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Forum per la
Finanza Sostenibile

The Italian SRI market: current status and perspectives

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SRI in Europe. An insight on the recent initiatives on sustainable finance led by the European institutions.
Milan, November 21st, 2018

Italian SRI market | Eurosif SRI Study 2018

Data were collected within the **European SRI Study 2018**, the biennial research on the European sustainable finance industry coordinated by Eurosif.

Research based on a **quantitative and qualitative questionnaire** sent to key Italian SRI market players. Analysis and elaboration of data were conducted by the **University of Antwerp**.

In 2018 the **participation** of Italian asset managers and asset owners to the Study remarkably increased with respect to previous editions.

The Study will be launched in Brussels on the **26th** of November.



Italian SRI market | Overview

Sustainable finance shows a constant and remarkable growth. Sustainable and Responsible Investment (SRI) increasingly **widespread among financial actors.**

At the end of 2017, the Italian asset management market had a volume of about €2.085 billion. More than a half was related to investment funds → Increasing number of financial assets related to Environmental, Social and Governance (ESG) criteria



Italian SRI market | Institutional investors

The Italian SRI market is steadily led by few **institutional investors**, mainly insurance companies and pension funds → room for improvement in the adoption of a **long-term approach** or the actual perception of **concreteness of ESG risks**.

Italian SRI market is ready to adopt reforms coming from EU Institution. In July 2018, for example, the Italian insurance supervisory authority (IVASS), issued a regulation which represents a significant legislative progress:



On ESG: prescribes the identification, assessment and management of environmental and social risks to corporate governance;

Main goal: to increase the Board's awareness on sustainability issues.



Italian SRI market | Retail investors

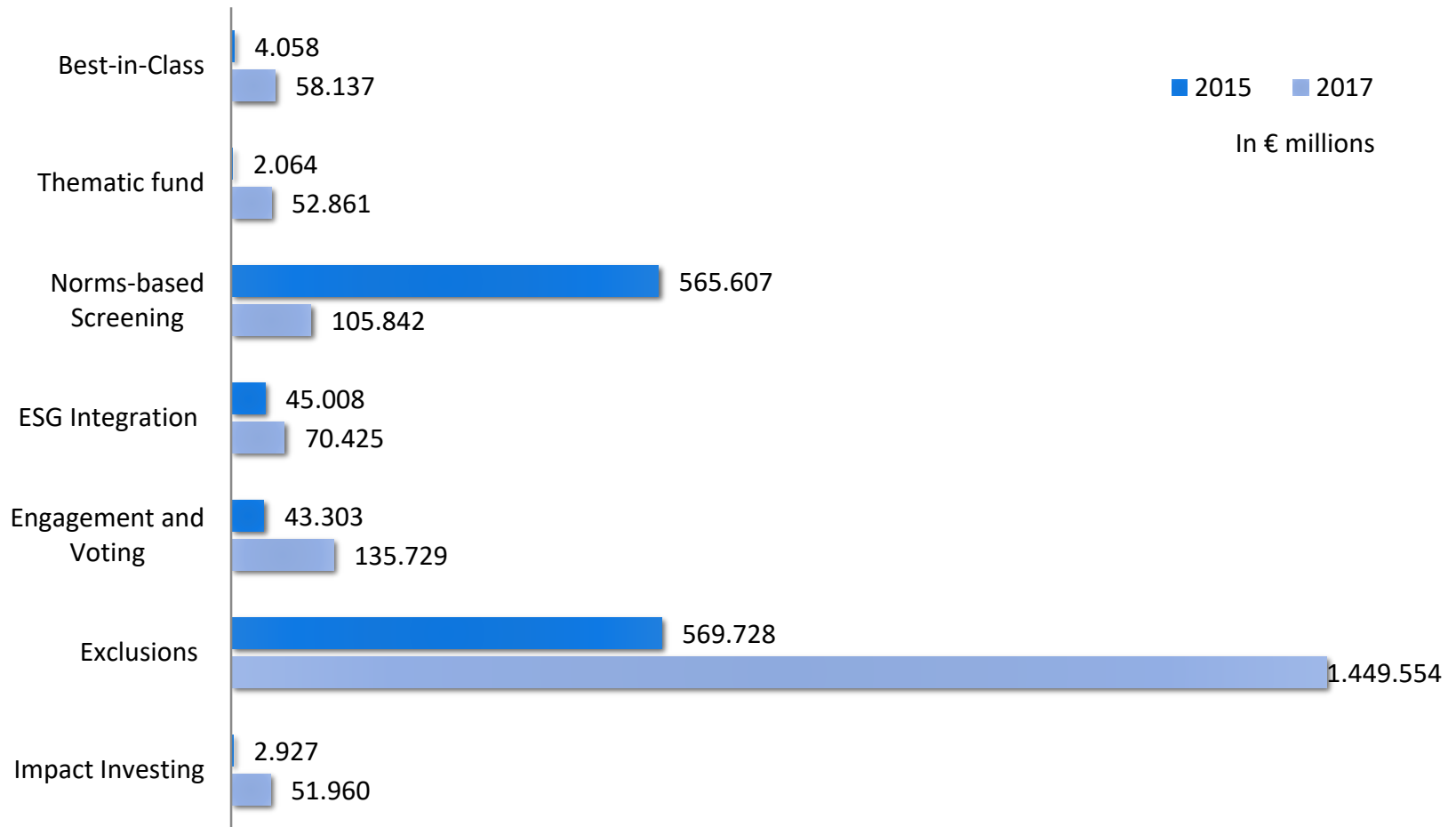
Data collected prove an increasing willingness of retail investors to buy SRI products: the share of **retail sustainable funds** offered by Italian asset managers and asset owners reached a **record level**.

Growing awareness of the importance of ESG issues → growth in demand for SRI products: **45% of savers want to invest in SRI**.

The SRI market shows a significant potentiality: **more financial education** for investors and advisors is required.



Italian SRI market | Strategies overview



National data for each strategy published in the European SRI Study are the result of an elaboration made by Eurosif and University of Antwerp based both on data provided by national Sustainable Investment Forums with questionnaires and on a specific delta for each Country estimating the actual dissemination of the strategy in the financial market.



Italian SRI market | Strategies overview

All SRI strategies registered a significant growth, with the exception of **Norms-based screening**, in line with the EU trend: nevertheless, it still remains the third most common strategy in Italy, managing around **€106 billion of assets**.

Exclusions and Engagement & Voting are the most common strategies, with around **€1.450 billion** and **€135,7 billion** of assets respectively.



Engagement & Voting shows a **solid growth (+213% on 2015)**, mainly driven by a renewed willingness of institutional investors to affect companies' sustainability policies.



Italian SRI market | Strategies overview

Sustainability-themed is the fastest growing strategy: assets under management in thematic funds passed from over €2 billion in 2015 to **€53 billion in 2017**.



Italy is the **leading country** in the European SRI market for this strategy.

Persisting on the intense positive trend registered in 2015, **impact investing** reached **€52 billion in 2017**.

Best-in-Class has confirmed its very positive trend.





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