara Gonçalves	ACTIF	CEO	02/09/2024
Margarida Quinhones	Pedalar Sem Idade	CEO	28/08/2024
António Miguel	MAZE	Managing Partner	16/09/2024
Bruno Ferreira	PLMJ	Managing Partner	13/09/2024
Gonçalo Vilaça	Ageas Group	Ventures Operating Partner	11/09/2024
Tomás Costa	Dioscope	CEO	05/09/2024
Pedro Esperto	Ageas Group	Director Customer Marketing Experience	03/09/2024

Table 1: Interviews overview.

The contact with interviewees was made through formal channels, i.e., institutional emails and with the intermediation of the AGEAS Foundation.

The interviews, considered an essential source of information for the case study, were conducted as guided conversations rather than fully structured investigations. The goal was to follow a consistent and reflective research approach aligned with the case study protocol. However, the actual flow of questions remained flexible rather than rigid, ensuring that questions were asked in an impartial manner, i.e., without biases or preconceived notions⁴.

In total, 10 interviews were conducted. Despite the limited number of exploratory conversations, the selection of representative stakeholders ensured that the conclusions were broad enough to capture different perspectives on the subject under study.

The **semi-structured interview guide used in the conducted interviews** was developed based on existing literature on impact integrity and the core research questions underlying the case study, namely:

What is the impact of the Foundation resulting from the implemented strategy?

What are the future challenges arising from strategic implementation?

4 Yin, R. K. (2018). Case study research and applications: Design and methods (6th ed.). SAGE Publications.

Part II - The Ageas Foundation

1. Creation of the AXA Foundation in Portugal

1.1. Focus on corporate volunteering

The AXA Foundation was established in 1998 as the Corporate Foundation of AXA Portugal with the status of a Private Institution of Social Solidarity (IPSS), aiming at “pursuing goals of social solidarity within the community, bringing together people and partners in its strategy, with a global commitment to implementing the Sustainable Development Goals (SDGs)” (Annual Report, 2020). During its initial period of operation, the foundation primarily focused on promoting the company’s volunteering initiatives. Additionally, the Foundation provided some financial support to social projects, although “the volunteering component always had to be present” (Ana Margarida Azevedo). In summary, “the AXA Foundation was particularly specialized in the volunteering activities for the company’s people” (Ana Margarida Azevedo).

2. From the AXA Foundation to the Ageas Foundation

In 2016, the Ageas Group acquired AXA’s operations in Portugal, namely AXA Portugal. The transaction included AXA’s life insurance, non-life insurance businesses, and distribution channels in Portugal⁵. This acquisition had three key impacts on the AXA Foundation: (1) **A significant increase in the Foundation’s budget**; (2) **Rebranding of the Foundation**, transitioning from AXA Foundation to Ageas Foundation; (3) **Development of the first strategic planning process**.

2.1. The first strategic plan

Conducted in 2016, the first strategic planning gave rise to an “ambitious vision for the Foundation thanks to the inclusion of a new range of companies within both the Group’s and the Foundation’s ecosystem” (Ana Margarida Azevedo). This initial strategic process resulted in a new vision that considered the possibility of creating a museum and developing capacity-building programs for both individuals facing social exclusion and Social Purpose Organizations (SPOs). The vision was also supported by a gradually evolving annual budget towards one million euros.

5 https://www.jornaldenegocios.pt/empresas/banca---financas/detalhe/axa_portugal_deixou_de_existir

2.2. The creation of Escola de Impacto

The defined strategy was not fully implemented. However, the Escola de Impacto (Impact School) was created as a tool for empowering vulnerable populations. This was the first initiative developed by the Foundation with the aim of empowering vulnerable groups, giving rise to a new strategic area of intervention. The Escola de Impacto was launched as a platform aimed at promoting social inclusion through employability – either by fostering the creation of self-owned businesses or through reintegration into the labor market.

3. Strategic challenges and the Mandate of a New President

2021 marked another significant year in the life of the Ageas Foundation. The year witnessed the initiation of a new strategic review process, building upon groundwork laid in the previous year with the recruitment of a new President for the Ageas Foundation. This strategic planning process also arose from the need for the Ageas Foundation to redefine its focus, driven by an increase in its annual budget (see figure 1), a change in leadership, and the evolution of the social innovation ecosystem.

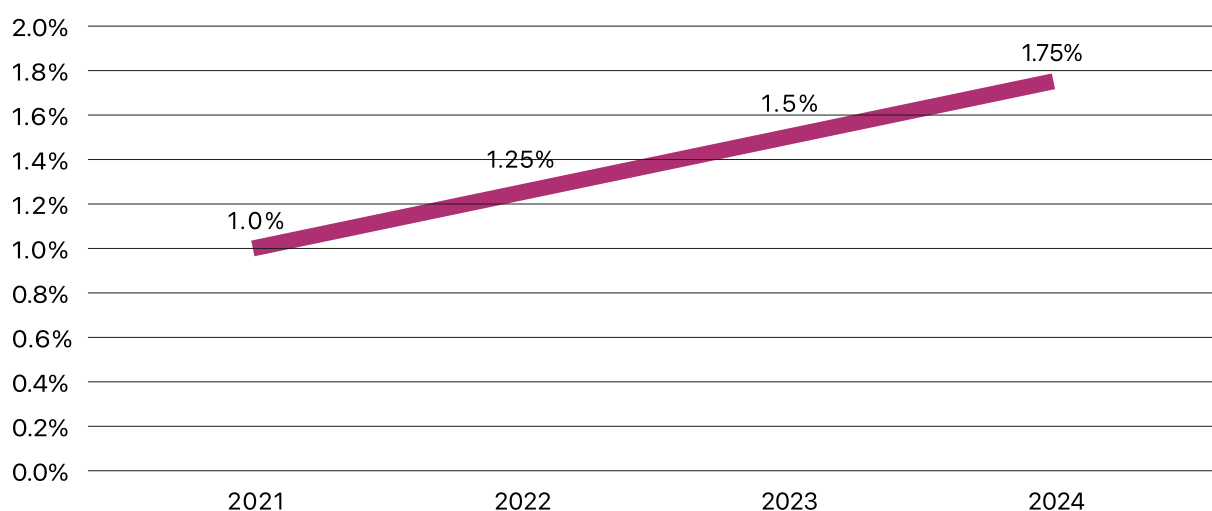


Figure 1: Group's annual contribution for the Foundation as % of the Group's net results.
(Source: Interview João Machado.)

3.1. The recruitment process of a new President

The recruitment process of a new President for the Ageas Foundation was triggered by the departure of the previous one. Initiated in late 2020, the process involved referrals of various profiles by the Foundation's stakeholders and concluded in early 2021 with a series of interviews conducted by Katrien Buys (Sustainability Director), Steven Braekevelt (CEO of the Ageas Group), and Marta Melo (Head of Recruitment at the Ageas Group). The selected candidate was João Machado, who was, at the time, working in the Impact Investment division of the Portugal Social Innovation Mission Structure⁶.

3.2. Early Challenge

Prior to 2021, the foundation was a small organization with limited resources, marked by a strong emphasis on volunteering and a predominantly traditional philanthropic approach. Despite this, there was already an emerging interest in supporting social entrepreneurship projects, by introducing an element of innovation into its operating model. According to Katrien Buys, "The Foundation required a strategic update that prioritized scaling its impact, aligning funding with sustainable objectives, and transitioning from random donations to more structured and effective approaches". Additionally, "the foundation needed to transition from modest beginnings to incorporating impact investment and venture philanthropy, becoming a pioneer among corporate foundations in Portugal" (Katrien Buys). For Steven Braekeveldt, it was the perfect timing for change: "The Foundation had to either increase its impact or face closure, which prompted the creation of a transformative strategy." These factors, combined with the departure of the previous president and the willingness to increase the annual budget, triggered a deep strategic reflection process for the foundation. The process was guided by the following initial objectives and key questions:

Which funding model could increase the Ageas Foundation's impact on society?

As shown in Figure 2, the group's contributions to the Foundation's revenues remained relatively stable until 2020, after which they increased substantially and progressively. This change brought greater strategic responsibility in the allocation of funds, which, among other factors, triggered the strategic reflection process. With the strategic reassessment, a significant shift in the Foundation's funding model was considered. Instead of relying on fixed budgets, another option was considered: having a funding model that was linked to a percentage of the Group's annual net profits. This approach promised a substantial increase in available resources, enabling not only a diversification but also an expansion of the Foundation's social impact – either through a larger number of projects or more significant investments. The idea of tying funding to a percentage of net profits was considered as a strategic recommendation from the then-CEO, Steven Braekeveldt, who highlighted the feasibility of this approach. The Foundation's leadership team incorporated this suggestion into the presented strategic plan, marking a pivotal transition for the organization and positioning it for a more influential role within the social impact ecosystem.

6 <https://pis.portugal2030.pt>

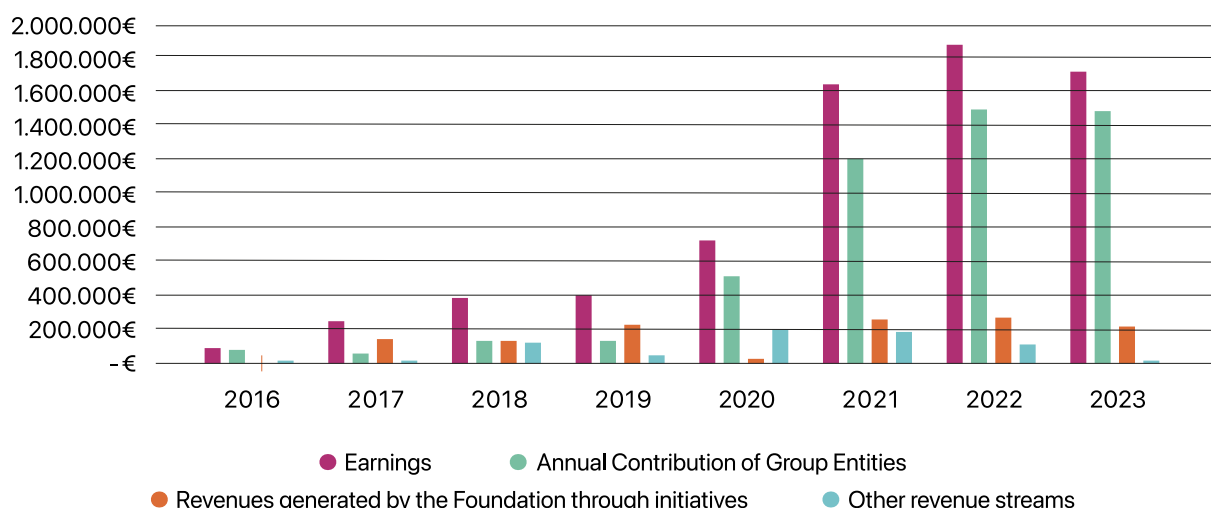


Figure 2: Revenue streams evolution. (Source: Financial Statements 2016-2023.)

