



# The sustainable and responsible investment policies of Italian pension schemes

Eighth edition – 2022



Forum per la  
Finanza Sostenibile



AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Its high conviction approach enables to uncover what AXA IM believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €823 billion in assets as at the end of June 2022. AXA IM is a leading investor in green, social and sustainable markets, managing €516 billion of ESG-integrated, sustainable or impact assets as at the end of June 2022. AXA IM is committed to reaching net zero greenhouse gas emissions by 2050 across all its assets, and integrating ESG principles into its business, from stock selection to its corporate actions and culture. Its goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment. At end of June 2022, AXA IM employs over 2,576 employees around the world, operates out of 22 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

## % DPAM

DEGROEF PETERCAM ASSET MANAGEMENT

DPAM is an independent active asset management firm and manages investment funds as well as discretionary mandates on behalf of institutional clients, for a total amount of €50.7 billion, as of December 2021. DPAM is a sustainable investor, pioneer and innovative in responsible and sustainable investing. The firm integrates ESG across asset classes and themes and it is also an active owner. DPAM has a strong focus on research with a proprietary in-house fundamental and quantitative analyst team, supporting the firm's asset management activities. DPAM is a leading independent institutional asset manager committed to offering active, sustainable and research-based investment solutions for more than two decades. Its sense of purpose, as an active manager, is combining financial objectives with its pioneering role as sustainable actor at the service of its clients, people and society. Its aim is to perform and to be best-in-class in its expertise and guardian of DPAM's shared values and culture. DPAM thrives on the conviction that actively managed, sustainable, research-based client solutions or portfolios offer the best opportunities for superior long-term investment results. The guiding principles supporting its purpose are authenticity, conviction, transparency and connectivity. These enable DPAM to nurture a strong and long-lasting relationship with its clients. The firm helps them moving forward while delivering outstanding services and investment performances. Entrepreneurship is its engine, expertise is its fuel.



ENPACL has always paid utmost attention to the principles of Sustainability, conforming to the principles set by the United Nations and is among the first pension funds to be member of the Italian Sustainable Investment Forum. ENPACL proceeds with periodical ESG assessment of its portfolio and implements a sustainable investment policy. The management methods favor ESG impact investing and operate to the advantage of instruments with a higher ESG rating by proceeding with investments in support of the real economy and favoring all those entities that operate on the national territory and in support and protection of the same. The scope of sustainability covered by ENPACL investments has expanded, also from a qualitative point of view, and the information has been extended, both internally (ESG monitoring for ENPACL control bodies) and towards stakeholders (major information in the report integrated with sustainability factors, a dedicated area on the official website, assessments presented in the reports to the supervisory bodies). Following the pandemic crisis, ENPACL has implemented a series of extraordinary interventions to deal with the emergency situation: disbursement of subsidized loans to all members and rescheduling of the payment of contributions; extraordinary attention to strategic control activities for non-liquid investments by organizing specific control activities; project for the reform of the contribution system. ENPACL has formally adopted a Sustainability Policy through which it has defined: objectives to be achieved; sustainability policies to be implemented at the organizational level in order to achieve these goals; ESG integration strategy in investments and their results and impacts and related periodic monitoring; integration of ESG information in ENPACL reporting; communication to stakeholders of the activities carried out.



OFI Group has been committed to responsible finance for 25 years; it is a reference in asset management and among France's leading SRI asset managers. OFI Group was founded in 1971 and manages €65 billion as of June 2022 of listed and unlisted assets on behalf of institutional and private wealth clients in France and internationally. OFI Group has long-standing roots in the social and solidarity economy. Macif and Matmut are its main shareholders.

## The eighth edition

*The sustainable and responsible investment policies of Italian pension schemes* is a survey promoted by the Italian Sustainable Investment Forum (ItaSIF), in collaboration with Mefop and MondoInstitutional, and has now reached the eighth edition. The research aims to monitor the inclusion of ESG criteria in the investment choices of the leading Italian pension schemes.

All editions of the study starting from 2015 are available on ItaSIF website<sup>1</sup> and were presented at the Sustainable and Responsible Investment Weeks (SRI Weeks)<sup>2</sup>, an ItaSIF initiative which is held annually in November since 2012.

The eighth edition applies the same methodology and thus is consistent with the previous ones. The structure of the questionnaire has only undergone minor changes compared to the last three editions<sup>3</sup>; moreover, this year the survey is enriched with additional mathematical and statistical analysis conducted by a research team from the Universities of Florence and Pisa.

