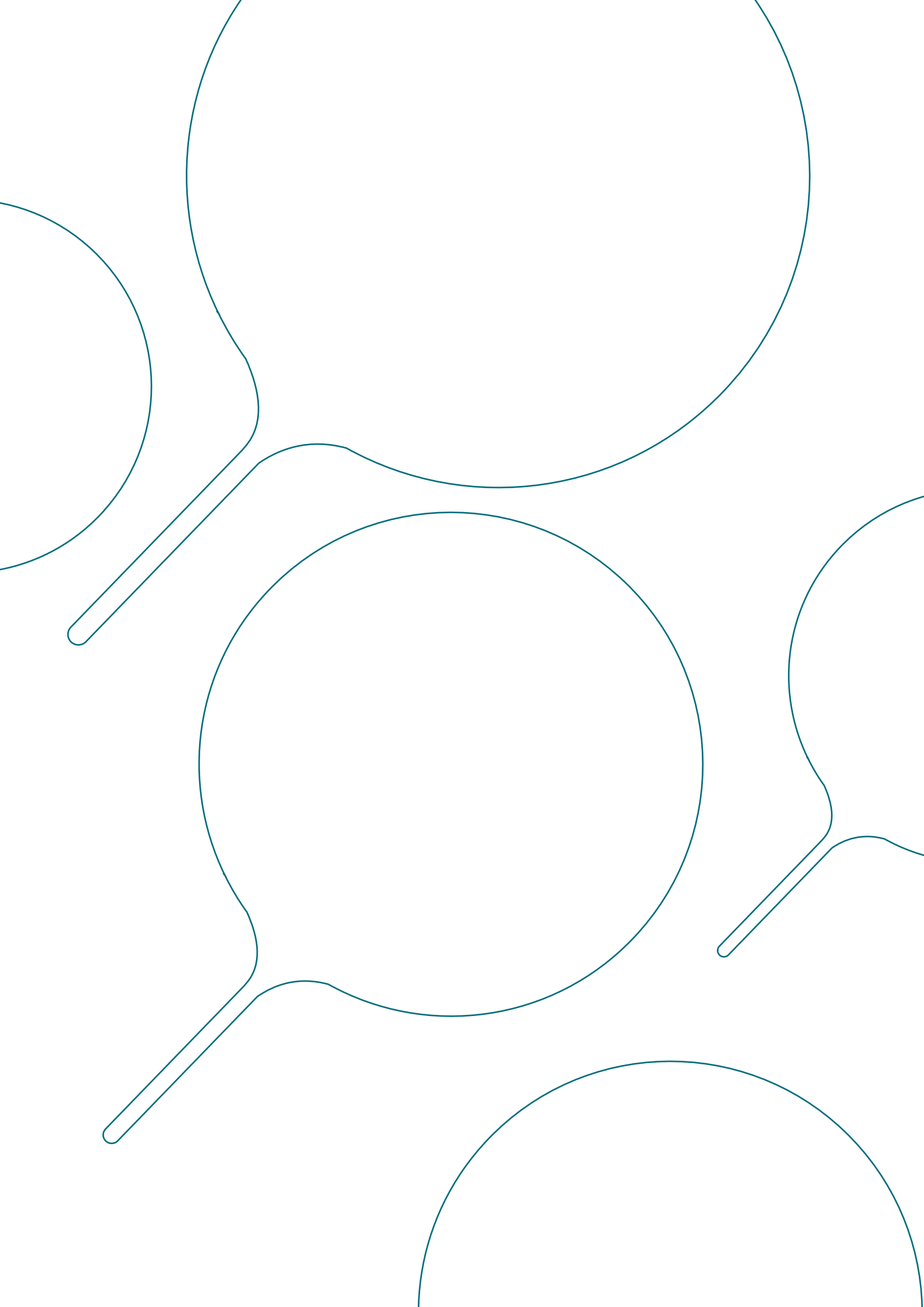


Impact report 2023

—
IMPACT.
BY INVESTING.

*Summary of
the italian version*



Impact report 2023

IMPACT.
BY INVESTING.

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1. Fondazione Social Venture Giordano Dell'Amore

IMPACT.
BY INVESTING.



MISSION

To promote the culture of impact investing and social innovation in Italy and to foster the wider dissemination of best practices and competences.



VISION

To contribute in steering finance towards a change of perspective: investing with patience and generating impact.

FROM THE ORIGINS TO THE PRESENT

Fondazione Social Venture Giordano Dell'Amore (hereafter "FSVGDA" or "the Foundation") was founded in 2017 by Fondazione Cariplo, in the wake of the patrimonial inheritance and experience gained by two historical philanthropic institutions: Fondazione Opere Sociali ("FOS") and Fondazione Giordano Dell'Amore ("FGDA").

FSVGDA promotes the impact investing culture in Italy and Europe, as a mean of fostering social innovation. As advisor and investor, it supports companies that are

facing significant social, environmental, and cultural challenges, by providing them with competences and patient capital.

To accomplish its mission, the Foundation develops a variety of integrated activities which are aimed at strengthening the ecosystem of impact investing: an operating model which enables the Foundation to act simultaneously on both the demand and the supply side of the market.



INSTITUTIONAL ACTIVITY



Promoting the culture of impact investing in Italy and Europe, including participating in national and international debate. The Foundation is in permanent collaboration with public and private institutions, research centers, universities, investors, and funds that are involved in social innovation, impact investing and sustainable finance.



