

Positive Impact Srl - Società Benefit

Creation of public benefit, impact assessment and future objectives.

Impact report 2016

THIS REPORT WAS MADE BY NATIVA AND ARKAGE



Società Benefit overview and Positive Impact Srl SB's Purpose

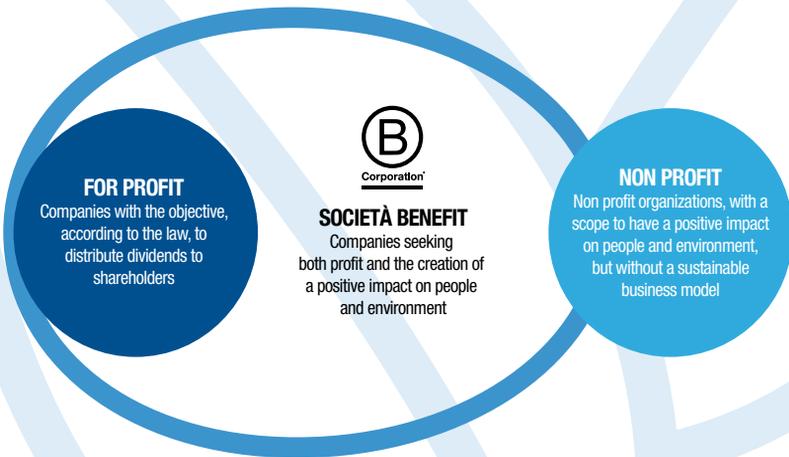
THE SOCIETÀ BENEFIT AS A RADICAL CHOICE OF INNOVATION

Positive Impact Srl SB (PI) has been founded as **Società Benefit (SB)**: representing an evolution of the concept of business. Positive Impact, which aims to promote innovation, started with this DNA, and chose this legal status to put action to words.

While traditional companies exist for the sole purpose of distributing dividends to shareholders, the Società Benefit is an expression of a more evolved “technological paradigm”: it integrates in the company’s objectives, in addition to the profit targets, the purpose of having a positive impact on society and environment. Società Benefit is a new legal tool that creates a solid base for the alignment of the mission over the long term and the creation of a shared value.

Società Benefit companies protect the mission in the face of capital increases and changes in leadership, create a greater flexibility in evaluating potential sales and allow a mission to be maintained, whether for a start-up, changes in ownership, or stock market listing. It is not a social enterprise or an evolution of a non-profit, but a positive transformation of the dominant business-to-business models to make them more appropriate to the great global challenges and opportunities of the 21st century markets. As of January 2016, Italy has introduced the Società

Benefit, the first nation in Europe and first in the world outside the US (where the equivalent Benefit Corporation legal form exists since 2010, now in 32 states). This allows entrepreneurs, managers, shareholders and investors to protect the company's mission and stand out in the market over all other corporate forms through a virtuous and innovative legal form.



Conceptual diagram describing Società Benefit

Società Benefit have two main characteristics

MEASURE WHAT MATTERS

They measure their results in terms of positive impact on society and environment with the same completeness and rigor applied to financial results. The measurement protocol chosen by Positive Impact is the B Impact Assessment, which was originally born as an integral part of Benefit Corporation concept in 2006 and is currently the most robust and widespread measurement standard in the world, adopted by more than 55,000 companies. The impact measure translates into a number on a rating scale of 0-200 points that distinguishes “standard” companies from excellent ones, which have a rating ≥ 80 (Certified B Corp); Positive Impact, which started operations since September 2016 but has become fully operational at the beginning of 2017, will have a reliable impact measure only by the end of 2017.

bimpactassessment.net

PROTECT YOUR MISSION

They take into account all relevant parties, both shareholders and stakeholders, in their public benefit objectives. In 32 US states and in Italy, Benefit Corporations are identified through a specific legal form of for profit business, known in our country as Società Benefit, introduced in January 2016.

www.societabenefit.net

SBs in their business activities, both in Italy and in the US, voluntarily pursue, in addition to the profit, one or more public benefit objectives. Public benefit means the pursuit of one or more positive impacts (or reducing negative impact) on people, communities, territories and the environment, property and cultural and social activities, organizations and associations and other stakeholders.

Società Benefit pursue these public benefit objectives in a responsible, sustainable and transparent way. Società Benefit management requires managers to balance the interests of shareholders with those of the community. Società Benefit must appoint a management figure responsible for the company's impact, and commit to reporting their activities in a transparent and complete manner through an annual impact report that describes actions taken and future plans and commitments.

