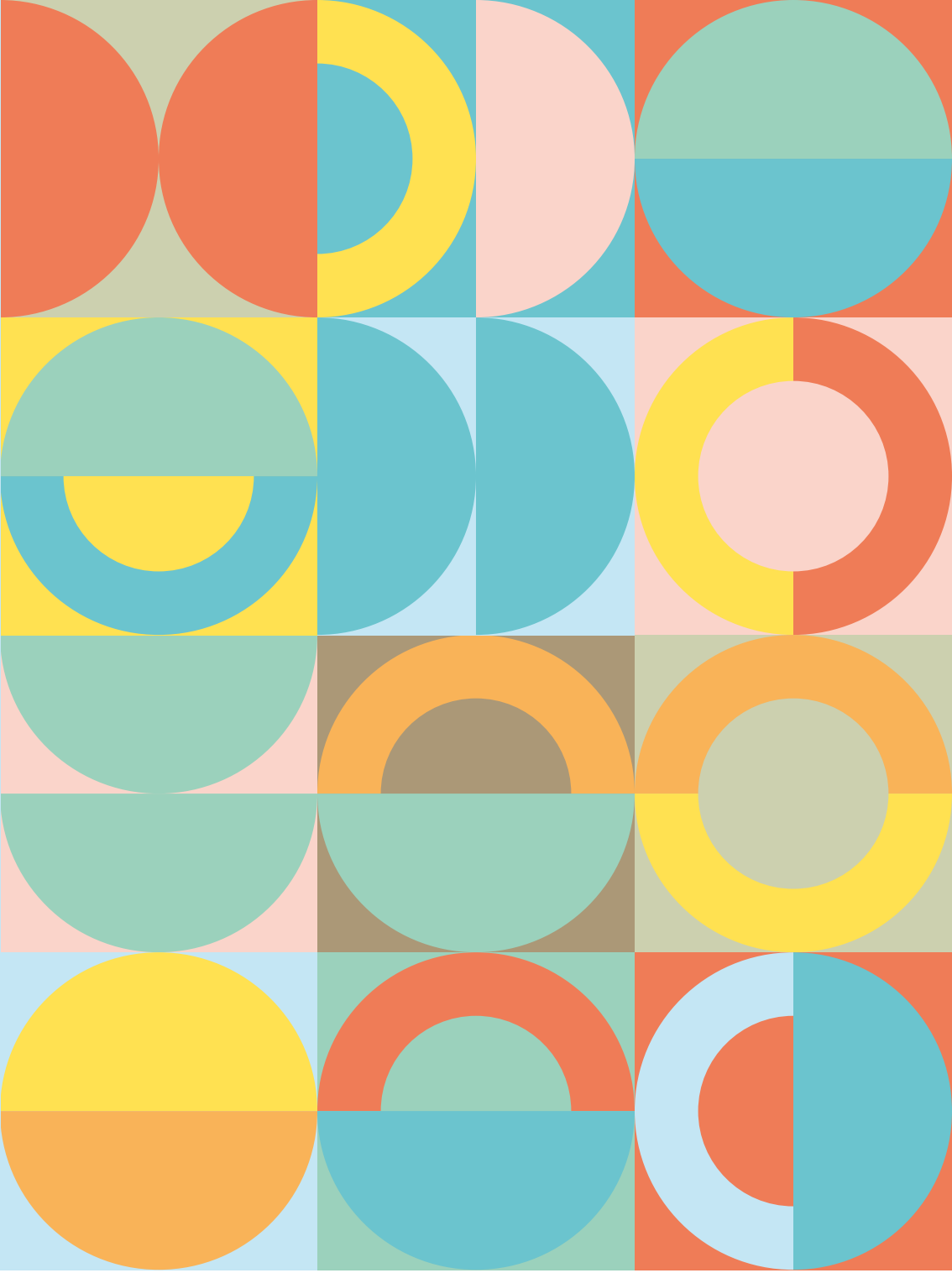

2023 Impact Report

isola

2023 Impact Report

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Letter from the President

For many years, processes of social transformation have been underway. However, the major challenges of our time and the inevitable repercussions on the economy have accelerated their speed and amplified their impact, reshaping a new geography of opportunities that mixes key factors such as mobility, periphery, equity and prosperity.

In the global arena, the Mediterranean is undoubtedly one of the critical areas and a pivotal hub, given the scale of migratory phenomena, the impact of climate change, and geopolitical tensions.

At the heart of it, Sicily stands as an extraordinary laboratory, serving as a bridge between continents, cultures, and paradigms. Despite being full of contrasts and challenges, it harbours abundant opportunities.

In the light of the above, Isola endeavours to address the considerable social challenge of depopulation in our region, stemming from a lack of economic and employment opportunities. This circumstance compels young individuals to emigrate for better prospects, while others experience vulnerability and exclusion from active societal participation, ultimately leading to the impoverishment of our community.

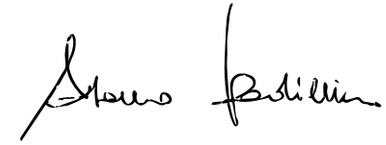
It is noteworthy that Sicily ranks at the lowest position in Europe concerning various critical indicators, including school drop-out rates, employment figures, and the percentage of *NEETs*, among others.

The intricacy of these phenomena, coupled with the urgency required by the rapid pace of change, poses significant challenges for public administrations, businesses, and organisations. They encounter immense difficulties in addressing the social and environmental challenges, as well as managing the digital and energy transitions within our territory.

We strongly believe that the successful resolution of these significant challenges can only be achieved through collaborative efforts empowered by creativity, entrepreneurship and innovation.

Isola serves as an inclusive and unbiased platform designed to foster meaningful connections among stakeholders. Its goal is to cultivate an atmosphere of trust and collaboration, with the objective of enhancing the opportunities in Sicily.

I am proud of what we have done so far and I hope that this first annual report will convey the depth and complexity of our endeavours. I am grateful for the extraordinary commitment of our team members and the generous support of so many people and organisations who have stood beside us.



Reading Guide

01

01.01

Introducing our first Annual Report

Isola began to take shape in 2020 in Catania, between the first and second lockdowns, during a historical period marked by the pandemic and the return to Sicily of approximately 100,000 so-called south workers. This exceptional situation inspired the creation of a *community hub*, a place designed to welcome, nurture and promote ideas, talents and the local territory.

The idea we have developed is based on the coexistence of factors such as investment incentives, tax relief, the opportunities offered by remote work, and the growing desire to return to Sicily, combined with strengths such as the perceived high quality of life and the airport infrastructure.

The combination of potential scenarios, tangible opportunities and a strong desire to contribute to the improvement of the territory has led to the establishment of the physical hub, which was subsequently followed by the development of the social impact project.

Isola Life was inaugurated on June 21, 2021, as an innovative space with an international atmosphere, serving as both a coworking space and a talent incubator. It acts as a crossroads for digital nomads and a hub for innovation and social entrepreneurship, housed within *Palazzo Biscari*, a monumental *UNESCO* heritage site located in the historic centre of the city. The 400 square metres are divided into 17 areas, each named after a Mediterranean island. The renovation of this space was supported by private investments under *Arcadia*, a financial holding company that supports and invests in innovative projects with a strong social impact in the Southern Regions of Italy, commonly known as *Mezzogiorno*.

Isola was founded as a for-profit enterprise dedicated to serving the city. Its inauguration was marked by a week-long festival, *Make in South*, which celebrated the ongoing transformation in the South and fostered meaningful connections among individuals from all corners of the globe. It was a moment of inspiration and collaboration, serving as a true catalyst for innovation in the *Mezzogiorno*. Since then, with each change of season, we have reiterated the Make in South festival, now reaching its twelfth edition.

Since its beginning, Isola has been committed to creating a strong network of partners and stakeholders, specifically in Catania. The main objective is to attract innovative businesses that can generate job opportunities for young individuals. In line with this objective, during its second year of operation, *Isola Work* was established as an additional workspace dedicated to local and Northern-based companies that opt to invest in the Southern region, thereby creating job opportunities for young Sicilians, especially in digital, design, and international cooperation sectors. Our 70 workstations offer a lively and dynamic environment, enriched with young talents and professionals.

The first two years of activity and engagement with the region have enabled an in-depth analysis of the territorial context, uncovering significant deficiencies in the political, social, and economic sectors. These deficiencies include a lack of economic opportunities, employment inequalities, and disparities originating in the educational system, resulting in an uncertain future for young Sicilians, characterised by the likelihood of emigration or poverty.

These analyses, along with the awareness of our responsibility to initiate and promote social transformation, have prompted a moment of reflection and realisation. Specifically, the creation of a systemic network of dedicated and determined local actors has become imperative. This has led to the decision to adopt a new legal form by establishing a company that operates as a social enterprise.

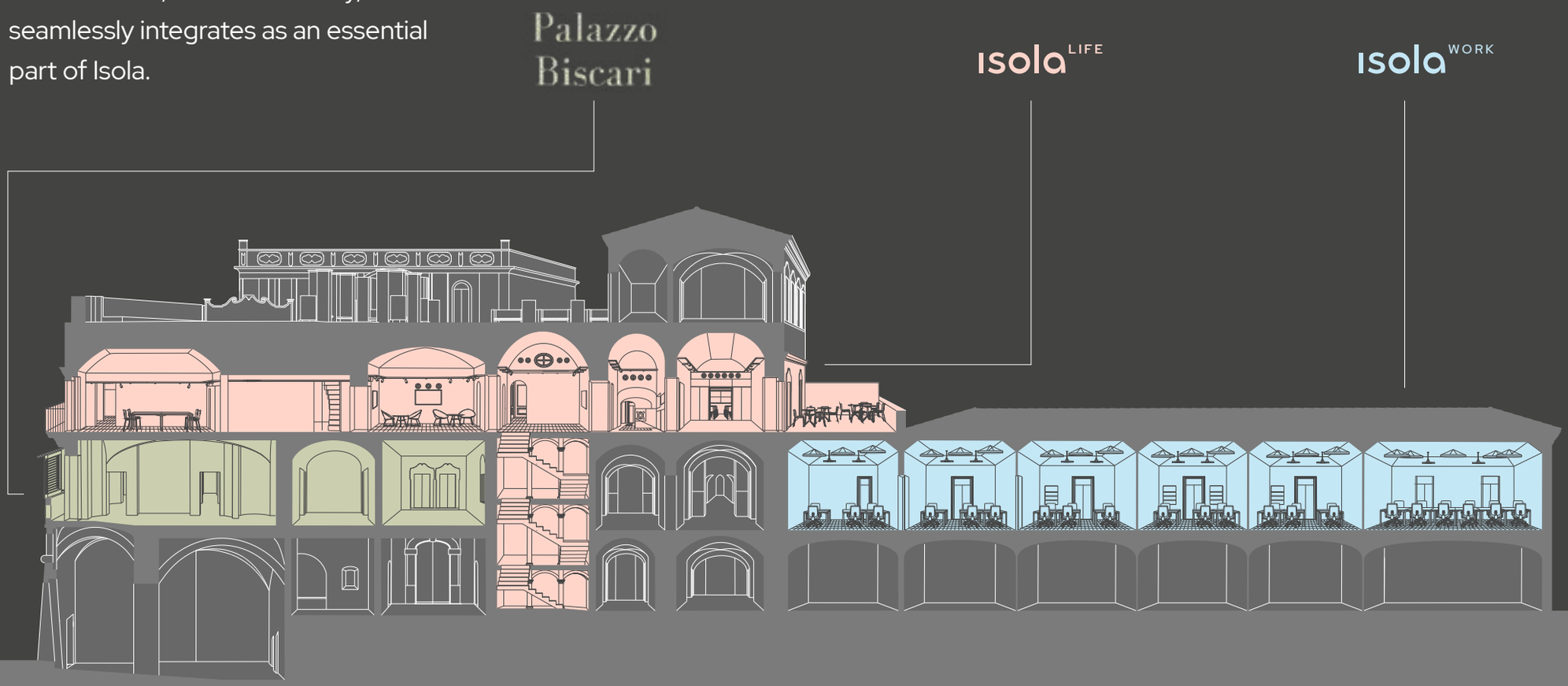
On December 22, 2022, *Isola Catania Impresa Sociale S.r.l.* was established with a corporate structure comprising *Arcadia Holding Srl* and four other organisations from the Third Sector: *Junior Achievement Italia*, *Farm Cultural Park*, *Fondazione OELLE Mediterraneo Antico*, and *Scenario Pubblico*.

We have chosen the legal form of a social enterprise due to its hybrid nature, which combines the best aspects of both the profit and non-profit sectors. This innovative and cutting-edge model prioritises impact and social responsibility while generating opportunities for the community. It serves as an ideal vehicle to advance the mission of Isola in a structured and effective manner.

Thus began 2023, a year of reflection and co-design, characterised by the active involvement of all key stakeholders associated with Isola.

PALAZZO BISCARI

Isola's spaces are nestled within the building, which spans the length of a city block, allowing activities to intermingle in an osmotic relationship. The ballroom, when necessary, seamlessly integrates as an essential part of Isola.



From January to March, we organised roundtable discussions facilitated by *Impact Hub Siracusa*. Initially, these discussions included the founding members, followed by employees. Subsequently, we engaged 54 organisations, including space users, project partners, beneficiaries of Isola's cultural offerings, ETS, universities, and other stakeholders who have had meaningful interactions with Isola since its inception. We have engaged in a thorough process of soliciting and evaluating the reflections and needs of all stakeholders. By integrating their insights and suggestions, we have developed a social impact strategy aimed at enhancing the various components of the enterprise's ecosystem. This strategy addresses the critical issues of economic and educational poverty, as well as the consequent exodus of human capital, with many Sicilians leaving the island in search of better educational, economic, and professional opportunities.

