Major Research Project

Understanding the Impact of ESG Disclosures on Investment Decision-Making: A Study on Millennials and Generation Z in Delhi (NCR)

Submitted By
Shanky Chaudhary
2k22/DMBA/113

Under the Guidance of
Dr. Vikas Gupta
Assistant Professor

DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE

This is to certify that Shanky Chaudhary, 2k22/DMBA/113 has submitted the Major Research Report "**Understanding the Impact of ESG Disclosures on Investment Decision-Making: A Study on Millennials and Generation Z in Delhi (NCR)**" in fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA) from Delhi School of Management, Delhi Technological University, New Delhi during academic year 2024-25.

Dr. Vikas Gupta
Assistant Professor

DECLARATION

I, Shanky Chaudhary, student of Delhi School of Management, Delhi Technological University, hereby declare that the Major Research Project on "**Understanding the Impact of ESG Disclosures on Investment Decision-Making: A Study on Millennials and Generation Z in Delhi (NCR)**" as a submitted in partial requirement for the award of the degree of Master of Business Administration (MBA) is the original work conducted by me. I also confirm that neither I nor any other person has submitted this project report to any other institution or university for any other degree or diploma. I further declare that the information collected from various sources has been duly acknowledged in this project.

Shanky Chaudhary

2K22/DMBA/113

Delhi School Of Management

Delhi Technological University

ACKNOWLEDGEMENT

I extend my heartfelt gratitude to all who contributed to the successful completion of my major project report titled "**Understanding the Impact of ESG Disclosures on Investment Decision-Making: A Study on Millennials and Generation Z in Delhi (NCR)**" as part of my MBA program at Delhi School of Management, DTU.

First and foremost, I express my sincere appreciation to my project guide, Dr. Vikas Gupta, for his invaluable guidance, constant encouragement, and unwavering support throughout this project. His expertise, insights, and constructive feedback have been instrumental in shaping the direction and quality of this report.

I would like to thank the faculty members of the Delhi School of Management, DTU, for their mentorship and for providing me with a conducive learning environment. Their teachings have significantly enhanced my understanding of the subject matter and refined my analytical skills.

Furthermore, I am deeply grateful to my family and friends for their unwavering support, understanding, and encouragement throughout this journey. Their belief in me has been a constant source of motivation, driving me to strive for excellence in all my endeavours.

Lastly, I express my gratitude to all the individuals who directly or indirectly contributed to this project. Your collective efforts have been indispensable to the successful completion of this endeavor.

Thank you all once again for your invaluable support and encouragement.

Shanky Chaudhary

2K22/DMBA/113

Delhi School Of Management

Delhi Technological University

EXECUTIVE SUMMARY

The specific objective of this study is to investigate how millennials and Generation Z investors utilize Environmental, Social, and Governance (ESG) factors into their investment decisions. The study is based on the Norm Activation Model (NAM) and the Theory of Planned Behavior (TPB). Data was collected through a questionnaire survey completed by 517 investors in Delhi NCR. The analysis of the data and testing of the theories were conducted using the Partial Least Squares (PLS) path modeling approach. Five hypotheses were tested using structural equation modeling, and suitable statistical tests' in order to identify significant difference between Millennial's and Generation Z. Importantly, all hypotheses were positive in nature. Additionally, the research endeavors to assess the impact of sub category of ESG variables on investor behavior. Data were collected from millennials and Generation Z to explore how ESG factors can be grouped together to influence investors attitudes and intentions.

The findings of the research indicate that millennials and Generation Z investors do consider a company's social, environmental, and governance factors when making investment decisions. Additionally, their intention toward ESG principles on return of investors appears to have an influence on their investment choices. By utilizing empirical evidence on the relationship between ESG factors and investment decisions, this study also contributes to the field of behavioral finance research. The implications of these findings suggest that corporate communication strategies can be aligned with global reporting standards, thereby attracting impact investors and fostering moral and environmental education.

SPSS and Smart-PLS Software was utilized to analyze the relationship between environmental, social, and governance factors of these two-age group. Generation Z appears to prioritize social and environmental factors rather than governance, while Millennials place greater emphasis on governance concerns. The study emphasis on the significance of effectively communicating ESG based policies and suggests that organizations should prioritize ESG principles to strengthen their brand image and build investors trust.

Furthermore, the study suggests the emphasis of Environmental, Social, and Governance (ESG) considerations in investment related decision-making. It suggests that companies and fund managers should take proactive measures, such as enacting laws, regulations, and upholding ESG directives, to encourage sustainable growth in the capital market and economy. Launching financial products based on ESG principles is one such initiative proposed in the study. These financial products could promote ethical investing practices by incorporating ESG factors into their investment strategies. By doing so, they could incentivize companies to prioritize ESG considerations in their operations. This, in turn, may lead to a reduction in the cost of capital for these companies over time. Overall, the study underscores the importance of ESG considerations in investment decision-making.

List of Figures

List of Tables

TABLE OF CONTENT

INTRODUCTION

1.1 Background

Recently, Sustainable based investment has gained a traction bring various financial product like green bonds, Climate based Financing, ESG based Indices This shift is especially noticeable among Millennials and Generation Z, who are not only redefining consumer trends but also reshaping the investment landscape. As these cohorts mature and accumulate wealth, their investment preferences are increasingly influenced by considerations beyond mere financial returns. Through this study we want to explore the relationship between ESG factors and investment behavior of Millennials and Generation Z in emerging markets, with a particular focus on India which is one of the emerging markets

1.1.1 Investment Behavior of Millennials and Generation Z:

Millennials and Generation Z, often referred to as NextGen investors, exhibit distinct investment behaviors compared to previous generations like Gen Y and Baby Bloomers. Unlike previous generations, who prioritized financial returns, NextGen investors place greater emphasis on social and environmental impacts when making investment decisions. This shift in mindset can be attributed to various factors, including high awareness and easy access of global challenges such as climate change, social inequality, sweat shops, resources exploitation and governance scandals etc. Additionally, advancements in technology have empowered these generations with access to information, enabling them to examine companies' practices and hold them accountable for their actions.