At the time of this writing, Società Benefit does not enjoy economic or tax incentives, so in addition to representing a value to society, do not create a burden for taxpayers.

For any further insights and constant updates on SBs, see

www.societabenefit.net

At the time of incorporation on 14/09/2016, the shareholders of Positive Impact Srl SB chose to adopt this innovative paradigm and applied the indications of Italian Società Benefit Law in drafting the articles of incorporation.

The Impact Officer

The law provides that SBs appoint a figure responsible for the pursuit of Public Benefit activities. On October 13, 2016, the Positive Impact Board of Directors appointed Mr. Eric Ezechieli, Co-Founder and Company Administrator, as impact officer, to carry out the duties and tasks in pursuit of the above purpose, as provided by the Law 208/2015, as a person in charge of assisting the company in pursuit of these objectives, assessing the consistency and alignment of business procedures with respect to the public benefit.



Why Positive Impact chose Società Benefit

CONSISTENCY WITH THE MESSAGE

We believe that business can be considered a technology, an invention of human mind whose original purpose is to satisfy fundamental human needs and help to solve complex problems. However, the technology we call “business” has been fossilized over the past decades and limited in its ability to experiment and innovate because of its sole purpose of distributing dividends to shareholders. We believe that Positive Impact, a company focused on technology, innovation and amplifying the positive impacts on people and the environment, should be an example of progress starting from its own DNA, its purpose. We are convinced that Società Benefit represents a radical evolutionary leap over the mainstream business and we aim to help spread it through all our activities.

MISSION PROTECTION

Positive Impact aims to protect its mission in the face of management changes, the entry of new investors’, etc. In this regard, the SB legal form is particularly suitable.

DISTINCTION FROM OTHER ‘INNOVATIVE’ BUSINESSES

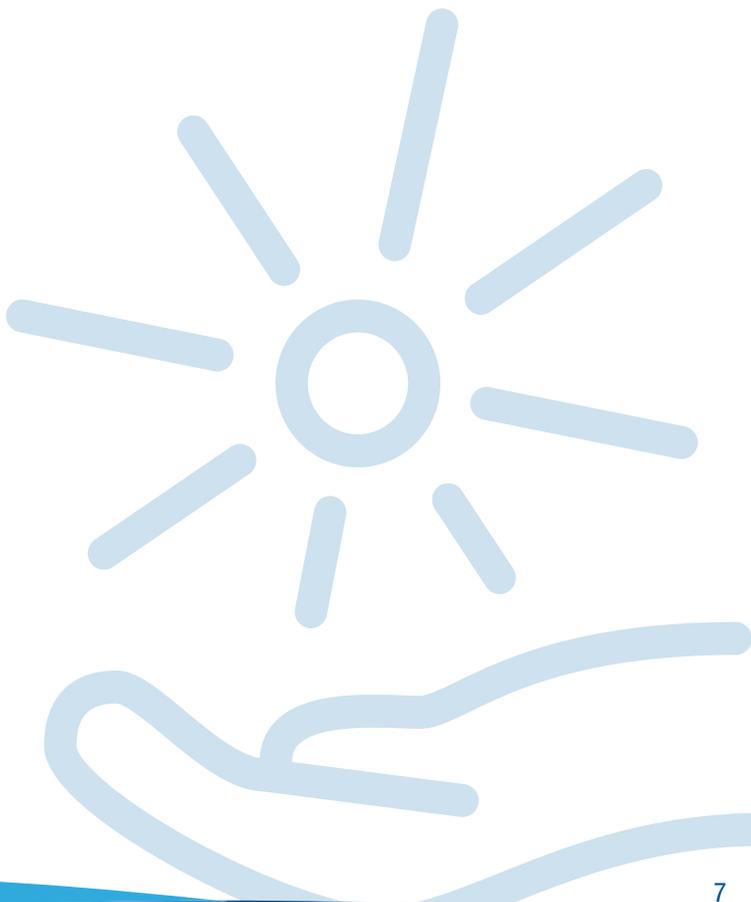
Today many companies do innovate, but not everyone has a real positive impact on people, society and biosphere as top priority. We believe that contributing to solving global grand challenges is an absolute priority, even more urgent because of exponential dynamics..