During the third and fourth quarters of 2023, under the guidance of consultants from *Dpixel* and *SocialFare*, who provided support within the *Bravo Innovation Hub* accelerator promoted by *Invitalia*, as well as consultants from *A|Cube*, who assisted us within the acceleration program of the *Fondazione Social Venture Giordano dell'Amore* as part of the *Get-It* program, we clarified our business areas and impact domains. We delineated revenue generation models and our social commitment, defined our sustainability strategy, and commenced gathering benchmark metrics.

And thus, we arrive at the publication of our inaugural annual report, eager to share our results with our stakeholders and the wider audience.

Together, we can address the challenges of the South and navigate the transition to the future with openness and determination.

01.02

Regulatory References and Objectives of the Document

The present budget pertains to the fiscal year from January 1st to December 31st, 2023, in accordance with *Article 9* of the Italian *Legislative Decree* No. 112/2017, adopting the guidelines outlined in the Italian *Ministerial Decree* of July 4, 2019, issued by the Italian *Ministry of Labour and Social Policies*, published in the *Gazzetta Ufficiale* No. 186 of August 9, 2019.

The document aims to provide a thorough and integrated overview of the activities conducted by *Isola* throughout the year 2023. Its primary goal is to foster sharing and transparency among all concerned stakeholders by providing a clear overview of the resources utilised and the value generated for the diverse communities involved.

01.03

Methodological Note

Isola is reporting its results to stakeholders through the annual report for the first time, initiating an annual journey of planning, implementation, and reporting of positive social impacts. These impacts, which the Organisation aims to pursue for the benefit of youth and the local community, are now formally integrated into its operational framework.

The present balance sheet has been prepared in compliance with the requirements of relevance, completeness, transparency, neutrality, accrual basis, comparability, truthfulness, and verifiability prescribed within the Guidelines for the Preparation of the annual report[1]. In collecting and processing data contained in this document, we have adhered to the standards set forth in the *2030 Agenda* by the *Sustainable Development Goals* (SDGs) of the United Nations[2].

The present annual report has been compiled through the collection of data and information, as well as collective effort. The drafting process involved the Board of Directors, with notable contributions from employees, particularly the Impact Manager, the Cultural Manager, and the Administrative Manager.

The collection of various quantitative and qualitative data used was conducted through the application of a variety of sources and tools, reflecting the complexity of a project as articulated as Isola.

Among the sources and tools used for data collection are:

- Database of management software
- Administrative checks
- Economic balance
- Project management tools
- Reports of individual projects
- Social media insights, newsletters, and website
- Meetings, focus groups, qualitative analysis
- Mentorship and advisory sessions

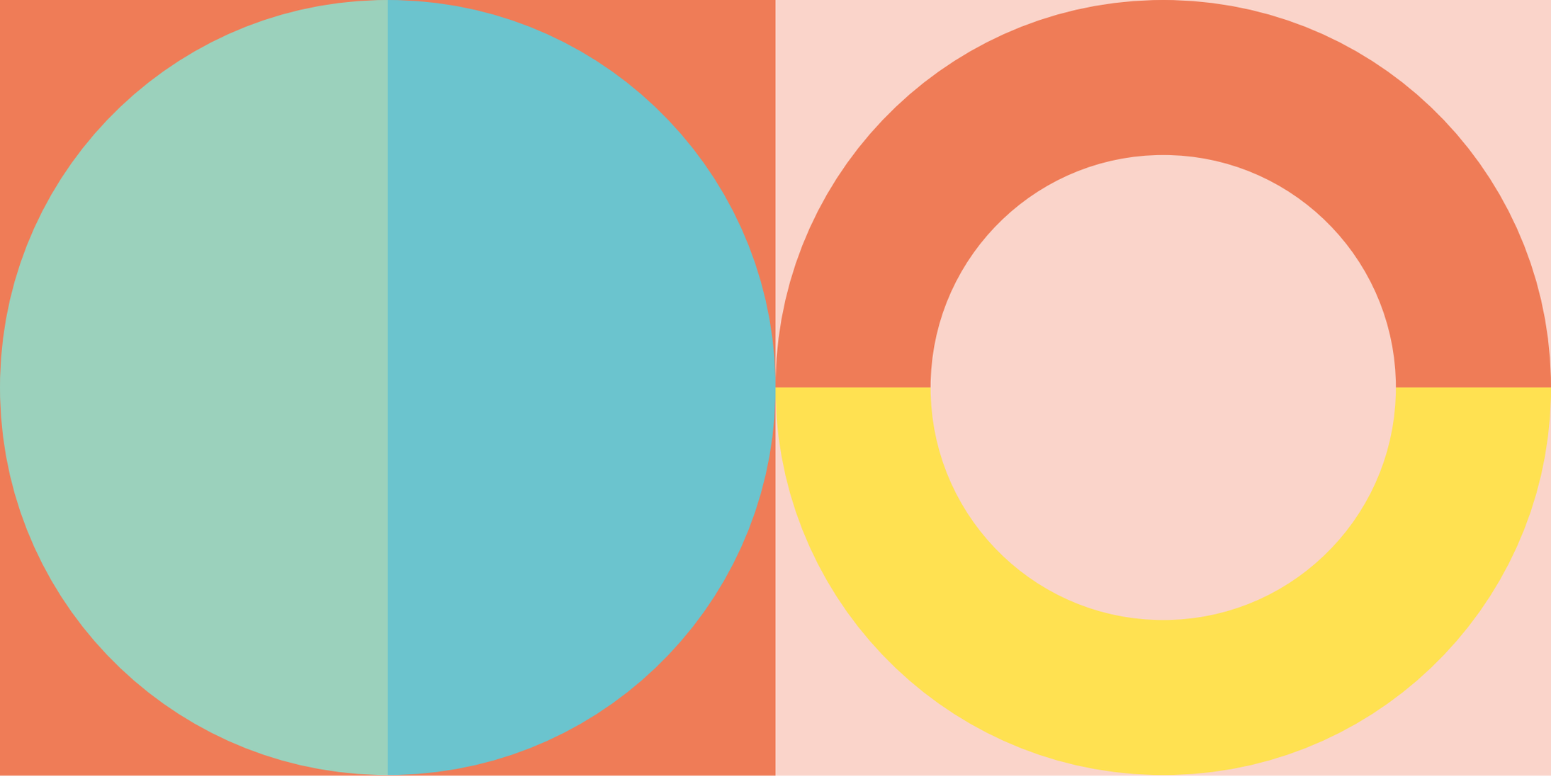
To improve annual reporting, objectives include automating data collection and streamlining reporting processes, such as implementing surveys on service effectiveness and satisfaction.

[1] Contained in the Italian *Legislative Decree* No. 186 of July 4, 2019..

[2] United Nations. (2015). Resolution of the General Assembly: *Transforming our world: the 2030 Agenda for Sustainable Development.* New York: United Nations.

International Reference Standards

SDGS REFERENCE	INITIAL ISSUE	REFERENCE TARGET
4 QUALITY EDUCATION	SCHOOL	4.4
		4.5
		4.7
8 DECENT WORK AND ECONOMIC GROWTH	ENTERPRISE AND INNOVATION	8.2
	SKILLS AND EMPLOYMENT	8.3
		8.5
		8.6
		8.8
	ART AND CULTURE	8.9
11 SUSTAINABLE CITIES AND COMMUNITIES	ART AND CULTURE	11.3
		11.4
		11.7
17 PARTNERSHIPS FOR THE GOALS	LONG-TERM IMPACT	17.17
5 GENDER EQUALITY	SKILLS AND EMPLOYMENT	5.1
		5.5
		5.B



Isola

02

In 2023, Isola established itself as an *Impact Community Hub*, a collection of multifunctional spaces and passionate individuals that activate collaborative community processes, generate projects and opportunities for young Sicilians in the fields of education, employment, entrepreneurship, and culture, with the aim of contributing to the improvement of the region.

COMPANY INFORMATION SHEET

COMPANY NAME
Isola Catania Impresa Sociale S.r.l.

REGISTERED OFFICE
Via Museo Biscari, 16

OPERATIONAL HEADQUARTERS
Via Museo Biscari, 16

TAX IDENTIFICATION NUMBER
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CERTIFIED EMAIL (PEC)
isola.catania@pec.it

NATIONAL COLLECTIVE LABOR AGREEMENT
Federculture

LEGAL REPRESENTATIVE
Antonio Perdichizzi

02.01

About us

We strongly believe in the potential of our city, and for this reason, we enhance its beauty and resources, attracting individuals, organisations, activities, and events on a national and international level. Our aim is to generate opportunities for the local community, foster connections, attract investments, and create a more favourable perception compared to the current one.

We have chosen *Palazzo Biscari* as the home of Isola. This private noble building was reconstructed after the earthquake of 1693, a traumatic event that levelled Catania and many other cities in eastern Sicily. It was an opportunity for rebirth and reconstruction, to which Catania owes its late Baroque elegance and splendour. *Palazzo Biscari* is a cultural treasure, a UNESCO heritage site, a private residence, and one of the world's first public museums. It has been a crossroads and meeting place for travellers and scholars, symbolising resilience and the ability to respond to crises. It stands as an example of architecture, engineering, art, and creativity, representing an act of love and sharing towards a community. Choosing *Palazzo Biscari* symbolises our interest in the artistic and cultural heritage of our city, the imperative of fostering a dialogue between tradition and modernity, and the integration of history and innovation. This rejuvenates historical cultural heritage sites, raises awareness among young people and others, and explores new approaches to working in exceptional contexts.

The building serves as a focal point to cultivate relationships with the surrounding neighbourhood, known as *A Civita*, as well as with local businesses and residents. From the outset, we have forged strong collaborative bonds aimed at establishing a valuable territorial district, from which to initiate the process of urban redevelopment. Furthermore, a special bond has emerged with the family that owns *Palazzo Biscari*, with whom we have developed a solid and mutually supportive relationship. We collaborate closely, viewing the building as a comprehensive system, which we synergistically care for to preserve and enhance it through projects and activities.

Impact Statement

IDENTITY

What?

Isola is an *Impact Community Hub* that activates collaborative processes within the community.

OBJECTIVE

Why?

In order to improve the quality of life in Sicily.

MISSION

How?

1. By serving as a hub for companies and professionals in innovation, culture, and creativity;
2. By promoting projects that increase opportunities for training in soft and hard skills, professional integration, self-entrepreneurship, and creativity for young people;
3. By facilitating dialogue and collaboration among stakeholders in the region.

We have renovated the spaces while upholding utmost respect for the structure, prioritising technological infrastructure to ensure optimal comfort for our guests. The use of non-intrusive and unobtrusive furniture guarantees us maximum flexibility and versatility, conditions that reflect the current essence of Isola, always ready to change appearance and accommodate new dynamics and needs.

Within this context, our projects are situated in an exceptional framework, a place that not only provides a stimulating environment for the activities that take place but is also enriched and enhanced by the content and reflections that emerge, fostering a new osmotic relationship between content and container.

02.02

Values and Objectives

PLAN

Contribute to the improvement of the quality of life in Sicily

The analysis conducted during this first year has led us to question what values we recognise and promote through our actions. We have identified the word RISE as the acronym that encompasses four key values and at the same time distinguishes one of the peculiar traits of our people and our organisation.

Responsibility,

Innovation,

Sharing,

Equality.

These indispensable values are essential for preserving the community, territory, cultural heritage, and quality of life by adopting an innovative and optimistic approach to future challenges.

Our commitment is to advance public interest through civic, solidarity, and social utility objectives, as stated in *Article 2* of Italian *Legislative Decree* No. 112 of July 2, 2017. This dedication resonates with the principles enshrined by *Article 4*, paragraph 2 of our Statute.

Considering Isola's decision to pursue common interest objectives by establishing itself as a *Social Enterprise* and reflecting on the RISE values identified during our co-design process, our Team has formulated its own Impact Statement. This statement serves as a clear declaration of the social impacts that Isola aims to generate.

Sharing

To address the depopulation of the South, which is the significant social challenge we have chosen, it is crucial to collaborate and engage individuals and organisations that share our same objectives and values.

We work diligently to enhance our ecosystem by building long-term relationships that enable us to have strategic partners alongside whom we can share our mission. Our objective is to serve as an open and impartial platform, employing methodologies and processes like Coalitions, to facilitate meaningful connections among stakeholders. We aim to establish an atmosphere of trust and collaboration, with the goal of contributing to the enhancement of opportunities available in Sicily and fostering the development of a dynamic community in constant evolution.

Equality

We believe that the diversity of audiences and activities has the potential to stimulate processes of social cohesion and inclusion. Therefore, we strive to build a society where everyone enjoys equal opportunities, regardless of their background or identity. Our efforts are focused on ensuring that no one is excluded and that every voice is heard. We envision Isola, like the Mediterranean, becoming a hub of cultures and individuals, each bringing value and contributing to collective growth through their unique qualities.

Responsability

We are driven by the desire to transform our territory into a better place, where young people can find the inspiration and opportunities necessary to shape their own future with confidence and determination, freely choosing the life path that best reflects their dreams and aspirations.

We are committed to avoiding any negative impact on the environment. Instead, we strive to minimise our ecological footprint and actively support associations and projects dedicated to protecting the urban ecosystem. The choice of a historic building as our home, which we maintain with respect, symbolises our attitude towards the artistic and cultural heritage of our city.

Innovation

We explore new paths, strategies, and approaches to address deep-rooted problems. Innovation is our driving force, compelling us to challenge the status quo and pursue significant advancements.

