A Study on Investor Awareness of Sustainable Investing and the Factors Affecting Their Investment Choices

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1. INTRODUCTION:

Inthe evolutionarypanorama ofglobalfinances, sustainable investment hasgained significant impulse.This approach, often known as environmental, social and governance investment (ESG), incorporates ethical, environmental and social considerations in investment decisions. Investors no longer focus on maximizing financial returns;They are now prioritizing investments that positively impact the environment and society. This change is being promoted by concerns such as climate change, corporate governance and social responsibility, together with the growing demand for transparent and responsible commercial practices.

Sustainable investment isgrowing asapreferredstrategyfor investorswho areinterestedinachieving long - term financial growth while contributing to global sustainability objectives. Despite the growing popularity ofESG'sinvestment,thereisstillaconsiderablegapinconsciousnessbetweencertaininvestorsegmentswith respect to the benefits, risks and methodologies associated with it. This study aims to explore the scope of investors' awareness of sustainable investment, together with the analysis of the factors that shape their decision -making processes, such as risk tolerance, ethical values, financial performance and regulatory pressures.

1.1 Theevolutionofsustainableinvestment:ahistoricaloverview

Sustainable investment hasevolved significantly inthe last two decades. Initiallyseenas a niche investment strategy, it has now become a conventional approach, particularly as global concerns about environmental degradation and social inequalities have intensified. The first forms of responsible investment focused on negative detection, where investors excluded companies involved in activities such as tobacco, alcohol and armsmanufacturing.However,themodernapproachto**ESGinvesting**goesbeyondmereexclusion.Actively seeks companies that demonstrate positive contributions towards environmental sustainability, strong government structures and social responsibility.

Inhischildhood,sustainableinvestmentwasoverwhelminginhisapproach.Thestrategy,knownas**negative screening,**simplyentireindustriesintheblacklistisconsidered"littleethical":Tobaccocompanies,weapons manufacturers and fossil fuel giants. Religious groups and socially aware investors were pioneers in this approachbutoftenextractedWallStreet'seyes.Criticsruledout asatacticoffeelinggoodthathecommitted returns.

The previous studies and data suggest that sustainable investment has experienced rapid growth worldwide. According to the **GlobalSustainable Investment Review 2020**, sustainable investment assetshave reached morethan\$35billion,representing morethanathirdofallassetsadministeredprofessionallythroughoutthe world. Despite this growth, research indicates that the understanding of investors of ESG's investment complexities remains limited, particularly indeveloping markets. The lack ofclarityabout howESGcriteria are applied and measured continue to be a significant barrier for broader adoption.

Understanding the awareness of investors and the factors that influence their decisions is crucial for several reasons. First, improving ESG's knowledge among investors can lead to a greater adoption of sustainable investment options, thus contributing to the global sustainability objectives, such as the **United Nations SustainableDevelopmentGoals(SDGs)**.Secondly,clarifyingerroneousconceptsonfinancialperformance canencouragemoreinvestorstoconsidersustainablefunds,promotingcapitaltowardsprojectsandcompanies   that promote long -term environmental and social benefits.

The millenniumchange marked aparadigmshift. Insteadofsimplyavoiding "bad"companies, investorsbegan toproactivelysearchforcompaniesthat **createdapositiveimpact**,thatreductionofcarbonemissions,invest inmarginalizedcommunitiesordefendthediversityoftheBoard.Theacronym**ESG(environmental,social, governance)** entered the lexicon, providing a frameworkto quantify previously intangible values.

In addition, studying the decision making of investors offers valuable information for financial institutions andregulatorsthatseektodesignbetterproductsandpoliciesthatarealignedwiththeneedsofinvestors.   By identifying key factors such as risk tolerance, ethical values and financial returns, this research can provide processable recommendations to improve investor education and expand ESG investment landscape.

1.2 UnderstandingSustainableInvestingandESGCriteria

Sustainable investment integrates **environmental, social and governance criteria (ESG)** in financial decisionmaking,withtheaimofbalancingprofitswithapositivesocialandenvironmentalimpact.Itevolved   from   early ethical investment in the 18th century, when groups such as Quakers avoided industries such as slaveryandalcohol.Inthe1960sand1970s,modernsociallyresponsibleinvestmentstrategies(SRI)emerged, focusingonexcludingsectorssuchastobacco andweapons.Overtime,sustainable investment hasexpanded to positively evaluate companies based on their environmental administration, labor practices and corporate governance.

Today, ESG Investing has gained impulse, with sustainable global assets that exceed **$ 35 billion** by 2020, drivenbygrowing concernsabout climate change, social inequality and corporate responsibility. Regulatory measures, suchas the **EU's Sustainable Finance Dissemination Regulations (SFDR)**, promote companies to revealtheir ESGperformance, which makes sustainabilitya keyaspect ofinvestment decisions. The great institutions such as **Blackrock** have prioritized the integration of ESG, recognizing the long -term financial benefits.

EnvironmentalfactorsconstitutethefirstpillarofESG'sanalysis,focusingontherelationshipofacompany   with   the natural environment. These factors evaluate how organizations handle their ecological footprint, including their carbon emissions, energy efficiency and resource conservation practices. The mitigation of climate change is erected   as   a   critical   component,   and   investors   increasingly   examine   the   greenhouse   gas emissionsofcompaniesinallthreeareas.ManyprogressiveIndiancorporationshavedemonstratedleadership   in   this area, such asTata Power, whichreduced its carbon intensity by35% throughstrategic investments in solar energy infrastructure.   Resource   management   represents   another   vital   environmental   consideration, whichcoverswatermanagement andwastereductioninitiatives.ITC'WasteTo Landfill'programservesasa remarkable example, successfully recycling 99% of its operating waste. In addition, biodiversity protection hasgainedprominence,particularlyforcompanieswithagriculturalsupplychains,asevidenceEnvironmental crises.

Socialfactorsexaminehowcompaniesmanagerelationswiththeirworkforce,communitiesandclients.This   dimension evaluates labor practices, including fair compensation, labor securityand employee development programs. Infosys hasestablished industryreferencepoints inthisregard, maintainingagender salarygapof less than 1%, significantly below the average sector. Community participation forms another crucial aspect, measured through

corporate social responsibility initiatives and local development programs. The 'Shakti' initiative ofHindustanUnilever exemplifiesa shocking socialinvestment,since it hastrained approximately 150,000 rural companies. The responsibility of the product completes the social triad, which covers data security,consumerprotectionand inclusivedesign.Thedevelopment ofAirtel'sfriendlymobile applications withdisability,whichmeetsglobalaccessibilitystandards, illustratesthiscommitment.AccordingtoHarvard Business Review (2022), organizations with strong social performance benefit from 25% lower employees, whiletheNielsen2023surveyrevealedthat 78%ofIndianconsumerspreferbrandswithdemonstrablesocial responsibility.

Governancefactorsevaluatethequalityandeffectivenessofacompanyleadership,supervisionmechanisms and ethical standards. The composition of the Board serves as a metric of fundamental governance, with specialattentiontotheindependenceanddiversityofthedirector.HDFCBankmaintainsexemplarystandards inthisdomain,withindependentdirectorsthatconstitute50%oftheirmembershipintheBoard.Transparency and ethical behavior form another critical component of governance, evaluated through protections of complainants and anti - corruption measures. The Wipro Integrity Lena program, which guarantees 100% research on the reported concerns, demonstrates best practices in this area. The protection of shareholders' rightscompletestheevaluationofgovernance,focusingonequitablevotingrightsanddisseminationpractices. Reliance Industries has improved the participation of retail investors through its innovative digital voting platform.TheAssociationofCertificate Fraud examiners(2023) reportsthat companieswithsolid government structures experience 30% less fraud incidents, while Sebi(2023) data indicate a consistencyof15% higher dividends among well -governed companies.

The Indian landscape of ESG presents progress and challenges. Regulatory advances, particularly Sebi's commercialresponsibilityreportsforthe1,000maincompaniesthatarelisted,havesignificantlyimprovethe disseminationstandards.The investment sectorhasrespondedpositively, withproductssuchastheSBIESG fund that achieve a 40% growthinassetsunder administrationduring 2023. However, significant challenges persist,includingconcernsaboutgreenwashing,sinceCrisil'sinvestigationindicatesthat42%ofESGclaims lack adequate verification. In addition, investor education is still inadequate, and Morningstar India reports that only 18% of retail investors comprise ESG score methodologies.

Asnoted bythe governor ofthe Bank ofthe Reserve ofIndia in2023, "the integrationofESG representsnot onlyanethicalconsideration,butalsoprudentriskmanagement."Thisperspectiveunderlinesthefundamental reason for sustainable investment, identifying organizations positioned for long -term success through responsible commercialpractices.The growing bodyofevidence demonstratesthat companiesthat stand out inESGdimensionstendtoexhibitgreateroperationalresilience,strongerrelationshipsofinterestedpractices.

1.3 InvestorAwarenessandPerceptionofSustainableInvesting

Investor awareness on sustainable investment has grown significantly, but knowledge gaps remain. Historically, consciousness was low, with most investors not familiar with environmental, social and governance factors (ESG). In the 1990s, sustainable investment mainly attended institutional investors, but the public interest increased inthe 2000s due to the increase inthe coverage ofthe media onclimate change and corporate responsibility. This change was particularly evident after the financial crisis of 2008, which presented systemic governance failures and led investors to reconsider traditional approaches for risk assessment.

However, erroneous concepts persist. Many retail investors believe that ESG investments produce lower financialyields,despitestudiessuchasMorningstar(2020)that showthat sustainablefundsoftencoincideor exceed

traditional ones. This myth of performance comes from several factors, including limited financial educationand the lack ofstandardized ESG performance metrics. InIndia, specifically, a 2023 Crisil survey revealedthatonly22%ofretailinvestorscouldcorrectlyidentifythehigher long -termperformancepotential of the ESG funds, while 45% still associated them with concessionary returns.

Investor education channels present opportunities and challenges. The media, financial advisors and educational efforts are key sources of investor information, but inconsistent messages and limited understanding have led to confusion about the true benefits of ESG. Financial media often focus on short - term performance instead of the benefits of risk mitigation of ESG, while many advisors lack specialized training in sustainable finances.AstudybySebi(2023) found that only30% ofIndian financialadvisorshad received formal ESG training, contributing to erroneous information in the market.

Generational differences in ESG adoption are particularly notable. Younger investors (millennials and generationZ) demonstratesignificantlygreaterawarenessand interestinsustainable investment comparedto higher generations.A2023 surveyconducted bytheAssociationofMutualFunds inIndia found that68% of investorsunder35considered importantESGfactorsintheir investment decisions,comparedtoonly32%of investorsover50.ThisdemographicchangesuggeststhatESG'sawarenesswillcontinuetogroworganically as younger investors accumulate more wealth.

Inthepresent,astheESGprinciplesreceivemainattention,financialeducationiscrucialtoshapethebehavior of investors. Investors with greater financial education are more likely to integrate ESE in their portfolios, which reflects a change towards responsible investment. The 2023 Financial Education Report of the RBI showedthatinvestorswhoobtainedscoresintheupperquartileforfinancialeducationhadalmostthreetimes morelikelytocelebrateESGinvestmentsthanthoseofthelowerquartile.Thiscorrelationunderlinestheneed for integrated financial education that combines traditional investment concepts with ESG principles.

The regulatory environment is also playing an increasingly important role in the configuration of investors' perceptions. The recent Sebi mandate that requires that the 1,000 main companies that are quoted list the reportsofcommercial and sustainabilityresponsibility(BRSR) has significantly improved the availabilityof ESG data. However, the complexity of these reports often makes them inaccessible to retail investors, highlightingtheneedforsimplifiedandstandardizedESGmetricsthatcanbeeasilyunderstoodandcompared.

Lookingtothefuture,improvingeducationinESGandimprovingtheaccessibilityofpreciseinformationwill be essential to close the awareness gap, promote greater participation in sustainable investments and align financialmarkets withglobalsustainabilityobjectives. Specific initiatives must focus onthree keyareas: (1) Develop standardized ESG education modules for financial education programs, (2) Create certification programs for specialized advisors in sustainable finances and (3) Implement clear labeling systems for ESG investment products. As these efforts progress, we can expect to see a gradual change in the behavior of investors that better reflect the growing body of evidence that supports the financial and social value of sustainable investments.

1.4 FactorsInfluencingInvestmentChoices

Investment decisions represent a complex interaction of financial, personal and external factors that have evolved significantly in recent years. Historically, investors focused predominantly on traditional financial metrics, such as risk -adjusted yields, liquidity and market trends when making investment decisions. However, the growing prominence of environmental, social and governance investment (ESG) has fundamentallytransformeddecision-making frameworksbyintroducing non -financialconsiderations inthe evaluation process.

Financial factors continue to serve as the basis of investment decisions, withrisk tolerance, expected returns andthediversificationoftheportfoliothatremainsupremeconcernsformostinvestors.Themodernportfolio theory still guides much of this analysis, emphasizing the importance of the assignment and correlation of assets

intheconstructionofoptimalinvestment strategies. However, contemporaryinvestorsrecognize more and more than ES factors can materially affect these traditional financial metrics. For example, companies with solid government practices demonstrate 30% lower volatility during market recessions (MSCI, 2023), while companies with poor environmental records face growing regulatory risks that can affect long -term profitability.

The increase invalues-based investment representsoneofthe most significant changesininvestorbehavior. AreportbyDeloitte(2021)revealedthat73%ofmillennialsand68%ofinvestorsofgenegenerationactively seek investments aligned with their personal values, compared to only 35% of Baby Boomers. This generational division reflects broader social changes, where considerations such as the carbon footprint of a company,laborpracticesandethicsof thesupplychainarebecomingcriticaldecision-makingfactors.In India, specifically, a 2023 Crisil survey found that 45%of investors under 40 would accept lower yields for investments that coincide with their ethical values, compared to only 22% of investors over 55 years.

External influences have emerged as powerful promoters of investment preferences in the digital age. Regulatory frameworks such as the Regulation of Dissemination of Sustainable Finance (SFDR) of the European Union (SFDR) and the Sebi Business Responsibility requirements (BRSR) in India have institutionalized considerations of ESG in the investment processes. These regulations have created domain effects on global markets, and asset administrators incorporate more and more ESG screens to meet compliance requirements and investors' expectations.

