



Bundesverband
Impact Investing

German Impact Investing Survey Short Version

20
25

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1. Key Insights

- ## 1 Motivations and Expectations

 - More than 70% of survey respondents expect market-rate returns or even outperformance, indicating that impact investments are increasingly perceived as a credible and established investment approach.
 - Achieving positive impact and financial considerations are the main motivations for impact investments and transition investments.
 - Both financial return and impact expectations have been met regularly, showing that financial performance and positive impact can coexist.
- ## 2 Allocations

 - Positive outlook: Most participants plan to expand their impact assets under management (AUM).
 - Room for improvement: Impact investments currently represent only a small share of participants' total AUM. Supporting investors in scaling up their impact allocations by addressing existing barriers and challenges will be key going forward.
 - Institutional asset owners, major German development finance institutions, and large German asset managers are missing from the sample, preventing reliable market sizing. As a result, the actual impact investing market is likely larger than reflected in this survey.
- ## 3 Impact Measurement & Management (IMM)¹

 - IMM practices are significantly more formalized among institutional investors than among non-regulated investors.
 - IMM activities are far more common in the early stages of the investment process, such as setting strategic impact goals and ongoing monitoring, than in later stages, such as considering impact at exit or conducting independent audits.
- ## 4 Transition Finance

 - Participating impact investors made fewer transition investments than traditional impact investments, and they had weaker growth expectations for transition investments than for impact investing overall.
 - Participants generally regarded climate-related issues as more relevant than social topics for future transition investments.²

¹ A separate chapter on this subject can be found in the English, unabridged version of this report.

² Further details can be found in the English, unabridged version of this report.

5

Challenges and Barriers

- Impact investors' main challenges are insufficient IMM standardization, complex or restrictive regulatory frameworks, and lack of impact data availability.
- Challenges for impact measurement and management include quantifying social and/or environmental outcomes and measuring investor contribution.³
- Non-impact investors face entry barriers due to definitional uncertainty, low IMM standardization, and fear of greenwashing accusations.

6

The Role of Regulation

- Participants call for clearer guidance on social sustainability and lower capital requirements for institutional impact investors.
- The European Commission's SFDR 2.0 proposal has the potential to reduce uncertainty around the definition of impact investing.

7

Priority setting / action measures for BVII

- **Increase outreach to institutional asset owners** to improve their representation in future analyses, enable meaningful market sizing, and capture their specific practices, motivations, and challenges, which remain underrepresented in the current survey.
- **Support the coming discussions on SFDR 2.0** to reduce uncertainty around the definition of impact investing.
- **Support market development** by providing a discussion platform on practical IMM challenges and solutions such as IMM standardization, outcome measurement, and approaches to measuring investor contribution.
- **Strengthen policy and advocacy work in Germany and Europe** to advance key EU-level coordination efforts, support the scaling of impact investing, and ensure the German impact investing ecosystem is represented in cross-border dialogue.

³ An in-depth depiction can be found in the English, unabridged version of this report.

2. Introduction

The need for capital supporting solutions to environmental and social problems is high. According to current data, seven of the nine planetary boundaries maintaining earth's stability have been exceeded, including those related to climate change, biosphere integrity, and freshwater use. These developments indicate a continued decline in global environmental resilience.⁴ The World Economic Forum's Global Risks Report identifies extreme weather events, biodiversity loss, and ecosystem collapse as well as critical change to earth systems among the most significant long-term risks.⁵ At the same time, Europe faces a persistent green investment gap estimated at 2.7–3.7% of GDP per year until 2030.⁶ The German government's €500 billion Special Fund for Infrastructure and Climate Neutrality illustrates both the scale of investment needs and the potential to mobilize capital toward measurable outcomes.⁷

Impact investments are well-suited to help close this investment gap and have gained increasing attention in recent years. According to the Global Impact Investing Network (GIIN), impact assets under management (impact AUM) have grown at a compound annual growth rate of 21% between 2019 to 2025, reflecting the field's continued maturation and its rising relevance in the market. Despite this growth, the share of impact investments, at just 3% of overall AUM, remains small at the global level.⁸

In this context, the Bundesverband Impact Investing (BVII) surveyed German impact investors to generate insights that help embed impact investing as a standard practice in capital markets—strengthening the market's ability to finance real-economy transformation and mobilizing the impact capital needed to meet social and environmental goals. The survey offers transparency into current impact investing practices, developments, and challenges, including the barriers faced by organizations that have not yet adopted such approaches. Building on these insights, it also highlights key issues the BVII aims to address to help accelerate the adoption of impact investing in Germany.

While the study provides valuable insights into the practices of German impact investors, the participants⁹ reported impact assets under management are not representative of the German impact investing market. Key market players did not take part, and institutional asset owners—and their impact investment volumes—are underrepresented in the sample (see Chapter 5).

The report is structured as follows: Chapter 3 introduces the participants, discussing the sample's strengths and weaknesses as the backdrop to interpret the results. Chapter 4 describes the motivations and expectations of study participants, while Chapter 5 shows how they allocate impact investments. Chapter 6 addresses transition investments as one form of impact investments. Chapter 7 summarizes core challenges and barriers to impact investing, and Chapter 8 analyzes regulatory aspects. Chapter 9 provides additional perspectives from social businesses. Apart from Chapter 9, the report focuses on responses from asset managers and asset owners.

⁴ Kitzmann et al., 2025, [Planetary Health Check 2025](#).

⁵ WEF, 2026, [The Global Risk Report 2026](#).

⁶ European Central Bank, 2025, [Investing in Europe's green future](#).

⁷ Federal Ministry of Finance, 2025, [Special Fund for Infrastructure and Climate Neutrality](#).

⁸ GIIN, 2025, [State of the Market Report](#).

⁹ Throughout this report, "participants" refers to survey respondents. Unless otherwise stated, analyses in Chapters 4–8 focus on asset managers and asset owners that have made at least one impact investment. Chapter 9, by contrast, refers to social businesses.

Defining Impact Investments

One key insight from this survey is that the lack of a clear and commonly accepted definition of impact investing continues to be viewed as one of the biggest barriers to its adoption (see Chapter 8 and deep dive – SFDR 2.0 for details). The BVII started clarifying the definition with a first position paper in 2023.¹⁰ In 2024, the BVII joined with the Bundesverband Alternative Investments (BAI) to found a working group for impact investments in alternative investments, whose first goal was to clarify the definition of impact investments.

The resulting [position paper](#) analyzes several definitions, arriving at five key characteristics to define impact investments:

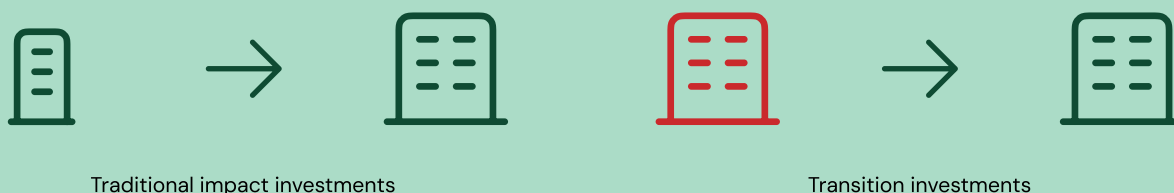
1. Intentionality (i.e., a theory of change or an impact thesis)
2. An impact measurement and management system (IMM)
3. Positive asset impact
4. Positive investor impact
5. Financial return

This definition is in line with GIIIN's understanding of impact investments,¹¹ specifying more explicitly the difference between investor and asset impact. Importantly, this understanding refers to both "traditional" impact investments and transition investments (Figure 1).