We harness the potential of technology to offer opportunities for growth and inclusion. Being a hybrid, open, and hyper-connected space allows us to engage with different worlds and sectors, enabling us to experiment with innovative models of collaboration and economic sustainability, while successfully attracting national and international stakeholders.

02.03

Reference Framework

In the examination of the intricate territorial dynamics within the Metropolitan City of Catania and the Sicilian Region, we focused on the diverse indices measuring quality of life. For instance, in the 2023 quality of life report by *Il Sole 24 Ore* Catania is ranked 92nd out of 107 provinces, indicating a decrease of one position compared to the previous year. This assessment is based on an extensive array of over 100 indicators categorised accordingly. Despite modest or substantial advancements observed across five categories encompassing wealth and consumption, justice and security, demographics and society, environment and services, culture and leisure, the indicators pertaining to business and employment exhibit a discernible decline, even plummeting by 40 positions in comparison to the preceding year's rankings.

These and other data reinforce our conviction that the lack of economic and job opportunities, along with the inequalities originating from the education system, force young Sicilians into an uncertain future marked by emigration or poverty.

Let's analyse our reference context through the PEST framework (political, economic, social, and technological).

Political Context

Dal From a political perspective, regional governance has proven to be ineffective and inefficient over the decades, as widely evidenced by data on delays, missed and/or improper utilisation, and ultimately, the underutilisation of vast economic resources made available by national governments and European institutions. Last year, Sicily only utilised and accounted for 61.7% of the *European Regional Development Fund* (ERDF) - approximately 2.6 billion out of 4.2 billion, and 65.4% of the *European Social Fund* (ESF), totalling around 820 million euros, with a real risk of losing over 1.6 billion solely from these allocations. It is evident that this systematically affects every available investment source, including resources from the *National Recovery and Resilience Plan* (NRRP).

This political scenario does not demonstrate leadership and a long-term vision.

Additionally, trust in institutions decreases due to corruption, bureaucracy, and low digitisation levels of public systems. As a consequence there is a decline in civic engagement that negatively impacts citizens' connection with various public services, including education and healthcare.

It is important to note that a new era of collaboration between the public and private sectors is currently unfolding at the local level. This collaboration involves synergy among the new municipal administration, the university, and the associative and productive sectors. It is imperative to safeguard, promote, and incentivise this collaboration to construct a collective path towards sustainable growth and development.

Economic Context

In terms of the economy, our primary concern revolves around employment. According to *Eurostat data*, Sicily has the lowest employment rate in Europe: in 2022, only 41.4% of working-age individuals - between 20 and 64 years old - were employed in the region, compared to the European average of 74.6%.

Another alarming data, certified by Istat, concerns vulnerable youth. Once again, Sicily ranks last in Europe for the number of *NEETs*, with 30.2% of young people aged between 15 and 29 neither studying nor employed. This equates to approximately 500,000 individuals.

The stagnation of the labour market poses a significant challenge for our territory and highlights an economic system and businesses in distress. According to *Infocamere* data as of September 30, 2023, Catania ranks 79th in Italy for new registrations with the Italian *Chamber of Commerce* and 99th for the number of bankruptcies.

The capital investment remains unfavourable; it is noteworthy that out of the total venture capital investments exceeding one billion euros in Italy during 2023, the *EY Venture Capital Barometer* indicates that only 14 million euros were invested in Sicily, representing a mere 1.34% of the total. Despite the absence of a conducive entrepreneurial environment and an innovation ecosystem, along with the shortage of resources to support entrepreneurial endeavours, the region's long standing entrepreneurial tradition persists, and the inclination to engage in entrepreneurial pursuits remains pronounced. According to *Infocamere* data, Catania ranks 16th in Italy for the proportion of entrepreneurs under the age of 35 and 22nd for the number of innovative startups.

Social Context

From a societal standpoint, the most pressing concerns revolve around the realm of education. A disheartening statistic pertains to the school dropout rate, which surged to 25.2% in Catania in 2022. This translates to one in four young individuals being condemned to poverty. Among the direct repercussions of this phenomenon are low rates of university enrollment and attainment of tertiary qualifications: a mere 19% of individuals aged 25 to 39 have acquired a degree, ranking the Metropolitan City of Catania 97th in Italy.

The lack of opportunities inevitably leads to the choice of emigration.

According to *Svimez* data, from 2001 to 2021, 560,000 people have left Sicily, representing over 10% of the population. Additionally, Sicily has the highest number of residents abroad registered with AIRE: 815,000. This constitutes a true diaspora.

Technological Context

Catania is known as the *Milan of the South* and the *Etna Valley*. For us, it is simply home, but it is undeniable that it remains one of the most significant hubs in the South in terms of technological development.

Starting from the basic infrastructure represented by access to broadband connectivity, which ranks Catania 9th in Italy (with a coverage index of 94%, *Agcom* data 2022), to the presence of corporations engaged in innovation in strategic sectors such as semiconductors and energy, with research and development activities closely connected to the University and the significant National Research Council locations present.

Furthermore, on a productive level, Catania hosts some extremely significant investments, such as the expansion and technological upgrade of the *ST Microelectronics* plant, involving a 900 million euro investment and the creation of 1,500 skilled jobs, as well as the completion of *3SUN*, the largest European GigaFactory for the production of next-generation photovoltaic panels, with over 1 billion euros in investment and 1,000 new jobs.

Further investments in the digital and technology sectors could be facilitated by the presence of robust public incentive policies, such as the extension of the *SEZ* (Special Economic Zone) to the entire southern region. This extension entails authorisation facilitations and tax incentives.

A dynamic, entrepreneurial, and well-equipped territory like Catania is poised to play a leading role in attracting new industrial settlements.

02.04

Our Objective: Increasing Opportunities for the Youth and the Territory

Our thorough analysis of the local context is part of a broader global observation of the processes of social transformation and major transitions in the digital and energy sectors. We recognise that these phenomena have been underway for many years, but the pandemic crisis, armed conflicts, and their economic repercussions have accelerated their pace and impacts. This has created a new geography of innovation and labour, reshuffling key factors such as mobility, periphery, and competitiveness.

We are firmly convinced that the future of innovation and employment, the key to our country's growth and the frontier for exploration and experimentation, lies in the South.

This is the spirit that drives us to undertake and tackle the social challenges that we have highlighted in this brief analysis.

The analysis of the reference context and the work towards constructing an Impact Statement have enabled us to delve deeply into the implications and consequences of our activities, allowing us to develop a *Theory of Change* (ToC) based on a thorough analysis of the needs of the context in which we operate and the resources we can employ.

This *ToC*, reflecting our vision and values, clearly summarises our approach and commitment to social change and serves as the conceptual framework guiding our decisions and actions.

ToC - Theory of Change

IMPACT AREA			
School	Skills and Employement	Entrepreneurship and Innovation	Culture, Creativity, and Art
INITIAL PROBLEM			
	Diaspora: Depopulation of the South		
Educational Poverty	Unemployment	Weakness of new enterprises	Cultural impoverishment
School Dropout	NEET	Lack of an innovation ecosystem	
SHORT-TERM IMPACT			
Reduction in school dropout rates and increase in youth empowerment within the community	Increase, for young people, in professional skills and motivation necessary to access the job market and employment opportunities within the territory	Increase in the number of startups and improvement of the local innovation ecosystem	Improvement of the local cultural ecosystem (increase in cultural offerings, growing attractiveness of international entities, etc.)
LONG-TERM IMPACT			
	Territory and Community: Improvement of the quality of life in the area		

In structuring this impact model, we began by identifying four areas that we deem critical for the territory and upon which we believe we can have the appropriate motivation and partners to intervene.

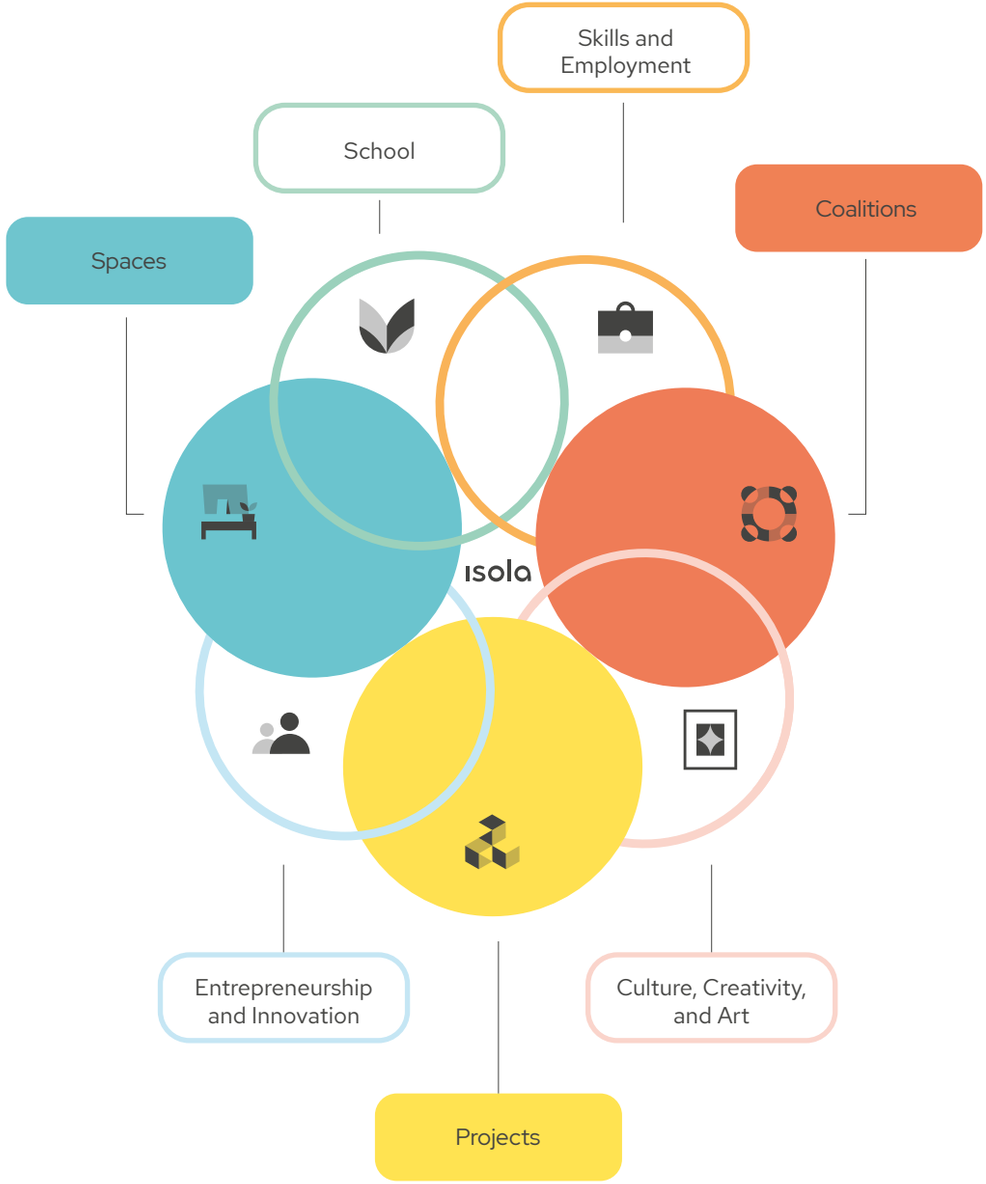
School, Skills and Employment, Entrepreneurship, and Culture, Creativity, and Art: these are our four impact areas, upon which our *Theory of Change* (ToC) is founded. The *ToC* employs them as a starting point to identify the ideal beneficiaries of Isola and the set of activities to initiate or continue proposing.

Each activity of the *ToC* then reconstructs the set of outputs, including activity results, and outcomes, comprising effects produced by the activities and their own results. Establishing the necessary conditions to generate change allows for the validation, at least on a theoretical level, of the logical chain of work construction that leads, in its final links, to identifying short and long-term objectives, which are the positive impact generated by the activities conducted by Isola.

To address the shortage of economic and employment opportunities underlying the diaspora of Sicilians, we have decided to implement a series of actions aimed at generating opportunities for young people in Catania.

All of this becomes feasible thanks to the creation of a virtuous community involving places, people, and outstanding organisations. Our ultimate aim, focused on long-term change, is to enrich the Etna territory with a range of educational, professional, economic, entrepreneurial, and cultural opportunities, thus preventing future generations from having to leave their homeland.

A platform for Local Impact



Our strategy for the short to medium term, implemented this year, is designed to create impacts in the four key areas crucial for enhancing the Territory:

School

We aim to contribute to reducing the school dropout rate and increasing student empowerment within the territory.

Culture, Creativity, and Art

We are committed to contributing to the strengthening of the local cultural scene, thereby increasing the offerings and attractiveness of our territory to national and international entities, while supporting our talents.

Skills and Employment

We support young individuals in acquiring new professional skills, especially in the digital field, and in gaining the motivation necessary to enter the job market.