The panorama of the media and social networks now play an unprecedented role in the configuration of investment decisions. The social media platforms have democratized financial information while simultaneously amplifying both the reportsofprecise ESG and erroneous information.ASebi studyof2023 foundthat 55%ofIndianretailinvestorscitedsocialnetworksastheir mainsourceofinformationfromESG, although only 35% could correctly identify verified sources. Parent influence has become particularly powerful, with investment clubs and online communities that promote flock behavior in sustainable investment trends.

Technologicaladvancesare transforming how investorsaccessand process information.The proliferationof ESG data analysis platforms and investment tools promoted by AI has made sophisticated sustainability analysis accessible to conventional investors. ESG scoring systems in real time and blockchain -based sustainabilityreportsareincreasingtransparencyandallowingmoreinformeddecisionmaking.However,this flood of data also presents challenges, since investors struggle to navigate conflicting qualification methodologies and green washing risks.

Looking towards the future, investment decision making will probably continue to evolve towards more holistic frameworks that integrate financialand non -financial factors. Severaltrends suggest this trajectory:

1. ESG analysis: ESG considerations are in transition from niche detection criteria to fundamental componentsofriskassessmentandassessment models.Themaincreditrating agenciesnowincorporateESG factors in their evaluations, affecting capital costs and the attractiveness of investment.

2. Regulatory convergence: The global standardization of ESG Reports frames will reduce information asymmetry and improve comparability. The new standards of the International Board of Sustainability Standards (ISSB) mark significant progress in this direction.

3. Integrationofbehavioralfinance: Understandingpsychologicalbiasesandheuristicswillbeincreasingly important as investors navigate for complex sustainability compensation. Frame effects, for example, significantly influence investors perceive ESG performance data.

4. Transfer of generational wealth: As millennials and generation Z inherit approximately $ 30 billion in wealthinthecomingdecades,theirpreferenceforsustainableinvestmentswillremodelethecapitalallocation patterns.

5. Technologicaldemocratization: Investment platformswithAI will maketheanalysisofsophisticated ESG accessible to retail investors, which potentially reduces the current knowledge gap.

The panorama of the investment is evolving towards a new paradigm where financial performance and sustainabilityconsiderations become inseparable.Asthe Blackrock CEO, LarryFink, pointedout inits 2023 letterto investors, "the climatic transition representsthe greatest investment opportunityofour life, but only for those who understand how to navigate it." This perspective captures the essential challenge for modern investors: develop analytical frameworks and decision -making processes that can simultaneously optimize financial returns and positive impact.

1.5.ChallengesandBarrierstoSustainableInvesting

The rapid growth in sustainable investment has exposed several critical challenges that hinder its broader adoptionand effectiveness. The most fundamentalbarrier remains the lack ofstandardized ESG metrics and report frames. Currently, investors face a confusing panorama where different qualification agencies, regulators and companies use variable methodologies to evaluate and inform the performance of ESG. For example, a companycould receive a MSCI 'A'qualification for its environmentalpolicies, while obtaining a simultaneously substantial and substantive for the same criteria. This inconsistency, as highlighted by the Sustainability Accounting Standards Board (SASB, 2021), creates significant difficulties to compare investments and evaluate its true sustainability impact.

Measurement complexities have another substantial challenge. Unlike the traditional financial metrics that follow the established accounting standards, the measurement of the impact of ESG implies qualitative evaluationsandnon-financialindicatorsthatresisteasyquantification.Theglobalinformationinitiative(GRI, 2020) has shown how environmentalbenefits such as carbon reduction or social impacts such as community development require specialized frameworks for significant evaluation. This measurement challenge is particularly acute in emerging markets such as India, where many companies are still developing their ESG reporting capabilities.

Persistent erroneousconceptsonESGinvestment continuetodistorttheperceptionsofinvestors.Manyretail investors still operate under the outdated belief that sustainable investments have a lower performance than conventionaloptions, despite overwhelming evidence otherwise. Researchby Fichtner et al. (2017)revealed that this mythofperformancediscouragespossible adopters,withalmost 40%ofthe investorssurveyed who citeconcernsaboutfinancialreturnssuchastheirmainbarrierfortheadoptionofESG.Thiserroneousconcept persists in part because financial advisors often lack adequate ESG training, leading to inadequate client education.

Theavailabilityofproductsandaccessibilityproblemsfurtherlimit marketgrowth.Whiledevelopedmarkets offer a wide range ofESG investment vehicles, many emerging economies suffer from limited options. The WorldBank(2020)documentedhowinvestorsinthedevelopmentofmarketsfrequentlyfaceamarkedchoice between a handful of ESG funds or none. This product gap is particularly problematic for retail investors lackingresourcestobuildpersonalizedESGwallets.InIndia,forexample,whileESGfundoffershavegrown significantly since 2020, they still represent less than 5% of total mutual fund assets, which limits access to investors.

1.6FutureDirectionsandOpportunitiesinESGInvesting

The future of sustainable investment seems promising, driven by technological innovation and changing market dynamics. Advanced analysis and artificial intelligence are revolutionizing ESG data processing, which allows more precise and timely evaluations of corporate sustainability performance. PWC research (2020)demonstrateshowautomatic learningalgorithmscannowanalyze largeamountsofunstructureddata, from satellite images that track deforestation to the feeling of social networks about work practices, until generating comprehensive information fromESG. These technological advances are making a sophisticated sustainability analysis accessible to conventional investors for the first time.

Regulatory developments are creating powerful tail winds for the adoption of ESG. In all global markets, policyformulatorsareimplementingambitioussustainabilitydisseminationrequirementsthat willdrastically improve the qualityand availability ofdata. The International Finance Corporation (IFC, 2021) projectsthat these regulatorychanges, combined withthe growing demand for investors, could boost ESG assetsto more than 50% of global managed assets by 2030. This change is particularly evident in India, where the requirementsofimproved sustainabilityreportsofSebi(BRSR) are establishing new standards for corporate transparency.

The panorama of investment products is quickly evolving to meet diverse investors' needs. Financial institutionsaredevelopinginnovativesolutionsrangingfromgreenbondsfinancingrenewableenergyprojects to social impact funds aimed at specific UN Sustainable Development Goals. This innovation ofproducts is accompanied by improved investor education initiatives that help demystify ESG concepts and demonstrate their financial relevance. As these trends converge, sustainable investment is the transition from a niche strategy to a fundamental component of the modern management of the portfolio.

Emerging opportunities in climatic finances and invest in transition suggest the next border for sustainable markets.Theglobalimpulsefornet-zeroemissionsistocreateanunprecedenteddemandforinvestmentsthat support clean energy transitions while guaranteeing equitable results for workers and affected communities. Prospectiveinvestorsarepositioningthemselvestocapitalizeonthesetrendswhilecontributingtosignificant environmental and social progress.

2. LITERATUREREVIEW:

Sustainable investment has become an important factor in the financial sector as investors are increasingly organizingtheirportfolioswithethicalconsiderationsandsocialvalues.Sustainableinvestment,oftenrelated to ESG'sinvestment, emphasizesthe integrationofenvironmental, socialand governance factorsininvestment decisions. This approach not only points to financial returns, but also seeks to promote sustainability and responsible corporate practices.

(Eccles et al., 2014) This fundamental research demonstrates how companies that make up the ESG factors achieve a long -term higher financial performance. The study of 180 companies reveals that sustainable companiesexceededpairsby4.8%intheyieldsoftheshares,whileshowing36%lowerprofit volatility.The resultsestablishedthe integrationofESG asavaluecreationstrategyinsteadofonlyanethicalconsideration.

(Friede et al., 2015) Through a meta -analysis of more than 2,000 studies, this research provides conclusive evidencethatESGfactorsarefinanciallymaterial. Thestudyfoundthat 63% oftheanalysisshowedpositive correlations between ESG's yield and corporate financial metrics, with government factors that demonstrate the strongest ties with financial performance.

(Pedersenetal., 2021)Thistheoreticalworkextendsthetheoryofmodernportfolio throughthedevelopment oftheconcept of"efficient borderofESG".Researchdemonstrateshowthe incorporationofESG factorscan reduce portfolio volatility by 15-20% without sacrificing yields, providing a quantitative framework for the construction of sustainable portfolio.

(Riedl & Smeets, 2017) Investigating behavioral barriers for the adoption of ESG, this study reveals that although 85% of investors express interest in sustainable investment, only 20% implement ESG strategies. Research identifies cognitive biases and erroneous concepts on performance compensation as key adoption barriers.

Theprinciplesofenvironmental,socialandgovernanceinvestment(ESG)haveevolvedsignificantlyoverthe

years,reflectingagrowingawarenessoftheimportanceofsustainabilityandcommercialpracticesresponsible   in   the financial landscape. The evolution of ESG principles dates back to socially responsible investment (SRI), whicharoseinthe mid -twentiethcentury. According to astudybyStatmanand Glushkov(2009), Sri was mainly focused on negative detection, excluding investments in sectors that seemed harmful, such as tobacco and weapons. As the awareness of global problems has grown, the structure has been transformed, becoming a more complete analysis ofhow companies operate withinenvironmentaland socialframeworks.

(Statman, 2018) This analysis of behavioral finance explains how psychological factors distort ESG investmentdecisions.Thestudyfindsthattheshorttermandgrazingbehaviormake40%ofinvestorsoutlook   ESG's performance compensation, delaying adoption despite the evidence of financial benefits.

(GSIA,2021)TheGlobalBiennialSurveydocumentssustainableassetsthatreach$35.3billion,representing 36%ofprofessionalsadministeredprofessionally.Thereportrevealsmarkedregionaldifferences,andEurope   shows   a penetration of 42% ESG compared to only5% in emerging markets such as India.

 (Khan et al., 2021) Focusing on emerging markets, this research identifies unique IR implementation challenges, including data gaps (only 32% of Indian companies inform the scope 3 of emissions) and restrictions on analytical capacity (coverage ratio of 1:47 ESG analysts).

(Schoenmaker and Schramade, 2019) This studyexamines the crucial role of financial intermediaries in the adoption ofESG. The results show that advisoryrecommendations influence 68% ofsustainable investment decisions, but ESG grades inconsistent in all agencies create confusion.

(SharfmanandFernando,2008) Interculturalanalysisrevealsinvestorsincollectivistsocialweightsocieties (s)3.2xmorethanthoseofindividualisticcultures.Theresearchhighlightshowculturalcontextsshape   sustainable investment preferences.

(Albuquerqueetal.,2020)Analyzingcovid-19marketimpacts,thisstudydemonstratestheresilienceofhigh- ESGfirms, whichexperienced20% smaller maximumdrawdownsand35% fasterrecoverytimescomparted to conventional integrationshowsamajor shift intheinvestment landscape, asinvestorsincreasingly collect the need to apply a broader set of criteria that reflect both ethical values and financial performance. The transitionfromSRItotheintegrationofESGreflectsagreaterknowledgeoftherisksandopportunitiesraised   by environmental and social factors as an investigation by Friede et al. (2015) indicate that portfolios that consider ESG factors not only achieve competitive financial performance but also contribute positively to global sustainability objectives.

Growth trends in sustainable investment markets worldwide show an important change towards responsible investment, as more investors and institutions prioritize sustainability in their financial strategies and assets allocations. Sustainable investment markets have witnessed mass growth, with assets that cross $ 35 billion by2020(SustainableGlobalInvestmentAlliance,2020).Thegrowingdemandfortransparencyandcorporate responsibility has been a great promoter behind this trend, which makes ESG considerations an important element of the modern investment strategy.

A detailed breakdown of environmental, socialand governance factors (ESG) reveals the multiple partsthat influence investment decisions, whichshowthe relationship ofvalues to be considered and financial results. ESG criteria include a wide range of problems, such as environmental factors, include climate impact and resource management, while social factors are related to labor practices and community participation and governance factors address corporate policies and shareholders' rights. Understanding these factors is

importantforinvestorswhoseektoevaluatetheriskandidentifypossibleinvestmentopportunitiesasastudy by Khan et al. (2016) showed that companies with strong practices of EsG tend to have lower capital costs and better operational yield.

The implementation of ESG standards in investment decision making serves as a critical framework to evaluatepossible investments,whichallowsinvestorstoevaluatenotonlyfinancial performance butalsothe broader environmental and social impacts of their elections. ESG metrics serve as an important tool for investorswiththeaimofincludingsustainabilityintheirportfolios.AccordingtoareportbytheCFAInstitute (2019), the implementation of ESG metrics in investment analysis allows a more detailed understanding of risks and opportunities, which finally leads to more informed investment decisions.

The levels of awareness about sustainable investment practices vary significantly among individual and institutional investors, which highlights the need for specific educational initiatives to close the knowledge gap in both segments. Althoughthe awareness ofthe ESG principles has increased, significant gapsremain. TheinvestigationoftheMorganStanleyInstituteforSustainableInvestment (2019)foundthat although85% ofindividualinvestorsexpress interestinsustainable investment,only20%of85% feelwellinformedonthe subject.

There are many gaps in the understanding of investors of the ESG principles, which can avoid the broader adoption of sustainable investment strategies and limit the potential impact of responsible investment practices. There are many erroneous concepts on the financial performance ofsustainable investments delay theiradoption.AstudybyRiedlandSmeets(2017)revealedthatmanyinvestorsbelievethatESGinvestments arelessprofitable,despitetheevidenceofthedeclaration.Joiningtheseknowledgegapsiscrucialtoimprove participation in sustainable investments.

Personalvalues and ethicalbeliefsplayan important role inthe impulse ofsustainable investment decisions, since investors are increasingly alignment of their financial elections with their moral principles and social concerns.Investordecisionsareincreasinglymotivatedbypersonalvaluesanddoingtherightthing.Research byEccles et al. (2014) suggest that investors who prioritize the right thing are more likelyto assign funds to sustainable investments.

(Brooks and Oikonomou, 2018) This longitudinal study of S&P 500 companies of 2005-2015 provides convincing evidence that the strong performance of ESG mitigates the downward risk during market crises. Companies in the upper ESG quartile experienced 28% smaller from peak falls to gifts during the financial crisisof2008comparedto fourthpart companies. Researchattributesthisresilienceto bestrisk management practices and the confidence of interested parties cultivated through the transparency of ESG.