Investments in companies or assets that already generate positive outcomes can be understood as traditional impact investments. In this case, an investor supports companies that have positive impacts to grow and scale their offerings, while helping them to reduce negative impacts in other areas. Traditional impact investing thus focuses on companies or assets that already generate a positive impact in a specific domain (e.g., climate change, social inequality, gender equality).

Investors can also generate positive impact by investing in companies with a negative footprint and helping to reduce or transform said footprint into a positive one. Transition investing thus focuses on companies or assets that currently have a negative impact in a specific domain (e.g., climate change, social inequality, gender equality).

Figure 1: Types of Impact Investments



¹⁰ BVII, 2023, [Impact Investing](#).

¹¹ According to the GIIIN, impact investments are "investments made with the intention to generate positive, measurable social or environmental impact alongside a financial return" (GIIIN, 2025, [What are Impact Investments?](#)).

3. Participants

The survey is based on data gathered from 142 participants, representing different groups of actors in Germany’s impact investing market. A large portion of the participating asset managers and asset owners already has experience of impact investing (76%), which offers a solid foundation for analyzing current practices, motivations and operative challenges of impact investors. At the same time, the survey allows for a nuanced examination of the specific barriers to entries faced by actors without prior experience of impact investing (24%) (see Figure 2 and 3).

The sample also sheds light on outreach-related challenges, such as the comparatively low participation of institutional asset owners and development finance institutions. At the same time, the targeted recruitment approach introduces a risk of self-selection bias: Because the sample was not randomly drawn but focused on identified impact-market actors, it may differ from the broader universe of German impact investors in ways that go beyond the observable differences discussed above.

Engage more with large institutional asset owners in the future to provide more transparency about, and represent their perspective on, impact investments.

Figure 2: Types and Share of Participants

(in % of participants) (n=142)

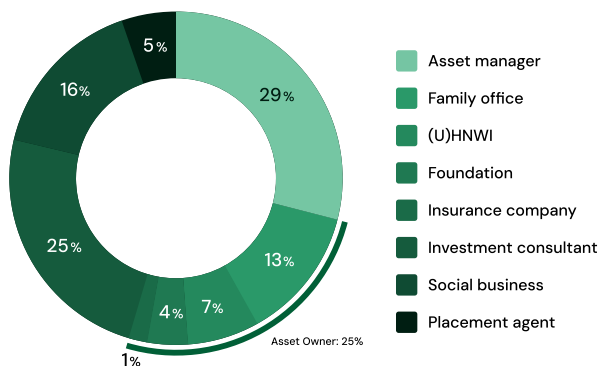
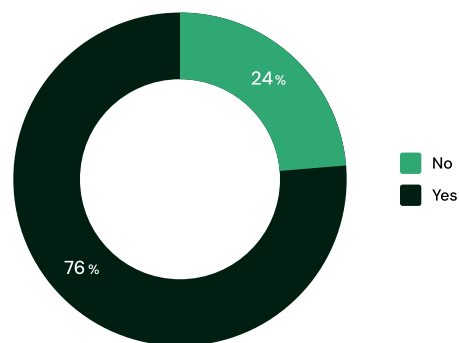


Figure 3: Has your organization made at least one impact investment in the past?

(in % of participants) (n=76)



4. Motivations and Expectations

The participants' main motivation for impact investments was achieving a positive impact, followed by financial considerations (Figure 4). However, this does not translate into lower financial return expectations (Figure 5). This aligns broadly with the global picture, where the majority of investors (79%) expect risk-adjusted, market-rate returns.¹²

These findings illustrate participants' expectation that competitive financial performance and positive impact can coexist without a necessary trade-off between the two.

Figure 4: Why do you invest in impact investments?

(in average rank¹³) (n= 58)

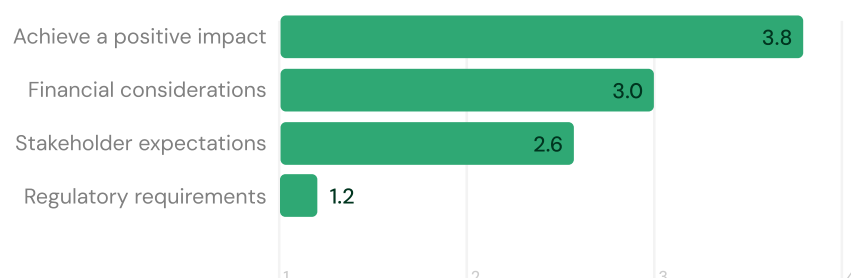
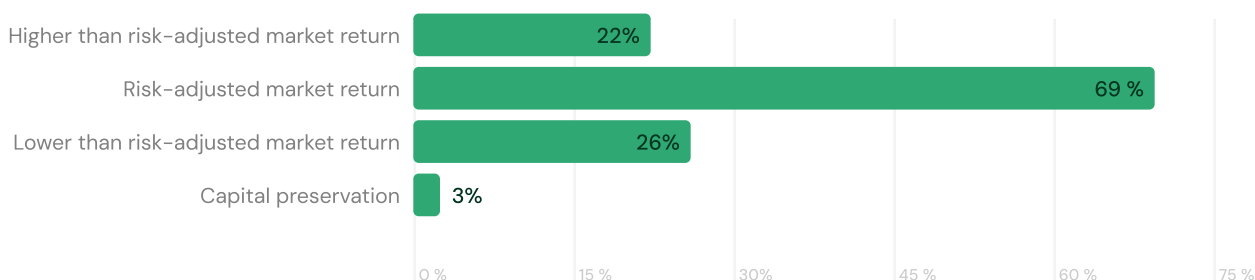


Figure 5: What is the expected financial return of your impact investments?

(in % of participants) (n=58) (multiple answers possible)



¹² GIIIN, 2025, [State of the Market Report](#).