Entrepreneurship and Innovation

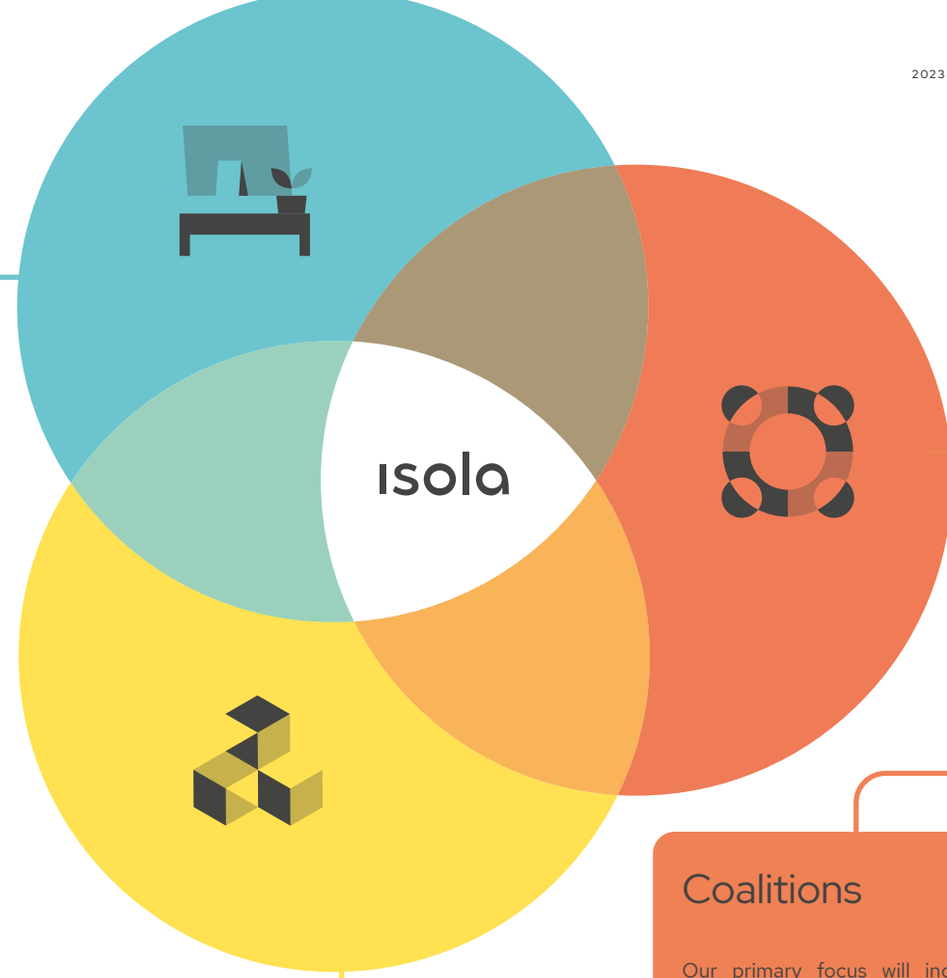
We promote the establishment and growth of new businesses and the enrichment of the local innovation ecosystem, guiding young entrepreneurs to acquire the skills needed to realise their ideas.

The activities we undertake to generate tangible results in each of the aforementioned impact areas can be attributed to three business areas, referred to as *Spaces*, *Coalitions*, and *Projects*. These are detailed in section 3, dedicated to the supply system. The direct outcomes of our activities translate into measurable outputs through performance KPIs, some of which are illustrated in the following pages of this initial report.

02.05

Supply System

Based on the experience acquired, market feedback, and the needs of our ecosystem and territory, we have developed our supply system, which comprises three lines: *Spaces*, *Coalitions*, and *Projects*. Each line targets specific beneficiaries and revenue models, resulting in varied impacts.



Spaces

It encompasses the range of offerings and services associated with our *Spaces*, including coworking, meeting room rentals, event hosting, as well as localisation and comprehensive management services for corporate retreats, workshops, or international events. In our offering system matrix, this line of activity is placed relatively high in terms of profitability (average) and lower in terms of impact (low).

Projects

These initiatives allow us to address specific challenges and cater to distinct beneficiary groups. In partnership with third-sector organisations, we engage in tenders, competitions, grants, and calls.

Given the unique nature of this approach, this line of activity is positioned in the matrix at a high level in terms of impact and medium to low in terms of profitability.

Coalitions

Our primary focus will increasingly be on these initiatives, as they foster and mobilise communities of practice within key sectors where we seek to make an impact: education, employment, entrepreneurship, and culture. They enable us to facilitate participatory processes, conduct studies and research, and collaborate on projects with our network of members, comprising private organisations committed to impact and investment in our region. In the offering system matrix, this line of activity occupies a high position in terms of both impact and profitability.

02.06

Business Model and Revenue Model

Starting from the social impact goals we aim to achieve, we have refined our business model towards a *platform approach*. This platform provides direct services to individuals, businesses, and organisations, with the clear intention of reaching various recipients and beneficiaries to produce significant results.

A model that combines B2B, B2C, and B2B2C: *business to business, business to consumer, and business to business to consumer*, where the recipient (a category that includes clients, partners, and grantmakers as explained in section 03.01) bears the costs, while the beneficiary (which includes local youth, aspiring entrepreneurs, and artists) never incurs any costs.

Regarding the aforementioned business lines, we will now delineate the business and revenue model for each:

Spaces

The business model encompasses both B2C and B2B approaches, while the revenue model is primarily based on direct sales to small and medium-sized enterprises (SMEs) and large corporations.

Coalitions

The business model is B2B, while the revenue model is based on memberships, which involve participation in our networking forums and shared projects.

Projects

The business and revenue model are based on providing grants.

Through our assets and team, we offer a range of activities that intersect between the supply system, comprising *Spaces*, *Coalitions*, and *Projects*, and the impact areas, including education, skills development and employment, entrepreneurship and innovation, as well as culture, creativity, and art. These activities cater to diverse beneficiaries and recipients, adapting to their specific needs and contexts.

Activities and Objectives

03

03.01

Activities, Beneficiaries, Recipients

The statutory activities[3] of Isola can be summarised as follows:

- Requalification and enhancement of historical assets and cultural spaces, utilised as a stronghold to generate positive impacts on Catania, Sicily, Southern Italy, and the entire Mediterranean region.
- Design and management of multifunctional spaces for work, training, innovation, and cultural contexts.
- Activation of communities and establishment of partnerships to strengthen the local, national, and international network of individuals and organisations dedicated to producing social innovation.
- Organisation of cultural, recreational, and educational events, with a particular focus on those of social interest.
- Utilisation of funding, incentives, and public and private grants for the design and conception or consulting on cultural and social projects.
- Providing educational and vocational training for youth and disadvantaged groups aimed at preventing educational poverty.
- Delivering employment services and support for professional integration to combat unemployment and youth unemployment.
- Supporting the emergence and mentoring of entrepreneurial ideas and innovative startups.
- Collaborating with institutions for general interest purposes.
- Managing activities related to food to enhance the territory's identity, contribute to the cultural offerings of the neighbourhood and the city, and strengthen the community.

The scope of the activities carried out in 2023 aligns with our statutory activities. The summary below is organised according to the business area and impact to which each activity refers.

The vast majority of activities carried out in 2023 were of primary interest, with only a minimal part being instrumental.

Thanks to our service system matrix, we know that the line of activities related to services is positioned relatively high in terms of profitability (average) and lower in terms of impact (low): in this, the activities related to Spaces differ from those related to Projects and Coalitions, which are respectively placed in a medium-low and medium-high range in terms of profitability, but both in a high range in terms of the direct and indirect impact generated on the territory.

Our activities are directed towards two categories of individuals: beneficiaries, whom we aim to support through our initiatives free of charge, and recipients, namely clients, partners, and other categories, whom we manage through various business models and revenue generation approaches.

[3] Identified in accordance with the provisions of *Article 2* of the Italian *Legislative Decree* No. 112 of July 2, 201

AMBITI DI IMPATTO

	School	Skills and Employement	Entrepreneurship and Innovation	Culture, Creativity, and Art
SPAZI E SERVIZI	Empowerment and orientation events for youth under 20	Localisation services	Organisation of experiences and events	Exhibitions, concerts and performances
		Coworking		Dissemination events
		Orientation and training events for under 35		
PROGETTI	Empowerment and guidance programs for youth under 20	Workshop and masterclass	Experiences and events organisation	Projects supporting creatives and cultural operators or for the artistic-cultura awareness of the community
		University students' visits		
		Orientation and training programs for under 35		
COALIZIONI	Multi-stakeholder platform on education	Multi-stakeholder platform on skill and work	Multi-stakeholder platform on entrepreneurship	Multi-stakeholder platform on art and culture

Beneficiaries of Isola's Activities

The Youngest

Students aged between 6 and 19 who are currently attending compulsory education. In the final stage of their academic journey, they undergo the transition from adolescence to adulthood.

Vulnerable Youth

They are Young People aged between 19 and 34 who have exited educational and professional pathways (NEET) and consequently lack the appropriate tools and support to undertake retraining and enter the workforce.

High-potential Youth

Graduates, Young Professionals who have all the opportunities and potential to excel in society and the workforce. The target group which is most likely to leave Sicily, consequently making our environment more barren. Therefore, they represent the essential resource to tackle the significant social challenges we face.

Young Entrepreneurs

Aspiring Entrepreneurs and those already engaged in startup processes, particularly those with a social inclination, who require dialogue, support, mentorship, and guidance. When provided with the right conditions, they are extraordinary agents of change capable of generating employment and development.

Creative Individuals, Artists, and Cultural Operators

Young People and adults working in the cultural and creative industries, both profit and non-profit, often combine professional commitment with social engagement. They are also artists and cultural sector operators who use the powerful tool of art to pose questions and offer reflections on the significant challenges of our territory and our time.

Recipients of Isola's Activities

Clients

The users of our *Spaces* and related services, such as coworking, meetings, events, localisation, and retreats. They are individuals, such as digital nomads or local professionals, and organisations of all sizes that come into contact with our reality and appreciate its offerings, quality, and features. From this initial relationship, Isola strives to cultivate deeper collaborative relationships with the target individuals and businesses, to generate greater value for Isola and greater impact for the territory.

Members

Local entities interested in networking and the opportunities generated by Isola's ecosystem, as well as national and international businesses viewing the South as an interesting laboratory for investment, establishing development centres, attracting talent, and fostering collaborations and innovation. These are *clients* who join the *Coalitions* through membership. We preferentially collaborate with *Benefit Corporations* or *B Corps*, which have decided to align their business objectives with social impact outcomes, creating a virtuous mechanism with B2B2C models.

Partners

Non-profit organisations as well as for-profit entities engaged in similar or adjacent fields to ours. These may also include public institutions and agencies. We establish partnership relations with this target group to jointly achieve increasingly relevant impact objectives. We particularly collaborate on projects and pool networks and assets to build shared visions and operational plans.

Grantmakers

Public and private entities, including institutions, public agencies, and foundations, that provide and/or invest financial resources and expertise to address social issues and reduce inequalities. We collaborate with them through calls, tenders, and projects.

Our activities are directed towards two categories of individuals: beneficiaries, whom we aim to support through our initiatives free of charge, and recipients, namely clients, partners, and other categories, whom we manage through various business models and revenue generation approaches.

03.02

Spaces

The activities in this first business area consist of the suite of services related to our physical Hub, a space located in the heart of Catania's historic centre. This *Hub* bridges the past, present, and future, architecturally, humanely, and virtually blending tradition with innovation. The *Hub* comprises *Isola Life*, a coworking and event space, and *Isola Work*, the office headquarters. A portion of our activities is closely tied to these physical spaces, which generate positive impact in the realms of the labour market, business and innovation, as well as art and culture.

The localisation services we offer to organisations, along with the shared workspaces we provide for professionals, enrich the range of services available to businesses and enhance the meeting and exchange points in the region. Establishing a business in a peripheral area, away from major financial centres, can be challenging for various reasons. To address these challenges, Isola has decided to offer flexible domiciliation services and space rentals.

Startups and small local organisations that do not yet have the resources to open their own premises, or large organisations looking to establish a presence in Sicily by opening a legal or operational headquarters but lacking a local network, find in Isola a well-served, elegant, and hyper-connected environment. They are welcomed by our staff, who assist in creating tailor-made service packages.

Moreover, the establishment of major companies in Catania creates new job opportunities for young talents who wish to stay in Sicily, preventing them from being forced to leave.

Our coworking spaces also enhance the local offering with something unique, namely common areas ideal for smart working or, as we like to call it, south working. Whether it's a tourist, a temporary resident, a digital nomad, a young professional who has chosen to settle in the South to build their career, or someone returning from other parts of the world, our shared workspace always provides a welcoming desk.

Therefore, the 30 desks in our coworking space, which since its opening in 2021 have already hosted over 515 individuals, become a space for meeting and exchanging ideas among workers from all over the world, enriching our guests on a human, cultural, and professional level.

The coordination of corporate retreats is another initiative linked to the physical Hub, enabling Isola to enhance the entrepreneurial and innovative landscape of Catania, and attract both national and international entities. Traditionally, retreats serve as platforms for company training and team building. However, amidst a labour market increasingly valuing the integration of professional duties with leisure activities, corporate retreats are evolving into opportunities for corporate tourism, allowing teams to experience the workstation concept together. Retreats hosted by Isola may involve local companies, as well as those from across Italy and abroad.

We strongly believe that promoting Catania as a destination for corporate tourism can enhance visitors' desire to invest in the area.

CASE HISTORY

Digitouch

Digitouch SpA is a company listed on the *Euronext Growth Milan*, which supports both public and private enterprises in their digital transformation through marketing, technology, and e-commerce services and products. With over 500 employees and 6 offices in Italy, including one in Catania.

The case of *Digitouch* is emblematic of the potential of localisation processes in the South. The company was among the first to rely on Isola for this type of process, opening an operational office, acquiring spaces within *Isola Work*, actively participating in training projects, networking events, and joining the Skills and Employment Coalition.

It's undoubtedly a success story for both Isola and the region, as well as for *Digitouch*, which started with two employees and now has over 50 in its Catania office, creating prosperity, job opportunities, and contributing to the consolidation of Catania's digital and technological hub, aiming to establish itself more and more in Italy and Europe.

Visiting Catania for a company entails exploring a dynamic entrepreneurial environment, where global entities such as *Enel* and *STMicroelectronics*, alongside numerous emerging enterprises, are investing in the innovation of products and services within the Etna Valley. Hence, the *Field Visit* we facilitate are adept at attracting investments to Sicily, particularly within the realms of social, environmental, and digital innovation.