In parallel, the strategic reflection also focused on reducing dependency on the potentially volatile net profits of the Ageas Group. The leadership identified the need to explore innovative financing mechanisms that would provide greater stability and sustainability for the Foundation's operations. This led to initial forays into what is now recognized as impact investing, envisioning a "self-replenishing "revolving fund" model where investments generate returns to be reinvested in future initiatives" (Katrien Buys). The revolving fund concept was seen as a partial solution to mitigate this risk, fostering financial independence while continuing to support impactful projects.

The initial idea was to establish a funding model that would not rely solely on contributions from the Ageas Group based on its net results but would also include other sources of funding, stemming both from the new Venture Philanthropy approach and alternative channels such as the "solidarity bonus, where employees could donate up to 20% of their annual bonus" (João Machado).

How to have a clearer purpose for the Foundation?

The strategic planning process was intended to mark a transitional phase for the Ageas Foundation, with the primary goal of aligning its activities to a clearer and more focused strategy capable of defining a concrete and visible impact thesis for both internal employees and external stakeholders. This shift aimed to overcome a previous approach described as "scattered — touching on everything from education to ocean plastics — without a clear strategic direction." (João Machado), addressing a wide range of areas without creating a clear perception of effective impact.

Recognizing this reality, the executive committee prioritized reorganizing the foundation by identifying and strengthening its advantages as part of the Ageas Group, while addressing its weaknesses. Despite the pursuit of a more defined strategic direction, "there was no specific guidance on prioritizing particular thematic areas, such as health or other sectors" (João Machado). The intention was to create a strategic focus that would provide greater clarity and impact without imposing rigid operational constraints on the foundation's areas of activity.

Furthermore, the leadership emphasized the importance of preserving the foundation's existing strengths, including its strong emotional ties with employees and distribution partners. Striking a balance between innovation and continuity was seen as essential to maintaining trust and legitimacy while positioning the foundation as a leader in sustainable and scalable impact.

How to operate at scale?

The initial ambition was to scale the foundation's impact by leveraging the foundation's assets more strategically, moving beyond traditional volunteering and capacity-building activities. This shift required leadership with a dual focus: maintaining strong bonds with employees and stakeholders, while also possessing expertise in investment practices to implement and manage these new approaches effectively. The recruitment of a new president with the right skills and vision was instrumental in advancing this agenda.

The new approach to operate at scale also required a set of new competencies, skills, and resources that the Foundation's team did not possess at the time. These would enable "blending financial rigor with social innovation" (Ricardo Pimentel) and "professionalized operations while aligning more closely with Ageas Group's corporate values" (João Machado). To this end, one of the strategic priorities at this stage involved recruiting a team capable of filling the competency gaps and leveraging the resources and expertise of the Ageas Group.

How to track the Foundation's impact?

On the other hand, there was a lack of systematic monitoring of the results and impacts of the initiatives carried out. While many actions were initially implemented successfully, there was no clear mechanism to evaluate or understand what happened next — whether in terms of the impact generated, the continuity of the projects, or the transformation of the conditions of the supported communities. This lack of monitoring and evaluation not only hindered the measurement of results but also limited organizational learning and the development of a clear and long-term impact thesis.

How to preserve the Foundation's history and legacy?

The transition to a new strategic model also faced a significant challenge: preserving the strong emotional bond and close relationship that the foundation had established with the group's employees and key stakeholders. The foundation played an important role as a platform for volunteering (see figure 3) and donation initiatives, making it essential to maintain this organizational "emotional connection" while simultaneously establishing a more defined strategic focus. This delicate balance required breaking away from a generalist approach without compromising the emotional engagement and active participation of employees and stakeholders.

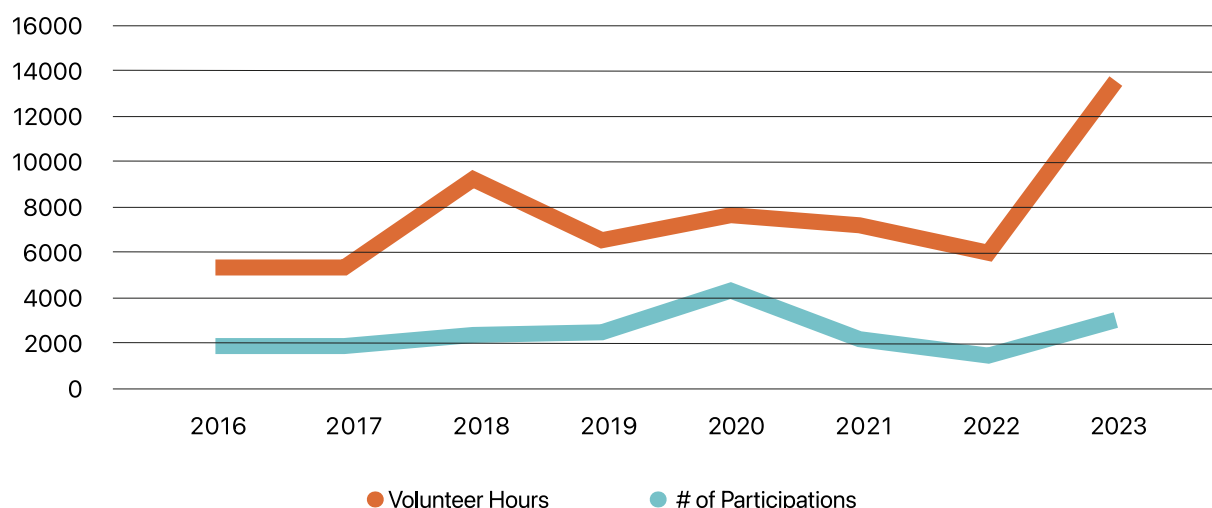


Figure 3: Volunteering in the Ageas group. (Source: Financial Statements 2016-2023.)

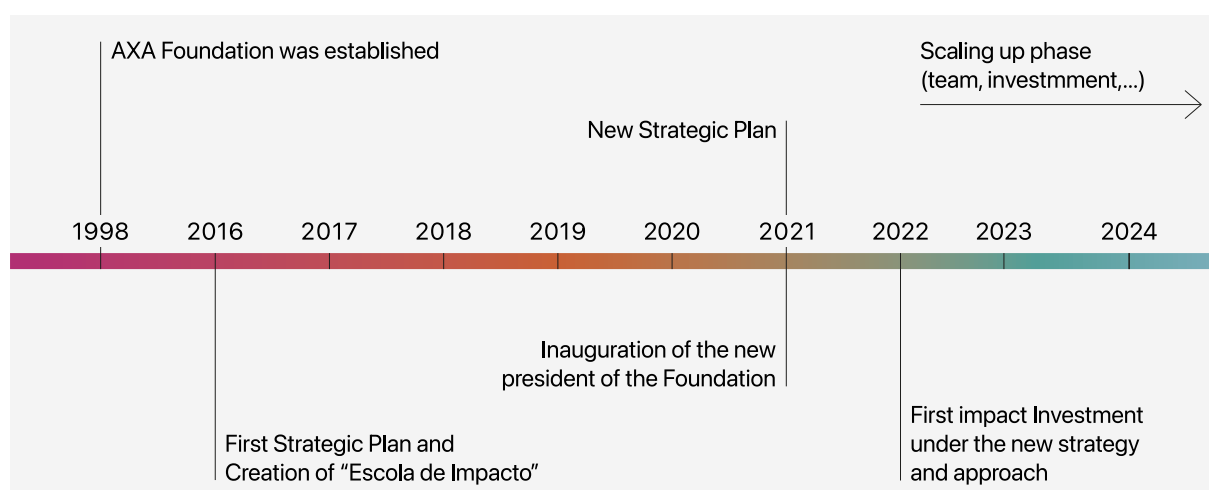


Figure 4: Ageas Foundation Timeline. (Source: Financial Statements 2016-2023; Interviews.)

4. The most important strategic challenge: The philanthropic approach of the Ageas Foundation

According to João Machado, the Foundation needed to change its philanthropic approach to ensure that the objectives defined at the beginning of the strategic reflection process were achieved. However, this shift brought significant challenges: "Transitioning from a traditional charity model to one centered on strategic philanthropy and impact investment required addressing internal resistance, particularly from long-standing staff who were attached to previous approaches".

4.1. The Approach

The philanthropic approach to be adopted was based on the “revolving fund” concept suggested by Katrien Buys. This approach was built on two essential pillars: Strategic Philanthropy and Impact Investing.

4.1.1. Venture Philanthropy – the strategic overarch

According to the European Venture Philanthropy Association (EVPA)⁷ now known as Impact Europe, venture philanthropy (VP) is a high-engagement and long-term approach to generating social impact. It combines funding with tailored non-financial support to strengthen social purpose organizations (SPOs), including charities, social enterprises, and socially driven businesses. The key principles of venture philanthropy include:

High Engagement: Active involvement of funders with the supported organizations.

Tailored Financing: A mix of financial instruments, such as grants, debt, or equity, depending on the needs of the SPO.

Organizational Capacity-Building: Providing non-financial support, such as mentorship, strategic guidance, and operational assistance, to enhance the SPO's effectiveness and sustainability.

Multi-Year Support: Long-term commitment to create sustainable social impact.

Impact Measurement and Management: Continuous monitoring and evaluation of the social outcomes achieved by the SPOs.

Venture philanthropy bridges the gap between traditional philanthropy and impact investing, focusing on both financial sustainability and measurable societal impact.

4.1.2. Impact Investment – “The revolving Fund”

Impact Investment involves the allocation of capital to activities, organizations, or funds with the aim of achieving both a financial return and a social value return, where both types of return are monitored and influence the investor's decision-making. Among impact investors, some prioritize profit in achieving a set level of impact (profit-first), while others prioritize impact in achieving a defined return (impact-first). There are also profit-with-impact investors who do not believe in choosing between maximizing profit and maximizing impact, and seek to operate in areas where profit and impact are strongly correlated.

⁷ <https://www.impacteurope.net/impact-glossary>

In practice, impact investing encompasses a wide range of sectors and approaches, as practitioners navigate the challenges of standardizing impact measurement and balancing financial returns with social objectives⁸.

According to Impact Europe⁹, one can say that the main principles of Impact Investing are:

Intentionality: Refers to the deliberate and explicit aim of achieving positive social and/or environmental outcomes for a defined community, with intentions clearly stated before capital deployment.

Measurability: Involves setting measurable social impact objectives and implementing systems to monitor and actively manage outcomes. This ensures ongoing improvements, better decision-making, and clear impact definition.

Additionality: Describes an investment's ability to generate outcomes that would not have occurred without it, resulting in better social or environmental results compared to the likely alternative scenarios¹⁰.