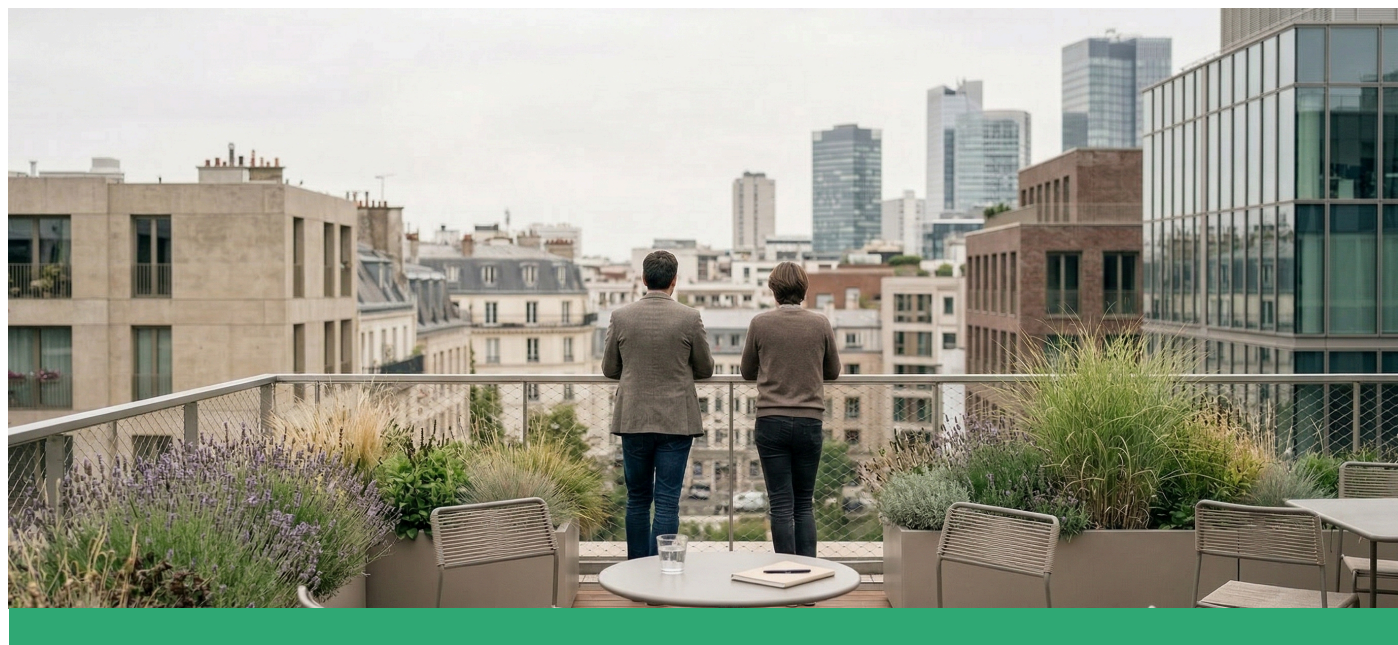
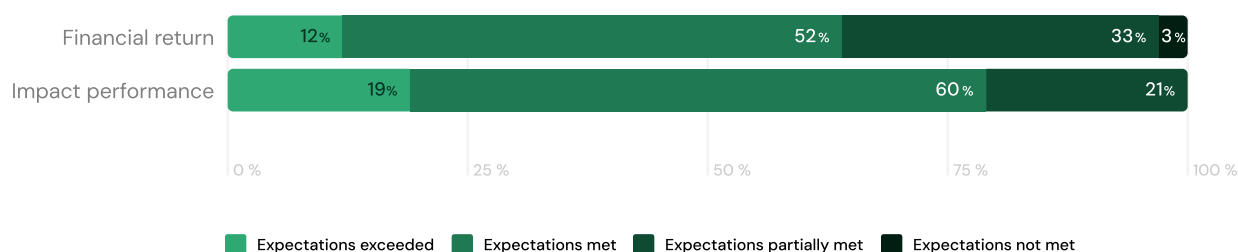
¹³ Participants ranked the response options by relevance from 1 (highest) to 4 (lowest). For clarity, the figure presents the average rankings in reversed order, meaning that higher values indicate higher relevance.

Participants also reported that their expectations of both financial return and impact performance have largely been met (Figure 6). This pattern broadly aligns with global findings from the GIIN's State of the Market study 2025, where 90% of investors reported satisfaction with their impact performance compared to 73% for financial performance.¹⁴

Overall, the findings point towards participants' expectations being broadly met, indicating that competitive returns and positive impact can go hand in hand.

Figure 6: To what extent have your expectations regarding the financial return and impact performance of your impact investments been met?

(in % of participants) (n=58)



¹⁴ GIIN, 2025, [State of the Market Report](#).

5. Allocations

The participants' volume of impact investments totals €12.5 billion, equivalent to just 0.85% of their combined assets under management (AUM) (Figure 7).^{15, 16} Yet this value is heavily impacted by outreach challenges: Important actors such as national development finance institutions (e.g., DEG, KfW Capital), institutional asset owners (e.g., VBL, Allianz Lebensversicherung) as well as leading asset managers (e.g., DWS Group) are underrepresented or missing entirely.¹⁷

When it comes to asset classes, participants prefer illiquid asset classes, with a focus on private equity (28%) and venture capital (16%) (Figure 8).

These findings suggest that participants tend to prefer illiquid asset classes for impact investing, where markets are less efficient and investors can exert greater influence through active engagement.

Figure 7: Share of Impact AUM

(in % of AUM)

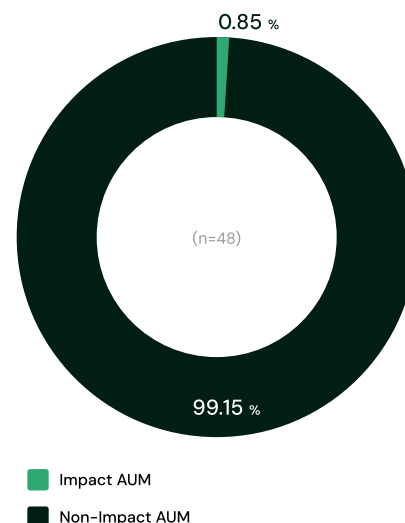
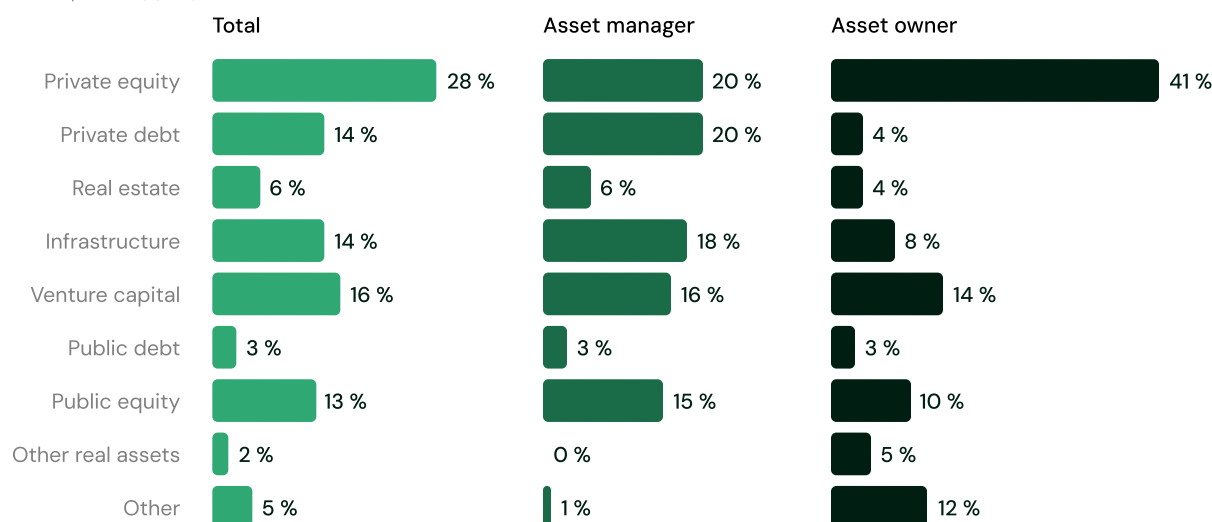


Figure 8: Average Share of Impact Investment Volumes Across Different Asset Classes

(in % of impact AUM) (n=51)