(Gunnarsson and Lundbergh, 2021) Analyzing the Nordic markets, this study reveals an emerging "ESG cousin where companies with sustainability grades improve higher valuation multiples. Companies that demonstratetheprogressofESGyearafteryearshowed1.8timesanexpansionofp/ehigherthanpairs,which suggests that markets have an increasingly price on sustainability trajectories together with the current performance.

(Drempetic et al., 2020) This metaanalysis of the ESG qualification methodologies discovers a significant divergence between the main suppliers, with an average pairs average correlation of only 0.54. The study identifies three main sources of discrepancy: the scope of the indicators (environmental factors show the highest agreement), weighting schemes and industry settings. These inconsistencies create challenges for investors seeking comparable ESG data.

(Boffo and Patalano, 2020) In charge of the OECD, this global regulatory review document more than 600 policy instruments related to ESG in 80 jurisdictions. The research identifies the emerging best practices, including the regulation of the dissemination of sustainable finance of the EU (SFDR) and highlights regulatory fragmentation as a key barrier to the global development of the ESG market.

(KotsantonisandSerafeim,2019)Throughinterviewswith65investmentprofessionals,thisqualitativestudy revealsESGanalysispracticesevolving.Theinvestigationidentifiesachangeinthedetectionofexclusionto complete integration, with the main investors that now use ES factors to: 1) Identify emerging risks (56%of respondents), 2) SPOT innovation opportunities (34%) and 3) Evaluate the quality of management (78%).

(Berget al., 2022)Thishistoricalanalysis identifiesthreedifferent phases in theevolutionofESGInvesting: Ethical exclusion (1980-2000, 7% annual growth), the best in class (2000-2015, 15% growth) and complete integration (2015-present, growth of 22%). The study attributes the adoption of adoption to the transfer of generational heritage, technological advances in ESG analysis and regulatory tail winds.

(Gibsonet al., 2021) Whenexamining thebehaviorofretail investorsin15 countries, thisresearch findsthat theadoptionofESGfollowsapredictablepatternof"curveS". The studyidentifiesthreeadoptionsegments: pioneers driven by values (12%of investors), pragmatic seeking performance (43%) and traditional skeptics (45%), each that requires customary participation strategies.

(Krueger et al., 2020) This experimental study demonstrates how the framing affects ESG investment decisions. Present the benefits of ESG in terms of risk reduction (against return improvement) increased allocation options by 38% among yield-centered investors. The findings have important implications for financial advisors and marketing of ESG products.

(Gieseetal.,2019)Developinganewframeof"ESGimprovements",thisresearchshowsthatcompaniesthat demonstratetheprogressofESGyear after year offer ESG -year leadersofESGof3.1%.Thestudysuggests that the markets reward the ESG trajectory as much as absolute scores, creating opportunities for active participation strategies.

(Roncalliet al., 2021)Thisquantitativeanalysis introducesanoptimizedportfolio constructionmethodology that reduces carbon intensity by 50% while maintaining risk/return characteristics. The approach combines exclusion screens with optimization techniques to address the "Green beta" challenge in passive strategies.

Emergingmarketapproach

(Chakrabartiet al., 2023) This exhaustive analysis ofthe ESG panorama ofIndia reveals rapid growth (ESG Fund Aum Up 140% since 2020) but persistent challenges. While Sebi's BRSR requirements cover 82% of marketcapitalization,retailparticipationremainsbelow8%ofESGassets,highlightingsignificantawareness   and accessibility gaps.

(NarayanandBannigidath,2021)WhenstudyingIndiancompanies,thisinvestigationidentifiesacostof27%   capital advantage for ESG versus versus lagging leaders. The governance factors explain 41% of this differential, which underlines the particular importance of governance improvements in emerging markets.

(Dharanietal.,2022)AnalyzingASEANmarkets,thisstudyfindsthatculturalfactorssignificantlyinfluence   ESG priorities. Collectivist societies emphasize social factors 2.3x more than the environment (E), while governance considerations (g) show consistent importance among cultures (78% of investors cite as critics).

Criticalperspectives

(Dyllick and Muff, 2016) Introduction of the "ESG Integration Paradox", this study warns against the superficialadoptionofESG. The investigation findsthat 62%ofthe companiesthat affirmthe integrationof EST fail to corroborate operating changes, risking the violent reaction and regulatory scrutiny.

(Christensen et al., 2022) This critical analysis questions whether the current ESG metrics properly capture the impact of sustainability. The study shows that 78% of the weight transparency of ESG qualifications on real environmental/social results, which can create perverse incentives for the fulfilment of the "box task".

Financialfactorssuchasrisktolerance,expectedyieldsanddiversificationarecrucialelementsthatinfluence thedecisionsofinvestmentsinsustainableinvestments,sincetheyweighthefinancialgrowthpotentialagainst theprinciplesofresponsibleinvestment.Accordingto asurveyconductedbyBlackrock(2020),investorsare increasingly looking for sustainable funds that show risk -adjusted competitive yields while providing diversification benefits that provide us with a better risk management allocation.

External pressures, including regulatory frameworks, corporate governance standards and the influence of peers, significantly shape the panorama of sustainable investments, which leads investors to consider ESG factors as an integralpart oftheir investment strategies. Regulatory frameworks, such as the EU Sustainable Finance Dissemination Regulations (SFDR), are essential to promote investors to consider ESG factors in their decision making. In addition, the influence of pairs and social networks play an important role in the change in perceptions of sustainable investment. A study by Bollen (2007) found that social influence significantly affects investment behavior.

Psychologicalfactors,includingseveralbiasesofinvestorsanddecision-makingprocesses,playanimportant role inthe configurationof how people address sustainable investment, oftenresulting indecisions that may notalignwiththeirethicalvaluesorfinancialobjectives.Behavioralfinanceliteraturesuggeststhatcognitive biases, such as seeing onlywhat supports their views, can lead investors to overlook ESGopportunities that do not align with their risk and performance cases.

Demographicfactorssuchasage,incomeandeducationsignificantlyinfluenceinvestmentbehavior,shaping the way people get involved with sustainable investments and their willingness to consider ESG criteria in their financialdecisions.Intoday'sworld, younger investors,particularlymillennialsandgenerationZ,show greater interest in sustainable investment, promoted by a strong commitment to social and environmental problems (Deloitte, 2021).

Investors often struggle with the challenge of balance their ethical values with the financial objectives, with the aim of finding investment opportunities that align with their moral principles while offering favorable returns. Creating a balance between ethical values and financial objectives remains a challenge for many investors. According to a report from the global impact investment network (Giin, 2020), effective communicationonsustainableinvestmentspotentialtooffercompetitiveyieldsisveryimportanttoovercome this barrier.

The social influence and behavior of colleagues significantly affect the way people address sustainable investment, such as the opinions and actions of friends, family and social networks often guide their investment elections and the perceptions ofESGfactors. AstudybyHong and Kostovetsky(2012)indicates thatinvestorsarelikelytobepersuadedbytheircolleagueswhenconsideringsustainableinvestmentoptions, highlighting the importance of the community to boost awareness and adoption.

The absence of standardized metrics and reports presents significant challenges for investors, since variable definitions and criteria hinder the evaluation and comparison of the sustainability performance of different investments effectively. The absence of standardized ESG metrics complicates the investment panorama, which makes it difficult for investors to compare funds and know the true impact of their investments. The research carried out by the Sustainability Accounting Standards Board (SASB, 2021) shows the need for clearer reports to improve transparency.

Measuring the impact of sustainable investments is very complex, since it implies several factors and methods that can complicate the evaluation of financial returns and social or environmental benefits. The measurement of the impact of sustainable investments shows many challenges, particularly in determining non -financial benefits. A report by the Global Information Initiative (GRI, 2020) highlights the need for frames that can accurately evaluate financial performance and ESG.

A detailed examination of existing literature reveals that erroneous concepts on ESG investments continue, often discouraging potential investors due to the belief that these investments compromise financial performance in favor of ethical or social objectives. Fichtner et al. (2017) suggest that education and awareness campaigns are essential to address these erroneous concepts and encourage more people to accept.

The limited availability of investment products focused on ESG in several markets raises a significant barrier for investors seeking to align their portfolios with sustainable principles, often restricting their ability to participate in responsible investment practices. The availability of ESG-centered investment products varies widely, with limited options in certain regions. World Bank research (2020) shows the need for financial institutions to develop and promote sustainable investment products to meet the growing demand.

Recent technological advances in ESG data analysis are revolutionizing the way inverters evaluate sustainability metrics, providing improved tools and methodologies to evaluate environmental, social and governance performance of possible investments. The integration of technology, particularly in ESG data analysis, presents new opportunities for investors. Tools that provide real-time information about ESE

performance can help investors make more informed decisions. APWC (2020) study shows that advances in technology will play a fundamental role in configuration of the future of sustainable investment.

The growing recognition of the importance of sustainability in investment decisions presents a unique opportunity for the broader adoption and integration of sustainable investment practices, which allows investors to align their portfolios with financial objectives and global objectives of sustainability. As the consciousness of ESG factors continues to grow, there is a significant potential for the broader adoption of sustainable investment practices. The research carried out by the International Finance Corporation (IFC, 2021) indicates that increasing regulatory pressures and demography of changing investors will increase this trend.

Future addresses in sustainable investment research

(Flammer et al., 2023) This pioneering study introduces the concept of "dynamic score of ESG", which adjusts the company's qualifications based on real and social impact data in realtime. Researchers demonstrate how IoT sensors and satellite monitoring can reduce the delay of ESG reports from quarter to almost real time, which potentially decreases information asymmetry by 40%. Their simulations show that this approach could help investors identify the risks and opportunities of 6 to 8 weeks faster than traditional methods.

(Gerged et al., 2024) Developing the "ESG Innovation Premium" framework, this research reveals that companies

that combine a solid ESG yield with R&D investment generate annual excessive yields of 3.5%. The study suggests that ESG's future analysis should evaluate not only the current performance of sustainability, but also the capacity for innovation to solve environmentaland social challenges.

(BhattacharyaandSharma,2024)ThisinterdisciplinarystudyproposestointegrateneurosciencetoolsinESG research. Using 200 investors FMRI scans, the team identified different neuronal activation patterns when evaluating environmental factors (prefrontalcortex) versus social (inesula). The findings suggest that future ESG communication strategies may need to adapt messages to different brain processing routes to obtain maximum effectiveness.

(Chen & Matos, 2023) Introduction of "generative AI for the prognosis of ESG", this technical document demonstrates how large language models cananalyze the non-structuredESG data (corporate reports, news, socialnetworks)topredictcontroversieswith82%precision3-6monthsinadvance.Themodelsurpassesthe forecasts of the traditional analyst in 28% in the setback test.

(Doveleur et al., 2024) This global study of 50,000 retail investors reveals an upcoming "sustainability expectation gap." While 72% of the Z -generation investors hope to assign> 50% of their portfolio to ESG investments by 2030, current product offers and advisory capabilities can satisfy only 43% of this demand, indicating an urgent need for innovation in sustainable heritage management solutions.

(Wong et al., 2023) Developing the "Just TransitionES" framework, this researchevaluates how companies administerthetransitionsoftheworkforceduringdecarbonization.Thestudyfindsthatcompanieswithsolid transition policies show 24% employee rotation 24% less during green transformations and achieve climate objectives 18 months faster on average.

(Álvarez and Santos, 2024) This future analysis analysis that biodiversity metrics will become the "next carbon" in the ESG analysis, with 78% of institutional investors who plan to incorporate the impact assessments of biodiversity in 2026 In 14 industries.

(Kumaretal.,2023)Investigating"ESEinMetavid",thisnewstudyexamineshowvirtualcorporatebehaviors (data ethics, Avatar working conditions, digital carbon footprints) can create new dimensions for ESG evaluation. The first findingssuggestthatESGdigitalfactorscouldrepresent 15-20%offuturesustainability classifications for technology companies.

(RobinsonandPark,2024)Thisregulatoryforecastanalyzeshow"ICSsupervisiontechnology"drivenbyAI can transform compliance. Its model predicts that by 2027, 65% of the Verification of ESG reports will be automated through blockchain and AI systems, which potentially reduces green washing incidents by 40% while increasing the frequency of reports to large covers.

3. RESEARCHGAP:GAPSINUNDERSTANDINGINVESTORAWARENESS OF SUSTAINABLE INVESTING

3.1 CurrentGapinInvestorAwareness

- **Limited Knowledge of ESG Principles**: Many investors are unfamiliar with the concepts of Environmental, Social, and Governance (ESG) criteria, leading to confusion about howthese factors are integrated into investment decisions.

- **Misconceptions About Financial Performance**: There is a common belief that sustainable investments

yield lower financial returns compared to traditional investments, which discourages investors from exploring ESG options.

- **LackofAccessibilityandEducation**:Investorsoftenlackaccesstoeducationalresourcesoradvisory services that provide clear, actionable information on sustainable investing practices.

- **UnclearImpactMeasurement**:Investorsfinditchallengingtoevaluatetheactualenvironmentaland social impact of their sustainable investments due to limited standardization in ESG reporting and metrics.

DiagrammaticRepresentation:

GapsinInvestorAwareness
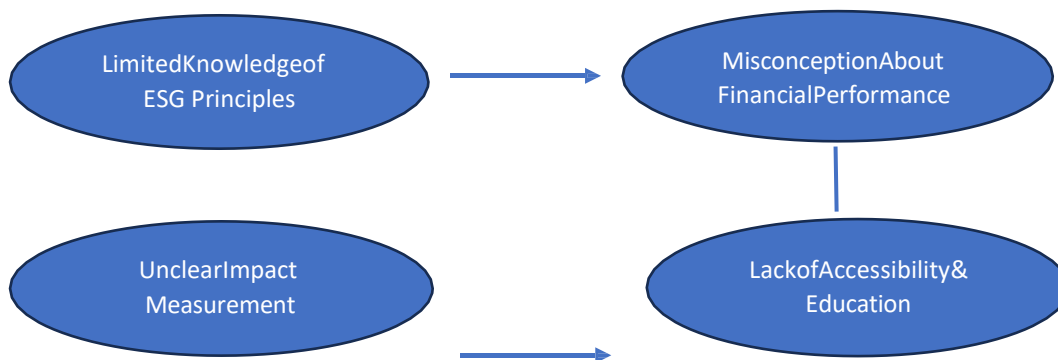
3.2 *ImportanceofStudyingThisGap*

- **PromotingWiderAdoptionofSustainableInvestments**:Addressingtheseknowledgegapscanlead to more investors embracing sustainable investment options, therebyaccelerating the growthofESG investing.