CAPACITY BUILDING



Supporting, in partnership with Fondazione Cariplo, the Italian social entrepreneurship ecosystem in its ability to generate social innovation, by providing dedicated tools and programs.



INVESTMENT ACTIVITY



Providing patient capital to SMEs, start-ups, vehicles, and economically sustainable non-profit organizations that carry out activities with social and environmental impact.



ADVISORY

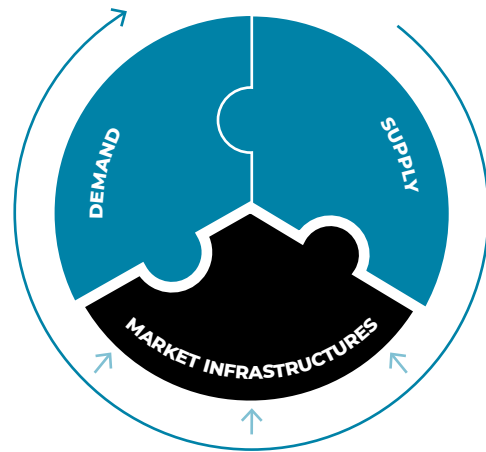


Offering institutions, investors, and entrepreneurs in the impact investing sector its expertise in defining investment structures, identifying best practices for measuring social impact, assessing business plans, and designing the most efficient financing structures.

2. **Activities**

2.1 INSTITUTIONAL ACTIVITY

Since 2017, the Foundation has been committed to promoting impact investing in Italy and Europe, actively contributing to the dissemination of best practices and competences and to the development of social innovation. In particular, it aims to support the current “market building” phase of the sector, encouraging dialog between capital supply and demand and supporting the construction and strengthening of the necessary market infrastructure.



Dissemination

Each year, the Foundation carries out a significant number of research, analysis and dissemination activities, in collaboration with a network of institutions, universities, public bodies, funds, corporates, incubators and accelerators. In particular, it participates in national and international events and supports training programs

dedicated to the development of competences in the fields of social entrepreneurship and impact finance, and it is constantly developing an on/off-line communication activity with the aim of spreading the culture of impact investing and making the know-how acquired available to all.

Events and training

/summary data to 2023



more than

60

dissemination events promoted



more than

90

speeches at national and international events on impact investing



3

editions of Impact Your Talent: a study program promoted with SDA Bocconi to encourage the training of impact entrepreneurs



Training of the Foundation and investee companies within the framework of the EC EaSI TA program

Website and communication

/summary data to 2023



288

Impact Weekly Report on scenario news shared



more than

450

articles published in trade journals



1

topical glossary on the FSVGDA website



36

covering terms

International Comparison



Today, the Foundation represents a **respected and recognized point of reference in the European impact investing landscape** and has developed a wide network of international relations with institutions, foundations, funds, and associations that are active in the sector.

Support for the impact ecosystem

The Foundation has dedicated part of its assets to strategic investment in four funds active in the impact investing sector, contributing to and participating in the

birth of a|impact - Avanzi Etica and OPES Italia, and in the strengthening of Oltre Venture and SEFEA Impact.



Since 2017, the capital of “strictly impact” operators in Italy available for impact investments has seen a steady growth trend, going from €46 mln to €246 mln in 2023.

figura 3.2

	2017	2018	2019	2020	2021	2022	2023
ACTIVE OPERATORS	3	4	4	6	6	7	9
AVAILABLE CAPITAL	46MLN/€	62MLN/€	67MLN/€	109MLN/€	204MLN/€	231MLN/€	246MLN/€
CAPITAL INVESTED IN THE YEAR	6MLN/€	13MLN/€	9MLN/€	12MLN/€	18MLN/€	37MLN/€	20,7MLN/€
INVESTMENTS MADE	9	30	25	36	42	58	68

*FSVGDA elaboration based on private sources.

In 2017, the Foundation designed and structured Get it! – Percorso di Valore, a social entrepreneurship facilitation program which is supported by philanthropic resources from Fondazione Cariplo and was set up in partnership with Cariplo Factory.

Get it! is dedicated to impact start-ups and makes it possible to:

- support the capacity building of entrepreneurs;

- offer patient capital to support the best impact initiatives;
- support the network of Italian incubators and accelerators with expertise in assisting impact start-ups;
- involve active players from the profit sector (eg. advisors, professionals and consultants) in the impact ecosystem;
- promote open innovation and contamination programs among start-ups, corporates and institutions.

Support to the ecosystem

/summary of cumulative data to 2023



4

impact investing funds supported with an investment



of which

2

are in the early stages of development



45

mentors involved in capacity building activities



24

*incubators and accelerators selected and contracted throughout the national territory



€925.900

paid to the network of incubators and accelerators

of which



€90.000

in 2023



2.2 CAPACITY BUILDING

The offer of competence and expertise is a central tool in the operating model proposed by FSVGDA.

Capacity building initiatives, aimed at **developing a more robust and structured demand for capital**, are a necessary condition for making *impact investing*

sustainable and attractive to investors. Although these are mainly implemented through Get it! – Percorso di Valore, the Foundation can also offer entrepreneurial support to teams or entrepreneurs outside of these programs.

“

Through our *capacity building* initiatives, we aim to provide a wide range of tools and services to support innovative social entrepreneurship, balancing the supply of skills and capital throughout the entire life cycle of a business.

GET IT!

/capacity building and impact investment readiness for start-ups

The Italian impact investing sector suffers from a **very limited investment readiness** of the impact initiatives and organizations involved. The number of enterprises whose business models are able to generate social value while remaining economically sustainable is still extremely small.