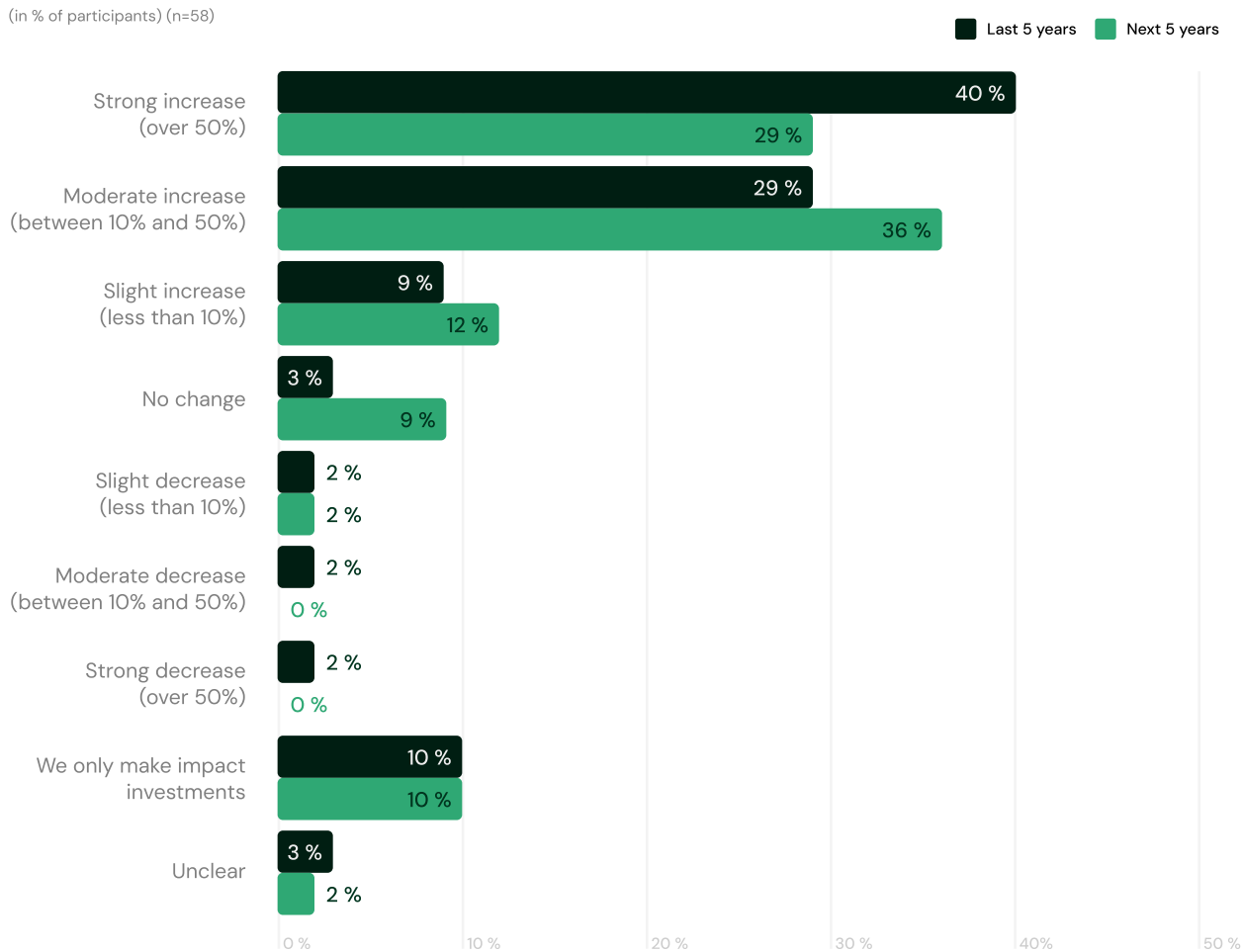
¹⁵ Reported AUM refers to data provided by asset managers, foundations, and insurers. It does not include family offices and (ultra-)high-net-worth individuals ((U)HNWI).

¹⁶ For the purpose of this report, "German impact AUM" is defined as impact assets under management for which the investment decisions are made in Germany—an accurate approach to scoping that identifies the share of AUM truly controlled from within Germany. As a result, this year's "German impact AUM" are not directly comparable with AUM data from earlier editions, which did not use this methodological perspective.

¹⁷ The estimated aggregate impact volume of the organizations given as examples comes to over €37 billion and would almost quadruple the reported numbers, to €49.5 billion. For more information on the methodological approach, see the appendix to the English, unabridged version of this report.

Although AUM as yet makes up only a small share, the market dynamic is strong: Over the next five years, 65% of participants plan to increase their impact investments by a moderate (36%) or even high (29%) amount (Figure 9).

Figure 9: Past and Expected Development of Impact Investing Volumes



A key priority for BVII will be to strengthen outreach—particularly to institutional asset owners—to more fully reflect their perspectives in future studies.

A key challenge going forward will be to support impact investors in scaling up their impact allocations, for example by addressing the challenges outlined in Chapter 7.

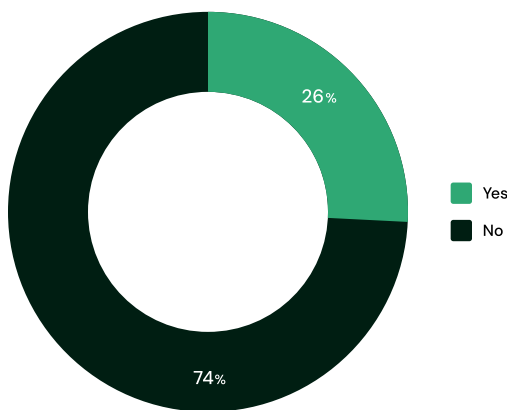
6. Transition Finance

As part of impact investing, transition investments focus on companies or assets that currently have a negative impact in a specific domain and aim to reduce or transform that impact over time.¹⁸

About one quarter (26%) of participating asset managers and asset owners currently implement transition investments (Figure 10)—a considerably smaller share than those conducting traditional impact investments (76%, see Figure 3 above). This difference shows that transition-oriented approaches are less established among participants. Yet the development of transition investments is positive: In the past five years, 67% of already active investors report slight to strong growth. For the next five years, moreover, 36% plan a further slight to strong increase of their transition investment volume (Figure 12).

Figure 10: Do you conduct transition investments?

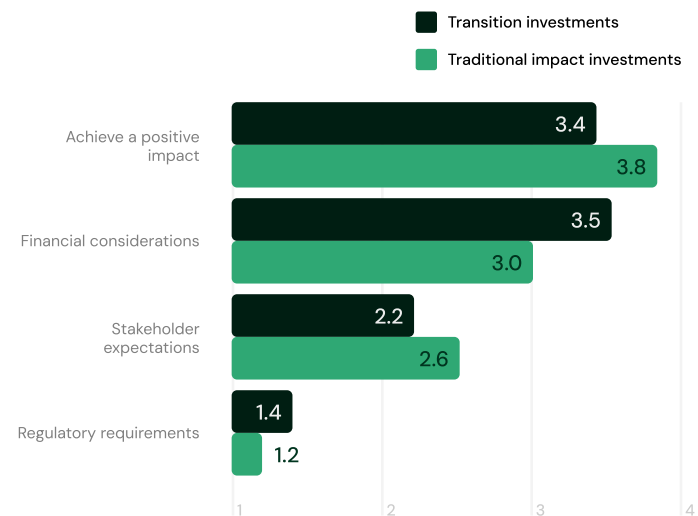
(in % of participants) (n=58)



Unlike with traditional impact investments, where impact-related motives dominate, financial considerations emerge as the leading driver (3.5), closely followed by impact-based motives (3.4) (Figure 11).