1.1.2 Effect of Sustainability in Investment:

The integration of sustainability considerations, covering environmental, social, and governance aspects, has emerged as a critical determinant in investment strategies. Companies demonstrating strong ESG performance are perceived as more resilient, ethical, and forward-thinking, consequently attracting the attention of socially conscious investors. Studies have demonstrated that incorporating ESG criteria into investment decisions not only mitigates risks associated with environmental social and governance controversies but also enhances their long-term financial performance. Thus, sustainability has become a crucial lens through which Millennials and Generation Z evaluate investment opportunities, seeking alignment with their values and beliefs.

1.1.3 Importance of ESG in Emerging market (Asia Pacific):

Emerging markets in Asia Pacific countries present a compelling case for integrating sustainability principles into investment practices. Rapid urbanization, industrialization, and economic growth in the region have led to environmental degradation, social disparities, and governance challenges. In this context, ESG play a pivotal role in addressing these issues and fostering sustainable development. By directing investments toward companies prioritizing ESG factors, NextGen investors can drive positive change and can have significant contribution toward a more inclusive and responsible economy.

The middle-class families in Asia pacific presents vast market opportunities for businesses and to capture the loyalty of discerning consumers, companies must demonstrate a commitment to sustainability. Investments in ESG-aligned firms not only generate financial returns but also foster socio-environmental progress, thereby bolstering long-term value creation. Thus, the intersection of ESG and investment decision-making among Millennials and Generation Z in emerging markets is importance to shape the future of finance. By understanding the impact of ESG factors on investment behavior, stakeholders can harness the power of finance to catalyze positive social and environmental change, thereby creating a more sustainable and equitable future.

1.1.4 Overview of ESG in India:

In the context of the Indian investment market, Environmental, Social, and Governance (ESG) principle-based investment portfolio is still in nascent stage. Despite being world's one of the fastest-growing economies, India faces numerous sustainability challenges arising from rapid urbanization, industrialization, and natural resource exploitation. These challenges lead to environmental degradation, social inequalities, and governance issues, which has significant implications for businesses and investors.

Furthermore, regulatory initiatives and industry standards have played a crucial role in mainstreaming ESG considerations within the Indian investment community. Securities and Exchange Board of India (SEBI), has issued a guideline for listed companies to disclose their ESG performance as part of their annual reporting requirements to make sure companies align their strategies with broader sustainability objectives.

In Emerging markets like India, companies that demonstrate strong ESG performance can be viewed favorably by socially conscious investors but also tend to exhibit resilience in the face of environmental, social, and governance risks. This correlation between ESG performance and financial returns has prompted institutional investors, board of directors, stakeholders, private equity and venture capitals, financial institutions like NBFC, private bank, PSU and Supranational bodies to incorporate ESG criteria into their investment strategies.

Moreover, the Indian government's emphasis on sustainable development through initiatives such as Smart Cities Mission, PM Surya Ghar: Muft Bijli Yojana shows the importance of ESG considerations in driving economic growth and social progress. These initiatives present investment opportunities across various sectors, including renewable energy, infrastructure, and healthcare, where ESG integration can create value and mitigate risks.

Therefore, the integration of ESG factors into investment decision-making is gaining more importance in the emerging markets like India, driven by various factors like changing investor preferences, regulatory mandates, and sustainability. As India seeks to address its sustainability challenges and achieve inclusive growth, the adoption of ESG principles by businesses and investors will be instrumental in shaping a resilient and sustainable future for the country.

1.1.5 Evolution of Sustainability in Investment

The evolution ESG (Environmental, Social, and Governance) investment represents a transformative journey in integrating sustainability considerations into investment decision-making.

a) . Origin of Ethical Investing:

- In 1960s-70s the ethical investing practices emerged which led to current ESG investing
- Ethical investors align their investment portfolios with their values and beliefs by excluding companies working in tobacco, alcohol, firearms, and liquor.
- While ethical investing primarily focused on negative screening or exclusionary tactics, it laid the foundation for integrating broader ESG considerations into investment strategies.

b) . Socially Responsible Investing (SRI):

- Socially Responsible Investing (SRI) gained traction in the 1990s as investors recognized the importance social and environmental factors alongside financial returns.
- SRI expanded the scope of ethical investing by incorporating positive screening criteria and engaging with companies to improve their ESG practices while investing in companies with strong social and environmental performance, as well as those actively addressing sustainability challenges.

c) . Mainstreaming of ESG Integration:

- The 2000s marked the mainstreaming of ESG integration within the investment community, driven by growing awareness of the materiality of ESG factors to financial performance and risk management.
- Institutional investors, asset managers, and financial analysts began systematically incorporating ESG criteria into investment decision-making processes.
- ESG integration moved beyond ethical considerations to become an integral part of investment strategies aimed at creating long-term value and mitigating ESG-related risks.

d) . Standardization and Disclosure:

- The proliferation of ESG frameworks, standards, and disclosure mechanisms in the 2010s further facilitated the integration of ESG considerations into investment practices.
- Initiatives by various Supranational Bodies such as United Nation, European Union through United Nations Principles for Responsible Investment (PRI) and the Global Reporting Initiative (GRI) provide guidance and frameworks to measuring, reporting, and disclosing ESG metrics.
- Regulatory mandates and investor demand for greater transparency and accountability prompted companies to enhance their ESG disclosure and reporting practices, enabling investors to make more informed investment decisions.

e) . Expansion of Sustainable Finance:

- In recent years, ESG investment has evolved into a broader concept known as sustainable finance, encompassing a diverse range of financial products, services, and strategies that integrate ESG considerations into investment decisions across asset classes.
- Sustainable finance includes green bonds, social impact bonds, sustainable loans, ESG-themed mutual funds and ETFs, and other sustainable investment vehicles.