TALENT ATTRACTION

Millennials, representing today more than 50% of workforce, prefer “purpose driven” companies. We believe that our connotation is in line with best minds’ expectations.

Impact Capital Attraction

Finally, Positive Impact intends to be attract investors who share our purpose, and company values. The Società Benefit legal form enables us to attract impact capital, which aims to create value for shareholders and stakeholder in the medium and long term.



Towards B Corp certification

Benefit Corporation and Performance: the 'Pending B Corp' status



By adopting Benefit tools, Positive Impact implements a benchmarking aimed at steadily improving performance. Positive Impact, as established, has started the path to become certified as a B Corp and has acquired the status of "Pending B Corp". B Corps form a global movement of 'Best for the world' companies. They measure and aim to continuously improve their environmental, social and economic performance. 'Pending' B Corps are newly established companies that commit to apply in their own development best practices and metrics of certified B Corps, with the aim of achieving certification as soon as the metrics are available in order to reliably measure their Impact performance, or after approximately 12 months of activity (end 2017 - Q1 2018).

bcorporation.eu/italy

www.societabenefit.net/sei-una-startup

www.bcorporation.net/performance-requirement-pending-b-corps

Singularity University's Benefit Corporation & Certified B Corp Status

A further motivation for Positive Impact to become Società Benefit and to pursue B Corp certification is linked to the strategic priority of collaborating with other "Benefit driven" organizations. Positive Impact is linked through a licensing agreement with Singularity University in California for the organization of the Singularity U Italy Summit. Other innovation-impact projects with SU are under development. Singularity University in the US is both a Benefit Corporation (of which the Società Benefit is the Italian equivalent) and a certified B Corp, so our status assures a strong consistency between the two organizations.

su.org/about/how-we-do-business

www.bcorporation.net/community/singularity-university



Positive Impact's Public Benefit Purpose

“The greatest shortcoming of the human race is our inability to understand the exponential function.”

Albert Bartlett

“The Company’s purpose is the development and diffusion of awareness and expertise about exponential technologies, as a basic condition to empower humanity to face the grand challenges of the 21st century.

Positive Impact Statute – Public Benefit Purpose, Art. 2

Positive Impact has an additional purpose with respect to all for profit companies, which are only required to be profitable and distribute dividends to shareholders. As a Società Benefit, the company pursues multiple Public Benefit Purposes and acts in a responsible, sustainable and transparent manner vis-à-vis individuals, communities, and the environment.



The company specifies the following public benefit purposes:

1

the education, support and activation of leadership potential in using exponential technologies to help address humanity's grand challenges, with particular focus on Italy and the Mediterranean region

2

the diffusion of awareness and knowledge in Italy and in other countries, particularly in the Mediterranean region, about exponential technologies and on the ethical, social, economic, environmental and cultural implications of this acceleration;

3

the development of competent, conscious and widespread leadership on exponential technologies;

4

the growth of existing educational institutions and the development of new organizations for learning and human growth that are appropriate in the face of disruptive change scenarios resulting from the exponential acceleration of technology;

5

facilitating a constructive dialogue, aimed at creating a solid ethical reference with respect to the disruptive impacts of exponential technologies.”

Positive Impact Statute – Public Benefit Purpose, Art. 2

The following section analyses each of the above stated purposes.

Impact Summary and General Plan

As required by Società Benefit legislation, this section describes each of the specific public benefit purposes with respect to the following dimensions:

Long-term objectives

General description of what has been implemented with regard to the specific objective, and main events

Quantitative objectives for the Year 2016, and obstacles in achieving the objectives

Objectives 2017

PURPOSE

1

“The education, support and activation of leadership potential in using exponential technologies to help address humanity's grand challenges, with particular focus on Italy and the Mediterranean region.”

Long-term quality objectives

Creation of base conditions for launching the company's activities, identifying key business lines, and defining the implementation strategy. Identified business lines:

Summit: Ticketing - Sponsorship

Executive programs

Custom programs

Digital Executive Program

Innovation Hub

Through these lines of activity, PI aims to accelerate development and contribute to consolidate Italy's leadership role in addressing major economic, environmental and social challenges and exercise an influence in the Mediterranean basin.

From thousands of years, Italy has had a fundamental role in the meeting point between Africa and Europe, the Arab world and the Western world. Italy must necessarily play a leadership role and we intend to contribute through the development of the skills and capabilities of key people in our country: entrepreneurs and managers, policymakers, scientists, etc.