Through Get it!, FSVGDA sustains the flourishing ecosystem of innovative social initiatives, enabling start-ups to develop their activities with the support of "tailor-made" incubation, acceleration and mentorship programs.

A program of



In partnership with



Supported by

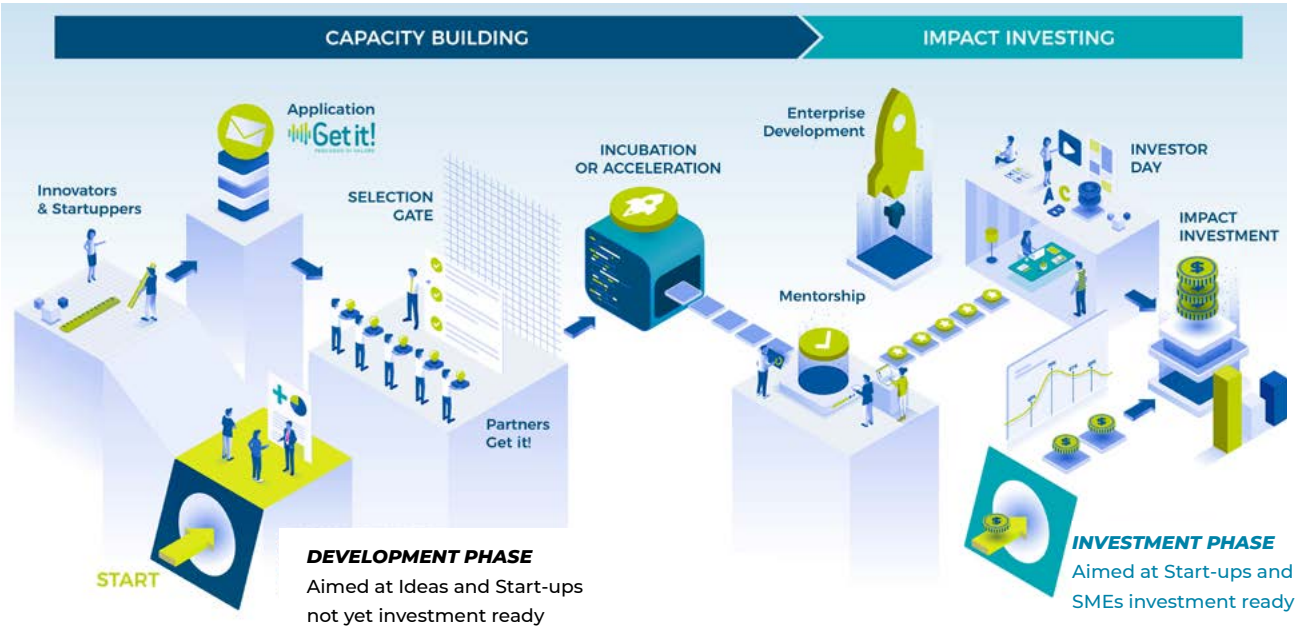


Get it! operating model

To maximize the effectiveness of its operating model, the Foundation has developed a **"Social Venture Building Model"** (see figure 2.1): an operating model that combines *capacity building* and *impact investing* and which aims

to encourage the development of new start-ups which are not yet active in the market and are not sufficiently attractive to investors. Emblematic of this approach is the "Value Path" that Get it! offers to new enterprises.





The "Social Venture Building Model" enables the Foundation to accompany teams of innovators on a growth path inside the vast ecosystem of incubators, accelerators, mentors and investors. As shown in Figure 2.1, while ideas and start-ups at an early stage of maturity can access a gradual path to empowerment and investment readiness that culminates in their participation in the annual *Investor Day* (the so-called "empowerment gate"), more mature businesses can

apply for a direct investment by the Foundation, using the dedicated *application form* available on the institutional website (the so-called "investment gate"). By balancing the supply of competences and capital in the market, this approach enables the Foundation to intervene throughout all phases of an enterprise's lifecycle and to support the various entrepreneurial initiatives towards investability.





4.5 MLN/€

contribution of
Fondazione Cariplo



Get it!
PERCORSO DI VALORE



18

"Call for
Impact"
launched



+3.500

innovators
involved



1.541

applications received



435 first edition

496 second edition

121 InnovaMusei | Call Get it!

104 Get it! For CGM

52 Get it! For Lacittàintorno

37 Get it! Twice

21 Progetto ECO: Economia di Comunità

141 InnovaCultura

44 InnovaWelfare



18

Selection Day



224

teams invited
to present
their project



143

empowerment
paths financed



7

Investor
Days



50

national and
international
investors
involved



3

instances of
participation as a
partner in *capacity
building* programs

➔ Welfare che Impresa!