Overall, the evolution of ESG investment reflects a shift from ethical considerations to a more holistic approach as Gen Z and millennials will try to balance sustainability and responsible investing practices along with financial profit, the growth of ESG investment is expected to continue, driving positive change in global financial markets and contributing to the transition toward a more sustainable and inclusive economy.

1.2 Problem Statement

The problem statement for the study on the impact of ESG (Environmental, Social, and Governance) disclosure on investment related decision-making among Millennials and Generation Z in India centers on gaining a comprehensive understanding of how ESG factors influence the investment behavior of these younger cohorts. This demographic is of particular interest due to their increasing presence in the investment landscape and their unique perspectives on sustainability and social responsibility.

The study aims to delve into several key aspects:

1. Perceptions of ESG Factors: The study intends to explore how Millennials and Generation Z perceive ESG factors in the context of investment decision-making. This involves understanding their attitudes towards environmental sustainability, social responsibility, and corporate governance, and how these perceptions influence their investment choices.

3. Role of ESG Disclosure: The study intends to investigate the role of ESG disclosure in shaping the investment choices of Millennials and Generation Z. ESG disclosure refers to companies or entity ESG (environmental, social, and governance) practice information which is easy to access and trustworthy. By examining how these younger cohorts utilize such information in their investment decisions, the study aims to assess the effectiveness and impact of ESG disclosure initiatives.

By addressing these inquiries, this study seeks to explain the changing dynamics of investment related decision-making among Millennials and Generation Z in India concerning sustainability considerations. This study aims to provide insights into how millennials and Gen Z groups prioritize ESG factors, the extent to which they integrate sustainability principles into their investment strategies, and the implications for financial markets, corporate practices, and broader societal trends.

Ultimately, the findings of this study can be used by fund managers, asset manager, policymakers and corporate to launch and develop financial product which are preferred and by younger investors in relation to sustainable investing, thereby guiding them to promote responsible and impactful investment practices.

1.3 Objectives of the Study:

1. To explore the investment behavior of Millennials and Generation Z in the emerging market in India, with a focus on their attitudes and intention towards ESG factors.
2. To develop a theoretical framework to elucidate the relationships between ESG factors, attitude, and intentions among Millennials and Generation Z investors in the Indian market. This framework will guide the investigation by identifying key constructs and specifying their expected interrelations.
3. To construct a measurement model consisting of indicators to quantitatively assess each construct. ESG factors will be operationalized through items reflecting environmental sustainability, social responsibility, and corporate governance practices. Attitude and perception will be measured through items capturing respondents' beliefs, preferences, and opinions regarding sustainability in investment decision-making.
4. To test specific hypotheses concerning the relationships between ESG factors, attitude, and intention. For instance, hypotheses may explore the positive impact of ESG disclosure on attitude towards sustainable investing
5. To provide actionable insights for policymakers, financial institutions, and market participants to enhance ESG awareness and adoption among Millennials and Generation Z investors.

1.4 Scope of the Study

1. Demographic Focus: The research is focused on Millennials and Generation Z, covering those born roughly from 1981 to 2012. Millennials, also known as Generation Y, include those born from the early 1980s to the early to mid-1990s, while Generation Z encompasses individuals born from the late 1990s to the early 2010s.These cohorts are of particular interest due to their increasing presence in the investment landscape and their unique perspectives on sustainability and social responsibility.
2. Geographical Focus: The study is conducted within the emerging market of India mainly Delhi NCR. This geographic focus allows for insights into the investment behavior of younger generations within a rapidly growing economy characterized by diverse socio-economic and environmental dynamics.
3. Investment Behavior: The study aims to investigate various aspects of investment behavior among Millennials and Generation Z, including their attitudes towards ESG factors, their perceptions of sustainable investing, and the factors influencing their engagement with ESG-related investment strategies.
4. ESG Disclosure: The study examines the impact of ESG disclosure on investment decision-making. This involves assessing the availability and transparency of information regarding companies' environmental, social, and governance practices, and how such disclosure influences the investment preferences of the target demographic.
5. Drivers and Barriers: The study seeks to identify the key drivers and barriers influencing Millennials' and Generation Z's engagement with ESG investing. involves a range of factors that shape their investment decisions. These factors can be categorized into financial considerations, social values, regulatory frameworks, market dynamics, policies, incentives, and initiatives aimed at fostering sustainable investing practices.

Overall, the scope of this study encompasses a detailed examination of the interrelation between ESG factors, investment attitude and intention within the context of India's emerging market, with a specific focus on the attitudes and preferences of Millennials and Generation Z investors.

LITERATURE REVIEW

2.1 Theoretical and Conceptual Background

Decisions regarding business operations and investments must take into consideration a company's long-term performance and risk management. There is a growing emphasis on environmental, social, and governance (ESG) factors, reflecting a shift in investor attitudes towards socially responsible investing (Derwall, 2007). The importance of making investments that align with sustainability goals is increasingly recognized by investors. According to a report sustainability-based investment asset have been experiencing an annual growth rate of 22% since 2011, with the integration of ESG issues being the most prevalent approach in the region.