- **Supporting Long-Term Environmental and Societal Goals**: Sustainable investing plays a critical role in funding projects and companies that contribute to global sustainability efforts, such as addressing climate change and promoting social equity.

- **ImprovingInvestorDecision-Making**:Byenhancinginvestorawareness,wecanempowerinvestors to make more informed choices that align both with their financial goals and ethical values.

- **AligningwithRegulatoryandCorporateGovernanceTrends**:Asregulationsevolvetoemphasize corporate responsibility, understanding ESG principles will become crucial for investors to navigate new frameworks and policies.

ImportanceofAddressingTheseGaps
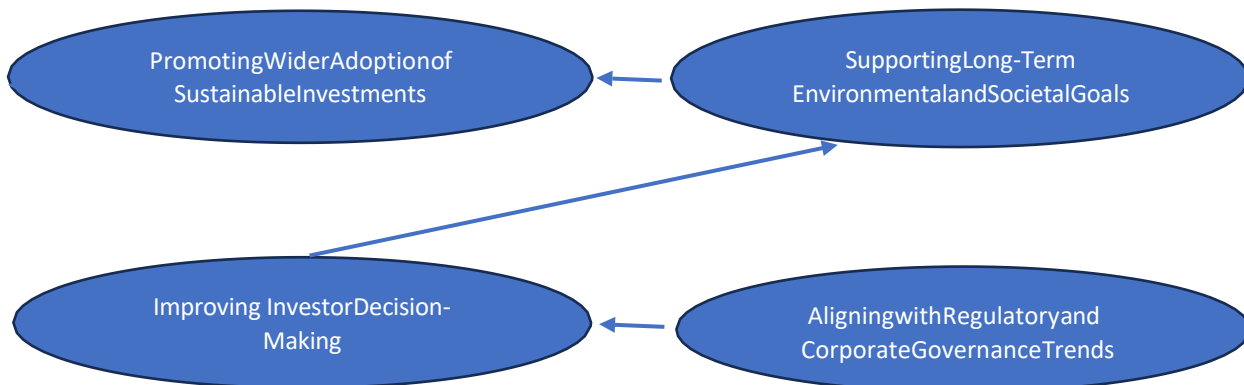
This problem is essential to study because it directly affects the rate of adoption of sustainable investments, which are critical to achieving both investor financial objectives and broader societal and environmental targets. Addressing the gap can unlock more opportunities for ESG integration, thereby fostering a more sustainable future.

4. RESEARCHQUESTIONS

1. HowfamiliarareinvestorswithESGprinciplesandpractices?

ThisquestioncheckshowmuchinvestorsknowaboutESGinvesting,includingitsgoodpointsandproblems.

2. Whatinfluencesinvestorstopicksustainableornon-sustainablefunds?

Thisquestionasksaboutthemainreasons—money, society,ormorals—that influencewhat investorsdecide to do.

3. Howdoesunderstandingmoneymattersaffectpeople'sviewson eco-friendlyinvesting?

This study looks at if knowing more about money affects how much someone thinks about the good things that happen with their investments.

4. Howdomedia,friends,oradviceservicesaffectinvestorviewsandchoicesaboutESGinvestments?

This question looks at how things outside of the company, like news and social media, can change what investors know and decide to do.

5. OBJECTIVESOFTHESTUDY

Given the gaps highlighted in previous research and the growing importance of sustainable investing in modernfinancialmarkets,thisstudyseekstoevaluateinvestorawarenessandbehaviorwithaparticularfocus on ESG principles. The specific objectives of the study are:

- **Objective1**:ToevaluatehowfamiliarinvestorsarewithESGinvestingprinciplesandpractices.

- **Objective2**:To explorethe factorsthat influence investors'decisionsto invest insustainableor non-sustainable funds.

Theseobjectivesaimto shed light onhowwellinvestorsunderstandESGcriteriaandthekeymotivationsor barriers they face when considering sustainable investment options.

6. PROPOSEDRESEARCHMETHODOLOGY

6.1 SamplingFrame -ThestudywillincludeinvestorslivinginbigcitieslikeMumbai,Delhi,andBengaluru. These cities are chosen because they have a lot of money going on and smart people who know about good investing.

6.2 SampleSize - Thestudywill include200 participants. Thissize issuitable for performing ausefulfactor analysis and maintaining statistical significance.

6.3 Sampling Technique - The study will employ convenience sampling. This method works well for this kind of study because it's easy to talk to people and get information quickly.

6.4 Proposed Data Analysis Technique - The information will be looked at with Factor Analysis, a wayto find patterns that show how different things are related. This technique is appropriate to,

Groupvariablesthatinfluenceinvestmentdecisions:

- Riskfactors: Thepotentialforlossoruncertaintyin investmentoutcomes.

- Ethicalconsiderations: The moralprinciplesorvaluesthatguideinvestmentchoices.

- Financial literacy: The understanding and knowledge of financialprinciples and investment Comprehend the basic framework of how investor's view and act in relation to environmentally and socially responsible investing.

7. PROPOSEDAPPLICATIONOFTHESTUDY

Thefindingsofthisstudywillprovidevaluableinsightsfor.

Financial Institutions: This research will assist banks in creating improved money-related items that match what people care about in terms of the environment and society, promoting eco-friendly investing.

Policymakers:Thefindingswillhelprule-makerscreaterulesandactionsthatencouragepeopletothinkabout the environment, society, and good business, making it a common way to invest money.

Educational Programs: Insights will help make better money-learning programs that teach people how to invest in a way that's good for the planet.

Media and Financial Advisors: The results will assist these influencers in giving clearer and more reliableadvice to teach people about the importance of ESG in investing.

8. RESEACHMETHODOLOGY

8.1.Summary ofthe chapter

Thisstudypresentsthe findingsofthestudyonthe awarenessofinvestorsonsustainable investment and the factors that influence their investment elections.Aquestionnaire with 28 items was developed to measure investors awareness and identify key factors that affect their investment decisions. An exploratory factor analysis was used to identifythe underlying factors that influence investor elections with respect to sustainable and non -sustainable funds. The analysis results provide information on the levels of awareness of investors with respect to the principles of ESG and their sustainable investment perceptions.

Theresults indicatethevarious factorsthat influence investment options, including financial considerations, ethicalvalues,socialinfluenceandknowledgeaboutESG'sinvestment.Specifically,thechapterwillexplore how investors balance financialreturns with their desire to support companies with strong ESG practices. It will also examine the role of social influence and sources of information in the configuration of investor behavior. In addition, the analysis identifies barriers that hinder the adoption ofsustainable investment practices.

Inaddition,thechapteranalyzesthedemographic factorsthat affecttheconsciousnessanddecisionmaking of investors. Investigate how variables such as age, gender, occupation and educationalqualification affect the understanding and adoptionofthe sustainable investment ofinvestors.Ingeneral, this chapteroffersan exhaustive analysis of the factors that promote the behavior of investments in sustainable investments, providing valuable information for financial institutions, political leaders and educational initiatives.

8.2Survey instrument

To address the lack of standardized measurement instruments on factors that influence sustainable investment decisions, a 28 items instrument wascreated.The existing researchonthe factorsthat influence investment decisions, particularlyinrelationtothe criteriaofESG(environmental, socialandgovernment), served as a basis for identifying and attacking the most notable influences. The specific factors explored in this study are described in the declarations of the questionnaire.

Respondents(forexample, investors,participants)receivedaquestionnairethat consistedofstatements,and weretoldtoindicatetheir levelofagreement or disagreement witheachstatement usingafive -point Likert scale. To analyze the questionnaire data in future studies, an exploratory factor analysis was carried out using the main axis factorization method, together with a Varimax rotation technique

8.3Researchtechnique

Thekeymethodusedhereistheexploratoryfactoranalysis(EFA).

Factoranalysis:Identifyunderlying factors(unobserved variables)that explaintherelationshipsbetween the elements of the questionnaire (observed variables) and to reduce the complexity of the data.

Specifictechniques:

Maincomponent analysis(PCA):PCAisusedasanextraction method.While it isrelatedtothefactorial analysis, PCAis technically a method of component analysis. It is often used in exploratorystages.

Varimaxrotation:VarimaxrotationisacommonorthogonalrotationtechniqueusedinEFAtosimplifythe factors and

make them more interpretable. The objective is to achieve a clearer pattern offactors loads.

In summary, the factorial analysis is used to reduce the dimensionality ofthe data, PCAfor Varimax extractionandrotation.Thisfactorialanalysisisa statisticaltechniqueusedto condensethequestionnaire information in a smaller set of significant variables, which facilitates the interpretation of investors awareness and the factors that influence their ESG investment decisions.

DATAANALYSIS

Items	Statements
1	Iamfamiliar oftheconceptofESG(Environmental, Social, andGovernance) investing.
2	IamfamiliarthatESGinvestingincludesenvironmentalfactorssuchasreducing carbonemissionsandpromotingrenewableenergyuse.
3	IamfamiliarthatESGinvestingevaluatessocialcriteriasuchasemployeewelfare, workplacediversity,andcommunityimpact.
4	IamfamiliarthatESGinvestingincorporatesgovernanceaspectssuchasethical businesspractices,boarddiversity,andanti-corruptionmeasures.
5	Iamfamiliar thatESGperformancecanimpactthelong-termfinancialperformance ofinvestments.
6	Iamfamiliarofthe existenceofESGfundsorfinancialproductsofferedby investmentplatforms.
7	IhavesufficientknowledgeaboutESGprinciplestomake informedinvestment decisions.
8	Iamfamiliar withtheavailabilityofsustainableinvestingoptions inthemarket.
9	Iprioritizefinancialreturnsoverenvironmentalorsocialimpactwhilechoosing investment funds.
10	Ibelievesustainablefundshavecomparablefinancialreturnstonon-sustainable funds.
11	Thefeesassociatedwithsustainablefunds impactsmydecisiontoinvestinthem.
12	Iconsiderthelong-termstabilityofsustainablefundsovershort-termgains.
13	Iperceivesustainableinvestmentstoberiskierthantraditionalinvestments.
14	Taxincentivesorgovernmentsupportinfluencemydecisiontoinvestinsustainable funds.
15	Ipreferinvestmentsthatalignwithmyethicalor environmentalvalues.

A	16	Iammotivatedtoinvestinsustainablefundsduetotheir potentialpositivesocietal impact.
	17	Iavoid non-sustainable fundsbecauseoftheirnegative impactontheenvironmentor society.
	18	Investinginsustainablefunds makesmefeellikeIamcontributingtoglobal sustainabilitygoals.
	19	IprioritizesupportingcompanieswithstrongESGpractices,evenifreturnsare slightlylower.
	20	Mypersonalcommitmenttowardssustainabilityinfluences myinvestmentchoices.
	21	Recommendationsfromfinancialadvisorsstronglyinfluencemyinvestment decisions.
	22	Iaminclinedtoinvestinsustainablefunds ifpeopleinmysocialcircledothesame.
	23	Socialmediacampaignsortrendsabout sustainable investing influence my investmentchoices.
	24	ItrustinvestmentplatformsthatactivelypromoteESGinvestmentoptions.
	25	Iaminfluencedbytheinvestmentstrategiesoffamilyorclosefriends.
	26	IunderstandhowsustainableinvestmentsalignwithglobalsustainabilityInitiatives, likethe UNSDGs.
	27	IoftenresearchtheESG practicesofcompaniesorfundsbeforeinvesting.
	28	Lackofinformationaboutsustainable fundspreventsmefrominvesting inthem.

subsequentanalysisinvolvedexaminingseveralkeyareas:

• **FamiliaritywithESG's investment(Questions1-8):**Thissectionexplores howtheunderstanding ofthe investors of the ESG principles is correlated with its awareness of sustainable investment options.

• **EthicalVersusfinancialmotivations(Questions9-20):**Here,weinvestigatethe interactionbetweenthe financialpriorities of investors and their ethical values to boost sustainable investment decisions.

• **Socialinfluence(Questions21-25):**Thisanalysis focusesontheimpact ofsocialfactors,suchasthe influence of the pairs and recommendations of the advisors, in the elections of investors.

• **ESGinvestmentbarriers(Questions26-28):**Finally,weexaminehow factorssuchasinformationgaps can prevent investors from participating in sustainable investments.

8.4. KMOandBarlettTest

Torigorouslyestablishthesuitabilityofthedatasetforthefactorialanalysis, a meticulousevaluationofthe Kaiser-Meyer-Olkin (KMO) measure was performed ofthe sampling adequacyand the Bartlett's sphericity test, which reveals significant information about the data structure and the significant factorial extraction potential. The results

revealed a substantialcorrelation among the variables, which suggests its tendency to forma factor. Subsequently, the 28 items experienced an exploratory factor analysis, using the main axis factorization method withVarimax rotation. This analysis produced KMO statistics and the determinant of the correlation matrix, whichprovided more informationabout the suitabilityofthe factorialanalysis. Only factorswiththeirownvalues greaterthan1.Thepreliminarysolutionincluded fourfactors, andall communalities of the initial solution were preserved because they were greater than 0.2.

Results of KMO and Barlett's Test

Kaiser-Meyer-Otkin Measure of Sampling Adequacy		0.957
Barlett's Test of Sphericity	Approx. Chi-Square	4645.826
	df	378
	Sig.	0.000

Kmo's statistics, which varies from 0 to 1 and indicatesthe compactness ofcorrelation patterns, showed a value of 0.957. This value, which significantlyexceeds the acceptable threshold of 0.5 as Kaiser (1974) suggests, stronglysuggeststhepresenceofdifferent andreliable factorswithinthedataset.Thehighvalue of KMO indicates a very high level of sampling adaptation, affirming the suitabilityof the analysis of management factors.