Depending on the request, the team fully manages the retreat, from selecting accommodation facilities and suppliers to logistics, cultural activities, and stakeholder engagement. For us, organising these activities is an important

opportunity to strengthen connections with local partners, bring value to the area, and promote a new and contemporary narrative of Catania.

Throughout 2023, we hosted numerous retreats, co-organizing those of organisations such as *Junior Achievement Europe* and Italy, *UNHCR*, and *Charity Stars*.

CASE HISTORY

Junior Achievement Italia Retreat

The Junior Achievement Italia retreat was held in Catania from June 28 to 30. The team, drawn from across Italy, convened to discuss goals and opportunities, and to plan future strategies. The working sessions were interspersed with outdoor team-building activities and stimulating cultural experiences that enriched the retreat. Participants enjoyed an excursion to Mount Etna, toured the Monastery of St Benedict and Palazzo Biscari, and explored the rich cultural and natural heritage of Catania. These exceptional activities strengthened team bonds and inspired future projects. We co-designed the retreat, managing hotel bookings, transfers, meals, and cultural activities. Hosting companies for

retreats and private events provides us with a valuable opportunity to collaborate with our partners and deliver unique experiences.

Following a similar approach, we have begun experimenting with offering *Field Visit* to university classes from both local and non-local institutions. Our proposals are tailor-made to meet the specific needs dictated by the duration of the stay, the field of study, and the class's origin. Our team collaborates closely with accompanying professors to understand the unique requirements of each group, offering guided tours of businesses, social enterprises, archaeological sites, and museums in Catania to explore and delve into the local development of the relevant field. These visits are complemented by leisure activities such as excursions to the sea or the volcano, cultural events, and culinary experiences.

In pursuing the value of collaboration that guides our actions, we strive to use these opportunities to connect visiting academic institutions with local ones. We propose the idea of opening the *Field Visit* to a group of local students or co-organizing a lecture with a local professor.

This approach fosters the internationalisation and enrichment of our educational sector, while simultaneously promoting it beyond the island's borders. In 2023, we organised *Field Visit* for institutions such as *ESCP Business School*, *Politecnico di Milano*, *University of Milano-Bicocca*, *University of Catania*, *Syracuse Academy*, and *Accademia ABADIR*.

CASE HISTORY

Impact Entrepreneurship Option-E

The Impact Entrepreneurship Option-E visit by *ESCP Business School* saw Isola serving as the base for 15 students from various European countries.

Isola organised and facilitated meetings with startups, companies, innovation hubs, and entrepreneurs, providing the students with the opportunity to discover and study the entrepreneurial ecosystem in Catania.

Starting from these meetings, the students developed a plan of concrete actions to encourage young entrepreneurs to launch new startups and companies in Catania. The students visited *3SUN*, *ENEL's* gigafactory, the *Monastery of St Benedict*, and *Palazzo Biscari*. These experiences allowed them to build a comprehensive vision of the city, where history and technology interact to create a new future.

Creating connections and expanding our ecosystem is one of our main objectives, and listening to the insights offered by young students in the field is a continuous source of growth.

Finally, our *Spaces* are an asset for pursuing the last of our impact goals, namely the promotion of culture, creativity, and art. We open Isola as an exhibition space free of charge to host and promote projects from local, national, and international associations and organisations with whom we share values and objectives, and with whom we engage in discussions on common themes. This is because we consider the enrichment of the local cultural ecosystem to be essential for the improvement of the quality of life in Sicily.

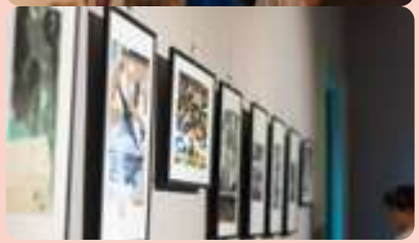
In 2023, thanks to the collaboration with our partners, we hosted many exhibitions: *Agata on the Road* by *Fondazione OELLE Mediterraneo Antico*, *FROG* by *Analogique*, *Sicilia Felicissima* with Abadir Academy of Design and Visual Communication, FIC by Scenario Pubblico, EtnaSpirit by Federico Rapisarda, *Intrusi* by *NOI Libreria*, *Più a sud di così non si può* by *Collettivo Casanostra*, and the performances that have traversed our halls: *Icaro. Variazione sul tema* by *Ocram*, *ALICE NO* by *La Petite Mort Teatro*, *ED RECOVERY* by *M.Art.E-*, *SMASH THE PATRIARCHY* by *Semi Cattivi*, the last three works included in the framework of the *FringeFestival2023*.

CASE HISTORY

TATO TAiwan on TOur

TATO TAiwan on TOur is a 1979 FIAT van that, thanks to NOI Libreria, an independent bookstore in Milan, has taken us for the second year into the wonderful world of Taiwanese illustration.

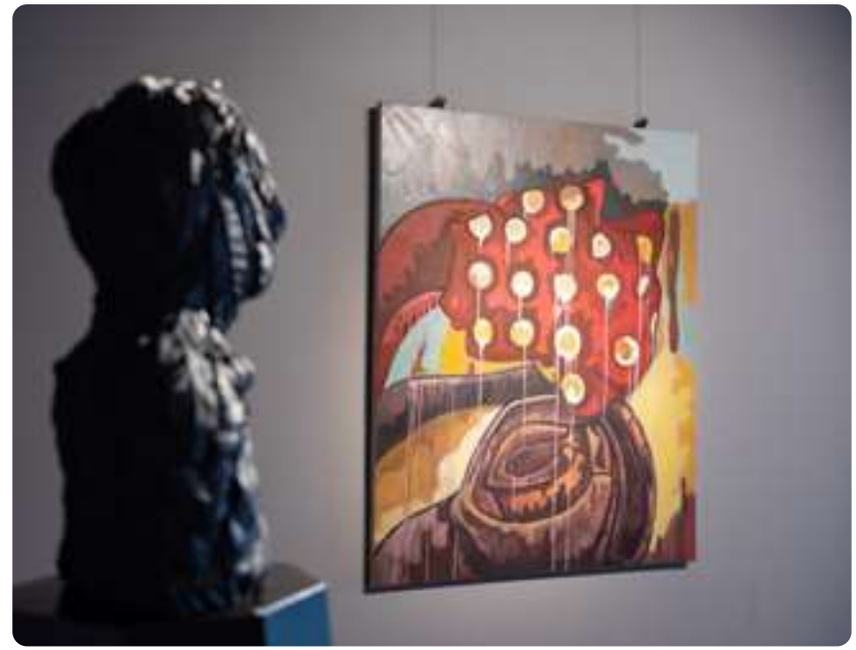
We hosted *Intrusi*, an exhibition by illustrator Chia Chi Yu. Her surreal drawings, rich in literary and cultural references, with dreamlike characters and imagery, brought us into her world, which we understood even better during a week-long residency where the artist stayed in Catania. We walked and explored the city together, seeing it through her eyes and seeking similarities and differences with Taipei. During the exhibition's opening, we hosted Vincent Tsai, Ambassador of the *Taipei Representative Office* and the Cultural Division of the *Taipei Representative Office* in Italy. His presence reinforced the importance of collaboration and the activation of shared processes that, through art, can unite seemingly distant worlds and cultures.



But the real amazement came from our youngest visitors, a group of elementary school children who, with great curiosity, discovered Isola, visited the exhibition and participated in a workshop. Starting from the reading of the book *Le Cadeau* by Taiwanese illustrator Page Tsou, the children created a miniature of their personal museum, an exercise to bring them closer to the world of art and reflect on the role and enjoyment of artworks.

TATO represents an example of a collaboration that has been ongoing for two years. In 2023, the project expanded to include an artist residency, exhibition, and workshop for elementary school children.

BUSINESS AREA	IMPAC AREA	KPI	DATA
		No. of located organizations	51
		No. of located free organizations	6
		No. of entries in coworking spaces	1871
		Occupancy rate of Hot Desks in coworking spaces	74%
		Occupancy rate of Fixed Desks in coworking spaces	100%
		No. of unique entries in coworking spaces	515
		No. of unique entries in coworking spaces by residents of the Metropolitan City of Catania	184
		No. of unique entries in coworking spaces by residents from other ares of Italy	168
		No. of unique entries in coworking spaces by visitors from other areas of the world	163
		No. of hosted interns (curricular and extracurricular internships)	5
		Percentage of curricular internships out of 60 that have been converted into extracurricular internships	20%
		Percentage of paid extracurricular internships	40%
		Percentage of extracurricular internships that have been converted into permanent contracts	20%
		No. of hosted universities for Field Visit	8
		No. of corporate retreats	9
		No. of retreats by organizations specifically visiting Sicily to hold a retreat at Isola	5
		No. of events hosted at Isola (organized or hosted, excluding meetings)	283
		No. of meetings hosted at Isola	187
		No. of exhibitions	7
		No. of performances	6
		No. of concerts	2



Our desire is to create an art collection and establish a permanent exhibition that dialogues with temporary exhibitions. Since 2021, we have acquired 9 artworks, 2 of which were created directly on the walls of the Isola workspaces. The process of acquiring artworks follows the timeline of the formats and exhibitions, at the end of which an artwork is purchased to enhance the collection and support the artist. The collection also aims to build, over time, the company's heritage, consolidating relationships with partners who create favourable conditions for production and exhibition, and at the same time encouraging the purchase of artworks by other companies present in the ecosystem.

SPACES SKILLS AND EMPLOYMENT ENTREPRENEURSHIP AND INNOVATION CULTURE, CREATIVITY, AND ART

03.03

Coalitions

The second of our business areas is entirely dedicated to community activation initiatives and the creation of partnerships aimed at consolidating local networks.

The discussed area of activity is that of Coalitions, operational platforms where we engage public and private entities, both profit and non-profit, in roundtable discussions aimed at strengthening relationships, initiating participatory processes, and collaborations for territorial development projects, and sharing data to produce reports and research on specific thematic areas.

CS
Coalition
for School

CSE
Coalition
for Skills
and Employment

CEI
Coalition
for Entrepreneurship
and Innovation

CCCA
Coalition
for Culture, Creativity,
and Art

Isola's *Coalitions* are four in number, and their themes reflect the four business areas of the company: *School* (CS), *Skills and Employment*(CSE), *Entrepreneurship and Innovation* (CEI), and *Culture, Creativity, and Art* (CCCA). In 2023, we launched the first three, and the fourth and final one, CCCA, will be launched during the first quarter of 2024.

The *Coalitions* are the business unit that confirms Isola's expansion from a simple physical hub to a virtual and immaterial platform, capable of connecting entities that, before joining the group, had rarely collaborated with other local ecosystem entities.

During this first launch year, the activities of the *Coalitions* have been limited to initiating the first dialogues and starting to outline a shared action strategy, all with the aim of becoming truly operational from 2024. In this phase, they will more specifically focus on studying and analysing specific problems, engaging various stakeholders involved in these challenges, activating communities aimed at orienting and integrating their efforts, and building shared projects capable of generating significant social impact.

BUSINES AREA	IMPACT AREA	KPI	DATA
		No. of actors involved in this Coalition	16
		No. of meetings	2
		No. of actors involved in this Coalition	37
		No. of meetings	3
		No. of actors involved in this Coalition	22
		No. of meetings	1

COALITIONS SCHOOL SKILLS AND EMPLOYMENT ENTREPRENEURSHIP AND INNOVATION

03.04

Projects

Since Isola opened in 2021, we have continuously experimented with solutions to achieve a balance between profitability and the socio-economic impact generated in the area. These attempts have primarily materialised in the activities detailed in the previous section, particularly those related to our physical *Hub*.

However, in light of the dramatic rankings that have seen Catania at the bottom in Italy for quality of life and among the top for economic precariousness and educational poverty, we have always known we could and wanted to do more. This urgency to push further manifested in the desire to undertake projects openly dedicated to improving the quality of life of the local community. This desire led us, in December 2022, to transform into a non-profit organisation, and it was then that our challenge of reconciling profit and impact became public, leading us to reintroduce ourselves to the world as a social enterprise.

Our *Projects* are the initiatives through which we seek to openly address the causes of the dramatic mass exodus from Southern Italy and break the vicious cycle of economic, cultural, and educational impoverishment. To promote the *Projects*, we use our own resources, partner investments, and also funding, incentives, and public and private grants for the design and creation of cultural and social initiatives.

Since 2023, we have extended the beneficiaries of our *Projects* to those under 20, specifically school-age youth. In working to reduce school dropout rates, we believe it is essential to start with moments that can inspire students and increase their sense of belonging to a vibrant area full of opportunities and resources. For this reason, we host classes or other groups of students for guided tours of our Enterprise free of charge.

However, the category of young people we directed most of our activities towards in 2023 is young adults who are *NEET* (Not in Education, Employment, or Training), specifically those aged 20 to 35. The causes leading a young person to this state of inactivity are attributable to a multitude of social, educational, and/or economic factors. Since it is a complex and non-generalizable phenomenon, the solutions adopted to address it must be multiple to account for the majority of starting situations.

CASE HISTORY

Re/start

For the *NEETs*, we launched *Re/start*, a professional development program in partnership with *Amazon Web Services* (AWS) and *Tree*, part of the international group *Opinno*. The course, funded by *AWS*, was structured and organised by Tree and hosted at Isola. It saw the participation of 50 *NEETs* from the Catania area. The group participated in 400 hours of free training on Information Technology and Cloud Computing, starting the process of obtaining free certification to become an *AWS Cloud Practitioner*, a highly sought-after role by companies.

