

ANNUAL IMPACT REPORT



FINANCIAL STATEMENT
YEAR 2020

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Register of companies: RA 221708

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The foundation of the company, then the innovative start-up

- ▶ Flash Innovations was formed in August of the current year 2020 by two engineers with long experience in the electrical and fire safety field; then it has been listed in November in the Chamber of Commerce of Ravenna as an innovative start-up.
- ▶ An innovative start-up is a company that develops, produces and markets innovative and high tech products or services.
- ▶ The company is also a Benefit Corporation. Flash Innovations undertakes to pursue mutual benefit objectives with the aim of having a long-term positive impact on society and environment, in addition to achieve profit goals. Products and services by Flash Innovations are characterised by high technology that is developed with respect to the environment and targeted at reaching mutual benefit objectives.
- ▶ The innovation consists of marketing a new or a better product or service that must satisfy a need and be considered as a «progress». The innovative aspect can otherwise concern the introduction of new processes, techniques, labour organisation, that decreases production costs and permits the entering of new markets.

The foundation of the company, then the innovative start-up and Benefit Corp

- ▶ ARCOSTOP e SAFECAT are the innovative products and registered trademarks developed, produced and marketed by Flash Innovations.
- ▶ ARCOSTOP has been on the market for several years. To the present day many systems has been installed and others more are planned to be.
- ▶ ARCOSTOP is a patented system of which Flash Innovations will be the exclusive licensee for producing, marketing and installing it. The company also wants to enter new markets in addition to sell and install this product in Italy.
- ▶ ARCOSTOP is an arc fault detection system that prevents fire in photovoltaic systems.
- ▶ SAFECAT is a seismic pad for small-medium items that protects them from falling and breaking caused by seismic events.
- ▶ Owners of Flash Innovations have long experience in inventing new engineering solutions for problems and critical issues for which better adequate solutions must be found. Other projects already are in progress.

ARCOSTOP and SAFECAT: safety solutions

- ▶ The desire of Flash Innovations' owners was to adopt the status of a Benefit Corporation immediately at the foundation of the company.
- ▶ The owners are and always have been pervaded by a spirit of responsibility in the community and environment, and this can be found especially in the products they have developed and they continue to improve, i.e. ARCOSTOP and SAFECAT.
- ▶ ARCOSTOP decrease fire risks that bring to capital and human damages and environmental contamination.
- ▶ SAFECAT saves cultural goods and assets with sentimental and historical-artistic value, in addition to items linked to safety and well-being of people.

The benefit

- ▶ The objective of Benefit Corps is to pursue deliberately aims of mutual benefit and to operate responsibly, sustainably and transparently with people, community, territories and environment, items and social-cultural activities, institutions and associations and other stakeholders during the business of the company, that anyway is focused on profiting too.
- ▶ As mentioned in the statute, the company's objectives are the following:
 - ▶ The research and/or promotion of technological solutions for people's well-being, environmental safety, animal and plant species' protection, preservation of ecosystems' natural equilibrium and of cultural artistic heritage;
 - ▶ The research and/or promotion of technological solutions to grant more safety, better ergonomics and more comfort to installations, devices, systems and structures used by people and organisations;
 - ▶ The promotion of widespread knowledge of natural and ecosystemic dynamics and of sustainable behaviours, with the aim of reducing negative impacts and increasing positive effects in short, medium and long terms on natural systems and on all animal and plant species.
- ▶ Benefit Corps represent, indeed, an evolution of the business concept, that includes no more only the profit target and/or the profit sharing, but also pretends to work with an active interest in bringing a positive impact on society and in promoting actions that tend to better the world in where we live.

The benefit

- ▶ Actually, Benefit Corps do not receive economic and/or fiscal incentives. The benefit goal is a dedication that the company undertakes for objectives that are different from profit.
- ▶ Benefit Corps' management requires that the company's activities are reported transparently and completely in an annual impact report, that must describe both actions done in that year and actions planned for the year after.

Goals of the year 2020

- ▶ Since Flash Innovations has been founded in this year, the company has planned benefit goals to be reached within the year 2021.



Sustainable Development Goals

- ▶ Actions planned for the year 2021 are decided referring to United Nations Sustainable Development Goals.



Proposals for the year 2021



- ▶ The purchase or leasing of means of transport with reduced environmental impact as bicycles, electric scooter, electric/hybrid cars, etc. or, as an alternative, where strategic and actionable, the use of public transport.