## Methodology: reference sample and questionnaire

The survey monitored the following categories of pension schemes:

- Private Pension Schemes (Casse di Previdenza);
- Open Pension Funds (Fondi Pensione Aperti);
- Contractual Pension Funds (Fondi Pensione Negoziati);
- Pre-existing Pension Funds (Fondi Pensione Preesistenti), established prior to the 1993 reform;
- Individual Pension Schemes (Piani Individuali Pensionistici).

As in the 2019, 2020 and 2021 editions, also this year the sample surveyed comprised all the Private Pension Schemes (22)<sup>4</sup> and all the Contractual Pension Funds (33). Regarding the Open Pension Funds, Pre-existing Pension Funds and Individual Pension Schemes, the top 20 schemes of each category were selected based on the size of AuM. Compared to the previous edition, the 2022 sample had changes in Pre-existing Pension Funds and Individual Pension Funds, with 2 schemes being replaced. Altogether, **115 plans were included in the sample<sup>5</sup>, with a total of almost €287 billion in AuM<sup>6</sup>.**

Regarding Open Pension Funds and Individual Pension Schemes, as any given company can set up multiple pension schemes, thus the same respondent was asked to fill out multiple questionnaires in respect of the products included in the reference sample<sup>7</sup>.

The survey was conducted between March and July 2022 through an **online questionnaire** created on the SurveyHero platform. The 2022 questionnaire incorporated the latest **regulatory developments in sustainable finance**, diving into topics such as: the ESG responsibilities of the Board of Directors or other internal bodies; investments in collective investment instruments and their classification according to Articles 8 and 9 of the Sustainable Finance Disclosure Regulation (SFDR); disclosure of the Principal Adverse Impacts (PAIs) resulting from investment decisions; the presence of sustainability indicators in remuneration policies; and any findings on members' ESG preferences.

The questionnaire structure varied based on the adoption of SRI strategies in the investment choices. Pension schemes that have not yet included ESG criteria in asset management were asked to give reasons for this, whereas the entities that started considering this were asked to specify the main criticalities and opportunities identified as well as the expected decision-making time horizon.

1. <https://finanzasostenibile.it/tipo-attivita/ricerca/>

2. [www.settimanesri.it](http://www.settimanesri.it)

3. The questionnaire structure and survey sample underwent substantial changes in 2019 to broaden the spectrum of analysis and incorporate suggestions received from participants in previous editions.

4. The sample includes all the Private Pension Schemes except Fondazione Onaosi (Opera nazionale assistenza orfani sanitari italiani – Italian nonprofit organization providing support to the orphans of healthcare professionals), which was excluded from the analysis because it is mainly an aid agency.

5. As of the 2019 edition, there are 115 plans included in the sample. In contrast, the sample in the first 4 editions of the research (2015-2018) consisted of 50 plans (the top 10 by size of assets under management in each of the 5 categories).

6. Figures refer to 12/31/2021 for all categories.

7. As is the case with Allianz, AXA, Cattolica Assicurazioni, Intesa Sanpaolo Vita and UnipolSai Assicurazioni.

Respondents who have already made **sustainable investments**, on the other hand, were asked additional questions about their reasons for including ESG criteria in their investment choices and any criticalities they encountered. In addition, **the role of the Board of Directors (BoD)** was analyzed, and in particular: the process followed by the BoD in setting investment policies; the quality and completeness of the information regarding ESG issues; the frequency with which the BoD assesses performance also in terms of ESG criteria; and the involvement of an ESG advisor. Finally, the **sustainable investment policy** was examined in detail, with reference to: the coverage rate of the SRI policy; the SRI strategies implemented in the different asset classes with a focus on exclusions, thematic investments, engagement and impact investing; climate neutrality (net-zero) and Sustainable Development Goals (SDGs) in the investment policy; carbon footprint measurement.

## Key findings

Pension schemes are increasingly inclined towards integrating ESG criteria in their investment choices. Indeed, the eighth edition of the survey found **a further increase in the number of schemes that make sustainable investments** (up from 55 in 2021 to 68 in 2022, or **76%** of respondents). In addition, 14 out of the 21 plans that have not yet included ESG criteria in their investment choices have started to consider doing so, and in 7 cases the assessment process would be completed within a year.