➔ Web Marketing Festival

➔ Mylennium Award



52

businesses assisted by the Evaluation Lab
in the development
of social impact generation models



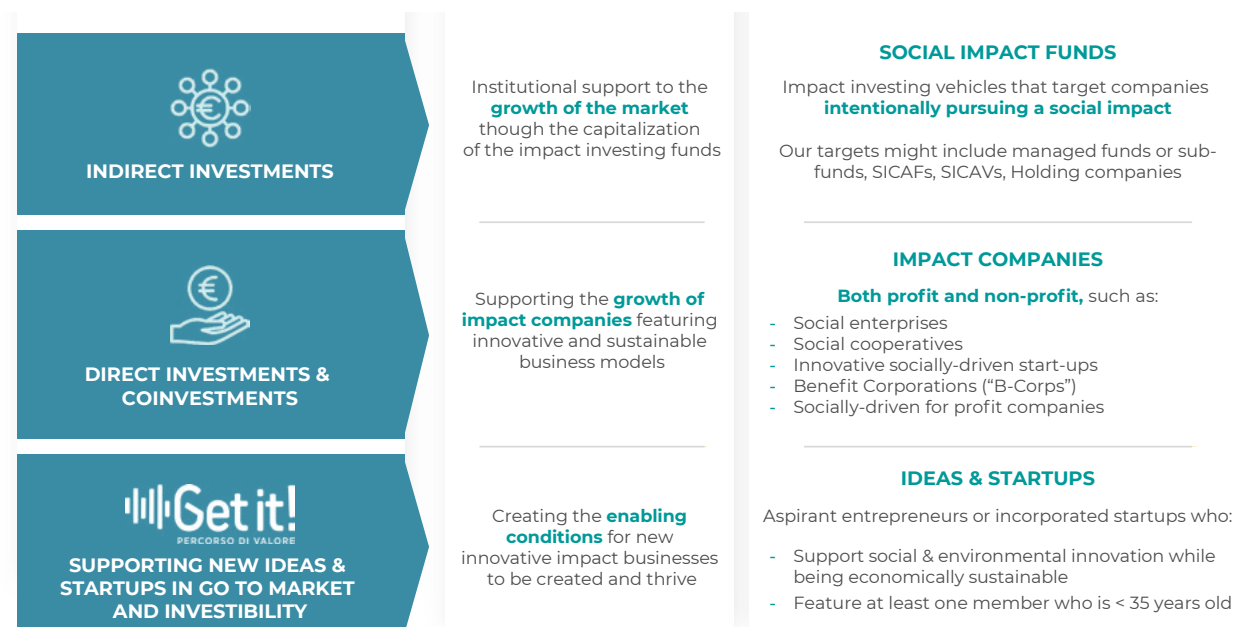
2.3 INVESTMENT ACTIVITY

Investment approach

The Foundation has an institutional approach towards impact investing: its direct and indirect investment activity is aimed at supporting the growth of the sector, both by reinforcing the quality of the demand and by increasing the supply of patient capital. It supports the most promising entrepreneurial initiatives throughout all phases of their enterprise lifecycle. To maximize the effectiveness of its intervention, the Foundation operates with a "social venture capital" approach, acquiring minority shareholdings in funds, SMEs and start-ups which produce high social impact, and requiring limited financial returns over a medium-long timescale (see figure 2.2).

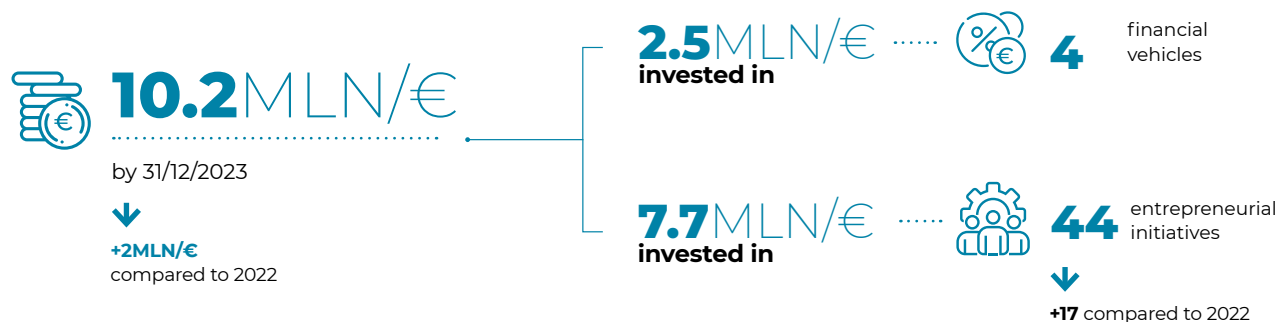
However, depending on the legal status, the phase of development and the features of an enterprise's business model, the Foundation also uses hybrid instruments or equity financial instruments. To select the most suitable initiatives for an investment, the Foundation adopts a broad and inclusive definition of social enterprise which includes non-profit organizations (eg Cooperatives and Social Enterprises), hybrid organizations (eg start-ups with a social vocation, Benefit Companies, B-Corp) and for-profit organizations (eg innovative start-ups or other joint stock companies), provided that they produce an impact.