Consequently, the global landscape of stock market investing has witnessed a significant expansion in the consideration of ESG factors. Various factors influence the adoption of corporate Environmental, Social, and Governance (ESG) practices, and this adoption can result in several anticipated outcomes. Initially, management might choose to incorporate ESG considerations into their strategic decision-making processes. This strategic emphasis on sustainability has the potential to elevate firm value and encourage long-term sustainability (Freeman, 1984), boost employee work engagement (Agarwal et al., 2012), facilitate cost savings (Porter et al., 2019) improve productivity (Park, 2020).

Secondly, the adoption of ESG practices can play a crucial role in risk and opportunity management, benefiting not only management but all stakeholders. Corruption represents a significant threat to firms (Nam et al., 2020) and can have negative impact stock prices (Thakur et al., 2019). Proactively addressing these risks can contribute to enhance business sustainability, reduce management costs associated with problem-solving (Swanson, 1999). Effective risk management should also encompass the aspect of corporate reputation. Instances of illegal activities disclosed through news releases have been found to have adverse effects on companies' profits. It is observed that portfolios with significant ESG controversies or downgraded ESG ratings tended to underperform. (De. Franco,2020)

Recent studies suggest that highly sustainable companies tend to face lower downside risks and demonstrate greater resilience to market volatility. Companies' engagement in ESG practices reduces downside risk (Hoepner et al.,2019). Furthermore, companies with weak ESG profiles, especially those with high carbon emissions. have high political, environmental and legal risks (Ilhan et al,2011) Research conducted during the global financial crisis indicated that both financial and non-financial companies with high ESG ratings outperformed their counterparts in US market (Cornett et al., 2016).

Finally, whether a company adopts ESG practices due to legal obligations or ethical considerations, it is essential for companies to act as responsible members of society. Just ESG disclosures alone do not guarantee ethical conduct from a company, but they can incentivize the company to make more ethical choices. ESG rating agencies and financial lenders that prioritize these practices can also serve as catalysts for companies to improve their behavior (Escrig-Olmedo et al., 2019). and the adoption of ESG practices can bring benefits to all stakeholders associated with the company. Mainstream investors are increasingly drawn to ESG investing for two primary reasons. Firstly, it aligns with ethical investment principles. Secondly, it is viewed as a means to enhance the performance of investment portfolios, thereby boosting returns and mitigating risks (Broadstock et al., 2021).

Shareholders want companies to demonstrate strong economic performance while maintaining sustainability over the long term. Studies indicate that sustainable companies are prone to offering stable dividend payouts and fostering healthier relationships with stakeholders beyond just shareholders (Matos et al., 2020). Additionally, research suggests that investing in companies with robust ESG practices can result in high rate of return on investment, and effective ESG strategies can aid companies in resolving unforeseen financial challenges (Lee et al., 2013). A comprehensive review of ESG/SRI studies, revealing a notable positive correlation between ESG performance and financial performance (Friede et al,2015).Research on ESG has produced diverse findings regarding their performance outcomes. Companies that openly confront environmental issues often achieve heightened profitability while fulfilling their obligations.

Investors gauge companies' social awareness by scrutinizing their environmental practices (Berry and Junkus, 2013). Misrepresenting environmental information can inflict severe harm on firms (Crifo et al., 2015). For example, some research suggests that reducing CO2 emissions did not lead to financial benefits (Gallego-Alvarez & Segura, 2015).A study on 140 Australian non-financial firms discovered that environmentally-oriented companies exhibited significantly higher profits and market shares (Menguc & Oanne, 2005). Furthermore, a positive correlation between emission reductions and the return on assets (ROA) for firms listed in the Standard and Poor's 500 index (Hart and Ahuja,1986).

The majority of prior studies suggest that socially conscious companies tend to perform better financially (Allouche & Laroche, 2005; Becchetti et al., 2015). Based on a study on ESG adoption in the Americas, social issues have a more weightage as compared to environmental and governance issues (CFA Institute, 2018). However, some arguments propose that social efforts concerning shareholders may not directly affect firms' profitability (Ghassim & Boger, 2019, Brulhart et al., 2019). Social issues such as human rights, society welfare and workplace safe environment are of more importance for investors According to a study investor weigh the employer-employee relationship and human rights when making investment decisions regardless of company's location, due to their impact on investment selection and returns.

Effective governance practices play a vital role in a company's social and environmental responsibility. The composition of a company's board of director has major effect on its financial performance. For instance, gender diversity has been linked to positive effects on firms' performance, enhancing corporate social responsibility (Noland et al., 2016; Boukattaya & Omri, 2021). Additionally, the financial performance of firms has positive association with the size of their board (Rehman et al., 2021) and their expertise in management field (Gandhi et al., 2015).

Governance issues encompass various aspects such as board composition, independence, diversity, internal controls, risk management, executive compensation, transparency, ethical conduct, and shareholder rights, among others (UNPRI). While investors may not always prioritize social concerns over financial returns, they tend to favor governance issues, but in Australia, 64% of investors give more importance to governance issues when making investment decisions (De Zwaan et al., 2015).

Corporate operations wield substantial environmental impacts, encompassing biodiversity loss, resource depletion, and contributions to global warming. These transformations affect social and economic development (Ferreira et al., 2016). Socially responsible investors often adhere to ethical codes of conduct within the framework of Environmental, Social, and Governance (ESG) investing. They prioritize their values, social principles when making investment related choices (Diouf et al., 2016).

2.2 Drivers of ESG principle-based Investment

Over the past decade, numerous studies have highlighted the direct and indirect connections between financial development and sustainable growth (Tao et al., 2022). This has forced financial analysts to incorporate Environmental, Social, and Governance (ESG) related data to create portfolio in order to enhance social credibility. Given the increasing relevance of ESG, this study explores previous research to identify the factors influencing investors' intentions and attitude to engage ESG principles in Investment related decision making.