In addition to the regulatory environment being one of the drivers of the growth of sustainable investments, the possibility of generating positive social and environmental impacts together with good financial returns is stated as another main driving force. Moreover, the number of pension plans that extend **sustainable investments to a substantial portion of their Assets under Management** (between 75% and 100%) is rising steadily.

Regarding the **SRI strategies** adopted, in liquid asset classes (equity, corporate bonds and government bonds) **exclusions and best-in-class** remain the most popular ones. The inclusion of ESG criteria is also becoming more widespread in **alternative investments**, since plans adopting SRI strategies in illiquid asset classes increase from 33 in 2021 to 43 in 2022, with a preference for exclusions and thematic investments. The impact investing strategy, on the other hand, appears to be more widely adopted by Private Pension Schemes and focuses particularly on renewable energy, green bonds, and social housing.

Regarding **engagement** and the implementation of the SRD II Directive, **70%** of plans have established an **engagement policy**. The themes they focus on mainly are: managing climate change risks; respecting human rights; promoting gender equality and reducing climate-changing emissions.

The 2022 edition also analyzed reference to the SDGs and the inclusion of climate neutrality in investment policy. With respect to **SDGs, 28% of pension plans that include ESG criteria in their investments mention them**, specifically: combating climate change; health and well-being; decent work and economic growth; clean and affordable energy and gender equality. In regard to achieving climate neutrality by 2050, there is considerable room for improvement: **only 1 plan**, in fact, claims to consider **net-zero in investment decisions**, although 26 plans plan to do so in the future.

On a positive note regarding climate change **an increasing number of respondents are measuring the carbon footprint**, up from 17 in 2021 to 29 in 2022, with a prevalence within the Contractual Pension Funds and Open Pension Funds. Also noteworthy is the willingness to use the results of carbon footprint to identify the actions needed to reduce emissions, since there is an increase in plans that aim to do so, even if most respondents report benchmarking and identifying risks as the main goals of the calculation. This highlights the respondents' increased awareness of the importance of so-called "double materiality" and the effects investments have on sustainability aspects.

Pension schemes play a decisive role in protecting workers' pensions by combining economic sustainability with social and environmental sustainability while at the same time making a significant contribution to the development of investee companies. The virtuous behaviors within the pension schemes can therefore function as an accelerator to the transition of the economic system towards a model aligned with the goals of the 2030 Agenda for Sustainable Development and the priorities defined by the National Recovery and Resilience Plan.

The Italian Sustainable Investment Forum (ItaSIF) is a not for profit association founded in 2001. Its membership base is multi-stakeholder: its members are financial actors and other organizations interested in the environmental and social impacts of financial activities. ItaSIF mission is to promote the awareness and the strategies linked to sustainable investments, with the aim to encourage the inclusion of environmental, social and governance criteria into financial products and processes. ItaSIF activities are divided into three main areas: research, projects and advocacy.

Within these sectors ItaSIF:

- runs research and education activities and facilitates working groups to promote best practice and contribute to the analysis and growth of sustainable investments;
- informs and advises the financial community, the media and society as a whole, on sustainable finance through the organisation of communication campaigns, conferences, seminars and cultural events;
- engages with Italian and European institutions to encourage the implementation of a regulatory framework promoting sustainable investments.

Since 2012, ItaSIF has organized the Italian SRI Weeks, one of the leading initiatives in Italy on sustainable and responsible investment. ItaSIF is a member of Eurosif, the association for the promotion of sustainable investment in the European market.

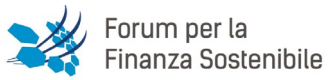


Since its beginning, Mefop has followed with great interest the issue of sustainability and the integration of ESG criteria in the policies of institutional investors. It has organized training courses; promoted active debate to discuss the topic of sustainability; participated in working groups supported by other associations; published many articles, in cooperation with the Italian Sustainable Investment Forum. It also set-up a permanent observatory on ESG policies of pension funds through a section of its database Previ|DATA. Recently, in cooperation with the Italian Sustainable Investment Forum, Mefop has promoted a working group on Shareholder Rights II Directive aimed to promote stewardship guidelines to support investors in engagement policy.



MondoInstitutional is a financial data provider dedicated to institutional investors. It essentially provides a constantly updated database of relevant information on the different categories of institutional investors, with search engines that allow to create reports for quick analysis and comparisons. MondoInstitutional organizes every year several events dedicated to Pension Funds, "Casse di Previdenza", Banking Foundations, Family Offices and Insurance Companies.

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