figure 2.2





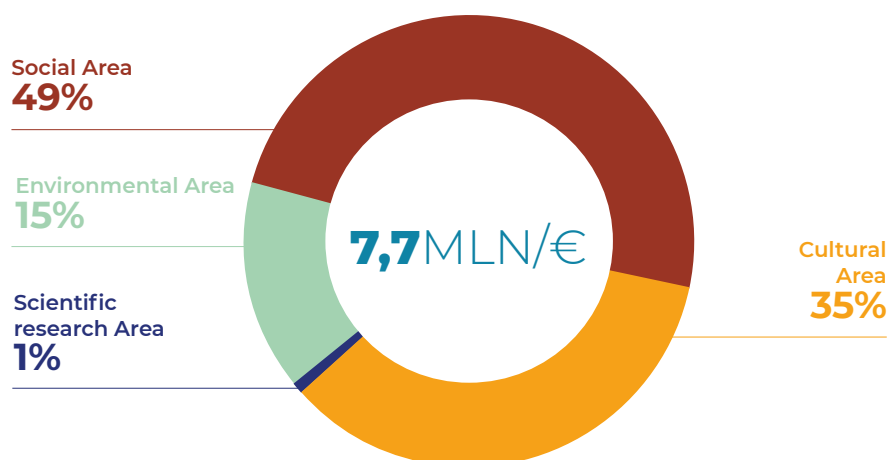
2.3.1 Portfolio



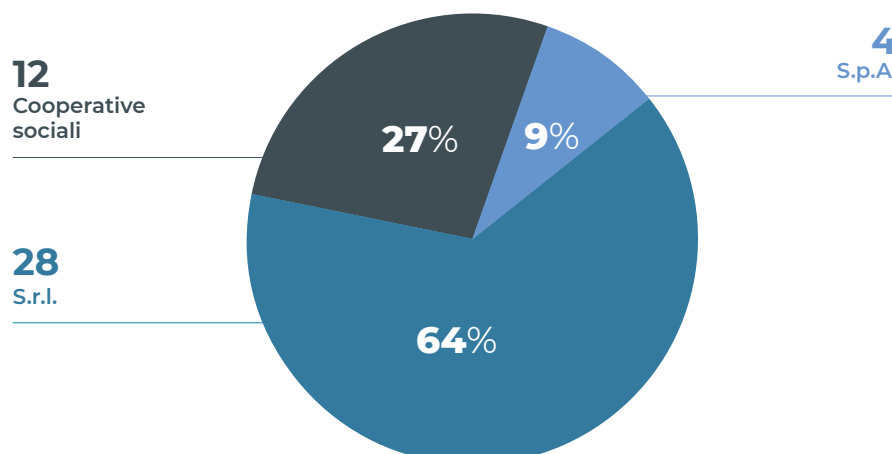
Indirect investments

Below, the alignment in % of the 44 direct investments in the 4 philanthropic areas of the Fondazione Cariplo.

Impact Areas



Legal Status



INITIATIVE	LEGAL STATUS	INVESTMENT BY FSVGDA	SECTOR	SDGs	AREA
PerMicro	S.p.A.	€886.784	Financial inclusion	1, 4, 8, 9, 10	SOCIAL AREA (49%)
Vivavoce	S.r.l.	€404.053	Treatment for Stuttering	3	
In-Domus	S.r.l.	€340.000	Student housing	4, 11	
Vesti Solidale	Cooperativa Sociale	€300.000	Work inclusion	8, 9, 10, 11, 12, 13	
C.Next	S.p.A. Società Benefit	€250.000	Technological innovation	4, 8, 9	
Istituto De Filippi	S.r.l.	€249.786	Inclusive Training	4, 8	
Talent Services	S.r.l., PMI innovativa	€200.000	Innovation in the education sector	4, 8	
Il Ponte	Cooperativa Sociale	€150.000	Work inclusion	1, 5, 8, 10, 17	
La Fabbrica di Olinda	Cooperativa Sociale	€150.000	Work inclusion	8, 10, 11	
Alice	Cooperativa Sociale	€120.000	Work inclusion	4, 5, 8, 10, 12, 17	
JoJolly	S.r.l., startup innovativa	€102.500	Combatting undeclared work	5, 8, 10	
BioMadre (Graniburger)	S.r.l. Società Benefit	€100.000	Work inclusion	11, 12	
Pandora	Cooperativa Sociale	€100.000	Work inclusion	1, 5, 8, 10	
Sapori di Libertà	Cooperativa Sociale	€100.000	Work inclusion	8, 9, 16	
WiMonitor	S.r.l., startup innovativa	€72.500	Home-based monitoring and assistance	3	
Blubonus	S.r.l. Società Benefit	€52.500	Accessible welfare	9	
Chico Mendes	Cooperativa Sociale	€50.000	Fair Trade	1, 5, 8, 10, 12, 13, 17	
Beltmap	S.r.l., startup innovativa	<€50.000	Mobility for the visually impaired	3	
Casa dello Studente	S.r.l. Società Benefit	<€50.000	Learning support for school students	4	
Namasté (ZeroPerCento)	Cooperativa Sociale	<€50.000	Ethical food market	8, 10, 12	
La Miniera di Giove	Cooperativa Sociale	<€50.000	Educational services for children	4, 5, 8	
Prism	S.r.l. Società Benefit	<€50.000	Ethical fashion	8, 10, 11, 12, 17	
AEPER	Cooperativa Sociale	<€50.000	Social and healthcare activities	3, 4, 5, 8, 10, 11, 17	
Auxilium	Cooperativa Sociale	<€50.000	Work inclusion	1, 3, 8, 10, 11, 12, 13	
OXA (BASE)	S.r.l. impresa sociale, startup innovativa a vocazione sociale	€700.000	Inclusive fusions between art and society	4, 8, 9, 11	CULTURAL AREA (35%)
Music Innovation Hub (MIH)	S.p.A. Impresa Sociale	€555.365	Inclusive innovation in music	4, 5, 8, 9, 17	
Kalatà	S.r.l. Impresa Sociale	€240.035	Enhancement of artistic heritage	8, 11, 12	
SharryLand	S.r.l. Società Benefit	€200.000	Sustainable tourism	8, 11	
Artonauti	S.r.l. Società Benefit	€200.000	Inclusive Training	4, 12	
Centrica	S.r.l.	€200.000	Digital innovation in art	4	
Way Experience	S.r.l., startup innovativa	€200.000	Experiential tourism in VR	11	
Archeologistics	S.r.l. Impresa Sociale	€100.000	Sustainable tourism	4	
Romanzi.it	S.r.l., startup innovativa	€100.000	Support for independent publishing	4	
Werea (AerariumChain)	S.r.l., startup innovativa	€70.000	Innovation and conservation of artworks	4, 6, 8, 9, 11	
RnB4Culture	Startup innovativa	€70.000	Digital innovation for museums	9	
Alchemilla	Cooperativa Sociale	€60.000	Digital innovation in art	4	
eArs	S.r.l.	<€50.000	More accessible art	4	