4.1.3. The Foundation's approach to Venture Philanthropy

For the Foundation, the Venture Philanthropy strategy is grounded in the concepts of Social Investment and Impact Investing, where "Social Investment is the exclusive grant-making approach to philanthropy whereas Impact Investment is about investing capital expecting the reimbursement and a potential return, as long as there are measurable social impact goals well-defined before the investment. Both approaches require intentionality and additionality in achieving their impact goals". (Status Report May 2024)

This new approach would enable the introduction of "instruments like revenue-sharing agreements and SAFE notes, adapting to legal constraints while fostering innovation" (João Machado). Additionally, it ensures a greater "focus on scalability and additionality, aligning interventions with public policies and corporate strengths to deliver unique value" (João Machado), while "aiming to address systemic challenges by collaborating with organizations over three to five years to amplify their social impact" (Ricardo Pimentel).

⁸ (Hochstadter & Scheck, 2014).

⁹ <https://www.impacteurope.net/sites/www.evpa.ngo/files/publications/how-to-do-impact-measurement-and-management-2024.pdf>

¹⁰ The concept of additionality adopted by the Ageas Foundation refers to the relationship between the Foundation and the core areas of the Ageas Portugal Group.

Part III – The Ageas Foundation Strategy

1. The strategic planning process

The new strategic approach was anchored in a move of focus from traditional philanthropy (corporate volunteering, grants, emergency funds) to venture philanthropy. Here, the concept of additionality was of great importance and guided the strategic planning process and decisions. Ageas Foundation views additionality as a focus on social problems where the Foundation, as part of the Ageas Portugal Group, has a lot of “know-how, technical knowledge, operational knowledge, market knowledge, and networks” (João Machado). So, from the onset there was an intention to build the strategy “upon the strengths and the assets that the corporate (Group) could bring to the table” (Katrien Buys).

1.1. Sector-specific vs broad-based portfolio

From the start, the Foundation faced the strategic decision of choosing the type of portfolio they would adopt: “the key question is: ‘What kind of foundation do we want to be?’ There are essentially two paths: one is a foundation that launches open calls and typically funds a large number of projects; the other is a foundation that works closely with a smaller number of initiatives, offering tailored support and ongoing follow-up.” (João Machado). A broad-based and a sector-specific portfolio each offered unique advantages and challenges that the Foundation had to weigh¹¹:

Broad-based portfolio: + higher chance of success in markets with small pools of projects; + possibility of reaching a wider range of stakeholders.

Sector-specific portfolio: +higher possibility of added-value in areas the investor has know-how; + facilitates impact measurement.

Ultimately, the decision was made to have a sector focused, one-by-one approach. “As a corporate foundation with significant specialized know-how, it often makes more sense to adopt a one-on-one approach – and that ultimately shaped our decision.” (João Machado). This decision can be seen as a reflection of the Foundation’s emphasis on additionality – prioritizing avenues that allow them to take advantage of their unique resources and expertise. It also marks a departure from their previous broad-based portfolio approach: “What the Foundation was doing was too much ‘spray and pray’, touching on all SDGs¹²... it (was) everywhere and, at the same time, nowhere” (João Machado).

¹¹ From Gianoncelli, A. and Picón Martínez A., (2020) “The Investing for Impact Toolkit”. EVPA (now Impact Europe). Available here. In Status Report 2021

¹² SDGs – Sustainable Development Goals

1.2. Choosing sectorial focus

The decision to adopt a sector-specific approach was followed by a need to define which sectors to focus on. A participatory strategic process was conducted with the goal of selecting 3 social problems and specific objectives the Ageas Foundation would prioritize.

This was done in 3 steps with 3 associated questions:

1. Internal auscultation – Which social problems do Ageas Portugal Group’s employees want and are prepared to tackle?

“It was an intensive four-month process during which we conducted nearly 100 interviews – speaking with around 50 people from the Ageas Portugal Group, many of whom we interviewed twice.” (João Machado). The auscultation included 18 areas from the Group and the Foundation, with specialists in “risk, innovation, sustainability, strategy, health, ageing” (João Machado). Each team identified the social problems and objectives they felt the Foundation was empowered to tackle through a Venture Philanthropy approach.

2. Public Policy analysis – What social problems are Portuguese and European Public Institutions prioritizing?

“Simultaneously, we looked at the entities that oversee public policy to analyze what they identify as priority areas” (João Machado). Several policy documents were reviewed, including the Portugal 2030 Strategy¹³, the Portuguese state budget for 2021¹⁴ and the European Pillar of Social Rights¹⁵, to identify overlapping priorities.

3. Benchmarking – What are the approaches other actors have to impact philanthropy?

Additionally, a benchmark study was carried out to understand the focus areas of other foundations in Portugal, identify the social issues they were addressing, and uncover potential gaps and opportunities for collaboration within the Portuguese philanthropy ecosystem..

“We understood that the three main areas where we could bring additionality were also in the top 5 public policy priorities in Portugal. And when we compared them with the benchmark of what other foundations were doing, **we concluded that health, ageing and social exclusion were the areas we would focus on**” (João Machado).

From this process, some areas that were identified through the internal auscultation as relevant, such as financial literacy, were not included in the final selection, as they were not relevant public policy priorities.

13 Portugal 2030 Strategy

14 Portuguese State Budget 2021

15 The European Pillar of Social Rights in 20 principles - Employment, Social Affairs & Inclusion - European Commission

1.3. Choosing the type of organizations to focus on

The Foundation chose to focus on organizations that “have already demonstrated success on a small scale and are now seeking to grow, but may still lack the necessary capacity — whether in terms of team, resources, or other areas — to do so independently.” (Ricardo Pimentel).

This approach aligns with the broader challenges of the social innovation ecosystem and lifecycle, namely due to the “Death Valley” — a critical point where funding is difficult to secure because the ecosystem does not recognize the importance of early-stage development. This creates a “financing gap” at this stage of development where SPOs (1) are planning to grow; (2) lack team capacity and resources to do it; and (3) do not have access to mainstream financial services or large-scale social impact funds (see figure 5).

This stage often requires **patient capital** - investments that prioritize long-term outcomes over immediate returns - which limits funding opportunities and calls for investors who are willing to take calculated risks.

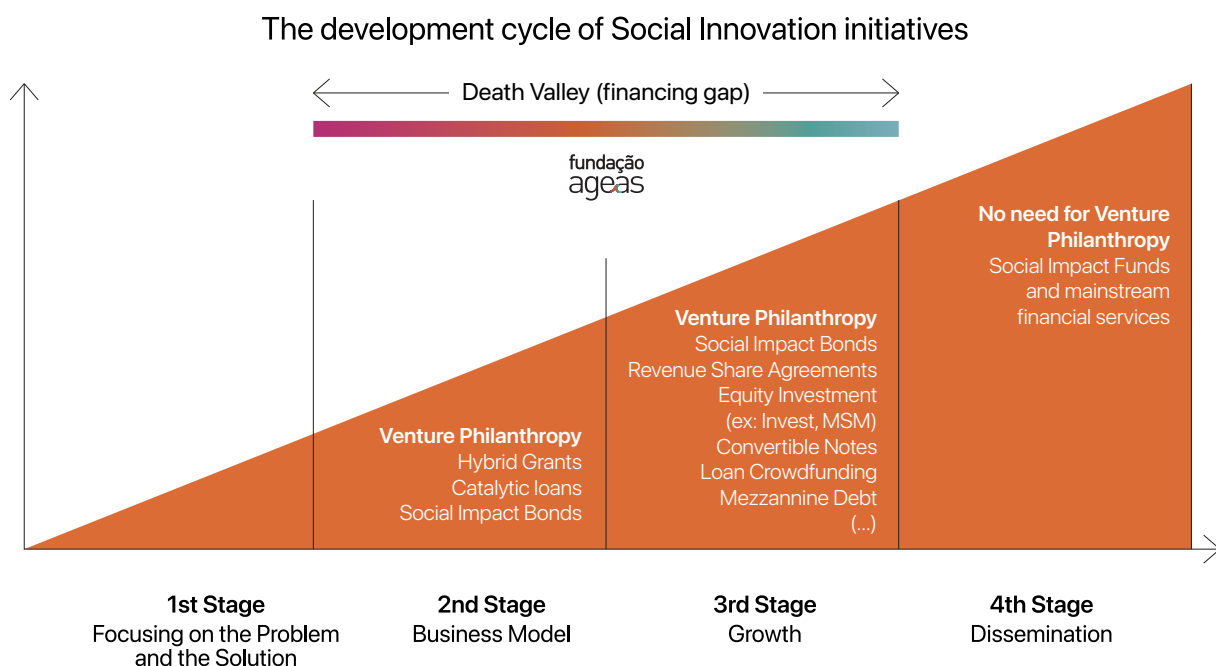


Figure 5: Social Innovation Lifecycle. (Source: Status Report June 2021.)

As part of this strategy, the Foundation emphasized quality over quantity in its project portfolio, focusing on projects with scalability potential: “we want to increasingly work with fewer projects that are better suited and more aligned with our strategy. Those should be projects where we are deeply involved, whether through financial resources, human support, or leveraging our internal expertise to assist their development” (Ana Margarida Azevedo).

1.4. Choosing the financial instruments

After defining its focus areas and target organizations, the Foundation needed to decide which financial instruments to use. Financial instruments represent contractual mechanisms through which investors can do monetary transfers into investees¹⁶. The instruments used in venture philanthropy are broadly similar to the ones used in the traditional investment sphere (e.g. debt, equity), but can also include hybrid models – customized variations of traditional instruments designed to best suit the particular need of social purpose organizations of balancing financial returns and impact goals (e.g. convertible loans, recoverable grants).¹⁷

The Foundation started by identifying “5 to 6 instruments that other (international) foundations were already using” (João Machado), and then partnered with PLMJ, a Portuguese law firm, to assess two considerations: (1) determine which “type of activity was possible and which adjustments were needed” (Bruno Ferreira) under the Foundation’s statutes (2) adapt the selected financial instruments to comply with Portuguese Law.

Through this process, according to João Machado, some instruments were discarded, such as **loans** – because, in his words, to use loans as a Foundation “you had to have a license from CMVM (Portuguese Securities Market Commission) and build a loan fund” – and **recoverable grants** – “we couldn’t do it either because if we did it more than once, it would be considered recurrent and, according to the law, would therefore be considered a loan.

After identifying the instruments the Foundation could use under its legal form, there was a process of adapting them to the Portuguese law. This step was particularly challenging because “to our knowledge, no (Portuguese) foundation has ever used a safe note or a revenue-sharing agreement” (João Machado), and “a lot of these instruments are used under the British law and other jurisdictions, so it is necessary to find the most similar juridic category in Portugal and understand what adaptations we need to do” (Bruno Ferreira). Bruno Ferreira from PLMJ highlighted some of the limitations encountered in the Portuguese legal framework such as “not allowing interest capitalization in a certain manner, or having a set time limit for interest capitalization, or needing additional protections in the cases of convertible notes and revenue sharing”. These limitations lead to adaptations, including adjustments to “rules related to time limits and contract renewals”, among others.

This adaptation process, led by the Foundation and operationalized by PLMJ, was a crucial step in the Foundation’s strategic process: “the first risk on starting impact investment is that we would do it in an ethical and compliant way” (Katrien Buys). It not only enabled the Foundation to comply with legal requirements but also contributed to advancing Portuguese expertise in this area, “generating knowledge very important for us (PLMJ) and also very important to the Portuguese jurisdiction and know-how in this sector” (Bruno Ferreira).