- ▶ Objective: when moving/travel is necessary.



- ▶ The re-use of packaging for products to reduce the production of material and environmental costs for disposal.

- ▶ Objective: when products need packaging.



- ▶ The use of recycled paper, not only for the office's printings, but also for leaflets, business cards, etc., even certified, so that the company can be environmental friendly.

- ▶ Objective: in the office, to have always recycled paper ready to use; for exhibitions, to print advertisement and informational leaflets also with FSC certification.



Proposals for the year 2021



- ▶ Research and development of new technologies for agriculture, as a benefit for the environment, people and labour.

- ▶ Objective: the creation of a business plan, request for financing and project's start.



- ▶ Hire of an employee and provision of company welfare.

- ▶ Objective: to research, have a trial period, hire an adequate employee and to set up the company welfare.



- ▶ Development for the industrialization of SAFECAT prototype.



Proposals for the year 2021



ADOPTION OF THE USA CERTIFICATION AS B CORPORATION

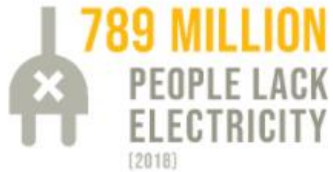
- ▶ B Corps are companies that together compose a global movement for spreading a revolutionary business.
- ▶ All around the world, certificated B Corps distinguish themselves from the other companies on the market because they continuously progress to maximise their impact on employees, communities, environment and stakeholders.
- ▶ Indeed, a B Corp chooses willingly and formally both to produce social environmental benefits and to reach its economic goals.
- ▶ The B Corps movement has a sole goal: to redefine a new business model that must suite to the times and be concrete and replicable. This certification helps to measure the real value that the company creates for the society. The B Impact Assessment helps to evaluate and improve company's performances.



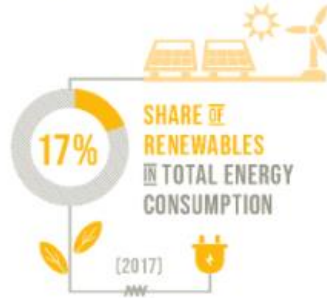
ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

BEFORE COVID-19

EFFORTS NEED **SCALING UP** **ON** SUSTAINABLE ENERGY



STEPPED-UP EFFORTS **IN** RENEWABLE ENERGY **ARE NEEDED**



COVID-19 IMPLICATIONS

AFFORDABLE **AND** RELIABLE ENERGY IS CRITICAL FOR HEALTH FACILITIES



1 IN 4 NOT ELECTRIFIED
IN SOME DEVELOPING COUNTRIES (2018)

ENERGY EFFICIENCY IMPROVEMENT RATE **FALLS SHORT OF** **3% TARGET**



FINANCIAL FLOWS **TO** DEVELOPING COUNTRIES **FOR** RENEWABLE ENERGY **ARE** INCREASING

\$21.4 BILLION
(2017)



BUT ONLY 12% GOES TO LDCs



The ARCOSTOP system reduces fire risks in photovoltaic systems. This device improve safety for this kind of renewable energy from the creation of arc faults caused by detached connectors or clamps, damaged cables, etc.



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

BEFORE COVID-19

SHARE OF URBAN POPULATION
LIVING IN SLUMS
ROSE TO 24% IN 2018



ONLY HALF
THE WORLD'S URBAN
POPULATION HAS
CONVENIENT ACCESS
TO PUBLIC TRANSPORT
(2019)



COVID-19 IMPLICATIONS



OVER 90%
OF COVID-19
CASES ARE IN
URBAN AREAS



AIR POLLUTION
CAUSED 4.2 MILLION
PREMATURE DEATHS
IN 2016



47% OF POPULATION LIVE WITHIN 400 METRES
WALKING DISTANCE TO OPEN PUBLIC SPACES



11 SUSTAINABLE CITIES AND COMMUNITIES



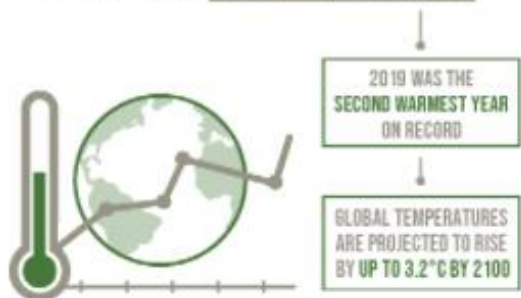
Both the SAFECAT seismic system and the ARCOSTOP fire prevention system protect and save the natural and cultural heritage. Their development involves necessarily the implementation of policies and integrated plans for inclusion, efficiency of resources, mitigation and adaptation of climate changes, resilience to disasters, and the development and application of a holistic management of catastrophe risks.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

