

SRI in Europe

*An insight on the current status of the Italian market and
the recent initiatives on sustainable finance led by the European institutions*

Press Release

Milan, 21 November 2018 – This year has been rich of interesting developments for the European sustainable finance market: the Italian Sustainable and Responsible Investment Week (or **SRI Week**) could not miss the chance to make room for discussing impacts and outlooks on financial operators.

To this purpose, the **Italian Sustainable Finance Forum** organised a conference on the recent initiatives led by the European institutions, from the publication of the **EU Commission Action Plan “Financing Sustainable Growth”** to the setup of the **Technical Expert Group on Sustainable Finance (TEG)**.

At the beginning of the conference Forum Secretary General **Francesco Biccato** presented a **sneak preview of the Italian SRI market data** collected within the **European SRI Study 2018**, the biennial research coordinated by Eurosif – an association promoting sustainable finance in Europe. The integral study [will be launched](#) in Brussels **on the 26th of November**.

As in previous editions, the research was carried out through a quantitative and qualitative questionnaire sent by Forum to key Italian SRI market players; analysis and elaboration of data were conducted by the University of Antwerp. The research covers the two-year period 2016-2017.

Most SRI strategies registered a significant growth, showing an **increasing awareness of the Italian institutional and retail investors of the importance of ESG considerations in the financial sector**.

European SRI Study 2018 - Italy: key points¹

- In 2018 the **participation** of Italian asset managers and asset owners to the European SRI Study **remarkably increased** with respect to previous editions, signaling a growing interest of investors in SRI practices.
- The **Italian SRI market is steadily led by institutional investors**, mainly insurance companies and pension funds. At the same time, data collected prove an **increasing willingness of retail investors to buy SRI products**: this trend is reflected by a significant growth in the retail share of sustainable funds and products distributed by Italian asset managers.
- All **SRI strategies registered a significant growth**, with the exception of Norms-based screening, according to the European 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. In particular, Engagement & Voting shows a solid growth (+213% on 2015), which is mainly driven by a renewed **willingness of institutional investors to affect companies’ sustainability policies**.
- **Sustainability-themed is the fastest growing strategy**: assets under management in thematic funds passed from over €2 billion in 2015 to around €53 billion in 2017. These figures represent a significant market share with regard to the European SRI market, making Italy the leading country for this strategy.

¹ 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.

- Persisting on the intense positive trend registered in 2015, **impact investing** reached €52 billion in 2017, demonstrating an ever increasing interest of financial players in **combining a proper return with social and environmental positive impact**.

Commenting data, Forum President **Pietro Negri** declared: *“Data presented today by Forum represent the enthusiasm of the Italian market with regard to these topics. The rising demand for SRI products and instruments requires a change of gear in the financial industry: the Italian regulatory framework is the most advanced and it might become a model for other Countries within the European Union”*.

Francesco Bicciato, commented: *“Europe can become home for sustainable finance. Within this context, the growth of the Italian SRI market is steady, involving various investment strategies. We can definitely say that the Italian “SRI Community” is doing its best to get ready for accomplishing new duties and seizing the opportunities the Action Plan will generate in the following months”*.

The presentation of the Italian SRI market status was followed by a round table involving representatives of various financial industry players: **Matti Leppälä**, Secretary General and CEO of PensionsEurope; **Sara Lovisolo**, Sustainability Manager at London Stock Exchange Group and Member of TEG; **Flavia Micilotta**, Executive Director of Eurosif, and Forum President **Pietro Negri**. The session was focused on the Action Plan and the following developments carried out by TEG: participants analysed the main issues, discussing **impacts and medium and long-term scenarios** for the European and the Italian SRI market.

The debate was moderated by Carlos Tornero, Senior Reporter for Responsible Investor.

The event received the High Patronage of the European Parliament and the Patronage of the Municipality of Milan.

Italian Sustainable Finance Forum (Forum per la Finanza Sostenibile)

The Italian Sustainable Finance Forum was founded in 2001. It is a not for profit multi-stakeholder association: its members are financial actors and other organizations interested in the environmental and social impacts of financial activities. Its mission is promoting the awareness and the strategies linked to sustainable investments, with the aim to encourage the integration of environmental, social and governance criteria into financial products and processes. It is a member of Eurosif.

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