Figure 11: Why do you invest in transition/traditional impact investments?

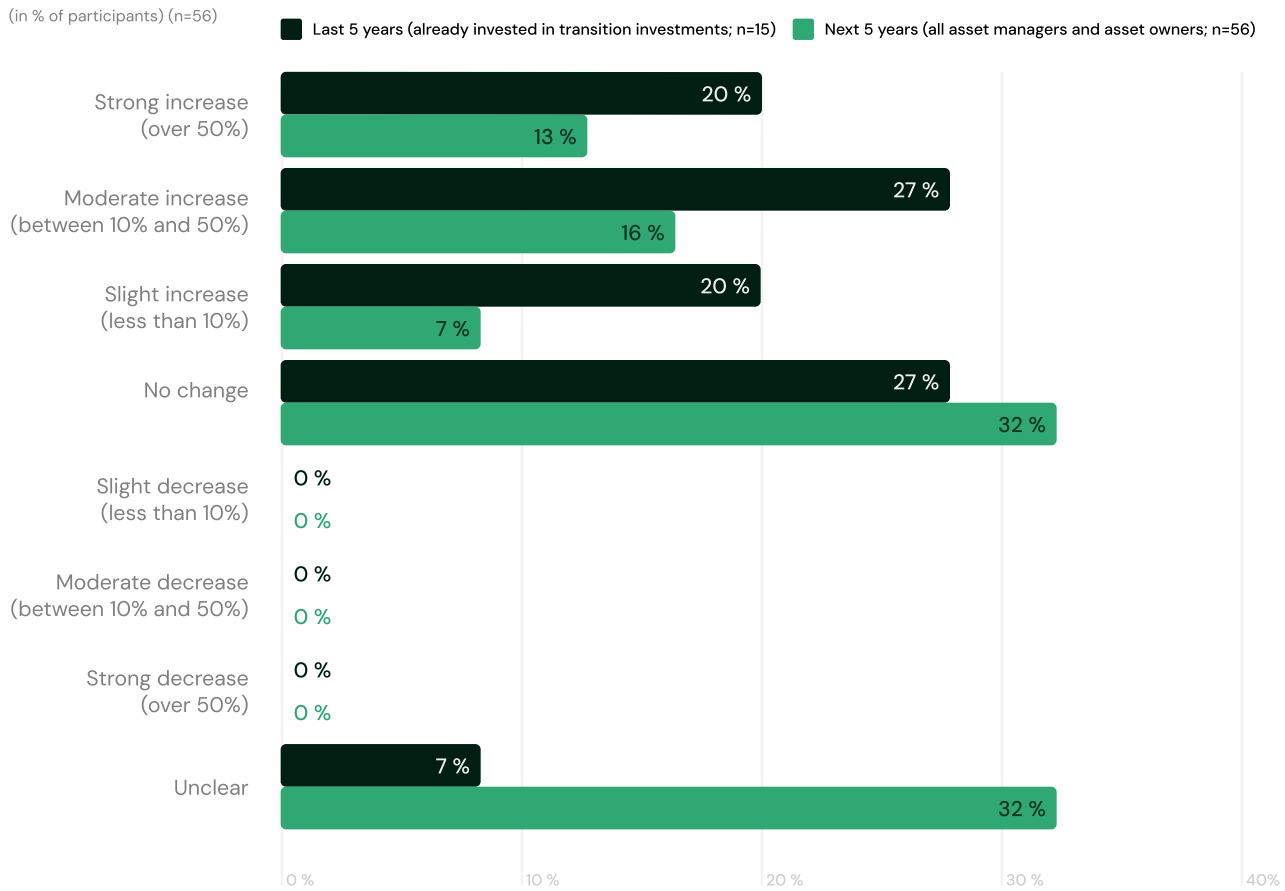
(in average rank¹⁹) (n=58)



¹⁸ Chapter 1 (Introduction) provides a Deep Dive on the definition as well as further contextualization of impact investments and transition investments.

¹⁹ Participants ranked the response options by relevance from 1 (highest) to 4 (lowest). For clarity, the figure presents the average rankings in reversed order, meaning that higher values indicate higher relevance.

Figure 12: Past and Expected Development of Transition Investment Volumes



One possible explanation for the differing motivations is that transition investments are frequently associated with climate-related topics, where the long-term financial upside is often perceived as more tangible.

Traditional impact investments, in contrast, tend to address a wider range of environmental and social challenges, where financial returns may be less predictable and more context dependent.

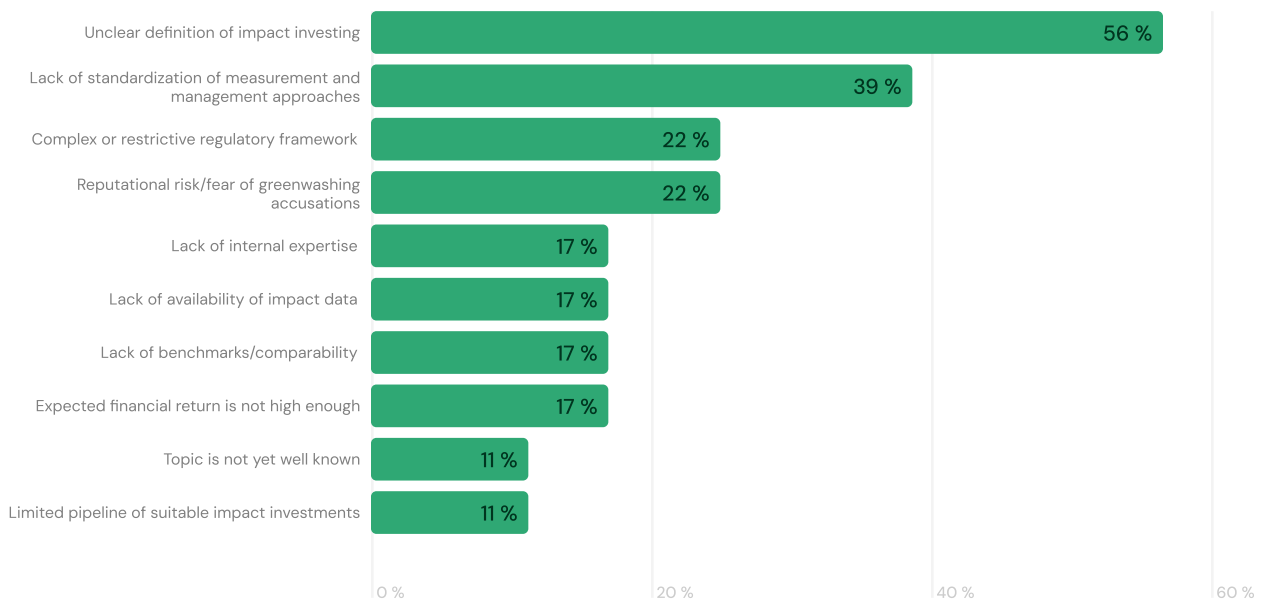
7. Impact Investment Barriers and Challenges

A central aim of the German Impact Investing Survey 2025 is to identify those barriers and challenges that are still preventing broader market acceptance and scaling up of impact investing. The gathered data highlights two central aspects: Among respondents not active in impact investing, the unclear definition forms the most significant barrier to entering the market (Figure 13). Meanwhile, active impact investors name the lack of standardized IMM approaches (43%) as one of the greatest challenges of practical implementation (Figure 14).