16 Gianoncelli, A. and Picón Martínez A., (2020) “The Investing for Impact Toolkit”. EVPA (now Impact Europe). Available here.

17 Gianoncelli, A. and Picón Martínez A., (2020) “The Investing for Impact Toolkit”. EVPA (now Impact Europe). Available here.

2. The strategic model

2.1. Thematic focus

The strategic process resulted in a renewed focus and direction for the Ageas Foundation, centered around the introduction of a new pillar in its strategy – Impact Investment – and the election of 3 social problems, and respective specific goals to prioritize¹⁸:

- 1. Health:** Reduction of chronic illnesses; Access to health services; Mental Health Support
- 2. Ageing:** Reduction of loneliness and isolation, Improvement of Homecare Services, Employment of people with disabilities
- 3. Social exclusion:** Support and preparation for independent living; Access to education and training opportunities

2.2. Strategic Pillars

In addition to the new Impact Investment pillar, the Foundation kept its previous main activities – corporate volunteering, social investment and capacity building – which suffered some changes to align with the new strategic focus: “with this (strategic) revision came a disruptive side of elevating the Foundation to another level... not solely based on volunteering” (Ana Margarida Azevedo).

The revised strategy defines 4 action pillars for the Ageas Foundation¹⁹: corporate volunteering, capacity building, social investment and impact investment.

2.2.1. Corporate volunteering

The corporate volunteering pillar refers to the management of all volunteering activities available to the employees and families of the Ageas Portugal Group. Corporate volunteering has been part of the Foundation’s blueprint since its very beginning, mobilizing employees around 4 types of volunteering:

- 1. Knowledge and skill-based volunteering:** Employees put their knowledge and technical skills to service communities and social sector organizations. This can involve activities such as financial literacy workshops and specialized mentoring for organizations.

¹⁸ Ageas Foundation Website

¹⁹ Ageas Foundation Website

2. Solidarity team buildings: Team-building activities for the Ageas Portugal Group's employees are centered around supporting social organizations and communities, engaging in solidarity actions such as renovating community spaces.

3. Continuous and occasional volunteering: Employees volunteering in recurring initiatives, such as providing weekly support to homeless individuals in Lisbon, as well as occasional efforts like assisting in solidarity dinners.

4. Solidarity events and campaigns: The Foundation promotes the voluntary participation of employees in solidarity walks, runs, concerts and in goods donation campaigns.

The new strategy kept this pillar, but with a **new degree of intentionality**: "one thing that really changed in volunteering is (before) we did an ample variety of volunteering activities, according to what requests we had. Now with the focus on health, ageing and social exclusion we target our volunteering activities according to that strategic focus" (Ana Margarida Azevedo). "When I arrived, I mean, they had a lot of team buildings: paintball, bowling. I said, no, that's finished. So, you want to have a team building with your team, fine, but it must have social impact" (Steven Braekeveldt).

2.2.2. Capacity building

This pillar includes the Foundation's development of capacity building programs for individuals and SPOs.

For individuals: The Foundation offers capacity building to equip individuals for entrepreneurship and workforce reintegration under its umbrella program called Impact School²⁰. They offer 3 courses (plus one that has been discontinued) for different targets, according to João Machado:

Inspira-te (discontinued): "to teach entrepreneurship skills for the long-term unemployed"

Relança-te: "to create micro-businesses for people who are underemployed"

Descodifica-te: "to teach No Code²¹ to women who are 20 to 50 years old, and are underemployed or left the workforce and are having difficulties rejoining"

Multiplica-te (new): "to teach plumbing to refugees and migrants in the Porto Metropolitan area, in partnership with CICCOPN (the Professional Training Center for the Construction and Public Works Industry of the North)"

²⁰ See Impact School Website here

²¹ No code: "a software development method that provides users with a platform for visually creating applications with little or no coding" Yan, Z. (2021). The impacts of low/no-code development on digital transformation and software development. arXiv. <https://arxiv.org/abs/2112.14073>

For organizations: The Foundation's approach to capacity building for organizations also evolved with the strategy revision: "We would finance various (capacity building) programs... we were working with many organizations in those programs and then would never work with them again because they were not scalable and/or were not aligned with our thematic areas" (João Machado). To address this, the Foundation conducted a benchmarking analysis of other capacity-building programs and partnered with CUF to launch IMPARES²² — a 12-month program for social entrepreneurs specifically designed for scaling.

2.2.3. Social Investment

The foundation defines social investment as "a non-reimbursable investment done to a social economy organization with the goal of increasing its social impact"²³. According to João Machado, President of the Ageas Foundation, this pillar includes five types of investment:

- 1. Neighborhood/Local support:** Ad-hoc and typically small-scale contributions or donations provided to organizations operating within the Foundation's geographic area.
- 2. Emergency funds:** Rapid-response funding allocated during crises such as earthquakes, natural disasters, or other calamities, enabling the Foundation to act quickly and effectively in times of urgent need.
- 3. Support to non-scalable organizations:** Investments directed toward organizations that despite lacking the capacity or intention to scale, play a critical role in their communities and depend heavily on external funding.
- 4. Pre-Impact Investment Organizations:** Support for organizations that are not yet ready for impact investments but show potential for future growth or scalability.
- 5. Advocacy organizations:** Funding for entities that focus on systemic change through policy advocacy, research, or public engagement, rather than direct service delivery. For example, the Foundation has supported initiatives like the Access Lab²⁴, which advocates for improved access to culture for people with disabilities.

2.2.4. Impact Investment

Impact investment is the new pillar in the Foundation's strategy, representing a significant shift toward high-engagement, results-oriented investments that empower social purpose organizations to scale their impact. Unlike traditional philanthropy, which often relies on one-time, non-reimbursable grants, impact investment uses a revolving-funds approach that enables reinvestment in other projects: "If we give one euro, you will have to give it back in a couple of years. We will fund you, you do your business, but you have to give the money back. This allows us to fund other businesses, which is a unique approach in Portugal" (Steven Braekeveldt).

²² See Impares website here

²³ Taken from <https://www.fundacaoAgeas.pt/pilares-de-atuacao/investimento-social/>

²⁴ <https://accesslab.pt>

Impact investment is structured around three core practices: **tailored financing**, **non-financial support**, and **impact measurement and management**.

Tailored financing: The Ageas Foundation invests in social purpose organizations through three types of financial instruments:

1. Revenue share agreements: An agreement where the money invested is paid back to the investor through a percentage of the investee's ongoing gross revenues.

2. SAFE²⁵ notes: A simplified agreement where an investor provides funding in exchange for the right to receive equity at a later stage. It is not considered a loan, since there is no repayment obligation.

3. Social Impact Bonds²⁶: An outcomes-based contract, where private investors fund social programs upfront, and the government or a public entity repays them with a return if predefined outcomes are achieved. Despite the term "bond," it is not a traditional financial bond but rather a performance-based contract.

These financial instruments and the Foundation's approach were well received by the supported organizations:

"We were used to complex and bureaucratic processes, untimely feedback, having to adapt our solution to what the funder wants to hear, always chasing after small funding, and venture philanthropy is the complete opposite. It's a model completely adapted to the organization, a total game changer for us. Now we can do things as we want because we have the means and time to do it." (Margarida Quinhones)

"I liked that they listen to us and understood what we needed financing wise, what were the models that felt comfortable to us, because, for example, if they had insisted on an equity solution maybe we would not have reached an agreement." (Tomás Costa)

Non-financial support: Impact investment assumes a high-engagement approach, one of its core practices being the provision of non-financial support to investees in addition to financial investment²⁷. The Foundation establishes a follow-up plan of non-financial support tailored to the needs of the investee²⁸, and supported on the human and social capital of the Foundation and the Ageas Portugal Group.

"We are mentors, advisors... for example, for (one of the projects) we helped establish better reporting and governance models for their operations: 'how do we keep logs, how do we contact clients, how do we build a data base'" (Ricardo Pimentel).

25 SAFE – Simple Agreement for Future Equity

26 <https://www.impacteurope.net/impact-glossary>

27 Gianoncelli, A. and Picón Martínez A., (2020) "The Investing for Impact Toolkit". EVPA (now Impact Europe). Available here.

28 See <https://www.fundacaoAgeas.pt/pilares-de-atuacao/investimento-de-impacto/>

The investees who were interviewed highlighted essentially four main benefits of the Foundation's non-financial support: (1) **access to the Foundation's network and partners**; (2) **close support and proximity**; (3) **association to the Ageas Brand**; and (4) **training and capacity building opportunities**.

Partnership with Maze X: The Foundation complements its non-financial support to investees through its investment in Maze X, "an acceleration and capacity building program for impact start-ups" (António Miguel). The investees have access to the Maze X platform "a repository of information, knowledge and tools", and to its "experience as an investor of over 40 startups across Europe and having worked with over 300 start-ups in the last 10 years" (António Miguel).

"Maze X helped us with the fundraising process this year and also brought us an advantage in the elaboration of our business plan and in the validation of the strategy we were following" (Sara Gonçalves)

Impact Measurement and Management: Social investors such as Ageas Foundation have two levels of impact measurement²⁹:

1. The Impact of Social Purpose Organizations: measuring the change created by the organizations they support.

2. The Foundation's Own Contribution: evaluating how much their investments and support have contributed to the social purpose organizations' ability to create impact.

(1) In the initial stage of the investment, the focus is on measuring outputs and short-term outcomes: "In the early stages of a project—typically the first three to six months — we look at outputs rather than outcomes or long-term impact. This helps us track how the project is evolving based on the initial hypotheses" (Ricardo Pimentel). Over time, particularly between 12 and 24 months, the emphasis shifts to outcomes, focusing on how the intervention addresses the targeted social issue.

Still, some bottlenecks were identified: "(one of the supported projects) has developed an excellent measurement system of physical and cognitive capacity. However, it still lacks a standardized process to regularly assess whether participants' physical or cognitive decline has slowed due to the intervention. Current metrics include the number of participants engaging in activities, but proving long-term cognitive or physical improvements remains a work in progress" (Ricardo Pimentel).

(2) The Foundation's current impact measurement is mostly focused on outputs — such as the number of investments, hours of support provided, or total activities conducted. Measuring outcomes, like whether a project is scaling successfully, is more challenging and progress can be inconsistent: "One year it looks like the project is growing, and the next it might plateau" (Ricardo Pimentel).

29 Gianoncelli, A. and Picón Martínez A., (2020) "The Investing for Impact Toolkit". EVPA (now Impact Europe). Available here.

3. Governance

As a corporate foundation, the Ageas Foundation holds a unique position: it is legally independent, yet intrinsically connected to the companies that founded it. This duality shapes its governance structure, designed to ensure accountability, strategic alignment, operational effectiveness and impact integrity.