General qualitative description of what has been achieved with regard to the specific objective, and main events.

Positive Impact has been established and registered. Fundraising activities started, in order to accelerate the startup. By December 2016, 100,000 Euros were collected, from 7 investors who share the company's vision.

Priority: to produce the first Singularity U Italy Summit as first step and precondition for all other activities. To this end, a Managing Director, Mr. Diego Gil, was identified and a license agreement was signed with Singularity University in California to start the event production at full capacity. The first major sponsors of the event (Deloitte) were confirmed and technical partnerships, in particular the one with Connexia, were closed. identified advertising agency, partnership with RCS (Corriere della Sera).

Quantitative objectives achieved for the year 2016 and obstacles in achieving the objectives.

The stated objectives were achieved, the agreement with Singularity U sealed in order to start operations as planned.. The decision was to place the Summit at the end of September 2017 not overlap with other major events in Milan.

Objectives 2017

For 2017, the key objective is the success of the Summit and the recognition of the Singularity U brand in Italy, which is functional to all other goals. The summit will take place on 27 and 28 September 2017 in Milan, with 700 to 1000 participants.

SingularityU Italy Summit 2017 site www.singularityuitalysummit.com



PURPOSES

2

“The diffusion of awareness and knowledge in Italy and in other countries, particularly in the Mediterranean region, about exponential technologies and on the ethical, social, economic, environmental and cultural implications of this acceleration.”

3

“The development of competent, knowledgeable and widespread leadership on exponential technologies”

5

“Facilitating a constructive dialogue, aimed at creating a solid ethical reference with respect to the disruptive impacts of exponential technologies.”

The three above-mentioned purposes have been merged into a single section, given their similarity and interdependence, and the early stage of operations.

Long term objectives

The aim is to raise awareness about the disruptive impacts of exponential dynamics, challenges and opportunities. The awareness of exponential dynamics is extremely low and consequently decisions taken by companies, at the political level or in other organizational settings are not necessarily fit to the speed and magnitude of the change in progress. We also face huge ethical implications, for example related to the advancement of biotechnologies and artificial intelligence. PI aims to foster and advanced dialogue, to disseminate information and knowledge, to create conditions for a thorough and constructive understanding of some of the most complex and challenging topics humanity has ever encountered.

General qualitative description of what has been achieved with regard to the specific objective, and main events

As stated above, the first step to pursue this goal is the organization of the Summit.

Other objectives and strategic lines of PI (Executive Programs, Custom Programs, Digital Executive Program, and Innovation Hub) will be activated using the Connecting, Economical, and Visibility momentum that will emerge

from the Summit. These activities will be activated in a second stage, based on the company's results and its ability to grow by financing new business lines. Any new funding may accelerate the growth process.

PI's founders have been disseminating information and raising awareness about the exponential acceleration of technology for several years. This passion results into participation in or co-organization of events, and other activities in line with the purpose of PI.

PI's activities are often intertwined and are synergistic with those of other organizations such as the other Italian Chapters of Singularity University. In particular, PI intends to contribute to the 'Axelera Association', fundraising activities to fund scholarships for Singularity University. There is also a good connection with the network of Italian Benefit Corporations and B Corps.

Quantitative objectives achieved for the year 2016, and obstacles in achieving the objectives

See the previous points.

Objectives 2017

In 2017, in addition to the Summit, Positive Impact will also start to explore other "multiplication platforms", for example through custom programs, training and consultancy activities, targeting groups of people who can in turn contribute to the pursuit of PI's objectives, such as journalists or bloggers.

Having opened the venture to other investors, currently 7 in total, we intended to continue in this direction in 2017.

Contributing to the sponsorship of the Global Impact Competition 2017 to select an Italian participant at the Global Solutions Program 2017 of Singularity University.

Continue to contribute to the diffusion of the "Benefit Corporation" technology/model, expanding this feature and promoting its innovation towards all stakeholders.

Continue to spread B Corps' assessment tools, the online B Impact Assessment platform, leverage it as a tool for operational management and continuous improvement, and informing stakeholders in a transparent way.

| Pursue B Corp certification by the end of 2017, or Q1 2018.

PURPOSES

4

“The growth of existing educational institutions and the promotion of the development of new organizations for learning and human growth that are appropriate in the face of disruptive change scenarios resulting from the exponential acceleration of technology.”