In comparison to global results, in which 62% of investors identify impact washing as a strong challenge, respondents in Germany name fears of greenwashing accusations much more rarely, whether as a barrier (22%) or challenge (12%).²⁰

Figure 13: Top 10 Barriers for Non-impact Investors

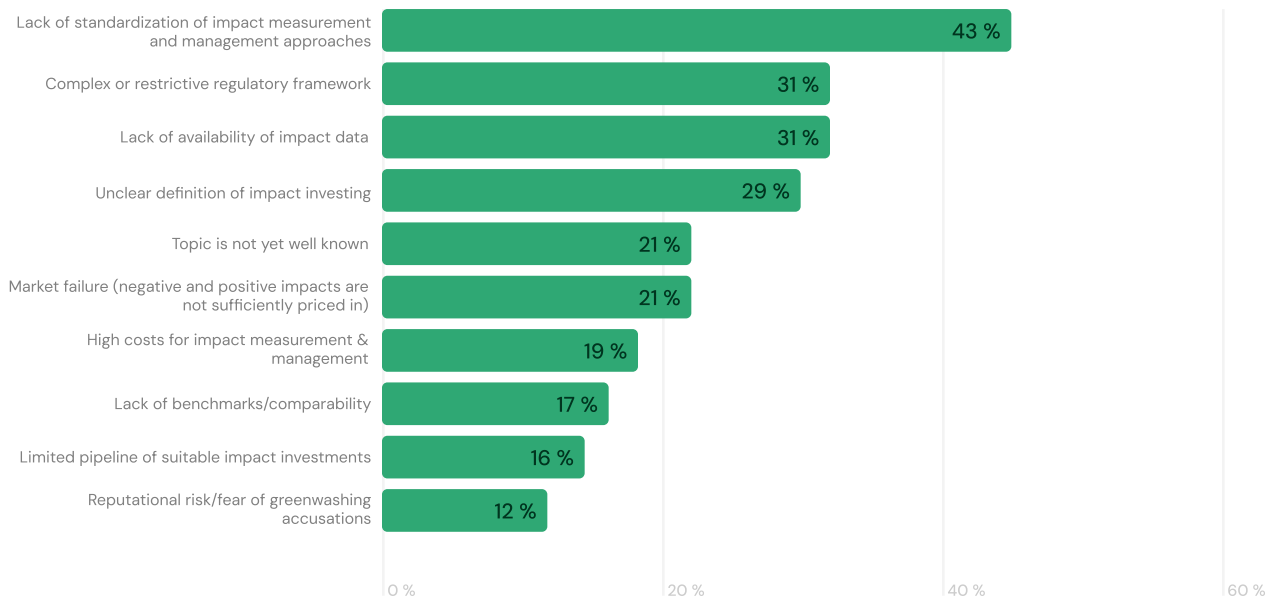
(in % of participants) (n=18)



²⁰ GIIN, 2025, [State of the Market Report](#).

Figure 14: Top 10 Challenges for Impact Investors

(in % of participants) (n=58)



Taken together, overcoming the lack of standardization in IMM approaches and reducing uncertainty around the definition of impact investments will be essential to scale impact investing in the future.

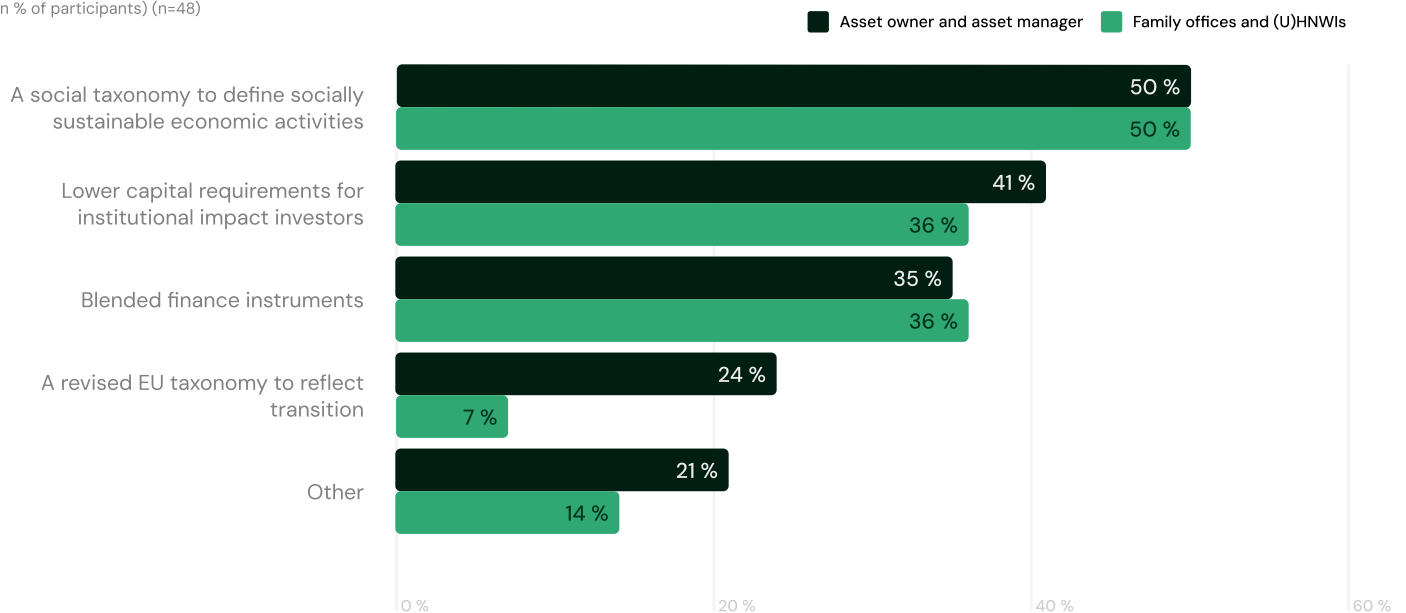
8. The Role of Regulation

Regulation and policy can enable or hinder impact investing, which is why the survey asked participants which policy measures would help them implement their impact strategies (Figure 15).

The findings suggest a demand for clear guidance on what can be counted as socially sustainable, supplementing existing environmental criteria, even as the prospect of an EU social taxonomy appears increasingly unrealistic.

Figure 15: What policy measures would help you implement impact investing in practice?