3.1. Governing bodies

The Foundation has four main governing bodies³⁰:

- 1. Board of Trustees:** Composed of the Board of Directors of the Ageas Portugal Group and five additional elements appointed by the Group. Its main goal is to oversee the Foundation's activities and safeguard its alignment with the bylaws. "Everything that implies alterations of statutes, focus and scope has to be approved by the Board of Trustees" (Ana Margarida Azevedo).
- 2. Board of Directors:** Composed of five to nine members, appointed by the Board of Trustees. Mainly responsible for making the funding and investment decisions and designing the budget and planning. "We have a monthly Board of Directors meeting where we decide what projects we will fund" (Ana Margarida Azevedo).
- 3. Executive Committee:** Composed by the Board of Director's President and Secretary General. Assumes the current management of the Foundation and the execution of the Board of Director's decisions.
- 4. Finance committee:** Composed of 3 members appointed by the Ageas Portugal Group. Reviews and oversees financial accounts, evaluates the budget, and issue opinions on proposed financial plans.

3.2. Investment Decision-making

Investment decision-making is a key component of the governance structure, designed to ensure that funding and investments align with the Foundation's strategic priorities while maintaining accountability, transparency, and consistency. The foundation has two different approaches to decision making: a structured investment analysis framework for impact investment and a less formalized, evolving approach to social investments. Both types of decisions are ultimately made by the Board of Directors.

3.2.1. Impact investments

The Foundation's impact investing decision-making process follows an investment analysis framework, divided into six stages:

1. Deal flow meeting: The first formal interaction with the project, where the Foundation assesses the project's alignment with one of its three focus areas (health, ageing, or social exclusion) and its readiness to scale. This meeting explores the project's current stage, past evolution, key metrics achieved, future plans, and whether it is actively seeking funding or support.

2. Scope due diligence: Typically involving 3 to 5 meetings with the project team and relevant stakeholders (e.g., clients, suppliers, other investors). This stage evaluates: the project's growth potential, current and anticipated bottlenecks, stakeholders' perspectives on the project's impact and challenges. A one-pager with information about the project is sent to the FireChat Board and the Board of Directors for feedback that informs the following due diligence steps. "And here, for me, the most important thing is the insight that this team has on the social problem, which perhaps other teams do not have" (Ricardo Pimentel).

3. Financial due diligence: A detailed financial analysis, which determines the investment amount, the appropriate financial instrument to be used and the specifics of how it will be applied. "If we decide on a revenue-share agreement, we can unlock the funds in different ways: it can be all upfront, 50% in each year, or tied to specific objectives, etc..." (João Machado).

4. Investor Three pager: The Foundation prepares an Investor Three-Pager summarizing the outcomes of the due diligences on scope and finance to send to the FireChat Board.

5. FireChat board meeting(s): Before seeking final approval, the investment proposal undergoes scrutiny by a FireChat Board, an advisory body composed of specialists in investment, business development and thematic areas. The FireChat Board does not approve the investments, it provides feedback to improve the investment proposal.

6. Investment approval: After incorporating the FireChat Board's feedback, the final proposal is submitted to the Foundation's Board of Directors for approval.

The FireChat Board is an advisory body composed by four specialists from the Ageas Portugal Group. It includes specialists from different areas inside the group: health, pilots and investments, startup operations, and ageing and marketing intelligence.

The team recognized a degree of subjectivity in the selection process: "And then there's the question of our relationship with the entrepreneurs we're engaging with. It's a bias I can't completely eliminate, but naturally, we are going to invest, and the most important thing is how we manage that relationship with the organization" (Ricardo Pimentel).

To this, there was a concern with mitigating the identified potential biases to ensure process transparency and consistency, which was identified by various stakeholders:

"These four members [FireChat Board] aim to challenge our strategy; they act as a kind of "bad cop". It's sort of: we've now become friends with the entrepreneur, we really like the project, but there are things we're no longer evaluating impartially, as we should. Please help us identify the blind spots." (João Machado)

"It is a professional and comparable process, and I emphasize the importance of this comparability. When analyzing, for instance, ten investment opportunities, it's crucial that the same process is followed for all of them. This ensures confidence that no exceptions were made for one project over another." (Gonçalo Vilaça)

3.2.2. Social investments

Unlike impact investing, the Foundation's current approach to social investments is less structured and operates reactively: "We receive proposals, analyze them in bi-monthly meetings, gather information, and decide based on those discussions. However, this process lacks a consistent framework, and our guide for collecting and assessing information is not always followed. Decisions are primarily driven by the proposals we receive, rather than a proactive strategy, and funding continues until the budget is exhausted" (João Machado).

3.3. Relationship with the parent corporate group

Every corporate Foundation has the challenge of balancing its non-profit orientation with its inherent link to a corporate entity. This requires a degree of attentiveness to guarantee impact integrity. According to Impact Europe, Impact integrity '**means safeguarding an organization's social mission from (negative) external influence**'. In the case of corporate social investors, such as Ageas Foundation, this particularly means safeguarding the non-profit entity from any commercial interests of the related company, putting the interests of the beneficiaries and not the business at its core³¹.

Using Impact Europe's Impact Integrity Matrix³², we can analyze how the Foundation manages the integrity of its impact and its relationship to the Ageas Portugal Group. The matrix reflects the combination of two factors that influence impact integrity:

- (1) the type of strategic alignment between the non-profit and the for-profit entity, and
- (2) the degree of dependence on the related company.

31 Fejes, Z.L., Malmendier, N., and Gianoncelli, A., (2022), "Impact Integrity – Unique Challenges for Corporate Social Investors". EVPA (now Impact Europe).

32 <https://www.impacteurope.net/insights/impact-integrity-quiz>

3.3.1. Strategic alignment

Impact Europe defines four typologies of strategic alignment, each posing increasing degrees of risk to impact integrity: non-material, thematic, industry and business alignment (see figure 6).

		Corporate industry	Related company
Nonmaterial Alignment	Thematic Alignment	Industry Alignment	Business Alignment
The CSI aligns on non-material corporate areas (e.g. geography, partners, etc.) with the aim of enhancing its ability to create social change . The CSI's mission and core focus areas are thereby unrelated to the company or industry.	The CSI aligns its mission and/ or core focus areas with themes (e.g. SDGs, core values) that are of (material) importance to the company with the aim of creating stronger coherence between their respective social impact .	The CSI aligns its mission and/ or core focus areas with social issues related to the corporate industry with the aim of changing industry standards or stimulate the adoption of sustainable best practices.	The CSI aligns its mission with the company's overall (inclusive) business strategy , with the aim of supporting the business in advancing sustainable practices into its value chain.

Figure 6: Typologies of strategic alignment. (Source: Impact Europe).

The Ageas Foundation is focusing on three social problems - Health, Ageing and Social Exclusion - that are materially important to the Ageas Portugal Group, which includes Médis, "recognized in rankings as the best health insurance company" and Ageas Pensões, "a standout leader in pension funds in Portugal, managing around 6 billion euros in assets"³³. This reflects a thematic strategic alignment between the Foundation and the Group, where while they align on similar themes, there is operational autonomy:

"The Group's strategy is a corporate strategy, with market share, time to market KPIs, etc... The way the strategy is translated into action is very different from the way the Foundation's strategy is translated into action. Now, it's natural that the thematic areas overlap, as we were specifically seeking to identify where we could bring additional value." (João Machado).

This allows the foundation to leverage on the vast corporate resources of the Group (expertise, networks, etc.), creating synergies in terms of knowledge sharing between the two entities, while maintaining relative autonomy in its activities by not having to support business or industry strategies.

"The Ageas Portugal Group has a strong presence in health, through a very well-known brand, Médis. So, there is a very strong connection ..., that forces the teams to have a strong interaction. It is in this regard that I believe this alignment [between the Foundation's selected social problems and the Ageas group] is very important" (Pedro Esperto).

3.3.2. Dependence on the related company

The level of dependence on the related company includes various factors: governance (board composition, staff composition, investment decision process), funding and communication. Four factors are identified as representing more dependence on the related company (see figure 7).



Figure 7: Factors for dependence on the related company. (Source: Impact Europe.)

1. The board is dominated by trustees with a corporate background from the related company: When it comes to board composition, the Foundation has 95% of its 20 board positions allocated to employees with a corporate background from the related company, with the exception being the President of the Foundation who was an external hire. All board members are employed by the Ageas Portugal Group and related companies, including the President and Vice-President of the Board of Directors who are also the Executive Committee. The Board of trustees is entirely comprised of top-management from the related companies, with its current President being the CEO of the Ageas Portugal Group.

2. The investment decisions are taken or are heavily influenced by the business and the majority of the staff has a corporate background from the related company: Investment decisions are made by the Board of Directors, following a defined investment analysis process in the case of Impact Investment (as outlined earlier). However, no criteria matrix was provided to understand what the final decision by the Board is based on. The process itself does not include questions and factors related to business interests, which might indicate that these do not influence decision-making.

Testimonials by interviewees involved in the process also support the existence of an internal mindset of differentiating between the Foundation’s non-profit objectives and the Group’s for-profit orientation:

“In fact, there are two very differentiated focal points. One entity that has a for-profit goal, that, in its investments and actions, has always the criteria of profit guiding its decision-making. And a Foundation that is focused on generating impact and on projects that might not have a for-profit goal” (Pedro Esperto).

As for staff composition, currently 48% of FTEs³⁴ are directly employed by the Foundation, with the remaining being employed by the Group. This share has been gradually increasing year by year, since 2020, possibly reflecting the Foundation’s greater capacity to finance its own human resources. However, it is important to highlight that the entire Foundation staff—whether funded by the Group or not — is 100% dedicated to the Foundation’s core business and was recruited with the goal of bringing specific expertise. For example, the current President of the Foundation, João Machado, despite having an employment contract with the Group, was hired specifically to manage the Foundation due to his experience and skills in the impact investment sector (see figure 8).

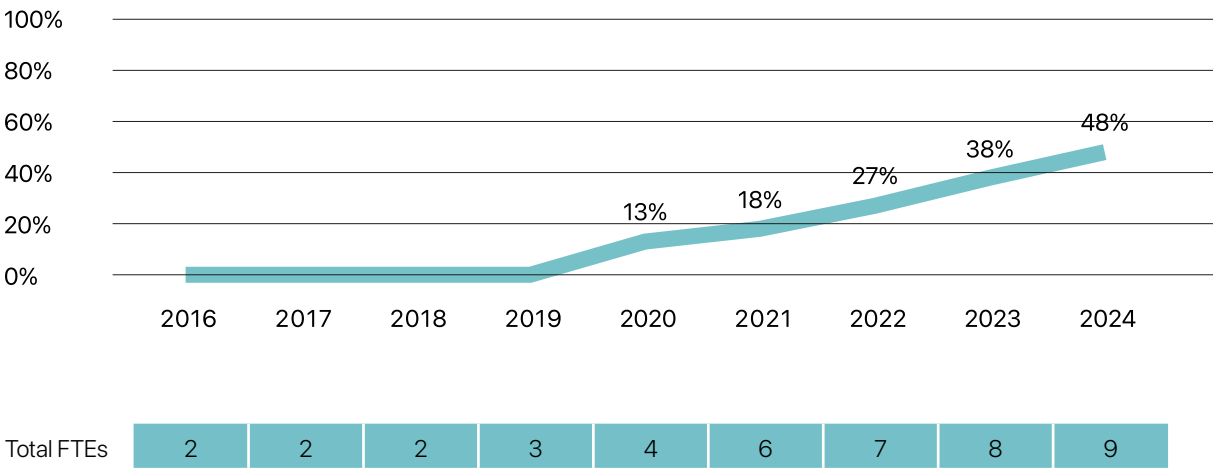


Figure 8: Average yearly FTEs employed by the Foundation as % of total FTEs and Total FTEs.