BEFORE COVID-19

GLOBAL COMMUNITY SHIES AWAY FROM COMMITMENTS REQUIRED TO REVERSE **THE CLIMATE CRISIS**



ONLY 85 COUNTRIES HAVE NATIONAL **DISASTER RISK REDUCTION STRATEGIES** ALIGNED TO **THE SENDAI FRAMEWORK**

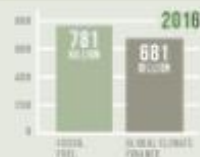
COVID-19 IMPLICATIONS



COVID-19 MAY RESULT IN A **6% DROP IN GREENHOUSE GAS EMISSIONS FOR 2020**

STILL SHORT OF **7.6% ANNUAL REDUCTION REQUIRED TO LIMIT GLOBAL WARMING TO 1.5°C**

CLIMATE FINANCE: **INVESTMENT IN FOSSIL FUELS** CONTINUES TO BE HIGHER THAN INVESTMENT IN CLIMATE ACTIVITIES



13 CLIMATE ACTION



The ARCOSTOP system prevents fires and consequently the environmental pollution.

CLIMATE CHANGE CONTINUES TO EXACERBATE THE FREQUENCY AND SEVERITY OF **NATURAL DISASTERS**



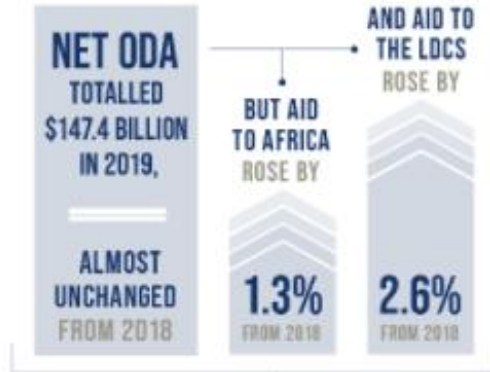
AFFECTING **MORE THAN 39 MILLION PEOPLE** IN 2018

17



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

BEFORE COVID-19



GLOBAL FOREIGN
DIRECT INVESTMENT
IS EXPECTED TO
DECLINE BY UP TO 40%
IN 2020

COVID-19 IMPLICATIONS

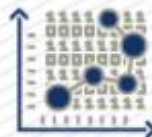
REMITTANCES
TO LOW- AND MIDDLE-INCOME COUNTRIES -
AN ECONOMIC LIFELINE
FOR MANY POOR HOUSEHOLDS -
ARE PROJECTED TO FALL



\$554 BILLION IN 2019 → \$445 BILLION IN 2020



INTERNATIONAL FUNDING FOR
DATA AND STATISTICS
WAS \$690 MILLION IN 2017



ONLY
HALF THE LEVEL
IT NEEDS TO BE

17 PARTNERSHIPS FOR THE GOALS



The company wants to promote the development, the shift and spread of eco-friendly technologies also outside the Italian market in order to create benefit to the society and the environment.

Conclusions

- ▶ Flash Innovations has been founded for a very short time but many goals for the year 2021 are already clear.
- ▶ The annual impact report of the year 2020 is just the beginning of a project that sees to reach early in medium terms more and more benefit objectives; therefore, it wants in a positive way increase in the year 2021 virtuous actions together with the achievement of its business goals.
- ▶ Flash Innovations undertakes, with this declaration, to focus on those initial benefit goals and wishes to achieve them all, and even more, if possible.

Approval

- ▶ Owners of Flash Innovations read, approved e subscribed this report, that is edited in according to the Italian law no. 208/2015, art. 1, § 382, regarding the prosecution of mutual benefit, and that is attached to the Financial Statement of the year 2020 and published on the company's website with the aim of being transparent with people, competent authorities and consumers.

Dott. Ing. Euro Marangoni

Cav. Dott. Ing. Emma Garelli

Lugo, 31/05/2021