2.3 Theoretical Foundation of the Study

This study aims to integrate Theory of Planned Behavior (TPB) (Ajzen's,1991) with norm activation model (Schwartz's,1977) to investigate individual investors' behaviors concerning Environmental, Social, and Governance (ESG) principles in investment related decision.

The Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975), suggested that individuals' behavioral intentions are shaped by their goals, attitudes, subjective norms, and perceived behavioral control. The study operationalizes TPB by considering investors' attitudes toward ESG concerns and perception. It then examines the intention of individual toward ESG principle by incorporating them into investment decision making. Prior research has indicated that attitudes and subjective norms positively influence individuals' intentions toward investment (Gopi and Rumayah, 2007).

Individuals are more inclined to engage activities when they feel morally obliged to do so and understanding the consequences of their actions fosters a sense of responsibility (Dalvi-Esfahani et al., 2017). This study proposes that investors' attitude and intention towards ESG principle influences them to invest in companies that disclose their ESG data.

2.4 Hypothesis Development

2.4.1 Environmental Factor and Investment Related Decisions

Environmental concerns encompass a multitude of factors, including air and water pollution, resource depletion, greenhouse gas emissions, and plastic and waste management (UNPRI, 2015). Companies are facing repercussions due to carbon emissions hence forcing them to reduce harmful emissions while aligning with broader goals. Previous research on the interplay between management and the environment underline the importance of information for investors to adjust their investment strategies (Gray et al., 1996) Environmental related data offers valuable insights for investors to gauge a company's risk exposure to future regulatory expenses (Blacconiere and Patten, 1994). Across diverse cultural contexts including the Sweden Japan, New Zealand and USA environmental considerations significantly influence investment decisions (Van der Laan Smith et al., 2010). Integrating financial data with environmental performance ratings enriches the value of financial information for stakeholders (Nair and Ladha, 2014). Shareholders prioritize seeking environmental information when making investment decisions, highlighting its crucial role in the decision-making process.

Environmental issues encompass various aspects crucial to the functioning and health of natural systems and the environment. These encompass factors such as climate change, greenhouse gas emissions, ozone depletion, air, water, and resource pollution and waste management, biodiversity and marine life loss due to ocean acidification (United Nations Principles of Responsible Investment [UN PRI], 2015. In investment decision-making, environmental issues are recognized as significant factors.

This significance has been underscored in studies conducted across different countries for instance, Nair and Ladha (2014) discovered that environmental concerns were deemed the most significant factor by Indian investors when contemplating non-economic objectives in their investment choices. Likewise, Nakamura (2013) documented that a significant portion of shareholders in Japan prioritize the environmental strategies of companies, aligning with the conclusions drawn by Brimble and Stewart (2015) in Australia regarding the attitudes of superannuation fund members towards ESG issues. Hence, with the increasing global consciousness among investors concerning environmental issues in investment decision-making, it becomes crucial to investigate how millennials and Gen Z integrate environmental factors into their investment decisions.

H1: Environmental factors have a significant positive effect on attitude of Millennial on ESG principle-based investment in Delhi NCR.

H2: Environmental factors have a significant positive effect on attitude of Gen Z on ESG principle-based investment in Delhi NCR.

H3: Environmental factors have a no significant positive effect on ESG principle-based investment decisions among millennials and Gen Z in Delhi NCR.

2.4.2 Social Factor and Investment Related Decision

Social factors, include economic growth, freedoms, welfare which exert significant influence over investment decisions (Crifo et al., 2015). Social reporting continues to be essential as it provides a substantive justification for a company's activities. Corporate Social Responsibility (CSR) practices can contribute to financial success. Investors take social factors into account when making investment choices. In developed nations, stock market investors are increasingly attentive to the social challenges faced by companies (De Zwaan et al., 2015). For socially conscious investors, social issues hold a higher level of significance compared to environmental and governance concerns.

Social issues encompass various themes related to human rights, the well-being of individuals and communities, labor standards within the supply chain including issues like forced, child, and bonded labor, freedom of expression and association, diversity, employee relations, human capital management, access to healthcare, relations with local communities, and consumer protection (UN PRI, 2015).

Alongside environmental considerations, social issues play a significant role in shaping investment decisions (Crifo et al., 2015). Perez-Gladish et al. (2012) found that social issues take precedence over environmental and governance concerns in Australia Internationally, there is a rising trend among stock market investors to take into account the social aspects of companies, especially in developed nations (De Zwaan et al., 2015). Therefore, to provide insights from developing nations, this study seeks to explore whether Millennials and Gen Z investors factor in the social issues of companies when making investment decisions. This gives rise to the formulation of the second hypothesis:

H4: Social factors have a significant positive effect on attitude of Millennial on ESG principle-based investment in Delhi NCR.

H5: Social factors have a significant positive effect on attitude of Gen Z on ESG principle-based investment in Delhi NCR.

H6: Social factors have a no significant positive effect on ESG principle-based investment decisions among Millennials and Gen Z in Delhi NCR.

2.4.3 Governance factors and Investment Related Decision

Research indicates that governance issues hold significant importance for investors, particularly concerning safeguarding shareholder rights and overseeing management decisions. Effective governance practices help mitigate the agency problem, ensure transparency, and resolve conflicts of interest between management and shareholders Instances of corporate governance scandals have heightened investor concerns regarding the integration of governance issues into investment decisions, underscoring the need for enhanced corporate governance

Governance factors assist management in maintaining oversight over a range of firms and other entities in which investments are made. These issues encompass executive compensation, board structure, diversity, skills, and independence, transparency in information disclosure, shareholder rights, business ethics, engagement with stakeholders, internal controls and risk management, bribery and corruption, and more broadly, aspects related to the relationship between a company's management and its diverse stakeholders (United Nations Principles of Responsible Investment [UN PRI], 2015).