Out of 50 participants, 39 completed the course, and with our support, 12 found jobs in the relevant sector within 3 months of completing the course.

aws re/start

Opinno.

Other professional support opportunities, in addition to those for *NEETs*, were opened to other categories of young people, such as young professionals, graduates, and aspiring entrepreneurs. During each of our community meetings, the *Make in South* events, we organised free workshops on digital professions and entrepreneurship, and we hosted free training sessions on environmental, social, and artistic themes.

Among the orientation paths, we co-organized *Rebuild your career* with *UNHCR*, *Save the Children*, *UNICEF*, *Trame di Quartiere*, and *Erasmus Student Network*. This event was a professional orientation and personal empowerment session dedicated to young migrants, international students, and students of the *University of Catania*.

Also within the realm of professional orientation, we organised orientation days for digital professions, including the *AWS Jam and Learn, Work, Enjoy!* formats, organised in partnership with Manpower and Tree, which saw the participation of 230 young *NEETs*. Additionally, our main free training events, such as *Facing Climate Change* organised in partnership with U.S. Mission Italy, *Closing the Gender Pay Gap*, *Sicily for Inclusion*, and *Tech for Impact* co-organized with MIT Technology Review Italia, attracted dozens of young people interested in social impact and sustainable development.

In line with our goal of providing professional support to the local community, our project office submitted proposals to the *Annual Program Statement* of the American Diplomatic Mission in Italy and the Prospettive call of the *Digital Republic Fund*.

The proposed projects are *Unmasking Disinformation*, a free workshop on disinformation and fact-checking for communication and journalism students and young journalists, and *Work from Bed*, a digital training project for people with hearing, motor, and invisible disabilities. The first project was presented with Isola as the lead and sole beneficiary, while the second was presented by a national partnership that includes Isola. Both projects received funding and will be implemented in 2024.

Moving on to the support our team has provided to aspiring entrepreneurs and social entrepreneurs in the area, it's worth mentioning the pro bono consulting hours offered in support of Invitalia within the context of the *Resto al Sud* incentive, aimed at young entrepreneurs who intend to start businesses or freelance activities. Our staff assisted more than 25 entrepreneurs interested in the funding, providing a total of approximately 40 hours of consultancy.

Another category of aspiring entrepreneurs supported pro bono was that of aspiring social impact entrepreneurs. In this regard, our team supported Fermento Urbano, a youth movement about to be established as ETS. In 2023, they were assisted in their training and the creation of *Agorà*, a format consisting of four meetings during which over 80 ETS in the area were able to interview the mayoral candidates of Catania.

All candidates participated in the initiative held at our spaces and were consulted on all major areas of public interest such as youth and education, healthcare support, environmental protection, civil rights, support for socially vulnerable groups, public order, and art and culture.

Additional free support and consultancy were provided through the project *Get Settled in Catania*, a series of four free meetings held in English co-organized with a French coworker who moved to Catania. This project aimed to support all digital nomads and foreign entrepreneurs intending to move to Catania. During the meetings, participants were guided through all bureaucratic procedures to obtain a tax code, activate health insurance, open a VAT number, find housing, and negotiate a rental contract. The meetings were attended by 26 coworkers from 8 countries.

There were many projects related to the promotion of culture, creativity, and art, but it was the definition of the new impact strategy that provided the guidelines for developing the curatorial line and initiating new projects. The programming is part of the *Make in South* framework and represents a reflection and translation of the impact themes and objectives.

The two formats created in 2023 are *StudioVisit@Isola and Paragraph*.

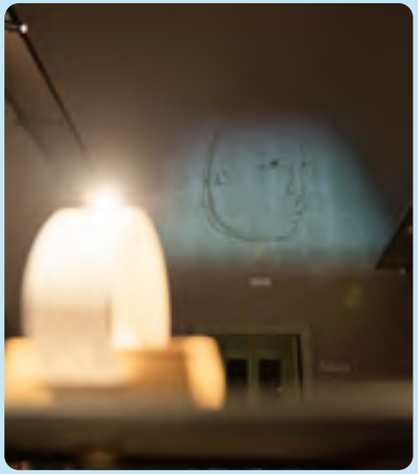
Another project we participated in through a call for proposals is *Cultural BEEs*, a project submitted along with an international partnership within the framework of the *Creative Europe Programme* (CREA), led by *Junior Achievement Europe*. The project, which received funding, aims to support and accompany young people in the development of ideas, projects, and activities in the Cultural and Creative Industries sector by building training programs and providing them with the necessary skills to ensure the projects are sustainable, inclusive, and innovative. Isola will be responsible for drafting a report on the state of the Cultural and Creative Industries sector in Europe and mapping the hard and soft skills needed to work in this field. The activities will be implemented between 2024 and 2026.

CASE HISTORY

Paragraph

Paragraph is a format dedicated to young artists who are still students at the Academy or not yet present in the market. It is a way to interact with them, give visibility, and accompany them in their first solo exhibition experience. We created it together with Francesco Lucifora, an independent curator and professor of *Modern and Contemporary Art History* at the *Accademia di belle Arti* in Catania, after a series of discussions and dialogues. The first edition inaugurated the exhibition *Bugiardino* by Diego Grego, a young artist born in 1997. We challenged him to talk about the theme of solidarity among human beings, hoping to stimulate questions in the viewers. *Bugiardino* is thus a clear reference to the primordial and now rare form of closeness among living beings, a natural and communal matrix in which the individuals' solidaristic posture would clear the field of all evil. It features slowly rotating, overlapping faces, accompanied by a melody from a music box built by the artist, reminiscent of childhood.

Talking about impactful themes means observing the world, recounting society's traumas, environmental disasters, and mass migrations. Art represents a privileged tool for this interpretation, and the voice of young people is what interests us because they are our future.



AREA DI BUSINESS	AMBITO DI IMPATTO	KPI	DATO
		No. of programs designed for youth <20	5
		No. of partecipants in programs designed for youth <20	178
		No. of free orientation events for youths, adults and young NEETs	6
		No. of youth, adult, and young NEET participants in free orientation events	267
		Percentage of free STEM-themed orientation events	100%
		No. of young participants in career orientation and professional empowerment events held in English	23
		Percentage of non-Italian young participants in career orientation and professional empowerment events held in English	78,3%
		No. of free training programs provided for young NEETs	2
		No. of young NEET participants in training programs	50
		Percentage of young NEET women who have attended a training program	40%
		Percentage of young NEETs who have completed a training program	78%
		Percentage of young NEET women who have completed a training program	60%
		Percentage of young NEET men who have completed a training program	69%
		Percentage of young NEETs who have found a job within 3 months of completing the course and thanks to the skills acquired	30,8%
		No. of participants in free workshops on sustainable development	170
		Percentage of free workshops on sustainable development held in English	25%
		Percentage of non-Italian participants attending free workshops on sustainable development held in English	60%

AREA DI BUSINESS	AMBITO DI IMPATTO	KPI	DATO
		No. of free orientation, information, and training events in the entrepreneurial field	4
		No. of young people who have participated in free orientation, information, and training events in the entrepreneurial field	97
		No. of start-ups participating in matching with investors	12
		No. of entrepreneurs participating in free mentoring sessions	28
		No. of hours of free mentoring sessions provided by the staff	56
		No. of free support hours for the *Get Settled* format in Catania	6
		No. of foreign participants in *Get Settled* events in Catania	26
		No. of different nationalities who have attended the *Get Settled* format in Catania	8
		No. of events by artists under 34	3
		No. of cultural and creative enterprises involved	10
		No. of invited artists who exhibited their work or performed	31
		No. of young creatives who debuted with us	2
		No. of cultural operators and entrepreneurs participating in training and information programs	5

The numbers of Make in South 2023

4 No. of editions	**1305** No. of participants in MiS 2023 editions	**39** No. of male panelists
31 No. of female panelists	**40** No. of MiS events	**28** No. of MiS events open to the public
10 No. of Education events within MiS	**9** No. of Networking events within MiS	**7** No. of Artistic events within MiS
7 No. of Community events within MiS	**5** No. of Impact-themed events within MiS	**2** No. of Innovation-themed events within MiS

EDUCATION

NETWORKING

ART

COMMUNITY

IMPACT

INNOVATION

Education, Networking, Artistic, Community, Impact, and *Innovation* refer to the categories created by Isola for the promotion of events at MiS 2023. The Education category includes all events related to digital orientation and training; the Networking label refers to all *Pitch, Match, Deal!* events and Coalition meetings; the Artistic label categorises all exhibitions, concerts, and theatre and dance performances; the *Community* label groups all events open to Isola's Coworkers; the Impact label refers to events focused on social or environmental awareness and dissemination; and the *Innovation* label covers meetings dedicated to the theme of technological innovation.

CASE HISTORY

Pitch, Match, Deal!

Pitch, Match, Deal! is the format created by Arcadia Holding and Isola dedicated to aspiring entrepreneurs or young startup founders. The meetings aim to guide, inform, and train participants while connecting ideas, startups, and SMEs with potential advisors and investors. The main players in these events are young entrepreneurs, who have the opportunity to present themselves and share their ideas or projects.

The format follows the editions of *Make in South*, launched in March 2023, and has completed four editions, alternating testimonies from successful Sicilian companies like *Boniviri* and *Cosmico* with special editions featuring venture capital funds, holdings, and investors interested in investing in the south. The goal is to give a voice to entities that help cultivate the environment and create a virtuous and solid ecosystem for our region, while simultaneously offering consulting services to organisations based in southern Italy.

ARCADIA
HOLDING

Among the *Community* events, we organised networking meetings, team-building activities, and leisure moments. These events were dedicated to the group of coworkers who regularly use Isola's Spaces, but also to all *south workers* (local residents or temporary citizens) who wanted to join a group of people united by the choice to share an office with a diverse group of professionals and the desire to work in/from Sicily.

In this context, the most innovative Community events were those of *Destinazione Sicilia*, an initiative born from the meeting of two storytelling projects (the blog *Tornare in Sicilia* and the podcast *Portavoci - Storie di futuro in Sicilia*) and supported by Isola in its development.

In addition to being an opportunity to promote the social development of the region, MiS is also an occasion for Isola to promote environmental protection values. For this reason, in 2023, our staff attended a training course on organising sustainable events provided by Legambiente Italia. Attending the course and our commitment to making MiS a low environmental impact event earned us the *EcoActions* Certificate at the June MiS.

EVENTI A BASSO IMPATTO
LEGAMBIENTE
ECOACTIONS
ATTESTATO

Additionally, we wanted to express our utmost support for the work of Legambiente Catania, hosting 2 conferences and 3 meetings for them, always free of charge, and repeatedly sponsoring their activities.

We undertook another significant initiative aimed at raising awareness within our community concerning sustainable development and environmental protection. This effort involved the organisation of a challenge on the *AWorld* app, which serves as the official platform supporting *ACTNOW*, the United Nations campaign for individual action on climate change and sustainability. *AWorld* subsequently became an official partner of Isola in 2023, establishing a presence at our premises.

The *AWorld* application facilitates group engagement in impactful activities by offering complimentary micro-learning courses centred around the Agenda 2030 theme. Furthermore, it provides

users with the ability to compute their personal *Carbon Footprint* and engage with peers, thereby challenging themselves to enhance their lifestyles. Progress made by users is quantified through recorded actions associated with the pursuit of the *Sustainable Development Goals* outlined in Agenda 2030.

In order to inaugurate Isola's prize challenge, we convened an in-person event during which we conducted sessions on environmental education and elucidated the rules of participation. Subsequently, we hosted a final award ceremony and results presentation event.

CO2 [KG]
15.5K

WATER [L]
279.7K

ENERGY [KWH]
1.8K

Results totaled by Team Isola on the AWorld App

Throughout the challenge, 42 participants from Isola competed, collectively reporting 3133 conducted actions and the completion of 1046 episodes focused on SDG training within a mere three-month period. Additionally, the platform provides estimations regarding the CO2 emissions, water consumption, and electricity saved as a result of these actions.

CASE HISTORY

Destinazione Sicilia

Destinazione Sicilia was a series of networking and co-design events involving individuals who returned to or relocated to Sicily. In 2023, the project organised three meetings at Isola, welcoming over 100 participants.

During these gatherings, the group engaged with successful businesses, independent professionals, and young entrepreneurs, while also hearing testimonies of professionally and personally positive experiences of returning to Sicily.

Structure, governance and administration

04

04.01

Founding Partners

The founding members of *Isola Catania Impresa Sociale S.r.l.* are five entities: one for-profit entity, Arcadia, the holding company that supported the investments to create Isola, and four non-profit entities: *Farm Cultural Park, Scenario Pubblico, Fondazione OELLE Mediterraneo Antico ETS, and Junior Achievement Italia ETS.*

100%

Arcadia Holding S.r.l.

34%

The company was established in 2016 and has been registered in the special section as an innovative SME since 2019. It is a holding company that invests in innovative businesses, startups, and SMEs located in Sicily, which have the potential to generate strong growth and significant social impact.

Farm Cultural Park

16,5%

Founded in 2014 as a project to revitalise the historic centre of the city of Favara through contemporary art, architecture, and public design.
Farm Cultural Park is characterised not only as an exhibition space but also as a centre for cultural production and experimentation, aiming to stimulate a sense of community among citizens. In addition to its exhibition activities, the association organises artist residencies, runs an architecture school for children, and promotes projects dedicated to young people on topics such as politics, art, and creativity.

Fondazione OELLE Mediterraneo Antico

16,5%

Its objective is to gather the immense intangible heritage of the Mediterranean Sea to create projects that enhance the art, history, science, and cultures of Mare Nostrum, preserving memories of the past while looking towards the future.