(in % of participants) (n=48)



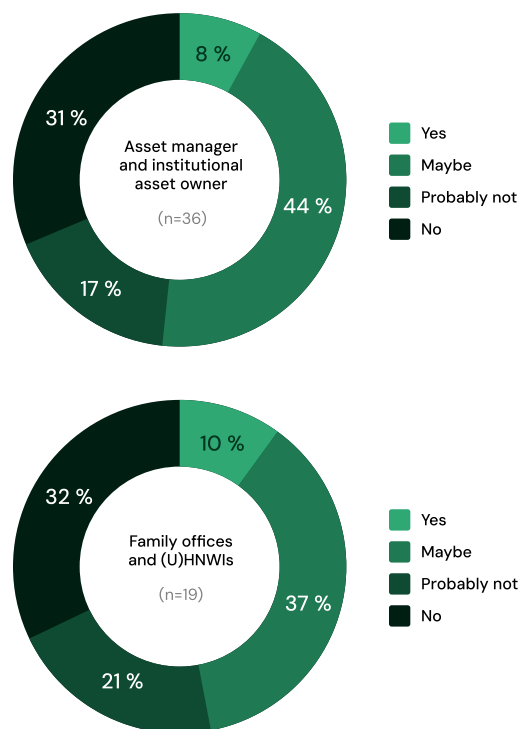
The ongoing review of the Sustainable Finance Disclosure Regulation (SFDR) is of particular relevance to impact investors because the European Commission’s proposal for an updated SFDR includes impact investing (see deep dive – SFDR 2.0). Rather than introducing a distinct “impact” category, the European Commission proposes to include impact investing as an add-on to the sustainable and transition categories.²¹ The findings indicate that many respondents would not alter their impact investing activities even if a dedicated impact category were introduced (Figure 16).



This might suggest that the European Commission’s SFDR 2.0 proposal is moving in the right direction by positioning impact investing as an add-on to both transition and sustainable products, rather than creating a standalone category.

Figure 16: Would your impact investing activities change if the SFDR had a separate category for impact products?

(in % of participants) (n=55)



²¹ European Commission, 2025, [SFDR 2.0 proposal](#).

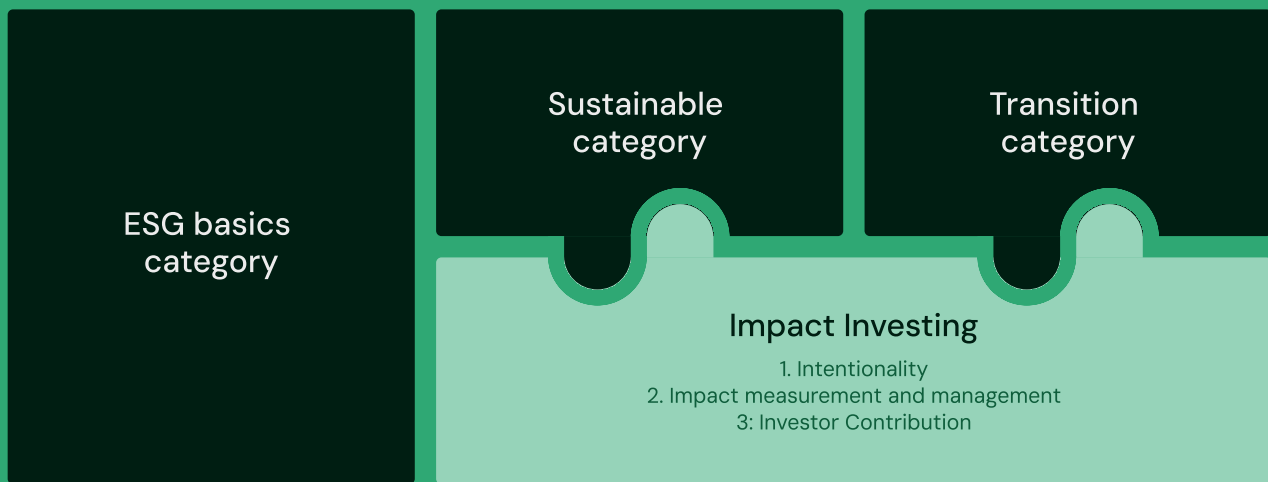
SFDR 2.0

The SFDR was intended to improve transparency and to mobilize private capital toward the sustainable transition of the economy—an objective critics argue the current SFDR has not effectively delivered.²² In response, the European Commission’s proposed “SFDR 2.0” (Nov 2025) aims to simplify the regime by introducing three product categories—sustainable, transition, and ESG basics. The proposal includes impact investing as an add-on to the sustainable and transition categories.

The EU Commission’s proposal suggests that the definition of impact investing under SFDR 2.0 is closely aligned with BVII’s and BAI’s understanding of impact investing.²³ As the SFDR review moves forward, the next steps will be critical—particularly the discussions around Level 2 operationalization.

In this context, BVII and BAI, together with a European consortium, published a position paper outlining how impact investing could be incorporated into SFDR. The paper provides an overview of existing standards and frameworks and illustrates how impact investing can be implemented in SFDR 2.0.²⁴ Published in July 2025, it was used as input for relevant actors at DG FISMA before the EU Commission’s proposal was finalized, and it also serves as a blueprint for future technical discussions. Overall, introducing impact investing into SFDR 2.0 would mark a major milestone for Germany and beyond, representing an important step towards a harmonized European definition and addressing one of the key barriers to impact investing identified in this study.

Figure 17: Impact Investing in SFDR 2.0



²² European Commission, 2024, [Summary Report of the Open and Targeted Consultations on the SFDR assessment](#).

²³ BVII, BAI, 2024, [Impact Investing in Alternative Investments](#).

²⁴ BVII, BAI, 2025, [Why Impact Investing Should be Recognised in the EU Sustainable Finance Framework and how this could look like](#).

9. Social Businesses

This subsection highlights the perspective of social businesses—organizations whose business model includes a social and/or environmental mission. Their perspective broadens this study's insights beyond the investor's perspective. While the sample of social businesses (n=23) is too small to allow for representative conclusions, the responses provide indicative insights into the challenges recipients of impact capital face, and the type of support they are looking for. A key finding is that most participating businesses are not financed by impact investors (Figure 18).

The most common obstacles they identify are excessive return expectations (43%), a lack of financing instruments that match the company's business stage (39%), and limited investor understanding of social business models (39%) (Figure 19).

Figure 18: Are you currently (partially) financed by impact investors?

(in % of participants) (n=23)

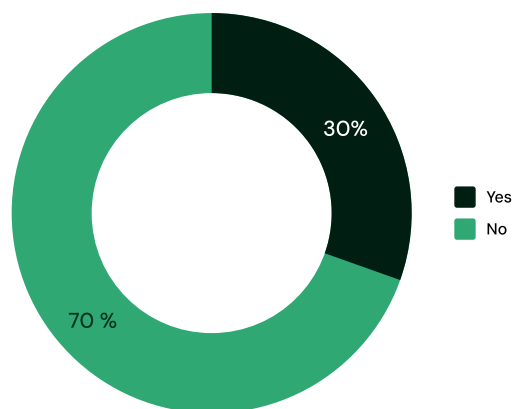
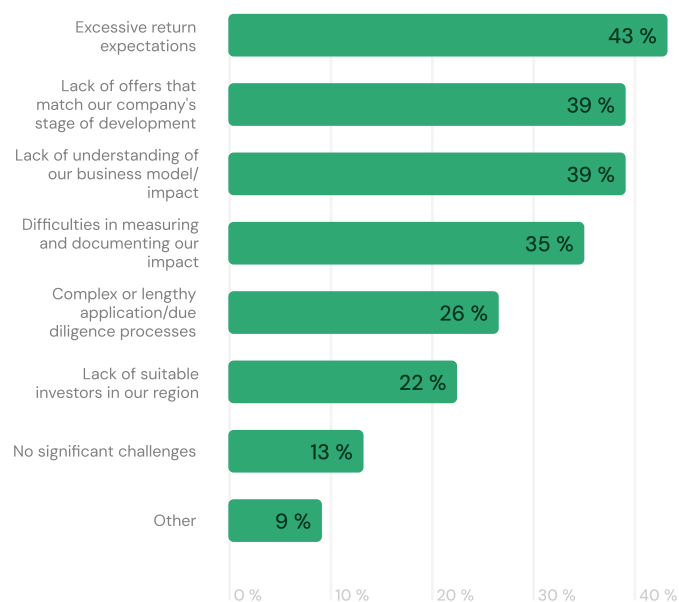