Corporate governance serves as a crucial indicator of investors' economic rationality, and investors take into account the good corporate governance practices of companies when making investment related decisions (Crifo et al., 2015) Investors tend to avoid investing in companies with weak corporate governance practices (Giannetti and Simonov (2006). Socially responsible investors, who place particular emphasis on social issues, also prioritize their financial returns, indicating a preference for governance issues within companies. (Perez-Gladish et al.,2012)

Scandals involving corporate governance, such as those at Satyam Computer Services and IL&FS (Infrastructure Leasing & Financial Services), have heightened the demand for better corporate governance practices. Investors are increasingly focused on incorporating governance issues into their investment decisions to safeguard their investments. Considering the significance of governance issues in investor decision-making globally and recent concerns about corporate governance in India, this leads to third hypothesis:

H7: Governance factors have a significant positive effect on attitude of Millennial on ESG principle-based investment in Delhi NCR.

H8: Governance factors have a significant positive effect on attitude of Gen Z on ESG principle-based investment in Delhi NCR.

H9: Governance factors have a no significant positive effect on ESG principle-based investment decisions among millennials and Gen Z in Delhi NCR.

2.4.4 Attitude toward ESG Principle

Attitude towards Environmental, Social, and Governance (ESG) investing refers to individuals' favorable or unfavorable appraisal when engaging in such conduct It reflects behavior in a specific context (Ajzen, 1991), and it influences the intention to take a particular action (Ajzen and Fishbein ,1980) Furthermore, research has shown that attitude significantly impacts investment-related decisions (Naatu et al., 2022; Pascual-Ezama et al., 2014; Yee et al., 2022). Attitude is believed to have a substantial influence on intentions (Adam and Shaulu, 2014). Hence, this hypothesis will check the relation between attitude and intentions towards ESG principles:

H10: Attitude toward ESG principle-based investment has a significant positive effect on intention of Millennial on ESG principle-based investment in Delhi NCR.

H11: Attitude toward ESG principle-based investment has a significant positive effect on intention of Gen Z on ESG principle-based investment in Delhi NCR.

H12: Positive attitude toward ESG principle has a no significant influence on attitude of millennials and GenZ towards ESG-based investment decision.

2.4.5 Investment Decision

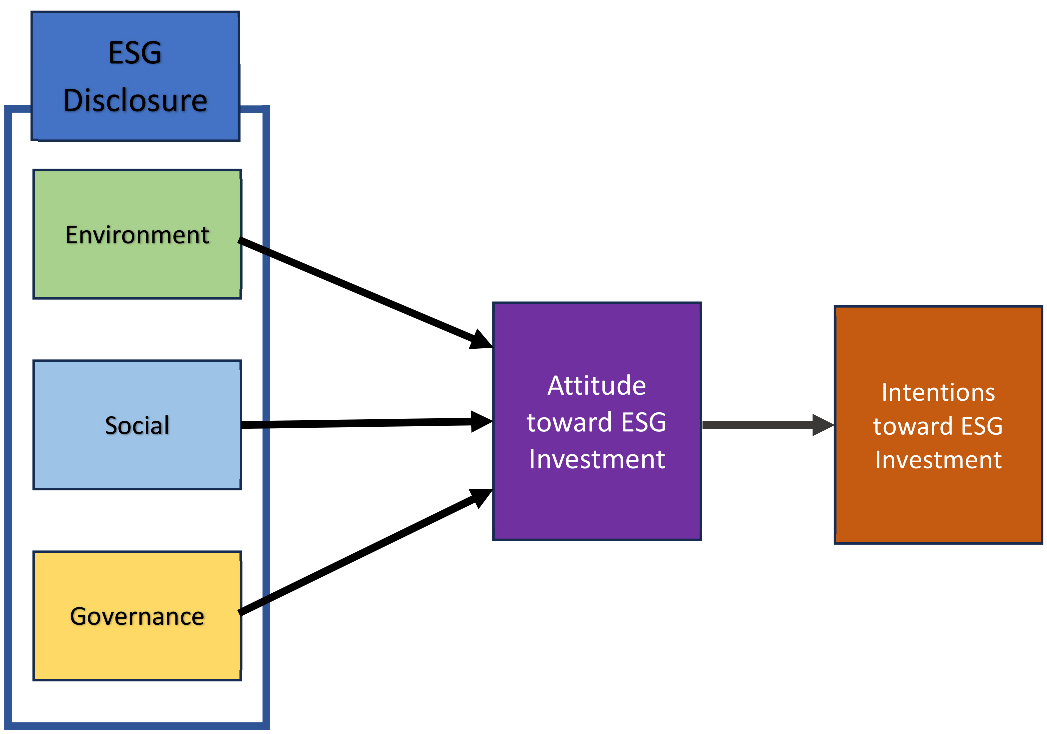
Investors primarily engage in stock investments with the expectation of yielding higher returns in the future. According to Hirt and Block (1999), investment entails allocating current funds with the anticipation of generating larger future cash flows. Investors commonly employ fundamental analysis, technical analysis, and judgment as tools to evaluate investments. (Jagongo and Mutswenje,2014) Consequently, investment decisions stem from thorough investment analysis, considering various factors deemed crucial by investors. In contrast, ESG investing involves consider environmental, social, and governance aspects and the diverse non-financial qualitative parameters, within investment portfolios (Sairally, 2015). The research study centers on the role of ESG-based principles in investment-related decisions making, which means intentions of millennials and Gen Z to invest in companies with best ESG (environmental, social, and governance) policies.