Junior Achievement Italia

16,5%

This is the Italian branch of *JA Worldwide*, one of the largest and oldest global non-governmental organisations serving young people. For over 100 years, it has provided experiential educational programs in economic and entrepreneurial education, financial literacy, and career orientation.

A.C. Scenario Pubblico Compagnia Zappalà Danza

16,5%

A.C. Scenario Pubblico is *Centro di Rilevante Interesse nazionale per la Danza* (CRID), a national centre of relevance for dance and one of only two in Italy. With over 32 years of activity, the company has achieved numerous international successes. A significant milestone was reached 20 years ago with the creation of an avant-garde space, *Scenario Pubblico*, which, along with the company's innovative dance language known as *MoDem*, has rapidly transformed the perception of dance in the city of Catania.

04.02

Corporate Governance

BOARD OF DIRECTORS

		AGES 30-50	AGES >50
PRESIDENT	Antonio Perdichizzi	1	0
BOARD MEMBERS	Miriam Cresta Ilaria Potito	0	2

AUDIT COMMITTEE

STATUTORY AUDITOR Danilo di Giacomo

4 MEETINGS

92% PARTICIPANTS

The governance of Isola is defined by its bylaws and entrusted to the Board of Directors, which holds all powers for the administration and representation of the company.

During its first year of operation, the Board of Directors worked without receiving compensation for their activities. It is particularly noteworthy that the President, despite dedicating almost all of his time to the Organization, chose to donate an entire year of work to ensure the employment of staff and the financial stability of the Organization.

The Statutory Auditor is responsible for ensuring compliance with the law and the company's bylaws, as well as overseeing accounting controls and adherence to principles of proper administration.

The General Meeting of Shareholders has the authority to approve the financial statements, appoint directors and auditors, and make decisions regarding extraordinary transactions.

Our governance actively involves employees, users, and other stakeholders and is based on participation and social responsibility. In this regard, we have provided for the involvement of employee representatives and key stakeholders as advisory participants without voting rights, in the Board of Directors and/or the general meeting called upon to discuss matters of their specific interest, namely those concerning working conditions and the quality of goods or services provided.

[4] Pursuant to Article 11 of the Italian Legislative Decree 112 of July 2, 2017, the Italian *Legislative Decree* 237 of September 7, 2021, and in accordance with *Article 10* of the Statute.

We have chosen to adopt a gradual approach in the development and implementation of Corporate Governance tools because we believe this approach allows for greater flexibility to adapt to the various stages of growth and transformation of the company during this initial phase of development.

As a demonstration for our firm dedication to these principles, we have made a proactive effort to engage our community in defining action priorities right from the start. Throughout the months of February and March 2023, we facilitated a structured process involving 13 meetings with our stakeholders, encompassing 54 organisations which required 40 hours of collective effort.

Through thorough analysis and careful reflection, we have identified the main areas for intervention. These were presented to our *Community* during the opening of the *Make in South* Festival in March 2023.

CO-DESIGN OF THE IMPACT STRATEGY

13 Meetings	39h Collective work	>65 Established Organisations
54 Participating Organisations	+120 Participating guests	75 Participants
124 Mapped Actors	92 Ideas and Proposals	206 Collected Post-its

04.03

Our Archipelago

We select the organisations to be included in our ecosystem, which we refer to as an archipelago, based on the areas where we intend to create impact and categorise them according to the level of contribution they can provide.

The criteria used to map our stakeholders are as follows:

Proximity

Entities with which the Organization interacts most frequently, those with which it has established long-standing relationships, and the community.

Influence

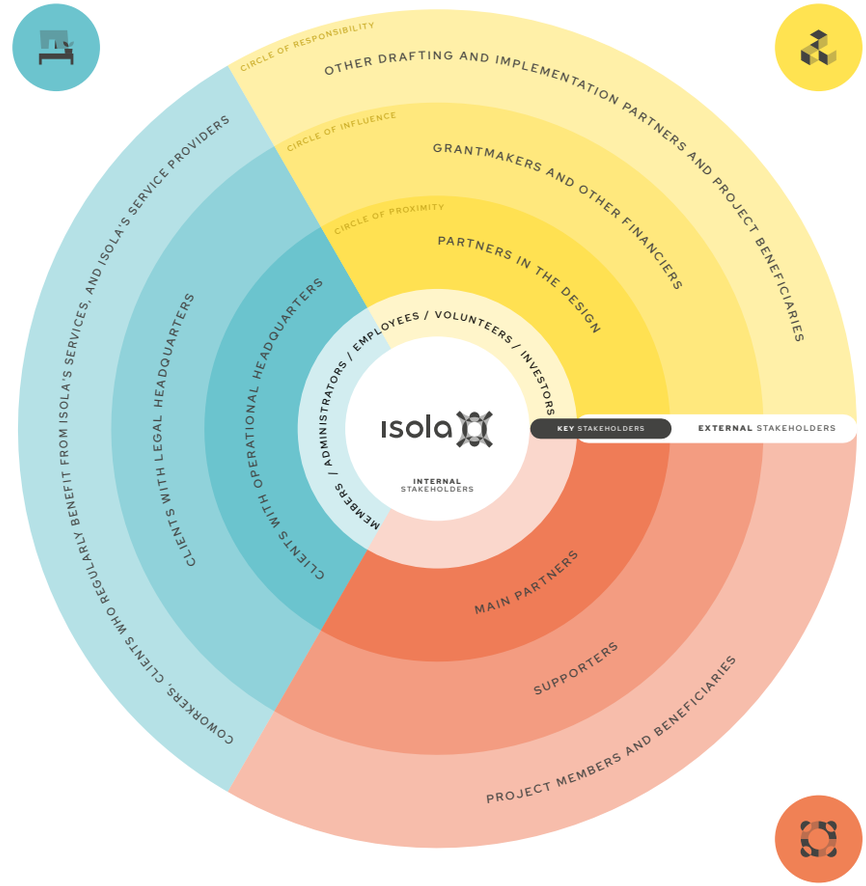
Entities that are, or could potentially be, able to influence the company's decision-making processes.

Responsibility

Entities for which the organisation has legal, financial, and operational responsibilities formalised in regulations, contracts, corporate policies, or codes of conduct.

These criteria are constantly evolving, as they vary depending on the evolution of Isola's activities and the surrounding context. Therefore, it is essential to carry out this identification on an annual basis and utilise tools such as the following stakeholder map developed for the year 2023.

Hereinafter are some of the most relevant stakeholders of 2023, organised according to their area of intervention.



School

Our main partner is *Junior Achievement Italia* (also a member of the Social Enterprise), which provides us access to its extensive network of businesses. We share a commitment with them to advance the *Coalition* for the *School*. Additionally, we have active collaborations with the local and regional School Offices, Schools and Technical Institutes, the *Young Entrepreneurs Group* of *Confindustria* at the local and regional levels, as well as local and national companies and organisations.

Skills and Employment

This represents the initial domain we have delved into, facilitated by our activities linked to localizations and the provision of spaces for companies seeking to establish a hub in Sicily. We have established structured collaborations with companies such as *Manpower, Experis, Amazon AWS, Opinno, and ANPAL* (the technical agency of the Ministry of Labor), along with innovative startups and *SMEs* like *The Wave, Aitho, Cosmico, Digitouch, Boost your Talents*, and *NetSense*.

SPACES PROJECTS COALITIONS

Entrepreneurship and Innovation

To contribute to the development of a Sicilian innovation ecosystem, particularly focusing on social entrepreneurship, we collaborate with entities such as Invitalia, *Unicredit, A|Cube, OPES Italia, Elis, Open Venture, ESCP*, and *Moonstone*. This diverse representation includes public agencies, public and private entities, enablers, and investment funds.

Culture, Creativity, and Art

Within our corporate framework, we include three entities that excel in these sectors: *Farm Cultural Park*, *Scenario Pubblico,* and *Fondazione OELLE*. Additionally, we have established a symbiotic relationship with *Palazzo Biscari* and formed collaborations with academies, foundations, and cultural operators such as *Moleskine Foundation, Abadir, Officine Culturali, Associazione Musicale Etnea*, and *Magma Festival* di *Cinema Breve*.

Lastly, of strategic importance, as well as spanning across all areas, are certainly local entities such as the Municipality of Catania and the University of Catania. We also weave strong networks with other institutions such as the Universities of Messina and Palermo, *Confindustria*, *Svimez*, the Consulate of the *United States* in Naples, and the *Messina Community Foundation*.

The stakeholders involved in Isola's ecosystem are diverse and encompass both internal members of the organisation (members, administrators, employees, and volunteers) and external entities (meaning all those who, while being third parties relative to the Company, are influenced by or can influence the pursuit of Isola's objectives).

Corporate Partners

Among our partners, there are two corporate entities that have demonstrated belief in and investment commitment to the project since its inception. Our collaboration with them has evolved into an authentic partnership, showcasing the potential alliance between profit-driven and non-profit sectors.

Manpower Group Italy

We share a common vision and a long-term project with the *Manpower group Italy*, the South as an ideal place to unleash the potential of young people, without forcing them to move to other regions of the country. Numerous projects have been initiated in the field of training and matching supply and demand, especially in the digital sector thanks to Experis.

UniCredit

It is our designated bank and it invested in the project when it was in its early stages. It supported us not only with financial tools but also with the involvement of its personnel and territorial stakeholders, through the Sicily Advisory Board, and some of the projects closest to our themes, such as the *UniCredit Start Lab* program dedicated to new businesses.

Isola's Community

05

05.01

Our Community

In 2023, Isola employed 6 permanent staff members, including 5 full-time and 1 part-time employee, with an average age of 29.25 years.

Simultaneously, the Organization maintained 5 external collaboration contracts for occasional services, primarily due to personal needs for professional independence and autonomy. One of these contracts was converted to a permanent position in April, reducing the number of external collaborations to 4 for 2023.

Additionally, 4 internships of 60 hours each were activated during the year, along with 2 paid extracurricular internships. One curricular internship transitioned into an extracurricular position, and one extracurricular internship became a permanent contract.

These internships represent our commitment to providing young individuals with initial work experiences, bridging them to a dynamic work environment, and giving them the opportunity to acquire versatile skills.

In managing our Spaces, we have been supported by university students or recent graduates who have chosen us for their internship, assisting us in Customer Service Operations. Throughout their training, and always in line with each individual's educational background, we have prioritised supporting interns in reducing the skills gap, which is the discrepancy between skills learned during academic courses and those actually required by Companies.

Among the cross-functional skills we have sought to impart to our interns are the use of management software, stress and deadline management, and proficiency in the English language.

The employees have a diverse and interdisciplinary academic background, ranging from economics to social sciences, humanities, creative and cultural fields, and technical and operational specificities. These skills cover the various areas of intervention we work in, with an approach dedicated to collaboration, cross-pollination, and intersectoral collaboration. These characteristics are fundamental for better understanding and meeting diverse needs and requests effectively.

The staff is covered by the Collective Labor Agreement of FederCulture.

NUMBER OF EMPLOYEES AT DECEMBER 31, 2023

3 3

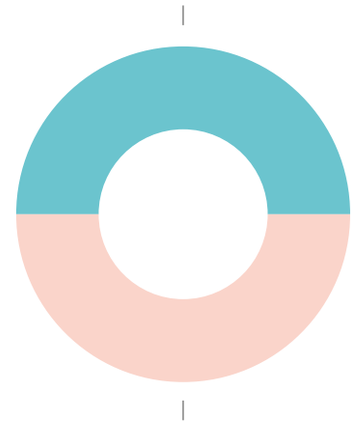
AGE

<30 YEARS OLD		30-50 YEARS OLD		>50 YEARS OLD	
2	2	1	1	0	0

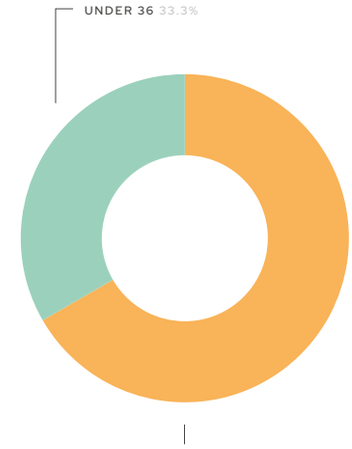
CONTRACTS

PERMANENT		FIXED-TERM		FULL TIME		PART TIME	
3	3	0	0	3	2	0	1

GENDER OF EMPLOYEES



AGE OF EMPLOYEES



The Isola team is a group of passionate individuals who face exciting challenges on a daily basis and are committed to overcoming them with creativity, determination, and collaboration.

The team is responsible for managing the following areas:

01 Venue management

The team is responsible for managing the *Spaces*, overseeing both the strategic and operational aspects of the coworking and event rooms. Their responsibilities include managing reception and initial guest interactions, as well as monitoring and coordinating reservations and enquiries. Additionally, a dedicated team within this unit is tasked with event organisation, including sales and team coordination for operational tasks.

02 Project Management & Fundraising

The team transforms Isola's strategic vision into tangible projects categorised by impact areas. Furthermore, they undertake the writing and submission of projects for funding opportunities promoted by the European Union, foundations, and national and international institutions. These endeavours are fundamental instruments that bolster the economic sustainability of our Organisation.

03 Community management

The team is responsible for managing relationships with the physical and digital community, initiating initiatives to engage and retain diverse stakeholders while customising these efforts according to the target audiences. They diligently monitor and supervise activities across platforms such as Instagram and LinkedIn, crafting compelling and pertinent content shared through suitable channels. These endeavours aim to outwardly promote Isola's vision and mission as a social enterprise, highlighting ongoing projects and active collaborations with partners.

04 Administration, Finance, Control, and Consultancy

This handles reporting, financial planning, and personnel economic management. Additionally, it carries out consulting activities to guide enterprises through the *Resto al Sud* Desk, an incentive promoted by Invitalia.