Figure 19: Key Challenges in Raising Capital from Impact Investors

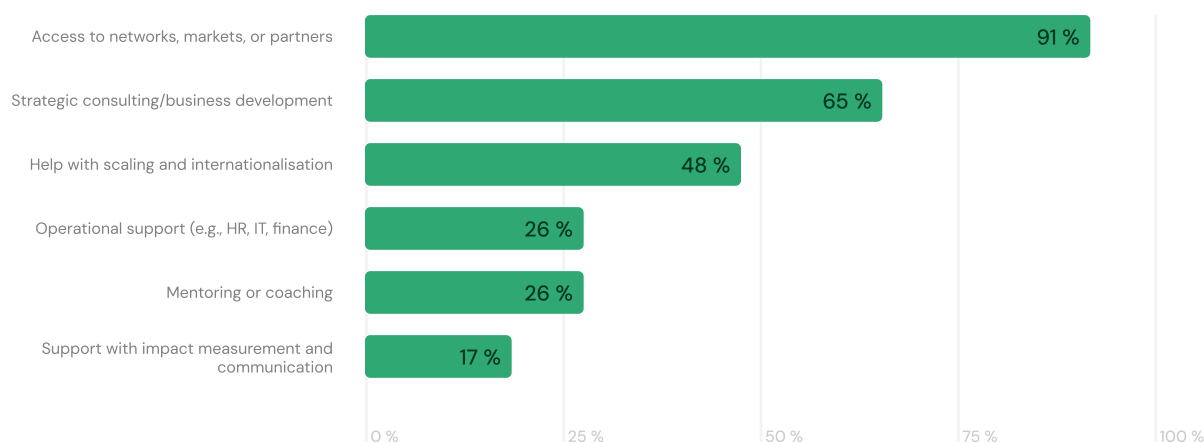
(in % of participants) (n=23)



Beyond the challenges social businesses in this sample face when raising capital, they also reported several possible contributions that impact investors could make. The results reveal that social businesses particularly value access to networks and strategic consultation (Figure 20).

Figure 20: What kind of support from impact investors—aside from capital—would be particularly valuable to you?

(in % of participants) (n=23)



These results point to a mismatch between investor expectations and the financing needs of social businesses, at least among the participants of this study. Future surveys would need to test whether these insights can be applied to a broader segment of German social businesses.

10. Summary and Outlook

This study's goal was to survey German impact investors and provide information to support two developments: scaling impact investing in Germany to become a standard practice in capital markets, and mobilizing sufficient capital for real-economy transformation and social and environmental goals. The results suggest that impact investing is increasingly perceived as a credible and established approach: Most respondents expect market-rate returns or outperformance, and a majority report that both financial and impact expectations have been met, indicating that impact and financial objectives can be pursued without a necessary trade-off.

At the same time, the main bottleneck is scale. The impact AUM reported in the survey represents only a small share of participants' total AUM, and the sample underrepresents key market actors—particularly large institutional asset owners, major German development finance institutions, and large German asset managers. This limits reliable market sizing and suggests that the actual market is likely larger than reflected here. Encouragingly, most participants plan to expand their impact AUM over the next five years, indicating momentum and a positive outlook—provided that barriers and challenges to scaling can be addressed.

The findings also highlight structural challenges that continue to constrain market development: Limited IMM standardization, complex or restrictive regulatory frameworks, and definitional uncertainty—issues that also create entry barriers for non-impact investors. Against this backdrop, the European Commission's SFDR 2.0 proposal could become an important lever to reduce uncertainty around definitions. In practice, impact investors in the sample struggle most with quantifying outcomes and credibly measuring investor contribution.

Finally, the survey suggests that participants' impact investing strategies remain strongly concentrated on private markets. While this reflects where many investors see the greatest potential for influence, it also points to open questions about how public market strategies can credibly claim to be impact-generating.

Looking ahead, five priorities emerge for strengthening evidence, scaling allocations, and supporting a more mature impact investing market in Germany:

Broaden outreach and improve representativeness:

Future surveys should engage more systematically with large institutional asset owners and major development finance institutions. Improved participation is essential to enable meaningful market sizing and to capture the practices, motivations, and constraints of actors that are currently underrepresented but crucial for scaling impact capital. When evaluating this study, BVII will also discuss potentially extending coverage to bank's credit portfolios, which remain outside the survey's investment-focused scope.

Strengthen policy and advocacy work in Germany and Europe: As the German national partner of the GSG Impact, the BVII is well positioned to support German and European policy and advocacy efforts by ensuring that the German impact investing ecosystem has a strong voice in national²⁵ and cross-border dialogue. Building on this role, the BVII can help advance key policy priorities, such as improving cross-European coordination within the EU's Savings and Investments Union, enabling the scaling of impact investments, and strengthening the European Single Market.

Support the next phase of regulatory clarity (SFDR 2.0): One way the BVII will strengthen policy work at the European level is by actively contributing to the ongoing SFDR 2.0 discussions—particularly around Level 2 operationalization—to ensure that emerging categories and requirements meaningfully reduce definitional uncertainty and are feasible in practice. BVII will actively engage with policy makers to ensure that SFDR 2.0 provides clear guidance that lowers entry barriers for new investors and strengthens confidence among existing ones.²⁶

Strengthen global research cooperation: Given the cross-border nature of capital markets and the importance of comparable data for understanding market dynamics, closer international collaboration on market-sizing studies and investor surveys—particularly with networks such as the GIIN and Impact Europe—can improve the evidence base for the impact investing field. Jointly developed methodologies and harmonized survey instruments enable more consistent measurement of market growth, investor practices, and operational challenges. This alignment reduces discrepancies between national data sets, enhances the comparability of findings across regions, and lowers the reporting burden for investors who currently face multiple, unaligned survey requests.

Advance practical IMM solutions—especially standardization, measuring social or environmental outcomes, and measuring investor contribution: The survey underlines a need for pragmatic, standardizable approaches to IMM that can be integrated into investment processes. The BVII will support this agenda through its working groups by facilitating exchange among practitioners and advancing workable guidance and approaches for implementation.

²⁵ BVII, 2025, [Fachkommentar Gesetzentwurf: Gesetz zur Förderung privater Investitionen und des Finanzstandorts \(Standortförderungsgesetz—StoFoG\)](#).

²⁶ BVII, BAI, 2025, [Why Impact Investing Should be Recognised in the EU Sustainable Finance Framework and how this could look like](#).



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