Long term objectives

Positive Impact aims to help develop new models of education and learning that are adequate to the 21st century. The dominant models and educational institutions date back to the industrial revolution and are becoming increasingly inadequate to the needs of our time. Singularity University represents a prototype organization dedicated to education which inspires us. We are constantly looking for the most advanced educational approaches in the world to integrate them into our initiatives. We recognize that the margin of manoeuvre for an upgrade of existing institutions is limited, so we also aim to help develop new models, working with various partners to be identified in the years to come. At the same time, it is urgent to involve those people who are already in positions of power and influence: top executives, policymakers, journalists, top leaders of other organizations, to activate them in the development of new models. Obviously, technology plays a key role, so PI also seeks to spread the knowledge and use of platforms and tools that available today - think of open courses from major universities - and is committed to spread the contents PI should produce, for the widest possible use.

General qualitative description of what has been achieved with respect to the specific objective, and main events

| From an operational point of view, no particular activity was started in 2016.

Quantitative objectives for the Year 2016, and obstacles in achieving the objectives

| See previous point

Objectives 2017

| SU Italy Summit 2017:

PI intends to make the summit content available.

Quota of reduced-cost tickets will be made available for individuals involved in educational projects.

| Innovation Hub: PI intends to eventually create a physical innovation hub, for example in partnership with universities, companies or other organizations. However, as stated above, this is secondary with respect to the 2017 Summit, which however may serve as a promotional platform for other educational projects.



Impact Measurement with Third Party Standard (B Impact Assessment)

“The company’s impact will be measured by using the B Impact Assessment (BIA) standard”

Positive Impact Statute – Art. 23bis.3

As required by the SB law, the company must report its impact performance measured according to an external standard. Positive Impact has selected the most robust impact measurement standard for the Benefit Corporation and Società Benefit, the B Impact Assessment, developed, managed and verified by the non profit B Lab. The choice of this standard is also specified in the PI statute, to ensure the adoption of the best tools in the future. PI is also pursuing the B Corp certification, with the intention to achieve performance levels among the highest in the world. Of all the companies that have adopted this standard, about 55,000, just over 2100, or less than 5%, reach or exceed the performance standards required to qualify as Certified B Corp.

bimpactassessment.net

During 2017 or by Q1 2018, Positive Impact intends to complete the collection of performance data and submit its own B Impact Assessment results to B Lab for the review required to qualify as Certified B Corp.

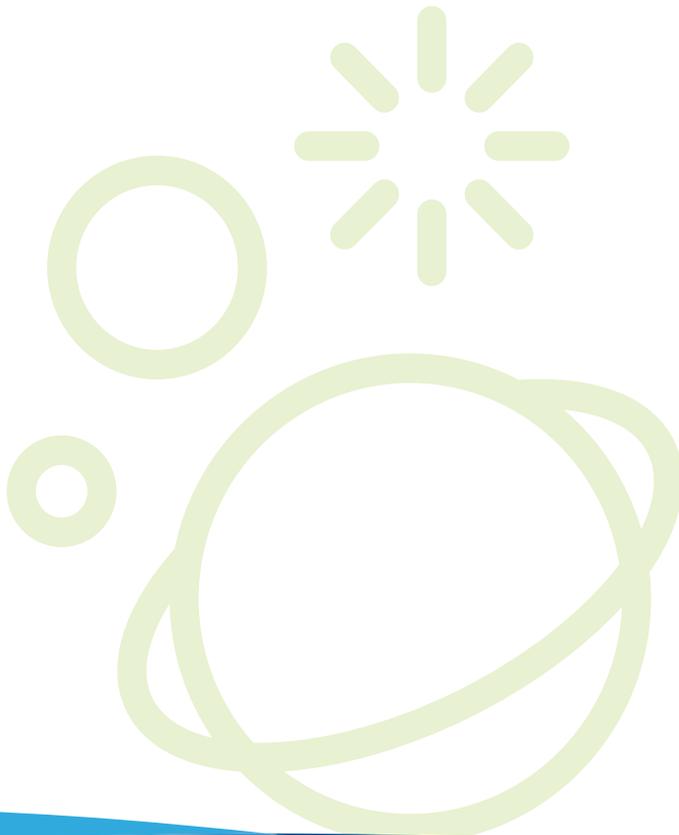
NOTE: the company started its operations in Q4 2016, and reports are not verified by a third party

It is important to emphasize that the BIA protocol is a performance measure. Since the report refers

to the start up phase (September-December 2016), measurable impacts are still limited and not significant for the purposes of a comprehensive measurement.