05 Communication

This manages the visual identity and all communication activities across online and offline channels, disseminating messages, results, and opportunities offered by Isola.

06 Impact Assessment

This handles the evaluation and monitoring of the social and environmental impact of our business activities. Starting from defining impact areas and outcome indicators, it focuses on collecting and analysing relevant data, assessing the effectiveness of activities, and transparently communicating results.

05.02

Engagement and Enhancement

We firmly believe that real change stems from the creation of an aware, prepared, and conscious community. Therefore, we consider it a fundamental commitment of our Organisation to provide our employees with continuous and open training and information processes.

In 2023, we participated in acceleration programs, training events, and study programs that enhanced and encouraged multidisciplinary and non-formal exchange.

CASE HISTORY

SE HUBS Co-creating Hubs for Social Enterprises

04.23

SE HUBS Co-creating Hubs for Social Enterprises is a project co-financed by the *Erasmus+* program of the European Union, aimed at developing an innovative model of co-creating hubs for social enterprises that work to address social issues in various fields. The project aims to provide a comprehensive package of innovative training courses and operational practices to serve as a catalyst for creating stronger social enterprises.

Prism, our Italian project partner, invited us to join the final conference in Athens, where we had the honour of presenting our case study alongside other national and international entities representing the pilot states of the project: Italy, Bulgaria, Greece, and Poland.

Isola sent three of its representatives to the event. This experience proved to be highly significant, serving not only as a valuable learning opportunity but also as a means to foster connections and collaborations with other social enterprises.

CASE HISTORY

Bravo Innovation Hub

10.23 - 12.23

Inclusion, Social Impact, and Health is an acceleration program proposed by *Bravo Innovation Hub*, Invitalia's business accelerator, dedicated to 10 companies in the sector capable of offering solutions for inclusion, social impact, and green mobility. The 12-week program included in-person meetings at the hub in Palermo and remote appointments, totalling 60 hours of mentoring and coaching for business model development, communication, marketing, fundraising, an assessment to analyse the company's areas for improvement, a benchmark day with national and international testimonials, business matching initiatives, and open innovation. Our personnel involved in administration and finance, communication and sales, and impact and project design participated in this program.

CASE HISTORY

Ibridazione, nuove politiche per la rigenerazione dei luoghi

11.23

Ibridazione, nuove politiche per la rigenerazione dei luoghi is a study program promoted by the Directorate General for Contemporary Creativity of the Italian *Ministry of Culture*, in collaboration with the *U-Rise* Master's program of the *IUAV University* of Venice and the Association *Lo Stato dei Luoghi*.

Three online meetings involved cultural enterprises selected through a public call. These entities engaged in discussions on the themes of urban, cultural, and creative regeneration, outlining crucial issues such as cultural welfare, social inclusion, and integration through dialogue. They explored shared artistic and creative practices aimed at resilience, climate change, ecological and digital transition, as well as the development of active community participation in their heritage and the construction of networks of diverse entities.

Isola involved a resource dedicated to cultural programming, who actively participated in the online meetings and the concluding seminar held in Venice. This event, during which the shared document was presented, marked a significant moment of networking with other Italian cultural

CASE HISTORY

SEOC - Social Enterprise Open Camp

10.23

Social Enterprise Open Camp is an international training event dedicated to social entrepreneurship, bringing together the most significant figures in the field of social impact entrepreneurship worldwide. It spans three intensive and immersive days, organised into a program consisting of workshops, plenary sessions, and keynote speeches, involving approximately 300 participants per edition. The 2023 edition was held in Todi, and three of our staff participated in the activities as volunteers. The experience was significant for their training, as they had the opportunity to engage with important entities in the sector, listen to testimonies, and contribute directly to the project's development as volunteers. They assisted in technical and logistical areas, communication, and the management and reporting of the working groups.

This experience not only enriched us personally but also provided a solid understanding of the dynamics of the event and laid the groundwork for ongoing collaboration. The 2024 edition of *SEOC* will take place in Catania, from October 24th to 27th.

This initiative will not only enhance the prestige and visibility of our community but also provide a unique opportunity to promote collaboration and the exchange of ideas among third-sector organisations from around the world. We are committed to ensuring that the 2024 edition of *SEOC* in Catania becomes a pivotal moment of growth and inspiration for all those dedicated to advancing societal improvement and fostering collective well-being.

CASE HISTORY

EVPA Impact Week

11.23

Impact Week, organised by *EVPA*, is the most significant event in Europe within the realms of impact investing and venture philanthropy. It brings together over 300 entities and 800 impact players from around the world, taking place at the *OGR* in Turin, a hub dedicated to innovation and impact with a focus on culture and technology. Three intense days of activities, conversations, and workshops provided practical insights and examples of innovative breakthroughs in impact finance to scale what works and achieve sustainable economic and social development. Our resource specialising in impact strategies and reporting attended this event, which represented a unique opportunity for training, updates, and networking in a field we have prioritised.

We engaged our employees in the aforementioned training activities, promoting a horizontal approach and encouraging participation.

Furthermore, our staff actively contributed to the progress of company activities. Throughout the year, regular meetings were organised to support engagement, participation, and the sharing of goals and values.

The collaboration with University of Catania

In 2023, we signed a *memorandum of understanding* with the *University of Catania* aimed at collaborating on multiple fronts, including the academic training of our staff. The initial outcome of this collaboration with the university was hosting a graduate student from the *Department of Economics* and Business who chose our company as a case study for their thesis project. As part of a specialisation in *Data Science*, the student, under the guidance and support of our partner Koexai, developed a data collection and storage infrastructure for Isola. The thesis, entitled *Isola Catania: Transforming Data into Vision*, explains the functioning of the data collection system and conducts an analysis of user clusters and segmentation. The new *Data Lake* tailored to Isola was a useful tool for retrieving data contained in this report.

Another collaboration between Isola and the university was the publication of a call for an Industrial Executive doctoral scholarship, funded by the company and reserved for employees, with a research topic aligned with the company's interests.

The doctoral scholarship offered is in the field of *Complex Systems for physical, socio-economic, and life sciences* at the *Department of Physics and Astronomy Ettore Majorana*. The research topic established by Isola in agreement with the Doctoral Board is *Interaction Dynamics and Impact Generation of Social Enterprise on the Public Sector, Private Sector, and Third Sector*. An employee applied for the scholarship through the submission of a research project entitled *Isola: The Multiplying Effect of a Social Enterprise* and, after participating in the oral selection conducted by the Doctoral Board, was admitted to the program, enrolling in the 39th cycle of doctoral studies at the *University of Catania* in December 2023.

The aim of this initiative is to analyse the impact we generate with scientific accuracy, allowing ourselves to be influenced by the world of research and, in turn, influencing the academic world by involving it in an innovative case study. The hope is that this research will lead us to verify the strength of our impact generation hypotheses and model the processes of sustainable development promoted by Isola, making them replicable in other areas of Southern Italy or the Mediterranean region.

Financial Overview

06

06.01

Financial Overview

Isola Catania Impresa sociale S.r.l. is a social enterprise structured as a corporation, conceived by five organisations - four non-profits and one for-profit - who embraced the vision of conducting business while upholding key principles of the third sector, including social and environmental sustainability, as well as the impact generated by the organisation's investments. Additionally, it embraces the fundamental principle of economic and income sustainability in the business realm.

The company's share capital amounts to €10,000.00, entirely owned by private organisations, with over 50% of the capital held by non-profit entities, underscoring the organisation's social commitment.

Isola concluded its inaugural financial period with a positive net income and service revenue totaling €492,639.00. This was complemented by extraordinary income of €53,000.00, resulting in a total revenue of €545,670.97. Of the extraordinary income, donations received amounted to €6,186.00.

The continuity of the business segment related to Space and Community management has enabled Isola to invest in high-impact social projects and to establish the new business domain of Coalitions. The results of 2023 can be delineated across three primary areas of Isola's activities: *Spaces*, *Coalitions*, and *Projects*.

KPI	SPACES	COALITIONS	PROJECTS
REVENUES	445,00	45,00	42,00
DIRECT COSTS FOR SERVICES	210,00	15,00	20,00
DIRECT COSTS FOR HUMAN RESOURCES	45,00	10,00	10,00
GENERAL COSTS	100,00	5,00	2,00
EBITDA	90,00	15,00	10,00
EBITDA / REVENUES	22%	33%	12%

VALUES IN € / K

The Gross Operating Margin was €115,000.00, with a ratio of 22% compared to average revenue.

The most significant operating costs were property management and staff expenses. Financial debt costs were not a concern, with financial expenses only making up 3.7% of the financial debts.

Personnel costs for 2023 were €99,700.00, representing 20% of generated revenue.

Social security contributions were just 5% of expenses for the year due to relief incentives for those under 36 and the *Decontribuzione Sud* a social security contribution relief for businesses in Southern Italy.

The average collection period for VAT credits stands at 57 days, while Isola's average payment period for debts is 32 days. Despite an unfavourable Cash Conversion Cycle (CCC) in 2023, no liquidity stress cases were reported, and the company met all financial and tax deadlines without requiring new long-term financing during the year.

Drawing from our experience, market insights, observations from a significant database (the result of work by a thesis student assisting in building our data lake), and the acceleration program conducted with a|cube as part of the Get-it! journey, we have developed an economic and financial plan for the upcoming three years. This plan includes identifying the necessary funding to support our revenue and impact objectives.

Concerning revenue objectives, the strategy involves consolidating the Spaces business unit, which can increase revenue solely by enhancing service quality due to limited availability of real estate assets for quantity expansion.

Special emphasis will be placed on the *Coalitions* business unit, projected for substantial growth in 2024 and positioned as the focal point of impact activities alongside the *Projects* unit. The *Projects* unit is expected to experience gradual yet significant growth in the coming years, facilitated by track record development, maturity of requisite criteria, and extended timelines inherent in the presentation/approval/implementation/reporting cycle.

When it comes to costs, the fixed component is considered adequate and balanced in relation to current and projected volumes. The variable part will remain linked to specific projects or activities to maintain a proper balance between costs and revenues. While prioritising the inclusion of all resources as employees, the ability to utilise skilled volunteers for advisory functions allows our social enterprise to maintain an extremely competitive overall cost for labour and consultancy.

It's worth noting that, thanks to leveraging location-based advantages reserved for Southern enterprises, the cost structure remains contained. This applies to personnel costs (due to bonuses and tax reliefs) as well as the positive effects of non-repayable contributions available exclusively for Southern regions, along with potential tax credits that may be utilised.

Note from the Audit Committee

07

07.01

Note from the Audit Committee

Dear Members of *Isola Catania Impresa Sociale S.r.l.*,

The Board of Directors has prepared the annual report of your company, considering the standard principles of annual reporting and adhering to the guidelines of the Decree of July 4, 2019, issued by the Italian *Ministry of Labor and Social Policies*.

This report compiles the outcomes of the monitoring of *Isola Catania Impresa Sociale S.r.l.*'s adherence to its social objectives. In particular, it refers to the exclusive or predominant exercise of activities of general interest, the absence of profit-making purposes, the ownership structure, the involvement of workers, users, and other stakeholders in the activity, and the working conditions within the social enterprise.

It is noted that the results of the audit regarding compliance with the law and the Statute and adherence to principles of proper administration, as outlined in *Article 10*, paragraph 2 of the Italian *Legislative Decree* No. 112 of July 3, 2017, and those provided for in *Article 2429*, paragraph 2 of the Italian *Civil Code*, have been addressed in a specific report dated April 14, 2024. This report is attached to the financial statements and, together with the present document, represents the outcome of the audit carried out during the fiscal year under review.

In accordance with the guidelines for drafting the annual report adopted by the Italian *Ministerial Decree* of July 4, 2019, the annual report of *Isola Catania Impresa Sociale S.r.l.* consists of the following sections:

1. Methodology adopted for the drafting of the Impact Report
2. General Information on the Organisation
3. Structure, Governance, and Administration
4. Individuals Involved
5. Objectives and activities
6. Economic and Financial Situation
7. Other Information

The structure of this report is inspired by legal provisions and the Code of Conduct for the Board of Statutory Auditors – Principles of Conduct for the Board of Statutory Auditors of Unlisted Companies prepared by the National Council of Chartered Accountants and Accounting Experts, as well as by the Code of Conduct for the audit committee of third sector entities, drafted by the same National Council.

The undersigned Statutory Auditor declares to have adequate knowledge of the enterprise, particularly with reference to:

a. Type of activity carried out;

b. Organisational and accounting structure,

and, taking into account the size and issues of the enterprise, confirms that the audit has been implemented with a positive outcome regarding what was already known based on the information acquired.

It is therefore possible to state that:

- The typical activities carried out by Isola Catania Impresa Sociale S.r.l. are consistent with what is provided for in the company's purpose and Article 2 of the Italian Legislative Decree No. 112 of July 3, 2017;
- In 2023, Isola, being non-profit, conducted its activities for civic, solidarity, and social utility purposes, adopting responsible and transparent management methods, and encouraging the broadest involvement of interested parties;
- The annual report clearly identifies the members of the administrative body;
- The shareholder structure of Isola Catania Impresa Sociale S.r.l. is not comprised of a single individual and it is not part of a group of enterprises;
- The provisions of Article 13 of the Italian Legislative Decree No. 112 of July 3, 2017, have been complied with during the period in question.

In light of the above, the undersigned Statutory Auditor certifies that the annual report has been prepared in accordance with the guidelines established by the Italian Decree of the Minister of Labor and Social Policies of July 4, 2019.

Catania, April 14, 2024

The Statutory Auditor
(Dr. Danilo Di Giacomo)

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