3. The Non-Profit relies on the related company’s communication channels:

The Foundation maintains its own communication channels, including a dedicated website and social media accounts, along with internal staff focused on its communications. This autonomy in communication reduces dependence on the parent company’s channels and helps establish the Foundation’s distinct identity.

34 Full-Time Equivalent - An FTE of 1.0 is equivalent to a full-time worker, while an FTE of 0.5 signals half of a full work load.

4. The funding is entirely or almost entirely reliant on the related company: As for its funding, Ageas Foundation is primarily financed by the parent corporation through the annual contributions from the Group companies and the Solidarity Bonus Act³⁵, which combined have averaged at around 93% of the Foundation's budget over the last 4 years (figure 9).

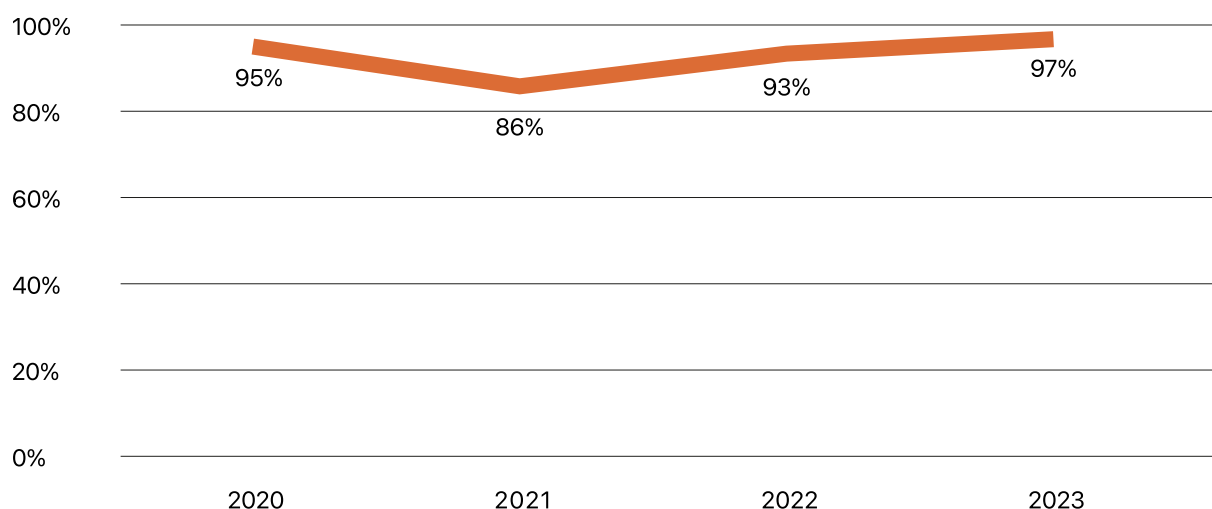


Figure 9: Ageas group contribution* as % of the Foundation's Budget. (Source: Financial Statements 2020-2023.)
*Includes annual contributions from the Group companies and the Solidarity Bonus Act.

3.3.3. Challenges and mitigation strategies

Overall, the Foundation has made several strategic steps to safeguard impact integrity, such as opting for a thematic alignment and maintaining independent communication channels. However, some other factors might pose some risks:

Governance dependence: A strong corporate presence in governance ensures alignment with the parent company but may limit the Foundation's ability to operate independently.

Implicit bias in investment decisions: Despite the defined processes and internal mindset regarding investment decisions, the overlap in staffing and governance could introduce implicit biases, even if not explicitly stated.

Financial dependency: Current funding heavily reliant on contributions from the Group might pose risks to autonomy and sustainability.

35 Initiative in which members of the Executive Committee and Top Management of the Ageas Portugal Group can donate a percentage of their annual bonus to one (or more) social organizations from the list defined and presented by the Ageas Foundation.

According to the identified risks, the Ageas Foundation may face a moderate risk to the integrity of its impact (see figure 10).

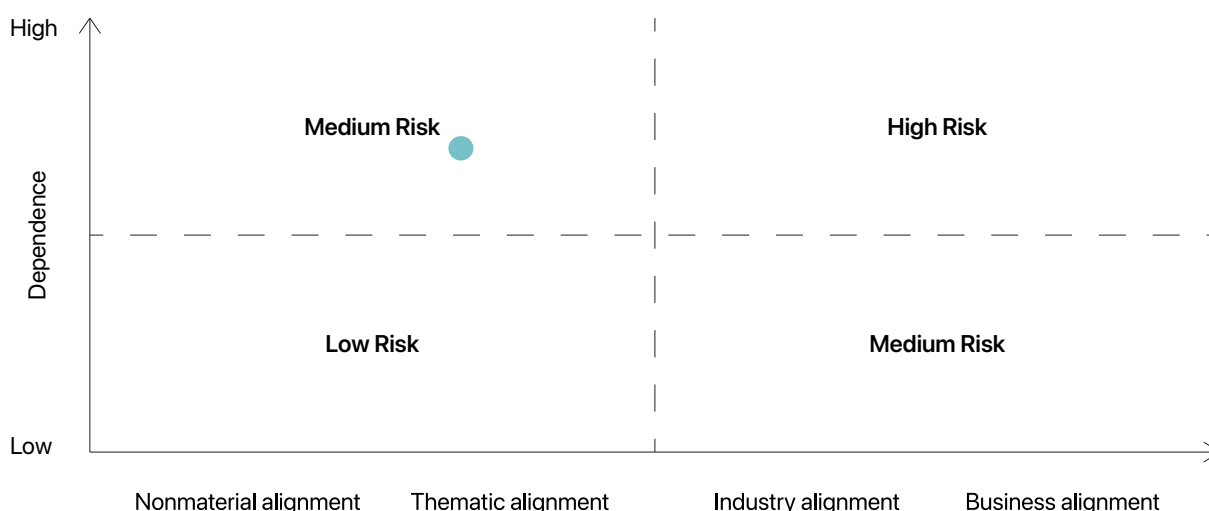


Figure 10: Ageas Foundation's Impact Integrity Risk Matrix. (Source: research team from Impact Europe.)

Considering these risks, the Foundation has already put in action some mitigation strategies:

Separation of Roles and Spheres: Interviewed stakeholders demonstrated a shared understanding of the distinct roles of the Foundation and the Group. This separation is also reflected in the existence of dedicated structures inside the Ageas Portugal Group to work on social innovation and sustainability, that are separate from the Foundation. Social innovation within the Group is viewed as looking for ways to generate inclusivity into the value chain, from a business perspective, “developing products that contribute to the reduction of vulnerabilities, but it’s still business” (João Machado). Steven Braekeveldt gives an example: “Nearly half of the population of Portugal is poor. It is 42% of the Portuguese population who probably doesn’t have the money to buy a lot of insurance. That means this is a huge segment for us. In our group we have a project to investigate if we can develop insurance products for that segment, for inclusion. That is how you behave as a group to have an impact with your operations in society. That’s the Group. That will never go into the Foundation” (Steven Braekeveldt). Sustainability is associated with responsibility and compliance, involving “business embeddedness” (Katrien Buys) and “selling products and services in a way that increasingly respects the planet and respecting diversity and inclusion policies” (João Machado).

Introducing layers of scrutiny: The implementation of a structured decision-making process for impact investments introduces expert input and reduces the risk of implicit biases by creating layers of scrutiny.

Revolving funds for financial sustainability: Implementing a revolving-funds approach such as impact investment might decrease financial dependence from the Group in the long-run: “now we are still investing and not a lot is coming back yet because that is patient capital by definition. But ultimately, it (Impact Investment) may cover for the possibility of having to stop work because the business is going bad” (Katrien Buys).

4. Resources and skills

The various stakeholders interviewed highlighted three main elements they considered essential for the creation of the new strategy and its implementation:

Top-management support: Interviewed stakeholders highlighted the role of Steven Braekeveldt, the CEO of the Ageas Portugal Group at the time: “it’s important to highlight the role of Steven as a CEO that had the interest to canalize more resources to the Foundation, so it could do more transformative work, and as an ambassador for the Foundation in external events” (João Machado). As well as the contribution of Katrien Buys, the Group’s Director of Strategy, Innovation and Sustainability: “And I, again, I didn’t do anything. So it was Katrien who put all the people together, who went looking for the right person for the Foundation” (Steven Braekeveldt).

Employees buy-in: Assuring the employees from the Foundation and Ageas Portugal Group were onboard with the new strategy was achieved through three pathways:

1. Participatory auscultation process: “I interviewed a lot of people in the process. There was a buy-in from people ... the new strategy incorporated a lot of the inputs ... from a lot of these people, so they associated themselves with this new power that the Foundation wanted to have” (João Machado).

2. Preserving the legacy: there was an intention to guarantee the continuity of elements that were dear to the employees. “So you have to keep the legacy and then we can add pieces or build around what we really want to keep. So the strategy cannot go in closing the doors of the past and starting totally from scratch denying the value created and appreciated by all its stakeholders” (Katrien Buys).

3. One-on-one Engagement: “I often spent 30 to 45 minutes, sometimes an hour, talking to colleagues, sharing data about the social economy and explaining why we believed our strategy made sense in the broader context of social innovation” (João Machado).

Qualified team: Stakeholders emphasized the importance of assembling a team with deep expertise and a strong network in the social innovation sector. Here, the roles of João Machado and Ricardo Pimentel were highlighted:

João Machado, with extensive experience in Portugal’s social innovation ecosystem, brought a comprehensive understanding of its various segments and a wide network of contacts that facilitated the Foundation’s activities.

Ricardo Pimentel, who joined in February 2022 as the first hire for Venture Philanthropy, contributed a strong background in venture capital, with extensive knowledge on credit analysis and business plans.

The above-average compensation was also identified as a factor of high-skilled talent attraction: “we put together a very strong team, and I know it’s because we pay salaries as if these were people working for a large multinational. This is worth mentioning because it makes a huge difference” (João Machado).

Part IV – The Foundation’s Impact

“We are not simply a donation provider; we are a foundation dedicated to equipping others with the resources they need to achieve their fullest potential. That is the essence of our qualitative impact.” (João Machado, President @ Ageas Foundation)

The Ageas Foundation creates a multidimensional impact by combining financial support, strategic guidance, and collaboration to address pressing societal challenges.