In addition according to the law, impact measurement may or may not be, certified by a third party. An external review by B lab will be completed towards the end of 2017 – early 2018, when the data will be available to provide an accurate measurement.

For the time being, in Appendix a summary table with estimated impact score is available. The signature confirms the registration of PI as “Pending B Corp”.



Feedback

“Systems without feedback are stupid by definition”

Amory B. Lovins

This impact report is one of the first produced in Europe, so even this document is an example of innovation. We have defined a format that will also guide the production of our reports for the following years. Above all, we hope to have given a clear and comprehensive representation for all stakeholders interested to the past, present and future plans of the company, in order to motivate a more active participation of all relevant stakeholders, in Italy and in the Mediterranean Region. At the same time, we are aware that the document can be greatly improved, and we anticipate that the 2017 report will be different, having matured over a year an important volume of activities and experiences.

We trust in your contribution to improve this document. For feedback, you can directly contact founders, investors and collaborators of Positive Impact, or send a message to the Impact Manager:

eric.ezechieli@singularityu.it or info@singularityu.it

This report, is available online:

www.singularityuitalysummit.com

Milan, 2017, April 3rd

Appendix

a) Summary table on the preliminary self-assessment of impact in 2016, according to the B Impact Assessment standard (not verified by B Lab)

Positive Impact Srl Società Benefit 2016 B Impact Report			
	Company's Points UNVERIFIED 66 pts	Ordinary Businesses** UNVERIFIED 51 pts***	B Corps*** CERTIFIED 97 pts****
Overall B Impact Score			
Governance	23	6	14
Corporate Accountability	8	3	10
Transparency	4	3	4
Workers	N/A	20	26
Compensation, Benefits & Training	N/A	15	17
Worker Ownership	N/A	1	3
Work Environment	N/A	4	5
Community	30	15	44
Community Practices	29	10	20
Suppliers & Distributors	4	2	4
Local Involvement	10	3	6
Diversity	5	1	3
Job Creation	N/A	1	2
Civic Engagement & Giving	10	2	5
Customers	0	5	10
Consumer Products & Services	0	5	18
Serving Those In Need	0	N/A	N/A
Products or Services	N/A	N/A	N/A
Environment	14	6	13
Environmental Products & Services	N/A	2	8
Environmental Practices	13	N/A	N/A
Land, Office, Plant	6	3	5
Inputs	3	1	3
Outputs	4	1	1
Suppliers & Transportation	N/A	0	3



* All of this information in this report is self-reported by the company and unverified by a third party, which is compliant with all benefit corporation statutes. B Lab has not verified and does not make any claims about the veracity of any of the information contained in this report. The B Impact Scores presented in this report are also self-reported and unverified and are thus of limited use for benchmarking. B Impact Scores typically decline by a material amount after review by B Lab, typically as a result of misunderstanding of questions, not misrepresentation of answers.

** Median score of Ordinary Businesses that have completed the B Impact Assessment (BIA).

*** Median scores of all Certified B Corporations that have received a minimum certified score of 80 on the BIA.

**** For Ordinary Businesses and Certified B Corps, Total B Impact Scores will not equal the sum of the sub-scores since each reflects a median score.

For know more: bimpactassessment.net

b) Registration of Positive Impact as Pending B Corp



the change we seek™

Pending Certification Term Sheet¹

For all companies applying for Pending Certification designation

Introduction

This document outlines the terms for companies applying for Pending Certified B Corporation Status.™

Commitment

By signing below, I agree to the above terms.

DocuSigned by:
Eric Ezechieli
3C82248C4E6942A...

Director/Officer

Eric Ezechieli

Director/Officer, B Lab

Company

Positive Impact Srl Società Benefit

11/5/2016

Date

Date

For more information about Pending B Corps:

www.bcorporation.net/become-a-b-corp/how-to-become-a-b-corp/steps-start-ups



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Positive Impact Srl Società Benefit | Piazza Castello 2. 20121 Milano - Italia - CF: 09629790966
Tel 02.83595005 - 02.83595006 - info@singularityu.it
www.singularityuitalysummit.com

