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# THE SUSTAINABLE INVESTMENTS OF THE ITALIAN BANKING FOUNDATIONS

FOURTH EDITION - ABSTRACT



Forum per la  
Finanza Sostenibile

The survey on sustainable investments by banking Foundations, launched in 2020 by the Italian Sustainable Investment Forum (ItaSIF) in collaboration with Acri and MondolInstitutional, has reached its fourth edition. The aim of the research is to monitor **the inclusion of sustainability themes in the investment policies and asset management processes of Foundations**, entities which are by their own nature particularly attentive to these themes in their core activity. The fourth edition applies the same methodology as the previous ones. The structure of the questionnaire presents minimal variations and is expanded by a few new elements. The sample has remained unaltered compared to the previous editions of the survey and includes the 83 Acri-member banking Foundations<sup>1</sup> (with a combined AuM of approximately €44.76 billion<sup>2</sup>)

The fourth edition of the research was answered by **38 banking Foundations** (2 more than in 2022). The number of institutions that include ESG factors in their asset management remains stable (29 respondents), with a slight improvement in the coverage rate of SRI strategies compared to the overall assets under management (AuM). An encouraging finding concerns **future perspectives**: in fact, almost all the Foundations already adopting SRI strategies plan to increase the assets invested according to ESG criteria.

This year's focus on **sustainable investments in real estate** confirms the crucial role played by Foundations in social housing in Italy. 66% of the respondents invest in real estate and, of these, a substantial proportion include ESG criteria in such investments (44%) or are considering this option for the future (28%). The main **positive impact** expected from sustainable investments in real estate is **the increase in affordable housing** for various beneficiary groups, such as university students, young couples, and vulnerable individuals.

For the 29 respondents who invest with sustainability criteria, the main reason to do so remains **the alignment of sustainable investing with the institutional purposes of Foundations**, followed by the opportunity to combine socio-environmental impacts with an adequate financial return. A further mentioned motivation is the influence coming from the regulatory framework, even though Foundations are excluded from the scope of application of the new directives and regulations on sustainable finance.

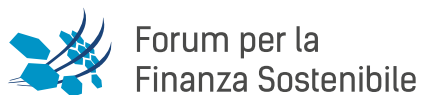
Although the findings of the study still show wide potential for improvements, the number of Foundations referring to the **Sustainable Development Goals** in their investment policy has doubled. Regarding the environmental dimension, only 4 Foundations adopting SRI strategies measure their **carbon footprint**, but another 6 respondents plan to do so in the future.

With regard to **SRI strategies**, the most frequently used ones are **thematic investments** (adopted by 18 Foundations), followed by **exclusions** (applied by 16 respondents), and **impact investing** (mentioned by 12 institutions). Moreover, the number of Foundations that have introduced **Mission Related Investments (MRIs)** increased from 22 to 24. For MRIs as well as for impact investing, Foundations also use grant-making funds, thus framing a hybrid philanthropy approach, which combines both grants and investments in projects capable of generating economic and financial returns.

<sup>1</sup> Existing Banking Foundations total 86.

<sup>2</sup> MondolInstitutional data as at December 31, 2022, total balance sheet assets.

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