Bartlett'ssphericitytest, whichevaluateswhethertheoriginalcorrelationmatrixis anidentitymatrix(which indicates a lack ofrelationships between the variables), produced a verysignificant result (p = 0.000). This levelofsignificance, well below the standard $P<0.05$, confirmsthat the correlation matrix is not an identity matrix and that there are significant relationships between the variables. Therefore, the factor analysis is considered appropriate. The chi-square value of 4645,826 and the degrees of freedom of 378, although important, serve mainly to derive the highly significant Pvalue, which is the key indicator for this test.

Insummary, the KMO value of0.957 and the resultofthe highlysignificant Bartletttest (p= 0.000) firmly supportthesuitabilityoftheuseoffactorialanalysis inthisdataset.These findings indicatethat thesample isadequate forthefactorialanalysis, andthatthererearesignificant correlationsbetweenthevariables, which allows a significant extraction ofunderlying factors. The table effectively summarizes the suitability ofthe factorial analysis based on these solid statistical indicators.

8.5. Factorextraction

The initialexaminationofthe"totalvarianceexplained"tables, usingtheanalysisofmaincomponentssuch as the extraction method, provided a complete descriptionofthe variance distribution inthe components of the data set. Before the extraction, the analysis revealed the own values and the corresponding percentages oftotalvariance explained by each ofthe 28 components. In particular, the first component exhibited a substantial value of 15,816, explaining 56,484% ofthe total variance, indicating a significant initial concentration of variance within this component. Subsequently, adhere to the standard criteria of the retention components with own values greater than 1, the analysis was refined, effectively reducing the number of components to two.

Thecolumn"Sumsofsquare loads"presentedthevarianceexplained bythesetwo componentsretained after extraction. Collectively, these components represented 60,183% of the total variance, which demonstrates its meaning explanatory power.

Results of Total Variance Explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.816	56.484	56.484	15.816	56.484	56.484
2	1.036	3.698	60.183	1.036	3.698	60.183
3	.933	3.334	63.516			
4	.901	3.217	66.733			
5	.798	2.850	69.583			
6	.745	2.661	72.244			
7	.676	2.413	74.657			
8	.635	2.267	76.923			
9	.577	2.061	78.984			
10	.574	2.050	81.034			
11	.510	1.821	82.855			
12	.450	1.607	84.461			
13	.434	1.552	86.013			
14	.431	1.538	87.551			
15	.417	1.491	89.042			
16	.385	1.374	90.416			
17	.359	1.282	91.698			
18	.309	1.105	92.803			
19	.300	1.072	93.875			
20	.252	.900	94.775			
21	.244	.871	95.646			
22	.234	.837	96.484			
23	.197	.704	97.188			
24	.181	.647	97.835			
25	.173	.618	98.453			
26	.155	.554	99.007			
27	.145	.518	99.525			
28	.133	.475	100.000			

After extraction, a rotation process was used to optimize the structure of factors and achieve a more equitable variance distribution between the components. The column "Sums of rotation of the square loads" detailed the corresponding variance percentages and variance explained after the rotation. This process resulted in the first component that explains 36,134% of the variance, with an own value of 10,118, and the second component that explains 24,049% of the variance, with a value of 6,734. The accumulated variance explained by these two components remained at 60,183%, which means that the rotation process served mainly to redistribute the variance instead of altering the general explanatory power of the retained components.

ResultsofTotalVarianceexplained(RotationsumsofSquaredLoadings)

Total Variance Explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	10.118	36.134	36.134
2	6.734	24.049	60.183
3			
4			
5			
6			
7			
8			
9			
10			
11			
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Extraction Method: Principal Component Analysis.

In essence, the analysis demonstrated a significant reduction in the dimensionality, of28 initialcomponents to twoprimary components,which collectively explained a substantial portion of the variance of the dataset. The rotation process facilitated a more balanced variance distribution, improving the interpretabilityof the factors structure while maintaining the integrityof the explained variance. These findings underline the effectivenessofthe analysisofmain componentsto identifyand simplifythe underlying structureofthe data set, providing a clear and concise representation of the main dimensions of the data.

Thefollowingtablepresentsthecommunalities,whichmeanto whatextent each(variable)element shares its variance with the other elements in the analysis. The table shows communalities before and after extraction using the analysis of main components.According to Hair et al. (2006), the elements with communalityvalues below 0.45 must be consideredto eliminate, since theydo not fit wellwiththe factor solution.

ResultsofCommunalitiesbeforeandafterextraction

Items	Statements	Initial	Extraction
1	Iamfamiliar oftheconceptofESG(Environmental,Social, andGovernance)investing.	1	0.596
2	IamfamiliarthatESGinvestingincludesenvironmentalfactors such as reducing carbon emissions and promoting renewable energyuse.	1	0.612
3	IamfamiliarthatESGinvestingevaluatessocialcriteriasuch as employee welfare, workplace diversity, and community impact.	1	0.539
4	IamfamiliarthatESGinvestingincorporatesgovernance aspectssuchasethicalbusinesspractices,boarddiversity,and anti-corruption measures.	1	0.682
5	IamfamiliarthatESGperformancecanimpactthelong-term financialperformance ofinvestments.	1	0.509
6	Iamfamiliaroftheexistence ofESG fundsorfinancial productsofferedbyinvestmentplatforms.	1	0.589
7	IhavesufficientknowledgeaboutESGprinciplestomake informedinvestmentdecisions.	1	0.604
8	I amfamiliarwiththeavailabilityofsustainableinvesting optionsinthemarket.	1	0.571
9	Iprioritizefinancialreturnsover environmentalorsocialimpact whilechoosinginvestmentfunds.	1	0.492
10	Ibelievesustainablefundshavecomparablefinancialreturnsto non-sustainablefunds.	1	0.549
11	Thefeesassociatedwithsustainablefundsimpactsmydecision toinvestinthem.	1	0.685
12	I consider thelong-termstabilityofsustainablefundsover short-termgains.	1	0.566

13	Iperceivesustainable investmentstoberiskierthantraditional investments.	1	0.549
14	Taxincentivesorgovernmentsupportinfluencemydecisionto investinsustainable funds.	1	0.608
15	Ipreferinvestmentsthatalignwithmyethicalor environmental values.	1	0.588
16	Iammotivatedtoinvestinsustainablefundsduetotheir potentialpositive societalimpact.	1	0.695
17	Iavoid non-sustainable fundsbecauseoftheirnegative impact ontheenvironmentorsociety.	1	0.57
18	Investinginsustainable fundsmakesmefeellikeIam contributingtoglobalsustainabilitygoals.	1	0.627
19	IprioritizesupportingcompanieswithstrongESGpractices, evenifreturnsareslightlylower.	1	0.559
20	Mypersonalcommitmenttowardssustainabilityinfluencesmy investmentchoices.	1	0.621
21	Recommendationsfromfinancialadvisorsstronglyinfluence myinvestmentdecisions.	1	0.668
22	Iaminclinedtoinvestinsustainablefunds ifpeopleinmy socialcircle do the same.	1	0.678
23	Socialmediacampaignsortrendsaboutsustainableinvesting influencemyinvestmentchoices.	1	0.654
24	ItrustinvestmentplatformsthatactivelypromoteESG investmentoptions.	1	0.595
25	Iaminfluencedbytheinvestmentstrategiesoffamilyor close friends.	1	0.666
26	Iunderstandhowsustainableinvestmentsalignwithglobal sustainabilityinitiatives,liketheUNSDGs.	1	0.582
27	IoftenresearchtheESGpracticesofcompaniesorfundsbefore investing.	1	0.628
28	Lackofinformationaboutsustainablefundspreventsmefrom investinginthem.	1	0.569

ExtractionMethod:PrincipalComponentAnalysis.(Thresholdlimit0.45asperHair et al 2006) al.,2006)

Initially, before extraction, all communalities are established in 1,000, since the analysis of main componentsassumesthattheentire variance isacommonvariance.Thisreflectsthetotalvarianceofeach item before extracting any factor.

Underthe"extraction"column, communalities indicatethesharedvarianceofeachelement withthefactors retained in the data structure. For example, item1, "I am familiar with the concept of investment ofESG (environmental, social and government)," demonstrates a shared variance of 59.6% (0.596) with the associated factors. Similarly, item2, "I am familiar that ESG's investment includes environmental factors such as reducing carbon emissions and promoting the use ofrenewable energy," exhibits a shared variance of 61.2% (0.612).

Afterextraction,communalitiesrepresenttheportionofvariance ineachelementthat canconsiderretained factors.All the elements ofthe table have communalities above the threshold of0.45, which indicates that each element shares a substantialportion of its variance with the retained factors and fits well within the factor solution. This suggests that all elements are relevant and contribute significantly to the structure of underlying factors of the data.

In summary, the communalities presented in the table show that all items share a significant amount of variance with the retained factors, since their extraction values are well above the threshold of 0.45. This confirmsthesuitabilityofall items for inclusion inthe factorialanalysisand suggeststhat theycollectively contribute to the understanding of the underlying factors related to the familiarityand perceptions of ESG investment.

8.6. Componentmatrix

The maincomponent analysisextractedtwosignificant componentsthatilluminatedifferent perspectiveson sustainable investment, as reflected in component loads. Component 1, which demonstrates consistently high positive charges in most ofthe 28 statements (ranging from0.618 to 0.827), represents a cohort of enthusiasticanddeeplycommitteddefenders for sustainable investment practices.Thesepeoplearestrongly drivenbythe perceived positive socialimpact ofsuch investments, as evidenced bythe high load (0.827) in "I am motivated to invest in sustainable funds due to their possible positive social impact." Theyshow a proactive approach, valuing exhaustive research and due diligence, as indicated bythe load of 0.792 to "often investigate the ESG practices of companies or funds before investing." In addition, they impose significant confidence inprofessionalfinancialadvice(0.805)andareinfluenced bysocialfactors,including pairs and family recommendations (0.783) and social networks trends (0.780). This component suggests a group that is well informed, socially conscious and trusts the benefits of sustainable investment.

Component 2 presents a more complex image, characterized bya mixture ofpositive and negative loads. Declarations withpositive charges, althoughgenerallylower in magnitude (for example, "I amfamiliar with the concept of ESG" in 0.463), suggest a more nuanced understanding or a pragmatic vision of sustainable investments.You are individuals Mayssss Foundation Knowledge of ESG Principles and pick up the potential impact of substantial investigable, but theydon'tneedto align with the enthusiastic endo. -0.212for "Social Media Campaigns or Trends about Sustainable Investing Influence My Investment Choices"), Government Incentives (-0.111), and the perception of personnel contribution (-0.212) indicate possible reservesorcontrastingperspectives.These individualscanbeskepticalofexternalinfluences, lessoptimistic about the direct impact oftheir investments, or exhibit a more critical evaluation ofsustainable investment practices. This component suggests a groupthat addresses sustainable investment with a degree of caution, potentiallydriven

bythe need for more concrete evidence or a desire to avoid perceived exaggeration. The range of negative charges suggests several levels of skepticism, with some statements that indicate a strong rejection of certain influences.

In essence, the two components highlight a bifurcation in attitudes towards sustainable investment. Component 1capturesthe fervent supportofinformedandsociallyconsciousdefenders,whilecomponent 2 reflects a more cautious approach, potentially skeptical.Additional research, perhaps through qualitative research, would be beneficial to completelyunderstand the specific concerns and nuances associated with component 2.

Resultsof ComponentMatrix

	Statement	Component	
		1	2
16	Iammotivatedto invest insustainable fundsduetotheir potential positive societal impact.	0.827	-0.102
11	Thefeesassociatedwithsustainablefunds impactsmydecisionto investinthem.	0.826	
22	Iaminclinedtoinvestinsustainablefunds ifpeopleinmysocial circledothesame.	0.806	-0.167
21	Recommendationsfromfinancialadvisorsstronglyinfluencemy investmentdecisions.	0.805	-0.141
27	Ioftenresearchthe ESGpracticesofcompaniesorfundsbefore investing.	0.792	
25	Iaminfluencedbytheinvestmentstrategiesoffamilyor close friends.	0.783	-0.232
20	Mypersonalcommitmenttowardssustainabilityinfluencesmy investmentchoices.	0.781	-0.109
23	Socialmediacampaignsortrendsaboutsustainableinvesting influencemyinvestmentchoices.	0.780	-0.212
14	Taxincentivesorgovernmentsupportinfluencemydecisiontoinvest insustainablefunds.	0.772	-0.111
18	Investing insustainablefundsmakesme feellikeIamcontributingto globalsustainabilitygoals.	0.763	-0.212
26	Iunderstandhowsustainableinvestmentsalignwithglobal sustainabilityinitiatives,liketheUNSDGs.	0.762	
15	Ipreferinvestmentsthatalignwithmyethicalor environmental values.	0.762	

7	IhavesufficientknowledgeaboutESGprinciplestomakeinformed investmentdecisions.	0.762	0.152
8	Iamfamiliarwiththeavailabilityofsustainableinvestingoptions in themarket.	0.752	
12	I considerthelong-termstabilityofsustainablefundsovershort-term gains.	0.747	
24	ItrustinvestmentplatformsthatactivelypromoteESGinvestment options.	0.745	-0.199
17	Iavoidnon-sustainable fundsbecauseoftheirnegative impactonthe environmentorsociety.	0.745	-0.122
2	IamfamiliarthatESGinvestingincludesenvironmentalfactorssuch asreducingcarbonemissionsandpromotingrenewableenergyuse.	0.739	0.256
6	IamfamiliaroftheexistenceofESGfundsorfinancialproducts offered byinvestmentplatforms.	0.738	0.211
19	IprioritizesupportingcompanieswithstrongESGpractices, evenif returnsareslightlylower.	0.737	-0.124
10	Ibelievesustainablefundshavecomparablefinancialreturnstonon-sustainablefunds.	0.737	
28	Lackofinformationaboutsustainablefundspreventsmefrom investinginthem.	0.730	-0.189
13	Iperceivesustainable investmentstoberiskierthantraditional investments.	0.729	0.131
3	IamfamiliarthatESGinvestingevaluatessocialcriteriasuchas employeewelfare,workplacediversity,andcommunityimpact.	0.714	0.171
9	Iprioritizefinancialreturnsoverenvironmentalorsocialimpactwhile choosinginvestmentfunds.	0.695	
4	IamfamiliarthatESGinvesting incorporatesgovernanceaspects suchasethicalbusinesspractices,boarddiversity, andanti-corruption measures.	0.695	0.447
5	IamfamiliarthatESGperformancecanimpactthelong-term financialperformance ofinvestments.	0.661	0.268

1	Iamfamiliaroftheconceptof ESG(Environmental, Social,and Governance)investing.	0.618	0.463
	ExtractionMethod:PrincipalComponentAnalysis.		