The Foundation’s impact, according to its various stakeholder groups, can be categorized into the following dimensions: (1) **Empowering Social Purpose Organizations (SPO) and Systemic Influence**; (2) **Internal Culture and Corporate Responsibility**; (3) **Ecosystem Impact and Holistic Approach**.

1. Empowering Social Purpose Organizations (SPO) and Systemic Influence

The Ageas Foundation drives social impact by empowering SPOs through its transition to Venture Philanthropy, enabling them to scale while aligning with public policy priorities.

To date, the Foundation has approved 6 impact investments: 3 revenue share agreements, 2 SAFE notes and 1 special purpose vehicle, ranging between 50,000 to 250,000 euros.

Looking at the distribution of investees across thematic areas (table 2), we see that most impact investments (67%) have been in SPOs addressing Ageing. In contrast, Health accounts for only one investment and there have been no investments in Social Exclusion to date. The investment categorized as “wholesale” refers to the investment in Maze X, a shareholders management company that invests in healthcare and wellbeing impact ventures.

Thematic areas	2022	2023
Health	1	0
Ageing	2	2
Social Exclusion	0	0
Whole Sale	0	1
Total	3	3

Table 2: Projects invested per thematic area. (Source: Financial Statements 2022-2023.)

1.1. Strategic Growth, Scalability and Validation

The Ageas Foundation's intervention strategy includes providing customized and specialized financial and non-financial support to SPOs operating in thematic areas identified as priorities by the Foundation. This support has delivered various impacts for SPOs, such as **validating early-stage solutions** in a facilitated context (the Ageas Group for example), **scaling thematic-related** solutions to ensure broader reach, **developing sustainable business models for SPOs** with unstable funding and operating in market gaps, and **enabling SPOs to grow their teams**. Consequently, the Foundation's societal impact as a multiplier effect, given the outcomes generated by the SPOs it supports. According to Tomás Costa, "Thanks to the Foundation's investment, Dioscope expanded its user base to 12,000 doctors, with over 4,000 joining in the last year. Courses offered increased significantly, with some catering to up to 2,500 participants. This means that the Foundation's financial model, based on revenue-sharing, provided Dioscope with favorable conditions to grow sustainably."

Additionally, the Ageas Foundation supported ACTIF through a SAFE investment, which facilitated their development without requiring immediate equity valuation. According to Sara Gonçalves, "The Foundation's network helped ACTIF secure key projects, such as a pilot with Médis involving 300 licenses and a €10,000 investment. This pilot provided critical insights into engaging with insurance companies."

In the case of Palhaços D'Opital, the Foundation's support enabled the development of a viable economic model, including the creation of their "hospital visit sponsorship" product. This was critical in aligning their financial model with their mission without compromising it.

Finally, the Ageas Foundation provided Pedalar Sem Idade with a €200,000 revenue-sharing agreement, offering flexibility to allocate funds based on needs rather than fixed timelines. This allowed the organization to plan strategically and focus on sustainable growth. According to Margarida Quinhones, "The support facilitated doubling our staff, expanding from 3 to 6 team members, and increasing our geographic reach from 2 cities to 10. The number of beneficiaries rose from 400 to nearly 2,000 annually."

1.2. Access to Ecosystem benefits, capacity building activities and Network expansion

Additionally, the Foundation's support for SPOs enabled access to a range of resources with significant operational impact, including **connections to potential clients, commercial agreements, and strengthened market positioning**. It also facilitated access to networks with the potential to drive systemic change (through public policies for example). Beyond funding, the Foundation facilitated access to resources, networks and advocacy platforms. For example, Dioscope benefited from agreements that reduced operational costs, such as free cloud services, and connections with other partners within the Ageas network, which opened new business opportunities, including collaborations with insurance companies.

The Foundation's non-financial support allowed the supported SPOs to access mentoring and branding support, including consultancy from Ageas's specialists, which strengthened their market positioning. In the case of Palhaços D'Opital, through training and mentoring, the Foundation equipped the organization with tools to effectively structure and present proposals. This was instrumental in securing major partnerships, including a €50,000 Coca-Cola sponsorship to support national expansion. The Foundation also connected Palhaços D'Opital with key stakeholders through events and networking opportunities, such as the Cascais International Health Forum and collaborations with other SPOs.

1.3. Enhanced Impact Reporting

The Ageas Foundation's support also enabled the supported SPOs to **enhance their impact measurement and monitoring systems**, while simultaneously improving their reporting methods. According to Tomás Costa, the support allowed Dioscope to measure and demonstrate its positive effects on healthcare: "Over 99% of surveyed doctors reported improved diagnostic and treatment capabilities, with 98% noting better patient health outcomes due to Dioscope's tools."

1.4. Credibility and Reputation

Finally, the institutional connection with the Ageas Foundation **enabled the supported SPOs to access a recognized mark of quality** within the market and among various ecosystem stakeholders. Margarida Quinhones stated, "By associating with the Ageas Foundation, Pedalar Sem Idade gained visibility and credibility within the social innovation ecosystem. This credibility facilitated stakeholder trust and fostered partnerships with municipalities and other organizations."

2. Internal Culture and Corporate Responsibility

Within the Ageas Group, the Foundation fosters a culture of social responsibility by engaging employees and influencing corporate practices to address underserved populations, embedding social impact into the organization's ethos.

2.1. Reputation and trust building

The Ageas Foundation has, over the years, served as a trusted interface between the Ageas Group and the community. In this role, it has **strengthened the alignment between the Group's activities and community needs**. Additionally, the Foundation has played a significant role in addressing key issues such as aging, health, and social exclusion. According to Gonçalo Vilaça, "The Foundation reinforces Ageas Group's strategic focus on societal issues like aging and mental health, helping the Group align its corporate goals with community needs." Pedro Esperto also stated, "The Foundation plays a pivotal role in

shaping the Ageas Group's image as socially responsible and community-focused, counteracting the traditional distrust often associated with the insurance sector. Its focus on addressing societal challenges like aging, health, and exclusion resonates with both internal stakeholders and the broader community."

2.2. Alignment of goals with business strategy

The Ageas Foundation has also played an important role in **driving the Group's business development in business related areas of opportunity** through its support for SPOs. According to Pedro Esperto, "The Foundation facilitates collaboration between societal impact initiatives and business objectives. For example, insights from societal challenges like aging and loneliness are integrated into Ageas's strategic planning and product development. The Ageas Group benefits from the credibility and insights provided by the Foundation, leading to innovative product offerings and deeper engagement with societal issues". Additionally, the Foundation has strengthened community-focused practices within the Group by supporting social enterprises, such as Café Joyeux and initiatives like Christmas hampers.

2.3. Internal cultural impact and catalyst for employee engagement

Finally, the Foundation has **contributed to strengthening the Group's internal culture**, particularly by **enhancing employee engagement** through the promotion of volunteering activities and connections with SPOs and the community. It has also **demonstrated the various possibilities for linking business and impact**. "The Foundation has influenced internal dynamics, with many departments incorporating social impact themes into team-building activities and operations. This has fostered a stronger connection between employees and the Foundation's mission, enhancing overall corporate culture" (Pedro Esperto). To Gonçalo Vilaça the impact is clear, "The Foundation organizes impactful team-building activities and solidarity events, fostering a sense of purpose among employees and creating stronger internal connections". According to João Machado, 30% of Ageas Group employees already engage in volunteering activities, complementing team-building initiatives. The Ageas Foundation collaborates with its partner SPOs to identify volunteering opportunities tailored for Ageas Group employees.

3. Ecosystem Impact and Holistic Approach

The Foundation's **long-term partnerships, sharing of best practices, and commitment to credibility** amplify its influence beyond direct beneficiaries. Its holistic approach generates measurable outcomes while inspiring systemic change, strengthening the social sector, and advancing the agenda of corporate philanthropy and social innovation.

The Ageas Foundation's strategic shift to Venture Philanthropy has created a multiplier effect that extends its influence far beyond individual SPOs and partnerships. **By leveraging innovative tools, collaborative practices, and systemic impact goals, the Foundation has played a pivotal role in reshaping Portugal's social innovation ecosystem.**

Notably, the Ageas Foundation has adopted an open-arms approach, sharing its governance, financial strategies, and investment thesis with other corporations and foundations. This approach has inspired organizations like the SEMAPA and Pedro Queiroz Pereira Foundation. Furthermore, the Foundation's collaboration with PLMJ facilitated the adaptation of international Venture Philanthropy tools to the Portuguese legal context, ensuring scalability and compliance while promoting financial innovation.

3.1. Trendsetter for innovative financial tools and instruments

The philanthropic approach adopted by the Ageas Foundation is based, as previously described, on customizing support for SPOs. **This approach involves selecting and adapting financial instruments to suit the models, legal nature, and needs of the supported SPOs.** This model has also generated numerous innovations in the financial instruments used, creating valuable learnings for the Foundation and the broader ecosystem, with multiplier effects. According to Gonçalo Vilaça, "The Ageas Foundation serves as a trendsetter in Portugal's social sector by adopting innovative strategies like impact investing, social impact bonds, and tailored capacity-building programs. It brings together diverse stakeholders to amplify impact." This way of operating also enabled "filling a critical gap in support for impactful projects" (Bruno Ferreira). Although, as stated by Isabel Rosado, "the Foundation's approach sets a high benchmark, but its unique model and capacity may limit replication across other organizations or foundations".

3.2. Ecosystem leadership and collaboration

The Foundation is seen as a critical player in shaping Portugal's social innovation ecosystem by filling gaps and creating opportunities that did not previously exist. **It has maintained an open-door policy, ensuring accessibility and transparency, which strengthens trust and collaboration within the ecosystem.** By implementing and demonstrating the success of innovative financial instruments, the Foundation has inspired other organizations to explore beyond traditional philanthropy. According to Bruno Ferreira, "the Foundation is inspiring others to move beyond traditional philanthropy, demonstrating the value of strategic investments in social impact." Additionally, "by implementing and testing cutting-edge mechanisms, the Foundation acts as a "beacon" for the social sector, inspiring others to adopt more advanced models of philanthropy". (António Miguel)

By aligning its goals with public policy priorities and engaging in co-investment strategies, such as those with Mission Structure Portugal Social Innovation, the Foundation has attracted additional funding and resources and amplified its influence.

3.3. Promotion of Strategic independence

The impact of the Ageas Foundation on the ecosystem is not limited, as we have seen, to filling market gaps and inspiring other foundations with innovative models. **It also lies in how it ensures the integrity of impact through a governance model that maintains independence from the parent group.** The governance structure, where the president of the Foundation is not the CEO of the group, for example, sets the Foundation apart from other corporate initiatives, allowing it to operate with more autonomy and flexibility. The independence of the Foundation's President and Board might ensure a more focused and strategic approach, centered on social impact, without being directly influenced by the immediate needs or objectives of the parent company. The CEO of the Ageas Portugal Group is then the chairman of the Board of Trustees, having face-to-face contact with the Foundation once a year and "is the first person to cross a line between the governance of the foundation, which has to be respected" (João Machado). As for, the Foundation strengthens its role as an agent of change within the ecosystem, demonstrating that separating its operations and leadership focused exclusively on social impact allows for broader and more effective collaboration with other organizations and partners. As António Miguel states, "While associated with a corporate entity, the Foundation has maintained its strategic independence, setting an example for how corporate foundations can have distinct and impactful missions."

