

The sustainable investments of the Italian Banking Foundations

**Fifth
edition
2024**



ItaSIF Italian Sustainable
Investment Forum

The survey of sustainable investments by banking Foundations, launched in 2020 by the Italian Sustainable Investment Forum (ItaSIF) in collaboration with Acri and MondoInstitutional, has reached its fifth edition. The research aims to monitor **the inclusion of sustainability themes in the investment policies and asset management processes of banking Foundations**. The fifth edition applies the same methodology as the previous editions. The structure of the questionnaire presents minimal variations and is expanded by few new elements. The sample has remained unaltered compared to the previous editions of the survey and includes 83 of the Acri-member banking Foundations¹ (with a combined AuM of approximately €45.71 billion²)

In the 2024 edition, there is an increase in the number of banking Foundations answering the questionnaire (39 banking Foundations, 1 more than in 2023), as well as an increase in the number of institutions that include ESG factors in their asset management (31 Foundations in 2024 in comparison with 29 in 2023). 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.

The focus of this year's analysis centers on **sustainability risks and impacts**. Notably, 64% of respondents who include ESG factors in their asset management take ESG risks into account in their sustainable investments, while 19% are considering this option in the future. This reaffirms the vital role that Foundations play in environmental protection, as the most frequently cited ESG risks pertain to environmental concerns related to climate change and pollution. Regarding the sustainability impacts of invested activities, half (51%) of the respondents who invest with sustainability criteria report that they take these impacts into account. The respondents primarily concentrate on the effects

related to Scope 1 and 2 CO₂eq emissions (6 entities) and Scope 3 (5 entities). Additional impacts under consideration include biodiversity loss (5 entities) and human rights violations within the value chain (5 entities).

For the 31 respondents who invest with sustainability criteria, the main reason to do so remains **the alignment of sustainable investing with the institutional purposes of Foundations** (24 respondents), followed by the opportunity to combine socio-environmental impacts with an adequate financial return (20 respondents).

There has been an increasing emphasis on the Sustainable Development Goals, with the number of entities incorporating them into their investment strategies rising from 8 to 12. The primary objective is to address climate change (SDG 13). Other goals mentioned include sustainable cities and communities (SDG 11) and reduction of inequalities (SDG 10). Moreover, 3 Foundations adopting SRI strategies measure their **carbon footprint**, and another 7 respondents plan to do so in the future.

Concerning **SRI strategies**, the most frequently used are **thematic investments and exclusions** (both adopted by 23 Foundations), and **impact investing** (mentioned by 16 institutions). There is also an increase in Foundations adopting international convention (from 10 to 11) and best in class approach (from 7 to 12).

Finally, the number of Foundations that have introduced **Mission Related Investments (MRIs)** increased from 24 to 26. MRIs undertaken by the Foundations mainly pertain to local development (21), urban regeneration and social housing (16), and education and learning (14).

¹ Existing Banking Foundations total 86. As of 2024, another banking Foundation, the Fondazione Roma, has become affiliated with Acri. To comply with the timeline of the research, this entity has not been included in the sample for the current edition of the survey; it will be incorporated in the subsequent edition.

² MondoInstitutional data as of December 31, 2022, total balance sheet assets.

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