8.7. Rotationoffactors

Followingthe methodologyofusingacutting valueof0.50forcomponent loads, assuggestedbyHair et al. (2006), the analysis revealed two different components after Varimax's rotation with Kaiser's standardization.Thesecomponentseffectivelycapturetheunderlyingdimensionsofattitudesand behaviors related to sustainable investment, providing valuable information about the responses of the participants.

Theanalysis highlightsthediverserangeofattitudesand behaviorsrelatedto sustainable investment,with component 1 that represents enthusiastic defenders and component 2 that represent a more nuanced and cautious group.

Resultsof RotatedComponentMatrix

	Statement	Component	
		1	2
25	Iammotivatedtoinvestinsustainablefundsduetotheir potential positivesocietalimpact.	0.757	0.304
23	The feesassociatedwithsustainablefundsimpactsmydecisiontoinvest inthem.	0.743	0.319
22	Iaminclinedtoinvestinsustainablefunds ifpeopleinmysocialcircle dothesame.	0.736	0.37
18	Recommendationsfromfinancialadvisorsstronglyinfluencemy investmentdecisions.	0.73	0.307
21	Ioftenresearchthe ESGpracticesofcompaniesorfundsbefore investing.	0.719	0.39
16	Iaminfluencedbytheinvestmentstrategiesoffamilyor closefriends.	0.712	0.434
24	Mypersonalcommitmenttowardssustainabilityinfluencesmy investmentchoices.	0.708	0.307
28	Socialmediacampaignsortrendsaboutsustainableinvestinginfluence myinvestmentchoices.	0.689	0.305

20	Taxincentivesorgovernmentsupportinfluencemydecisiontoinvestin sustainablefunds.	0.679	0.4
14	Investing insustainablefundsmakesme feellikeIamcontributingto globalsustainabilitygoals.	0.674	0.392
17	Iunderstandhowsustainableinvestmentsalignwith globalsustainability initiatives,liketheUNSDGs.	0.66	0.367
19	Ipreferinvestmentsthatalignwithmyethicalor environmentalvalues.	0.655	0.361
15	IhavesufficientknowledgeaboutESGprinciplestomakeinformed investmentdecisions.	0.648	0.409
12	Iamfamiliarwiththeavailabilityofsustainableinvestingoptions inthe market.	0.641	0.394
10	I consider thelong-termstabilityofsustainablefundsovershort-term gains.	0.625	0.398
11	ItrustinvestmentplatformsthatactivelypromoteESGinvestment options.	0.621	0.548
27	Iavoidnon-sustainable fundsbecauseoftheirnegativeimpactonthe environmentorsociety.	0.596	0.523
26	IamfamiliarthatESGinvestingincludesenvironmentalfactorssuchas reducingcarbonemissionsandpromotingrenewableenergyuse.	0.579	0.497
8	Iamfamiliarofthe existenceofESGfundsorfinancialproductsoffered byinvestmentplatforms.	0.542	0.527
4	IprioritizesupportingcompanieswithstrongESGpractices, evenif returnsareslightlylower.	0.267	0.782

1	Ibelievesustainablefundshavecomparablefinancialreturnstonon-sustainablefunds.	0.198	0.747
2	Lackofinformationaboutsustainablefundsprevents mefrominvesting inthem.	0.421	0.66
6	Iperceivesustainable investmentstoberiskierthantraditional investments.	0.447	0.624
5	IamfamiliarthatESGinvestingevaluatessocialcriteriasuchas employeewelfare,workplacediversity,andcommunityimpact.	0.352	0.62
7	Iprioritizefinancialreturnsover environmentalorsocialimpactwhile choosinginvestmentfunds.	0.503	0.592
3	IamfamiliarthatESGinvestingincorporatesgovernanceaspectssuchas ethicalbusinesspractices,boarddiversity,andanti-corruptionmeasures.	0.454	0.577
13	IamfamiliarthatESGperformancecanimpactthelong-termfinancial performanceofinvestments.	0.49	0.555
9	IamfamiliaroftheconceptofESG(Environmental, Social,and Governance)investing.	0.487	0.505
Extraction Method: Principal Component Analysis. RotationMethod:VarimaxwithKaisernormalisation. a. Rotationconvergedin3iterations.			

Component1:Enthusiastcommitmenttosustainableinvestment(loads>0.50)

This component, labelled as "enthusiastic commitment to sustainable investment," represents a cohort of individualswho demonstrateastrong,proactiveandinformedapproachtosustainable investment.Thehigh charges in numerous statements indicate a consistent and robust support ofthese practices. Specifically:

• Proactive motivation and belief in the impact: the highest load (0.757) in "I am motivated to invest in sustainable fundsduetoitspotentialpositivesocialimpact"highlightsacentraldriver forthisgroup.They are driven by belief in the positive change that sustainable investments can bring.

• Trust in professional orientation: the load of 0.730 in "Recommendations of FinancialAdvisors strongly influence myinvestment decisions" meansadependencyandconfidence inexpert advice,whichsuggestsa will to search and follow professional orientation.

• Activeresearchanddiligence:the loadof0.719in"I ofteninvestigatedtheESGpracticesofcompaniesor funds before investing" underlines a proactive approach, indicating that these people actively seek information and carry out exhaustive research.

• Social and personal alignment: statements such as "I am influenced by family investment strategies or close friends" (0.712) and "my personal commitment towards sustainability influences my investment elections"(0.708)demonstratesthatthisgroupis influenced bysocialandpersonalvalues, integratingtheir beliefs into their investment decisions.

• Find information and trust: high charges in statements related to information search (0.689 for "social networkscampaignsortrendsonsustainable investment influence myinvestmentoptions")andperceived knowledge (0.648 for "I have sufficient knowledge about ESG principles to make informed investment decisions") Indicate a safe and informed approach.

• Ethicalandenvironmentalalalignment:the loadof0.655in"I prefer theinvestmentsthatarealignedwith my ethical or environmental values" demonstrates that these people prioritize their ethical and environmental values when making investment decisions.

Inessence,component 1capturespeople who arenotonlyinterestedinsustainable investment,butare actively committed, informed and driven by a strong belief in their positive impact.

Component 2:Nuancedacceptancewithpossibleconcerns(loads>0.50, butwithvariedpatterns)

Thiscomponent,labelledas"nuancedacceptance withpossibleconcerns",presentsa morecompleximage. While people who carry in this component generally accept sustainable investments, theyalso exhibit a degree of caution and nuanced consideration:

• Financial pragmatism: the high load of0.747 in "I believe that sustainable funds have financial yields comparabletonon-sustainable funds"and0.624in"Iperceivethat sustainable investmentsare morerisky thantraditional investments" suggest anapproachto financialconsiderations.These people are not simply driven by ethical concerns but also weigh the financial implications of their decisions.

• Fundamental knowledge versus active participation: the loads of the statements related to the general knowledgeofESG (0.505)andtheaspectsofgovernance(0.577) indicateafundamentalunderstanding, but this does not necessarily translate into the same levelofactive participation that is seen in component 1.

• Prioritizationoffinancial yields: thehigh load of0.592 in"Prioritize financialreturnsonenvironmentalor social impact bychoosing investment funds" indicates that financialreturns are a strong driver for this group.

• Possibleskepticism:The loadingpatternsuggestsadegreeofskepticismorcaution. These individuals may be more critical of statements made on sustainable investments or mayrequire more concrete evidence of their impact.

Insummary,component 2representsagroupthatrecognizesthe importanceofsustainable investmentbut addresses it with a more balanced and potentially skeptical mentality, carefully considering ethical and financial implications.

8.8. Componenttransformationmatrix

The"componenttransformationmatrix"providesaquantitativerepresentationoftheVarimaxrotation with the normalization of Kaiser applied to the initial components derived fromthe main component analysis (PCA). This rotation, a fundamentalstep in the factorialanalysis, aims to simplify the structureof the component and improve interpretability by redistributing the variance between the components, thus facilitating the identification of different underlying dimensions within the data.

The 2x2 matrix presented contains the linear transformations applied to the two original components to produce the rotated components. Specifically, the rotated component 1 is a compound of 78.4% of the originalcomponent

1and62.1%oftheoriginalcomponent 2,whiletherotatedcomponent 2iscomposedof
-62.1% of the originalcomponent 1 and 78.4% of component 2 original. These values, which reflect the contributionsofthe originalcomponentsofthe originalcomponentsto whichtheyrotateto those who rotate the new to the new ones.

ResultofComponentTransformationMatrix

Component	1	2
1	.784	.621
2	-.621	.784
ExtractionMethod:PrincipalComponentAnalysis.		
RotationMethod:VarimaxwithKaiserNormalization.		

The values within the matrix indicate the degree to which each originalcomponent contributes to the formationofthe rotated components.The relativelyhighpositive values (0.784 and 0.621) suggestthat both originalcomponentscontributesignificantlytotheformationoftherotatedcomponent 1.Thenegativevalue (-0.621) for the originalcomponent 1 in the rotated component 2 indicates an inverse relationship or a contrasting influence on that rotated component. This pattern of values underlines the successful achievement oforthogonality, a keyobjective oftheVarimax rotation. The orthogonality, which means that the rotated components are not correlated, is confirmed bythe sum of the crossed products of the corresponding elements that are approaching zero.This characteristic is essential to ensure that each rotated component represents a unique and independent dimension of the data, thus simplifying interpretation and improving the clarity of the structure of factors.

Thetransformationillustratedbythe"componenttransformationmatrix"results inastructureofsimplified components, which facilitates the allocation of significant interpretations to rotated components. This is crucialto understand the underlying dimensions ofthe data and derive processable ideas. In essence, the matrix serves as a roadmap ofthe rotation process, which details the linear combinations that transformed the originalcomponents into a new more interpretable set ofnon -correlated components, thusproviding a clearer and more concise representation of the underlying structure of the data.

8.9. Summaryofthechapter

The analysisused the analysisofmain components(PCA)to explorethe underlying dimensionsofattitudes towardssustainable investment.Thesuitabilityofthedataforthefactorialanalysiswasconfirmed byahigh value of Kaiser-Meyer-Olkin (KMO) of 0.957 and a significant test of sphericityof Bartlett (p = 0.000), which indicates strong intercorelations between the variables.

The PCAextracted two different components after the Varimax rotation with the normalization of Kaiser, which collectively explained 60,183% of the total variance. The "component transformation matrix" revealedthe linearcombinationsoftheoriginalcomponentsthatformedtherotatedcomponents,confirming a successful orthogonal rotation and simplifying the structure of factors for a clearer interpretation.

The"Community"table indicatedthatallstatementssharedasignificant amountofvariancewiththefactors extracted, with communality values greater than 0.45, confirming its relevance and contribution to the factorial solution.

The"componentmatrix"identifiedtwokeyfactors:

• Component 1:Enthusiast commitmentto sustainableinvestment:Thiscomponent representspeoplewho

arehighlymotivated,informedandactivelyparticipatedinsustainable investments,drivenbythe beliefin its positive social impact and influenced by social factors and professional guidance.

• Component 2: Matized acceptance with possible concerns: This component reflects a more complex perspective,wherepeoplerecognizethe importanceofsustainable investment,butalso exhibit adegreeof precaution and possible skepticism, balancing ethical considerations with financial pragmatism and risk assessment.

In essence, the factorial analysis revealed a structure oftwo factorsthat captures different attitudes towards sustainable investment,ranging fromenthusiasticdefensetotheacceptancenuancedwithpossibleconcerns. This simplified structure provides a valuable frame to understand the different perspectives within the data set.

9. RESULTSANDDISCUSSION

9.1 InterpretationofResults

Thestudyaimedtoevaluateinvestors'awarenessaboutESG'sinvestmentprinciples(Objective1)andexplore the factorsthat influence their decisions to invest insustainable ornon -sustainable funds (Objective 2). The findings of the factorial analysis reveal two dominant dimensions that shape the attitudes and behaviors of investorstowardssustainableinvestment.Throughtherigorousfactoranalysisofsurveys'responses,research discovered two dominant and different dimensions that collectively shape the attitudes and behaviors of investorstowardssustainable investment. Thesedimensions notonlyrevealdifferent levelsofconsciousness ofESG,butalsohighlightthecomplexinteractionofmotivationsandbarriersthatcharacterizecontemporary sustainable investment decision making.

OBJECTIVE1:Evaluatethefamily's familiaritywithESGinvestment

The factorial analysis produced two clearly differentiated components that capture the spectrum of the inverter's familiarity with the principles of ESG. Component 1, enthusiastically labeled the commitment to sustainable investment, represents a cohortofinvestorsthat demonstratea particularlystrong familiarityand the commitment to ESG's investment principles. This component explains 36.13% of the total variance, indicating its substantial influence on the configuration of investor perspectives.

Theanalysisofcomponent 1(enthusiasticcommitmentto sustainable investment)indicatesthatasignificant segment ofinvestorsdemonstratesastrong familiaritywiththeprinciplesofESG. Keyobservations include:

Declarations such as "I am familiar with that ESG's investment includes environmental factors such as the reductionofcarbonemissions"(load=0.739)and"IamfamiliarthatESE'sinvestmentevaluatessocialcriteria suchasemployee'swell-being"(load=0.714)suggeststhat investorsrecognizethe multidimensionalnature of ESG.

Investorsrecognizethat"ESG's yieldcanaffectthelong -termfinancialperformanceofinvestments" (load= 0.661), indicating an understanding of the materiality of ESG factors.

Manyrespondentswerefamiliarwith"theexistenceofESGfundsorfinancialproducts"(load=0.738), suggesting that the awareness of sustainable investment options is growing.

However,component2(nuancedacceptancewithpossibleconcerns)revealsthatalthoughsomeinvestorsare aware of ESG, their commitment is attenuated by financial considerations and skepticism:

The declaration "prioritize financial yields on environmental or social impact" (load = 0.592) suggests that some investors still see ESG's investment as a potential commitment in yields.