Part V – Future Challenges

The model adopted by the Ageas Foundation is the result of a structured and thorough strategic reflection process. However, the adopted approach remains in constant evolution and adaptation to better align with the established ambitions. This continuous evolution demands ongoing learning and feedback from stakeholders. The iterative nature of the model, driven by the innovative approach taken, needs revisiting the various challenges inherent to the model and the Foundation's nature.

The current challenges faced by the Foundation can be summarized into three main areas: (1) **Support to SPOs**; (2) **Public Policies and Awareness**; (3) **Governance and Impact Integrity**.

1. Support to SPO

The financial and non-financial support provided to SPOs may face endogenous or exogenous limitations. This is one of the dimensions to be explored in the next strategic planning cycle. The following aspects stand out:

1.1. Scope of focus areas

The defined scope may create constraints on the Foundation's activities, particularly due to its Niche Focus and Limited Pool. This means that the Foundation's targeted thematic focus sometimes limits the availability of suitable projects, especially within Portugal's still-developing impact ecosystem. Additionally, the Foundation's narrow focus may leave other impactful areas, such as "circular economy or environmental initiatives" (Sara Gonçalves), potentially underserved.

1.2. Limited Capacity for Specialized Mentoring

While the Foundation provided general support, according to Tomás Costa its ability to mentor on the highly specialized aspects of SPO's focus might be limited. Also according to Ricardo Pimentel, "We do very little research on social problems. Naturally, we conduct some research during due diligence processes, but the knowledge about these issues ends up being very scattered. I believe the foundation should do a better job in research and knowledge generation, leveraging the lessons learned from the projects in these areas".

1.3. Impact measurement and Monitoring

Impact measurement and monitoring remain a challenge for the Ageas Foundation, as well as for the entire impact sector. There are no holistic and comprehensive methodologies or approaches that enable the measurement and monitoring of the impact of SPO activities, and consequently, the Foundation itself. In this context, the Foundation has adopted a pragmatic approach, ensuring that supported SPOs report impact on their own terms and in alignment with the outcomes negotiated with the Foundation.

The future challenge lies in developing an integrated, flexible, and holistic approach to impact measurement and monitoring that facilitates clear communication of outcomes. The foundation has ongoing challenges in consistently measuring and evaluating the impact of funded initiatives. Establishing metrics and systems to track both short-term outputs and long-term outcomes remains a work in progress. This could pose a risk for the Foundation's venture philanthropy strategy. Without impact tracking the Foundation might struggle to demonstrate the value and effectiveness of its investments, compromising accountability and transparency and potentially undermining stakeholder confidence. It might also miss opportunities to refine and optimize its funding approach based on data-driven insights. According to João Machado, measuring impact has not been a priority for the Foundation:

"There's an elephant in the room: how do you measure impact? For me it doesn't make sense at the point we are at, where we changed the strategy, created a new pillar, are taking risks, and investing in innovative instruments. To introduce complex measurement processes that consume excessive financial and time resources would be counterproductive. That's why I've resisted introducing unnecessary complexity into the process in such an early stage of transformation".

Nonetheless, there is a willingness to refine the Foundation's impact measurement processes in the future: "Over the next few years, we aim to develop a stronger understanding of which metrics make the most sense for different types of projects and figure out how to request them from the projects, and how to help them with the systematization and collection of this data, but we are not there yet" (Ricardo Pimentel).

2. Public Policies and Awareness

Katrien Buys emphasized the importance of increased knowledge sharing and improved policymaking as some of the Foundation's main potential impacts. However, this remains a pedagogical challenge for the Foundation. Despite the maturity level of the innovation and impact investment ecosystem in Portugal, certain constraints persist, posing strategic challenges for the Foundation.

2.1. Influencing Public Policies

The Foundation must enhance its expertise in health initiatives and contribute to public policy to create sustainable societal change. The Foundation seeks to deepen its expertise in health-related initiatives, expand its role in influencing public policy, and enhance its capacity-building efforts. Strengthening its research and knowledge-sharing capabilities within the social investment ecosystem remains a key goal, according to Ricardo Pimentel.

2.2. Limited Awareness of Innovative Models

Despite the foundation's model success, its Philanthropic approach remains underutilized and not widely understood within Portugal, limiting its influence on other organizations. According to Margarida Quinhones, this happens because its benefits and mechanisms are not widely understood, even within the social sector. Dissemination and education about impact investing is necessary for wide adoption.

2.3. Cultural Shift in Philanthropy

The shift from traditional charity models to impact-focused investing has been met with resistance. "Many organizations and leaders remain accustomed to conventional practices and are hesitant to adopt strategic philanthropy" (Bruno Ferreira). This also applies to Legal and Jurisdictional Adaptation: adapting innovative financial instruments, such as revenue-sharing agreements, "to comply with Portuguese law while maintaining their intended functionality posed significant challenges" (Bruno Ferreira). Encouraging a shift from traditional philanthropy to innovative and strategic approaches remains a challenge, as many organizations and leaders are resistant to change.

3. Governance and Impact Integrity

"Independence and innovation are essential for the Foundation's continued success." (Steven Braekeveldt).

The governance model of the Ageas Foundation is a cornerstone of its defined strategy and serves as both a safeguard for impact integrity and a generator of synergies with the Group. However, ensuring these dual functions requires striking a delicate balance. Achieving this balance needs the establishment of appropriate guardrails while addressing the following specific challenges: (1) **Balancing Independence and Synergy**; (2) **Strategic Focus and Prioritization**; (3) **Balancing Legacy and Innovation**.

3.1. Balancing Independence and Synergy

While maintaining independence from the Group is essential for credibility and impact integrity, ensuring alignment between the Foundation's goals and business priorities requires continuous coordination and communication. "Maintaining a clear separation between the Foundation's mission and Ageas Group's corporate interests while leveraging synergies is always delicate balance" (Gonçalo Vilaça).

3.2. Balancing Strategic Focus and Flexibility

With many emerging societal issues, deciding which areas to prioritize remains a challenge. According to Pedro Esperto, "The Foundation must carefully select focus areas to avoid spreading its resources too thinly". This also means that the Foundation needs to follow society's evolution and continuously assess the most pressing societal challenges.

3.3. Balancing Legacy and Innovation

While building on its legacy, the Foundation faces the challenge of continuing to innovate and adapt to new social needs and opportunities without stagnating, while also managing Administrative Complexity. In the words of António Miguel, "Implementing novel financial tools and supporting projects across diverse sectors introduces bureaucratic and logistical challenges, particularly for newly structured vehicles like MAZE X". This also means that there is a potential misalignment of legacy activities, where some long-standing activities within the Foundation, particularly in volunteering, remain misaligned with the new strategy "because volunteers are very fond of them" (João Machado).

4. Operational Challenges

The Foundation, in addition to strategic challenges, faces several operational challenges. These challenges require continuous adjustments to activities in line with the defined strategic priorities. While demanding, this effort will strengthen the strategic coherence of the Foundation's activities, ensure alignment across its various pillars, and enhance the effectiveness of its communication with stakeholders.

4.1. Dichotomic approach: The narrative versus the practice

The venture philanthropy approach adopted by the Ageas Foundation is not always clear. In an attempt to balance legacy with innovation, the communication strategy tends to separate the two areas of venture philanthropy: Social Investment and Impact Investment. This separation creates a distinct gap between these two areas rather than ensuring some fluidity and flexibility in the approach.

At the same time, the Foundation often groups under the Social Investment umbrella all traditional philanthropy initiatives alongside other financial support mechanisms for SPOs, such as unrestricted funding and preparation for growth and impact investment. Various interviewed stakeholders mentioned this as the pillar that is still in need of reviewing, highlighting how “little has changed (...) it still lacks a good decision-making process” (João Machado).

Furthermore, the Foundation tends to focus its non-financial support almost exclusively on SPOs that receive impact investment, thereby falling short of its promise to prepare SPOs with less developed business models. Greater fluidity and flexibility between funding models would make the overall strategy more integrated and cohesive.

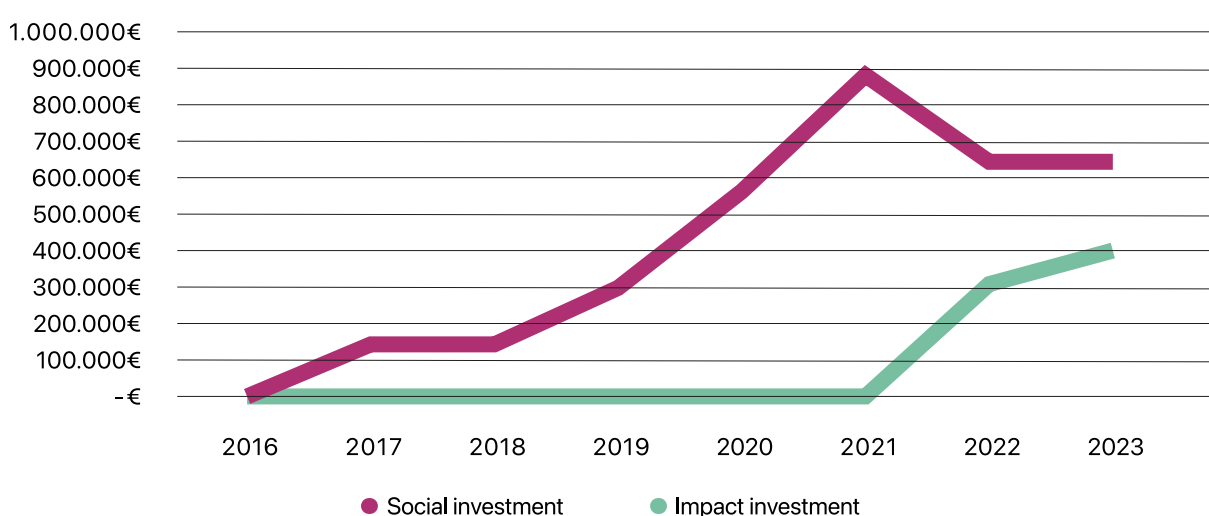


Figure 11: Impact Investment. (Source: Financial Statements 2016-2023.)

However, as shown in Figure 11, the Social Investment component, while still representing the bulk of the investment, has been decreasing since 2021. This shift indicates a convergence towards the defined strategy through more focused support to SPO. Additionally, the Impact Investment component emerged in 2022, starting to align with Social Investment. The convergence between these two pillars appears to be progressively taking place.

4.2. Portfolio competition

Overlapping projects within the Foundation’s portfolio have created competition among supported initiatives. For example, multiple funded projects targeting the same municipal client have inadvertently competed for the same opportunities. “We want to fund projects with strong complementarity, but sometimes projects compete in delivering responses to the same client” (João Machado).