INITIATIVE	LEGAL STATUS	INVESTMENT BY FSVGDA	SECTOR	SDGs	AREA
Bella Dentro	S.r.l.	€370.000	Fight against food waste	8, 12	ENVIRONMENTAL AREA (15%)
Colline e Oltre	S.p.a.	€294.119	Entrepreneurial development of the Oltrepò Pavese	9, 11, 17	
Agrorobotica	S.r.l., startup innovativa	€252.000	Precision and sustainable agriculture	2, 15	
Ecomill	S.r.l., PMI innovativa	€200.000	Crowdfunding for energy transition	7, 9, 11, 12, 13, 14	
Revo (Moove)	S.r.l., startup innovativa	<€50.000	Eco-sustainable cycling mobility	9, 11	
Kazaam Lab	Startup innovativa	€52.500	AI and Big Data Analytics	3	SCIENTIFIC RESEARCH AREA (1%)
Plasma TechMED	Startup innovativa	<€50.000	Cold plasma technology	3	

/indirect investments at 31/12/2023

	LEGAL STATUS	INVESTMENT BY FSVGDA (1)	CAPITAL INVESTED (TO 31/12/2023)	INVESTMENTS IN PORTFOLIO	INDIRECT INVESTMENTS
Oltre II	SICAF EUVECA S.p.A	€1.000.000	€42.275.000	11 (residual investments compared to 23 investments made and 12 realized)	
SEFEA Impact	SGR - Gestore EuVECA	€500.000	€41.000.000	32	
OPES Italia	SICAF EUVECA S.p.A	€500.000	€35.479.908	8	
ajimpact	SICAF EUVECA S.p.A	€500.000	€19.588.000	18	

SDGs Alignment

of FSVGDA's direct investments

figure 2.3

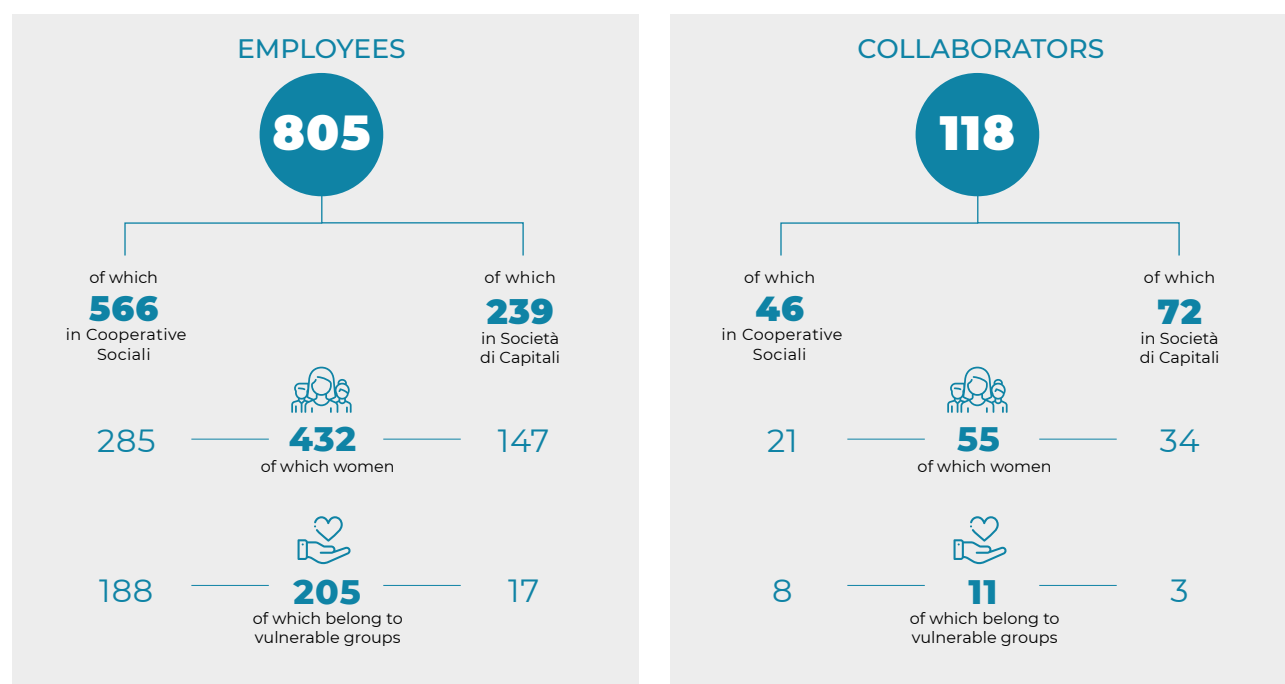


Note: The figure represents as a percentage the alignment of the Foundation's direct investments to the main sustainable development goals (SDGs), through the attribution of a prevalent SDG to each investee. *SDGs: 12 (responsible consumption and production).

Cumulative Summary Data

/Direct investments to 31/12/2023

Below is shown the aggregate number of employees, and collaborators of the 44 direct investments.