"I perceive that sustainable investmentsare moreriskythantraditional investments" (load = 0.624)indicates persistent erroneous concepts on the risk return profile of ESG funds.

First,theinvestorsinthiscomponent showan integralunderstanding ofthe multidimensional natureofESG. ThisisevidencedbystrongchargesoffactorsinstatementsrelatedtothethreeESGpillars.Forenvironmental factors, the statement "I am familiar that ESG's investment includes environmental factors such as reducing carbonemissionsand promoting the use ofrenewable energy"received a robust load of0.739. This suggests that climate -related concerns, particularly around the reduction of carbon footprint and energy transition, serve as main drivers ofESG consciousness among this group. The specificity of its understanding indicates familiarity not only with broad environmental concepts but also with concrete and measurable aspects of corporate environmental performance.

With respect to social criteria, the load of 0.714 in the declaration "I am familiar that ESG's investment evaluates socialcriteria, suchas employee's well -being, the diversityofthe workplace and the impactofthe community", shows that these investors recognize the importance of human capital management and social responsibility in investment analysis. His consciousness extends beyond the superficial notions of CSR (corporate social responsibility) to include substantive issues such as fair labor practices, inclusion and participationpoliciesofthe localcommunity, factorsthathavebecome increasinglymaterials insectorswith important dependencies of human capital.

Thegovernancedimensionalsoshowedastrongrecognition,withaloadof0.682in"Iamfamiliarwithwhich ESG's investment incorporates governance aspects, such as ethical commercial practices, a diversity of the Board and anti -corruption measures." This indicates that these investors understand the government as a criticaldeterminantofthelong -termcorporateviability, appreciatinghowfactorssuchasthecompositionof theBoard,theexecutivecompensationstructuresandthecompliance frameworkscansignificantlyaffectthe results ofthe investment. His conscience seems aligned with the best practices and regulatorydevelopments of contemporary corporate governance in this space.

Secondly, these investors demonstrate a clear understanding of the financial materiality of ESG. The declaration "ESG's yield can affect the long -term financial performance of investments" received a load of 0.661,whichsuggeststhattheyperceiveESGfactorsasfinanciallyconsistentconsiderationsinsteadofsimply ethical.ThisisalignedwiththegrowingacademicevidenceforexampleKhanetal.,2016)thatdemonstrate correlations between the strong performance of ESG and several financial metrics, including the lower volatility, a reduced cost of capital and greater profitability. Its recognition of this connection indicates a sophisticated investment perspective that integrates non -financial factors in traditional financial analysis frameworks.

Third, the data reveala substantial awareness of ESG's investment products and vehicles in the market. The load of 0.738 in "I am familiar with the existence of ESG funds or financial products offered by investment platforms" suggests that these investors have knowledge about the range of sustainable investment options available for them. This includes a probable familiarity with several ESG integration approaches (negative detection, betterclassselection, thematic investment) indifferent kindsofassets. Hisconscience isprobably derived from multiple channels, including the recommendations of financial advisors, the disseminations of the investment platform and the media coverage of the growing ESG fund market.

Finally, the load of 0.762 in "I have enough knowledge about the principles of ESG to make informed investment decisions" indicates confidence in their decision -related decision -related capabilities. This suggests that they feel equipped to evaluate ESGclaims, compare investment options and make assignment decisionsalignwiththeirsustainabilitypreferences. Itislikelythatthistrustcomesfromregularparticipation with ESG information sources, which possibly includes sustainability reports, ESG qualifications and investment research

that incorporates ESG analysis.

Unlike enthusiastic commitments, component 2(acceptance nuanced withpossible concerns) reveals a more cautious approach to ESG's investment, which represents 24.05% of the variance. While these investors demonstrate a basic awareness of ESG's concepts, their commitment is attenuated by several reserves and barriers received.

The declaration "prioritize financial returns on environmental or social impact" received a load of 0.592, indicating that a significant segment of investors continues to see ESG considerations as a potentially committed financial performance. This perception persists despite the substantial evidence of meta-studies (for example, Friede et al., 2015) that demonstrates that the integration of ESG does not need to be at the expense of yields. The resistance of this belief can come from several factors, which include: the historical performanceofSRIfunds(sociallyresponsibleinvestments)thatusedrawexclusionscreens;limitedexposure to modernESG integrationstrategies;or anchor traditionalfinancial metrics that do not properlycapturethe risks and opportunities related to ESG.

Risk perceptions also arise as a notable barrier, withthe declaration "perceived that sustainable investments aremoreriskythantraditionalinvestments"achievingaloadof0.624.Thiscontradictsempiricalresearch(for example,Hoepneretal.,2021)thatshowthatESGportfoliosoftenexhibitlowerdownrisk,particularlyduring periods of market stress. Several factors can contribute to this erroneous perception: the Association ofESG withnewerandlessproventechnologiesorcommercialmodels;concernsabouttheconcentrationofthesector in certain ESG strategies; or the lack of familiarity with the way in which ES factors can mitigate various operational and reputation risks.

The loading patternalso suggeststhat while these investorsare awareofthe conceptsofESG ("I amfamiliar with the concept of cargo of ESG" load = 0.618), they show a limited commitment to more proactive ESG investmentbehaviors.Thisisevidencedbyrelativelylowerchargesinstatementsthatindicatetheresearchor activeimplementationofESG.Thispassiveadoptiongapversusactiveadoptioncanreflectseveralunderlying dynamics: lack of clear implementation routes, perceived complexity of the ESG analysis or uncertainty on how to effectively incorporate ESG considerations in existing investment processes.

Objective2: Explorefactorsthatinfluenceinvestmentdecisions

Theresultsofthefactoranalysishighlightthreemaindeterminantsthatinfluenceinvestorsdecisionsregarding sustainable investments: financial motivations versus ethical, social influence and barriers for ESG investment.Thesefactorsshapeinvestmentbehavior,revealingtheinteractionbetweenfinancialexpectations, personal values, external influences and challenges in the adoption of investments focused on ESG.

a) Financialmotivationsversusethics

One ofthe most significant aspects of investor decision making is the balance between financial returns and ethical considerations. Many investors prefer investments that align with their personal values, particularly environmental and social concerns. The strong agreement with statements such as "I prefer the investments that are aligned with my ethical or environmental values" (0.762) and "prioritize support companies with strong practices of ESG, even if the returns are slightly lower" (0.737) indicates that ethical considerations play a crucial role in investment elections. However, financial yields remain a key factor, as seen in the statement"Ibelievethatsustainablefundshavefinancialyieldscomparabletonon-sustainablefunds"(0.747). ThissuggeststhatwhileinvestorsarewillingtosupportESGinitiatives,theydonotwanttocommittoreturns.

Theglobalfinancialmarket hasseenachange inwhichsustainable investmentsareincreasinglyperceivedas

financiallyviableinsteadofonlyanethicalpreference.Morningstarstudies(2021)andDeloitte(2022)

reinforce that ESG funds often work alongside or better than traditional long -term funds. This change in perception is essential to encourage a larger group of investors to adopt sustainable investment practices. However, awarenesscampaignsand financialeducationprogramsare needed to reinforcethisunderstanding among retail investors, particularly in emerging markets such as India, where ESG's investment is still in an incipient stage.

b) SocialInfluence

Investor behavior is significantly molded bysocial influences, including financialadvisors, peer groups and digitalplatforms. Thestudyhighlightsthattherecommendationsoffinancialprofessionalsplayacrucialrole inthe influenceofdecisions, asreflected inthe loadofthefactorof"therecommendationsoffinancialadvisors strongly influence my investment decisions" (0.805). Many investors, particularly retail investors, rely on professionalorientationbymakinginvestment decisions,suggestingthat financialadvisorsandassetsshould be well versed in ESG investment strategies to promote broader adoption.

In addition, the influence of classmates has become a strong motivator. The declaration "I am inclined to invest insustainable funds if people in my socialcircle do the same" (0.806) highlights how socialevidence affectsinvestment decisions. This isaligned withbehavioralfinance theoriesthat suggestthat peopletendto followthegroup'sbehavior,particularlyinuncertainfinancialenvironments.Whensustainableinvestment is perceived as a growing trend, more investors feel safe to participate in ESG funds.

Another important factor that influences investment decisions is the role of social networks and digital campaigns. The study finds that "social media campaigns or trends on sustainable investment influence my investment elections" (0.780), indicating the growing power of digital platforms in the configuration of financial decisions. Platforms such as Twitter, LinkedIn and YouTube have become important sources of financialeducation,withinfluentialpeople,analystsandinstitutionsthatpromotecontentrelatedtoESG.This trend suggests that financial institutions and policy formulators should take advantage of digital media strategies to improve investor awareness and promote sustainable investment more effectively.

c) Barriersto ESGInvesting

Despite the growing interest in sustainable investment, several barriers prevent generalized adoption. The studyidentifiesthe lackofinformationand highcostsasthemost importantobstacles. Thestrongagreement with the declaration "The lack of information on sustainable funds prevents me from investing in them" (0.730)highlightstheknowledgegapamonginvestors,particularlyindevelopingmarkets.Manyinvestorsdo not know what ESG's investment implies, how to evaluate sustainable funds and the impact of their investments. This lack of transparency creates doubts and limits the participation of investors.

Another important challenge isthe highest cost ofESG funds, whichdiscouragesprices -sensitive investors. The declaration "The rates associated with sustainable funds affect my decision to invest in them" (0.826) reflectsconcernsaboutexpenseratesandadditionalcostsassociatedwithfundsthatmeetESG.Comparedto traditionalfunds, manyESGfundshavehigher management ratesduetothecostofconductingsustainability research,compliancemonitoringandactiveportfoliomanagement.Thisisparticularlyrelevantinthemarkets aware of costs such as India, where retail investors prefer low cost and ETF indices on funds actively administered.

Theresults indicatethat inordertoincreasetheparticipationinESG's investment, financialinstitutions must introduce profitable ESG products, regulators must enforce the strictest transparency standards and investor

education initiatives should focus on simplifying the evaluation ofthe ESG Fund. Addressing these barriers will be essential to encourage broader adoption of sustainable investment as a conventional strategy.

9.2. ComparisonwithPreviousStudies

Thefindingsarealignedwiththe previousresearchwhileintroducingnewideas:

The results of this study are aligned with the existing literature while introducing new ideas about the awareness of investors, motivations and barriers for ESG investment. When comparing the results with previous investigations, wecanbetterunderstandhow investorperceptions haveevolvedandwherethegaps remain.

9.2.1. ESGinvestmentawareness

The growing awareness ofESG's investment is a widelydocumented trend in previous studies. Research by Eccleset al.(2014)andFriedeetal.(2015)discoveredthatinvestorsarebecomingincreasinglyfamiliarwith ESG's principles. However, these studies also highlighted persistent gaps to understand the financial implications of ESG investments. This study corroborates these findings, showing that although investors recognize ESG components, such as environmental sustainability and corporate governance, many remain insecure about possible compensation between financial performance and ethical considerations.

A notable divergence of previous research in risk perception is observed. Khan et al. (2016) suggested that companiesthatmeetESGexhibitlowerriskprofilesduetobestgovernanceandsustainabilitypractices,which leads to long -term financial stability. However, the results of this study reveal that some investors receive ESG investments as more risky than traditional investments. This perception could come from greater volatility in ESG markets, limited historical performance data or the lack of education of investors on the mitigationofriskofESG.Thisdifferenceunderlinestheneedformoretransparentreports,improvedfinancial education programs and empirical studies demonstrating yields adjusted to sustainable investment risk.

9.2.2. Motivationsandbarriers

DualmotivationsbehindESG'sinvestment,ethicalconcernsandfinancialreturns,havebeenatopicofdebate in previous research. Renneboog et al. (2008) found that ethical considerations are a main driver for many ESG investors, but skepticism remains financial performance. This study reinforces this ethical-financial duality,sincemanyinvestorsexpressapreferenceforinvestmentsalignedwithESG,buttheyarestillcautious about whether these funds can offer competitive yields compared to the alternatives that are not Esg.

Another critical factor that influences ESG's investment decisions is social influence, which aligns with behavioralfinancetheories.Shiller(2003)stressedthatthebehavioroftheflockplaysacrucialroleinmaking financial decisions, where individuals are significantly influenced by the actions and opinions of the colleagues.Thisstudyconfirmsthisconcept,revealingthattherecommendationsoffinancialadvisors,social circlesandsocialnetworkstrendsstronglyinfluenceinvestorelections.Thesefindingsemphasizethegrowing role ofdigital media in the configuration of financial behavior, which suggests that financial institutions and policy formulators should take advantage of these platforms to promote investment information precise and accessible ESG.

Ingeneral, thiscomparativeanalysis highlightscontinuitiesanddivergenceswithpreviousstudies. Although ESG's awareness and ethical considerations remain key drivers, the perception of risk and the role of the influenceofpeersininvestmentdecisionshavearisenasareasthatrequiremoreresearchandeducationaimed

at investors. Addressing these challenges can help close the gap between ESG's investment theory and its practical adoption in financial markets.

9.3. KeyInsights

The results of this study reveal several emerging trends and unexpected ideas that contribute to a deeper understanding of the consciousness and behavior of investors with respect to sustainable investment. These ideas highlight both the progress made in the adoption of ESG and the challenges that remain to achieve generalized acceptance.

9.3.1. Emergingtrends

One of the most notable trends identified in this study is the growing awareness of ESG's principles among investors. Contraryto initialexpectations, a significant proportion of investors demonstrates familiaritywith ESG's investment. However, despite this greater awareness, erroneous concepts persist regarding financial compensationsassociatedwithESGinvestments.ManyinvestorsstillquestionwhetherESGfundscandeliver comparable or higher financial returns in relation to traditional investments, suggesting that more education and transparency of investors are necessary in the performance of the ESG fund.

AnotheremergingtrendisthestrongestinfluenceoftheexpectedsocialfactorsonESGinvestmentdecisions. Thestudyfindsthatpeerrecommendations,theorientationofthefinancialadvisorandsocialnetworkstrends play a crucial role in the configuration of investor behavior. This suggests that the adoption of ESE is not drivenonlybyindividualfinancialanalysis,but alsoasocialphenomenon,where investorsareinfluenced by theregulationsreceived,onlinediscussionsandsharedbeliefswithinsocialnetworks.Giventhegrowingrole ofdigitalplatformsinmakingfinancialdecisions,financialinstitutionsandpolicyformulatorsshouldconsider takingadvantageofsocialmediacampaigns,influenceassociationsandspecificfinancialeducationprograms to improve awareness and adoption of ESG.