H13: Positive Intention toward ESG principle has a no significant influence on intention of millennials and GenZ towards ESG-based investment decision

2.5 Conceptual Model (Framework)

The conceptual framework of this study comprises independent variable representing environmental (E), social (S), and governance (G) factors, along with a dependent variable termed as attitude and intention (A & I). Figure 1 illustrates the relationships between these independent and dependent variables. Additionally, age is introduced as moderating variables in the study. Age is expected to moderate the inter-relation between environmental (E), social (S), and governance (G) factors and investors' ESG principle-based investment decisions (ID). The effect of attitude and intention is anticipated to positively influence millennial and Gen Z' investment decisions, particularly regarding companies that focus on environmental, social, and governance factors.

Figure 1 Theoretical Model



Created by the author

RESEARCH METHODOLOGY

3.1. Operationalization of Variables

Environmental, Social, and Governance (ESG) factors act as the latent (independent) variables in this research study. The latent (dependent) variables include Attitude and Intention toward ESG Principle while making Investment related decision by Millennials and Gen Z. The operationalization of variables is detailed in Table 1. This research study aim is to evaluate the inter-relationship between ESG factors and attitude and intention toward ESG principle-based investment decision based on respondents' responses. The structural equation modelling (SEM) will help in interpreting the relationships between dependent and independent variables will have a positive or negative effect

For example, respondents' perceptions of social strategies showed a positive influence on ESG complaint investment decision means that respondents perceive that ethical supply chain strategies have a positive effect on return and social concerns does contribute to a company’s efforts in order to generate positive return.

Table 3.1 Variable Description

Variable	Description
Environment	This factor evaluates business's impact on the environment in which it operates.
Social	This factor evaluates the organization relation with with its stakeholders and the communities.
Governance	This factor evaluates the governance and management of a firm, giving specific attention to elements like company leadership, stakeholder rights, board composition, and internal controls aimed at enhancing transparency and accountability.
Attitude Toward ESG Principle	Investors hold specific beliefs and attitudes towards various companies based on their environmental, social, and governance (ESG) practices. These perceptions contribute to the overall ESG image of a company and influence investor decision-making
Intention toward ESG Principle	Investors with positive intentions toward ESG typically seek to align their portfolios with sustainability goals, ethical practices, and responsible corporate behavior. This commitment can influence the selection of investments that contribute to both financial returns and broader societal and environmental objectives.

Created by the author

3.2. Questionnaire and Data Collection Method

A survey was employed to gain insights into Environmental, Social, and Governance (ESG) factors and their effect on millennial and Gen Z investment decision making based on ESG principles (including attitudes and investment intentions), to validate the proposed model. All questions in the questionnaire were framed to gather necessary and accurate information for either accepting or rejecting the hypotheses of research study. Respondents were presented with a set of questionnaires allowing them to express their opinions.

In consideration of the multidimensional analysis, demographic information was also collected. The questionnaires included details of the survey's purpose, response instructions. The questionnaire comprised three sections. The first section contains Eleven (11) questions regarding personal information and basic investment decision making, the second section consisted of fifteen questions regarding s regarding Environmental, Social, and Governance (ESG) disclosure and its sub-factors The last section contains seven (7) questions to collect data regarding intention and attitude toward ESG principles for investment purpose. Participants' responses were assessed utilizing a 5-point Likert scale. The survey was distributed using Google Forms to mitigate the potential for inaccuracies in data collection and to ensure ease of use for respondents.

For hypothesis testing, a non-probabilistic convenience sample was utilized. Eligible participants were millennials and Gen Z Initially, 517 participants took part in the survey, but 17 respondents were disqualified because they don’t invest. The final number of eligible samples was 500, comprising 257 respondents were Millennials and 260 were Gen Z.

3.3. Data Analysis

3.3.1. Descriptive Statistics

Descriptive statistics encompass various techniques and methods which serve as indicators to display quantitative information, offering a comprehensive summary of the samples. Descriptive statistics prove beneficial in presenting various attributes and traits of a dataset in a concise and precise manner. Most commonly used in descriptive statistics techniques such as central tendency includes mean, median, and mode, which give insight into the central characteristics of collected data and variability include range and standard deviation, help illustrate the spread of collected data. In this study, descriptive statistics were employed to analyse both qualitative and demographic aspects of the data. SPSS software was utilized for analysis. Furthermore, Power BI was utilized for the visualization of Figures to present basic information derived from the data analysis.

3.3.2. Structural Equation Modelling (SEM) with SMART-PLS

SMART-PLS, a widely used software application, is utilized for estimating various covariance structure models, which include Structural Equation Modelling (SEM). SEM was constructed by using SMART PLS. which allows researchers to examine and validate proposed associations between independent variables and dependent constructs. We can validate the proposed model, and check the statistical significance of associations between dependent and independent variables using SMART-PLS

In addition to confirmatory factor analysis, SMART PLS provides numerous additional functionalities for analysing intricate structural relationships within datasets. It aids researchers in comprehending the underlying framework of the data and formulating conclusions based on empirical evidence. SMART PLS aids in exploring intricate relationships among variables, thereby enhancing researchers' ability to draw meaningful insights from collected data.

3.4. Component Derivation

As discussed in the literature review, there is a pressing need for a standardized Environmental, Social, and Governance (ESG) framework. However, the diversity of existing models poses challenges to standardization. Hence, it is essential to choose sub-factors from reputable ESG information providers such as Stakeholder Capitalism Metric, SASB (Sustainability Accounting Standards Board), Morgan Stanley Capital International before implementing ESG principles. These providers were chosen for their leadership in ESG. The Stakeholder Capitalism Metric, was developed by four major accounting firms by utilizing the guidelines published by leading ESG standard providers such as GRI, TCFD, SASB, OECD Oslo Manual, UN guiding principles.