2.4 ADVISORY ACTIVITIES

Financial advisory

The Foundation's team has a consolidated experience in the financial sector and has, over the last few years, gained significant expertise in the structuring of transactions that involve subjects operating in the social sector.

These skills enable the Foundation to structure complex financial transactions and "impact" business models through advisory activities for extraordinary finance transactions, for the definition of business plans and financing strategies, and for the identification of the best capital structure etc.

One example of an operation that has been structured

by the Foundation's team is the "Support for the Third Sector" initiative promoted by Fondazione Cariplo, Intesa Sanpaolo, CSVnet Lombardia, Fondazione ONC, Cooperfidi Italia, Fondazione Peppino Vismara e Fondazione Social Venture Giordano Dell'Amore. This program enabled the offer of €30 mln of subsidised loans to Third Sector in the Lombardy region and part of Piedmont, through an innovative and articulated guarantee system operating on several levels, connected with a philanthropic fund to reimburse the costs of the guarantee and part of the interest.



Evaluation Lab

The Foundation also has a dedicated team of professionals with many years of experience both in strategic planning and the measurement and monitoring of the social impact generated by projects, institutions, or entities, and in the research and testing of the best impact assessment methodologies. The team has proven expertise in the use of counterfactual, statistical or experimental approaches, mainly adopting the Theory of Change to evaluate impact.

To promote the culture of evaluating the effects of interventions on the final recipients and to strengthen the evaluation skills of the Italian third sector and of all socially oriented organizations, the Evaluation Lab also offers its services to external foundations, institutions, third sector entities, impact investment funds, companies etc.

The services offered by Evaluation Lab can be divided into two main categories of activities:

→ Strategic planning

- Analysis, research and advisory to support the strategic planning of foundations, funds, and third sector entities in the design and management of programs, investments, and projects.

→ Evaluation of programs, investments, and projects

- Reporting: to produce detailed information on activities and results;
- Monitoring: to produce know-how on implementation;
- Estimation of the effects: to develop and disseminate know-how on effectiveness.

Evaluation Lab's clients



3. Looking forward

Based on the experience gained to date, we believe that, in order to sustain the development of social entrepreneurship and the diffusion of initiatives able to generate a significant social impact, it is very important to create bridges between philanthropy and finance. In particular, it is essential to:

- continue to strengthen the demand, through capacity building activities that allow social enterprises to reinforce their entrepreneurial and managerial skills;
- try to reduce the level of risk for investors. Public entities and philanthropic bodies could intervene with guarantee mechanisms or hybrid instruments that can absorb part of it;
- rigorously measure the impact generated by the initiatives: a fundamental action to "qualify" the financial performance and thus compensate, together with the reduction of risk, the lower return, often inevitable to protect social performance. In this sense, it is necessary to preserve the integrity of impact investing - vs the more widespread ESG approaches - and its distinctive connotation: intentionally pursuing - not incidentally - pre-agreed impact objectives.

How to make impact investing attractive to social entrepreneurs and investors?

In our opinion, it is crucial to continue to encourage social enterprises to consider new forms of financing and/or investment and to embrace an organizational culture as entrepreneurial as possible, oriented towards medium-long term financial sustainability. Today, these organizations have access to a wide range of financial instruments available in the market. However, self-financing and bank financing are still by far the most used sources, in terms of

volumes. In fact, based on a report recently published by Aiccon and Intesa Sanpaolo in relation to the period 2019-2022, they represent approximately 80% of the sources raised for investments.

Furthermore, the third sector is still very fond of grants, public or private, to finance its activities. This is also due to the perception that the presence of an investor in the governance of the company is experienced more as interference than as added value.

It must be considered, however, that for foundations the grant is a very precious resource. For this reason, some foundations have started to test hybrid instruments, such as the impact grant or the recoverable grant, creating a bridge between philanthropic resources and investment resources.

We believe that it is crucial to develop specific financial instruments suited to the needs of the social economy.

First, in terms of **financial return**. Investors who support the social economy should have the ability to overturn the logic of the success of an operation: success should not be measured with the multiplier of the economic value or the financial return of an investment considered by its nature "impact", but with the multiplier of the impact generated, having achieved the target return.

Furthermore, it is important to consider that third sector entities have regulatory limitations in the financial return achievable by investors. It is, therefore, very difficult to expect many investors willing to employ their capital in an often complex, high-risk sector and, moreover, with a limited return on capital. To overcome this problem, from the investor's point of view, we see two possible solutions: combine equity instruments, at a reduced return, with debt

instruments at higher rates, so that the overall weighted return is satisfactory. However, this solution also increases the weighted average cost of capital. The alternative is to build a diversified portfolio so that the return of a part of the investments, still impact-based, but with returns closer to the market (e.g. startups), subsidizes the lower return of the remaining part, more socially oriented.

The second dimension to consider is the **duration of the investments**. In our opinion, it is necessary to give more time than the traditional 3-5 years for the valorisation of the investment (so-called "exit") of social initiatives. Business models are often fragile and require a long time to find the right structure and stability. The need for investors to exit after a few years can push the entity to "force" certain choices to make itself attractive to a buyer, in favour of the financial return, but to the detriment of the social impact generated. In our view, for many social enterprises, it is more appropriate to consider longer time horizons, of at least 10-15 years, to have the possibility, only if necessary, to allow the initiatives to have more time to grow and consolidate. But time is key for investors and therefore, also in this case, it is necessary to design flexible instruments that allow the possibility of an exit even in the long term.