9.3.2. Unexpectedfindings

While the study confirms a general tendency to increase ESG consciousness, an unexpected vision is continuousskepticismbetweenaninvestorsegment.Despitetheevidencethatsupportsthelong-termbenefits ofESG's investment,some investorsremaindoubtfulabouttheir financialviability. Thisskepticismsuggests that more empirical evidence, case studies and transparent performance metrics are required to reassure hesitating investors. Asset management companies and financial analysts should focus on providing clear comparisons and backed bydata fromESG versus investment no ESGto close this fiduciary gap.

Another surprising finding is the high sensitivity to rates associated with ESG funds. The strong burden on fund rates as a determinant of investment decisions indicates that cost structures play an important role in adopting ESG funds. This factor has emphasized less on previous literature, which generally focuses on performance and ethical considerations as main drivers of ESG investment options. The results suggest that investors, particularly in the markets aware of costs such as India, carefully evaluate expenses relations, management rates and transaction costs before committing to ESG investments. To foster greater adoption, fund managers should consider offering low -cost ESG investment options, rates reductions for long -term investors and greater transparency on how costs related to ESG are justified.

These key ideas provide a valuable direction for financial institutions, those responsible for formulating policies and market educators that aim to promote sustainable investment. When addressing these emerging trendsandunexpectedbarriers,thefinancialindustrycanworktomakeESGtheinvestment moreaccessible, transparent

and attractive for a broader investor base.

9.4. ImplicationsofFindings

The results of this study have significant implications for multiple interested parties, including investors, financial institutions and policy formulators. Addressing key challenges and taking advantage of emerging trends identified in this research can help boost the broader adoption ofESG investment while guaranteeing informed and safe investment decisions.

9.4.1. Forinvestors

One of the most crucial conclusions of this study is the need for a better education of investors regarding ESG's investment. Many investors still house erroneous concepts about ESG's financial performance, believing that sustainable funds can offer greater returns or carry greater risks compared to traditional investments. Dissipating these myths, investment platforms, advisors and regulatoryagencies must focuson educationalinitiatives, includinginteractivefinancialeducationprograms,transparentinvestmentworkshops and transparent performance reports that compare ESG and not ESG funds.

In addition, this study highlights the strong influence of social factors on investment behavior. Given the powerofpeerrecommendations,financialadvisorsandsocialnetworkstrends,platformsandinstitutionsmust takeadvantageofbehavioralshoves, suchaspeertestimonies, endorsementsexpertsandgamified incentives topromoteESGinvestmentoptions.Byintegratingsocialvalidationmechanismsintoinvestmentapplications and platforms, investors may feel safer to adopt the ESG principles.

9.4.2. Forfinancialinstitutions

Financial institutions play a key role in the configuration of investor perceptions and accessibility to ESG investments. One of the greatest concerns identified in this study is cost sensitivity: investors are very influenced by fund rates and expense relations, often act as barriers to the adoption of ESG. To attract conscious costs of costs, asset management companies must focus on setting the price of ESG funds competitivelyandofferinglow-costsustainableinvestmentoptions,suchaspassiveESGindexfundsorbags quoted in the stock exchange (ETF).

Inaddition, transparencyremains a critical factor inthe constructionof investor confidence. Manyinvestors doubt in adopting ESG funds due to the lack of clear information about their financialperformance and real impact on sustainability objectives. To close this gap, financial institutions must implement improved ESG Reports standards that provide clear and data -based information on how ESG investments contribute to financial growth and long -term sustainability. This could include standardized ESG impact reports, independent third -party audits and real -time sustainability scores for investment products.

9.4.3. Forpolicyformulators

Government intervention can play an important role in the acceleration of ESG adoption through the implementationofpoliciesthatmakesustainableinvestmentmoreattractiveandaccessible.Akeyideaofthis studyistheimportanceofregulatorysupport,asindicatedbytheresultofthefactoranalysisthatshowsahigh load (0.772) in the declaration: "Fiscal incentives or government support influence my decision to invest in ESG funds." This suggests that investors are more likely to assign funds to ESG investments if they receive financial benefits, such as fiscal deductions or incentives supported by the Government. Policy formulators could introduce measures such as the reduced tax profit tax in ESG funds, subsidies for green bonds or tax exemptions for investors assigning a percentage oftheir portfolio to sustainable assets.

In addition, the lack of standardization in ESG's disseminations creates confusion and limits investor confidence.ThecleanestESdisseminationregulationsandtheworld-acceptedreportframescanhelpreduce informationasymmetryandpreventgreenwashing(deceptivesustainabilityclaimsbycompaniesandfunds). Regulators must press for uniform ESG classification systems, mandatory sustainability reports and independent ESG qualifications to guarantee transparency and comparability in different funds.

10. LIMITATIONOFTHESTUDY

While this studyprovides valuable information onthe awareness ofinvestorson sustainable investment and the factors that influence their investment elections, it is important to recognize certain limitations that can affect the generalization and depth of the findings. Recognizing these limitations helps establish realistic expectations with respect to the scope of the study and provides instructions for future research.

10.1. Samplesizeanddemographic representation

1. Limitedsamplesize:

The study was conducted with a sample size of 200 participants. While this number is sufficient to perform statisticalanalysis,suchasfactoranalysis, it maynotcompletelyrepresentthediversepopulationofinvestors throughout India. A larger sample size would have improved the statistical power of the study, allowing a morenuancedsubgroupanalysis(forexample,comparingdifferentagegroups,educationlevelsorinvestment experience levels). A more extensive sample would also help mitigate prejudices and provide a more comprehensive vision of the feeling of investors towards ESG investment.

2. Geographicallimitations:

The study focused on investors from the main metropolitan cities, namely, Mumbai, Delhi and Bengaluru. These cities are financialcenters with greater access to information related to investment, financialadvisors andcontentrelatedtoESG.Consequently,thefindingsmaynotreflecttheperspectivesofinvestorsinsmaller citiesorruralareas,wheretheawarenessofsustainableinvestmentcanbesignificantlylower.Futureresearch shouldincorporateabroadergeographicaldistribution, includingsemi-urbanandruralpopulations,toobtain a more representative understanding of investors' behavior in different socio -economic contexts.

3. Demographicbias:

The sample of the study can overrepresent certain demographic groups, such as urban, well educated and higherincomeinvestors.ItismorelikelythatthesegroupshaveexposuretoESGinvestmentoptionsthrough formaleducation, means or financialadvice services. The findings may not properlycapturethe perceptions of low - income or less financial investors, which may have different motivations, concerns or barriers with respectto sustainable investment. Futurestudiescoulduse astratifiedrandomsamplingto guaranteeabetter demographic representation.

10.2. Methodologicalrestrictions

Conveniencesamplingbias:

The study used a convenience sampling method, which means that the participants were selected based on accessibilityinsteadofarandomizedprocess.Thisapproachcanintroduceabias,sincepeoplewhoarealready interested in sustainable investments or actively follow financial trends are more likely to participate. As a result, the

studycan overestimate the consciousness of ESG and the levels of acceptance among the general population of investors.

Self-informeddatareliability:

The study is based on self -informed survey responses, which introduce potential biases such as social desirabilitybias.Respondentsmayhaveprovided answersthat reflect sociallyacceptableopinionsinsteadof theirtruebeliefsorbehaviors.Forexample,investorscansaythatprioritizingESGfactorsintheirinvestment decisions, whileactuallymakingdecisions basedsolelyonfinancialreturns. To mitigatethis, futureresearch could incorporate real investment behavior analysis using brokerage data or transaction records instead of depending solely on self -informed intentions.

Cross-sectionofthestudy:

The researchwas conducted as a cross -sectionalstudy, capturing the perceptions and behaviors of investors inasinglemoment.Thisapproachdoesnotallowanevaluationofhowtheconsciousnessanddecisionmaking of investorsevolve over time. Sustainable investment is a rapid development field, influenced by regulatory changes,markettrendsandsocio-politicalevents.Alongitudinalstudythattracksthesamegroupofinvestors during a prolonged period would provide deeper information about changes in attitudes, adoption rates and the long -term impact of ESG factors on investment decisions.

10.3. ScopeofESGFactors Considered

SimplifiedESGFrame:

The study treats ESG as a broad and unified concept without deepening the preferences of investors for specific, environmental (E), social or governance (g). In reality, investors can prioritize these factors differently depending on personal values, industry trends or perceived risks. A more detailed breakdown of thefeelingofinvestorstowardseachESGcomponentwouldprovideaclearerunderstandingoftheirpriorities.

Specificconsiderationsofthesector:

Thisstudydoesnot differentiatetheattitudesofinvestorsdepending onthe industrysectors. ESG'spriorities andchallengesvarysignificantlyamongindustries(forexample,energy,technology,medicalcare).Investors in sectors directly affected by environmental regulations may have different risk perceptions compared to those of services based on services. Future research could analyze the behavior and preferences of specific investors in the sector to adapt ESG investment strategies more effectively.

10.4. Externalvalidity and generalization

Culturaland regionaldifferences:

This study is specific to the Indian investment market, which has unique regulatory frameworks, economic conditions and investor behaviors. The findings may not be directly applicable to global markets where the adoptionofESGismoremature(forexample,Europe)orinanearlierstage(forexample,certaindeveloping economies). Future research could include comparisons through the country to understand how investor consciousness and preferences vary in different economic and regulatory environments.

Market conditionsandeconomic factors:

The study does not take into account external macroeconomic factors such as inflation, fluctuations of the interest

rateorgeopoliticalevents, whichcouldsignificantlyinfluence investorsdecisions. Duringperiodsof economic uncertainty, investorscan prioritize short -termfinancialstabilityover ESGconsiderations. Future

 studiesshouldintegratemacroeconomicanalysistoevaluatetheimpactofsuchexternalfactorsonsustainable investment trends.

10.5. Measurementandanalyticallimitations

Factorialanalysisisrestrictions:

Althoughthefactoranalysisprovidedvaluableideasaboutthekeydriversofinvestmentdecisions,inherently simplifiescomplexmotivationsofinvestors.Thegroupsgroupsvariablesbasedonstatisticalcorrelations,but maynotcompletelycapturethedepthofinvestorthinkingprocesses.SomecriticalfactorsthatinfluenceESG investment, suchas behavioralbiases, psychologicaldriversor culturalnorms, may not beproperlyreflected in the statistical model.

Lackofqualitativeideas:

Thestudymainlyusesquantitativedata,limitingtheabilitytoexplorethemotivations,emotionsandconcerns of the deepest investors on ESG's investment. Qualitative research methods, such as in -depth interviews or focus groups, could provide richer information about the reasons behind skepticism or investors' enthusiasm forsustainableinvestments.Futureresearchcoulduseanapproachtomixedmethods,combiningsurveyswith qualitative interviews to improve the solidity of findings.

11.   CONCLUSION-

This particular researchonthe awareness levels ofsustainable investments practices and the determinants of theirinvestmentdecisionsgivesfurtherattentiontothenicheofESGinvesting.Theresultsassesses thevalue principles of investing that seemto be more accepted especiallyamong investors located inhigher tier cities like Mumbai, Delhi and Bengaluru. Nonetheless, the study also uncovers issues related to lack of comprehension, erroneousviewsregarding profitability, and impedimentsto acceptance that stillpersist and need to be resolved in order to facilitate the wider adoption of ESG investing.

1. OverviewofFamiliarizationandUnderstandingofESG:

A particular section of the respondents showed awareness of the ESG concepts, especially in regards to environmentaland governing ESG factors. As with many, however, a lack of understanding of the potential costs and returns of ESG investments kept many from falling in the adoption category. A range of misconceptions, suchasthe false assumptionthat sustainable fundswould have low returnswhile carrying a lower risk, still exists and continues adoption obstacles.

2. BarrierstoAdoption:

Some barriers not easily surmountable is absence of easy topical information, wide ranging costs of ESG funds, and no standard measures for the benefits and impacts of sustainable investment endeavors. These limitations clearlydemonstrate alack ofmoderntransparency, basic investor education, and affordable ESG investment opportunities.

ImplicationsforStakeholders

1.MunicipalInvestors:

The conclusions of the research underline the extreme importance of information literacy and education for themanyerroneousperceptionssurroundingESGinvesting.Forestranged lifeinvestors,thereisneedtostop relying onheretic information…and recognize how verymuchrest ESGinvesting could offer their portions.

2. InstitutionalInvestors:

Itseemsnowthetimeinvestmentandassetmanagersandfinancialadvisorsneedto taketocreateandmarket clear, logicallypricedESGproductsasbasedonbehavioralfinanceprinciplesmustmeetavarietyofinvestor preferences. SoundeducationonfavorableandprofitabletraditionalESG investment approacheswill leadto positive action.

3. GovernmentalOrganizations:

The institutions that govern should center attention on the creation of common obligatory principles of reportingESGindicatorsandoffersustainableinvestmentsintheformoftaxexemptionsorgrants.Directing policies to increase clarity and decrease the level of greenwashing will actively elevate the credibility of investors toward the ESG opening.

4. Non-GovernmentOrganizations:

Educational and media institutes have an important role in facilitation of a new educational policy, globalization, subsidization of education for foreigners, and mobility.

SuggestedFutureRemarchAreas

Regardless of the findings, analyzing the various aspects of investor awareness and behavior suggests that there is further scope for research on the following:

Geographic and Demographically Diverse Sample: Including rural and semi-urban investors from different age and income brackets to get a better understanding of ESG awareness.

Moving Sample: Seeing how the attitudes and behaviors of investors change over time with new maret develoments and changes in regulations to understand how those factors influence decision-making.

ESGPreferencesWithinIndustries:Understandinghowpreferencesamonginvestorschangebetweendiferent sectors, like energy, technology, or healthcare, in order to develop appropriate ESG strategies.

Cognitive and Effectual Constructs: Further examining the biases and LCDs that pertain to emotion concerning ESG decisions.

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