The third dimension is the **relationship between the investment and the impact generated**. It is necessary to define ex-ante the impact objectives of an initiative to allow investors to decide whether and how much to invest. At the same time, it is important to maintain a certain flexibility to be able to redefine objectives in the event of any changes, for example in the business model or in market conditions. The presence of the investor in the governance of the social enterprise is also crucial in order to maintain the ability to intervene. Investors often specialize in sectors or areas of investment. If an initiative focuses on a specific

sector, a certain category of beneficiaries or a territory, it will be able to attract investors interested in generating a positive effect in that area, as long as it is agreed ex-ante, monitored over time and calculated ex-post.

The experience gained by our foundation in recent years in the field of social innovation highlights the importance of promoting alliances able to develop an integrated model of intervention, in which various subjects, with different objectives and roles, coordinate in an effort that allows everyone to pursue their own mission while making resources, tools and skills available to the social economy.

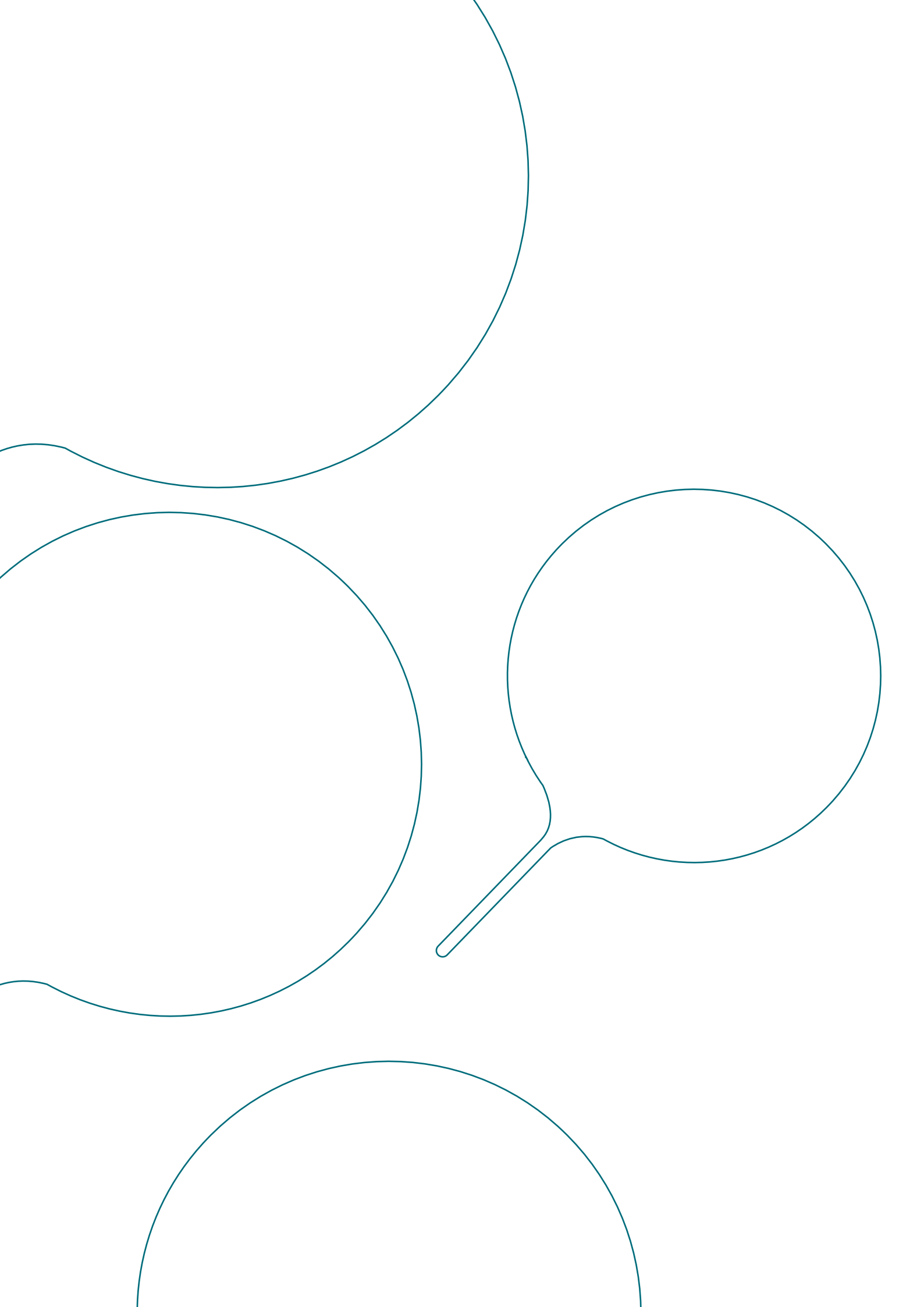
Once again, and also for next year, we will do our best to keep facilitating this process.

“



To support the growth of impact investing and social economy in Italy, it is necessary to develop an integrated approach, offering capacity building programs, "patient capital" and innovative financial instruments.

Marco Gerevini
Managing Director - Fondazione Social
Venture Giordano Dell'Amore





IMPACT. BY INVESTING.

Special Thanks

This document was produced thanks to the valuable and efficient collaboration between Fondazione Social Venture Giordano Dell'Amore and the initiatives in its portfolio, together with the contribution of Fondazione Cariplo, Cariplo Factory and Fondazione Housing Sociale

Publication by

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Our social