The ESG framework utilized in this study was crafted to encompass various ESG parameter's, out of which common factors are selected to form the core of ESG frameworks provided by the five representative entities mentioned above. Establishing commonality among the selected frameworks involves categorizing them into Environmental (E), Social (S), and Governance (G) factors. For example, the Stakeholder Capitalism Metric has four pillars: governance, planet, people, and prosperity. Furthermore, sub-criteria under the prosperity category are recategorized into ESG factors. Similarly, the SASB framework include environment, social and human capital, innovative business model, leadership style, which are reclassified into E and G based on their relevance. Refinitiv categorizes its factors into E, S, G, and ESG controversies, with the latter discussing legal, ethical, and reputational exposure related to E, S, and G issues. S&P Global categorizes its criteria into economic, environmental, and social parameters, with economic parameter's being recategorized under G and S categories.

3.5. Selecting ESG assessment Sub criteria

The primary criteria consist of Environmental (E), Social (S), and Governance (G), each comprising five sub-criteria, respectively. These sub-criteria were chosen based on commonalities found among the frameworks provided by the five global information providers mentioned. (Table 3.5.1).

Stakeholder Capitalism Matric	SASB	Refinitiv	MSCI	S&P Global
• Freshwater availability • Climate change • Air pollution • Nature loss • Innovation of better products and Services	• Energy management • Water management • GHG emissions • Climate change • Waste and hazardous materials • Product design and lifecycle management • Ecological damage • Material sourcing	• Resource use • Emission • Innovative environmental strategy • Controversies on Environmental	• Natural resources depletion • Climate change • Pollution and waste • Environmental Strategy	• Operational eco-efficiency • Climate strategy • Environmental reporting • Environmental policy and management system
• Dignity and equality • Health and well-being • Skills for the future • Employment and wealth generation • Community and social support	• Human rights and community relations • Human capital • Product quality, safety selling practices, and product labelling • Customer privacy • Data security • Customer welfare • Access and affordability	• Human rights • Community • Workforce • Product responsibility • Controversies on social issues	• Product, human capital • Social opportunities • Satisfaction of customer, employee, supplier, and other Stakeholders	• Human rights • Corporate citizenship and philanthropy • Labor practice indicator • Talent attraction and retention • Customer relationship management • Information security and system availability • Policy influence • Social reporting
• Ethical behavior • Governing purpose • Risk and opportunity oversight • Stakeholder engagement • Quality of governance body	• Business ethics • Business model resilience • Management of the legal and regulatory • environment • Supply chain management • Risk (critical incident and systemic) management	• Management structure and • compensation • ESG strategy and reporting • Shareholder rights • Controversies on governance issues	• Corporate behaviour • Corporate Governance	• Codes of business conduct • Tax strategy • Supply chain management • Risk and crisis management • Corporate governance • Materiality

Source: Refinitiv, SASB, MSCI

Criteria	Sub-Criteria	Description
Environment	Resource Depletion	Efficient and effective management of natural resources.
	GHG (Greenhouse Gas) Emission	Lowering greenhouse gas (GHG) emissions to meet targets set by supranational bodies.
	Pollution and Waste	Decreasing pollution and improving waste management practices.
	Eco-Product	Efforts to increase productivity while minimizing resource usage.
	Nature Loss	Mitigating harm to the environment and safeguarding ecological integrity.
Social	Human Rights	Providing fundamental human rights to employees
	Community Relations	Working for the betterment of society and fostering relationships with local communities.
	Human Resources Management	Providing skill upgrading opportunities, ensuring work dignity, equality, health, and other benefits to employees.
	Customer Satisfaction	Offering high-quality products and services to customers
	Social Contribution	Making efforts to deliver greater overall value to society for the long term.
Governance	Ethical Behaviour	Monitor and adhere to all laws and regulations.
	Risks and Opportunities Management	Identifying and implementing strategies to mitigate risks and capitalize on opportunities related to long-term value creation.
	Shareholders Right	Taking into account and respecting shareholders' concerns and voices when making decisions.
	Corporate Governance	Establishing a management system structure that safeguards against illegal and unethical decisions.
	Management Reputation	Effect of management leadership style credibility and trustworthiness, on corporate image and value.

Created by the author

RESULTS

4.1 Descriptive Statistics: Sample Characteristics

Table 4.1 presents a summary of the demographic characteristics and investment experience of Millennial respondents in the financial market. The majority of participants were male, comprising 147 individuals, which accounts for 56.54% of the total.

Variables	Categories	Frequency within each category	Relative frequency within each category (%)
Gender	Male	147	56.54%
	Female	113	43.46%
Highest Education Qualification	Undergraduate	60	23.07%
	Graduate	86	33.07%
	Postgraduate	70	26.92%
	Professionals	44	16.92%
Profession	Self-employed / Entrepreneur	65	25%
	Employed	99	38.08%
	Service	53	20.38%
	Other	43	16.54%
Experience in investing in the financial market	<1 year	64	24.61%
	1–5 years	65	25.00%
	6–10 years	68	26.16%
	>10 years	63	24.23%

Analysis conducted by the author

Regarding education qualifications, the majority were graduates (86; 33.07%), followed by postgraduates (70; 26.92%). The majority of respondents were employed (99; 38.08%), followed by self-employed individuals (65; 25%). Regarding investment experience in the financial market, 68 (26.16%) had 6-10 years of experience, 65 (25%) had 1-5 years of experience, 64 (24.61%) had less than 1 year of experience, and 63 (24.23%) had more than 10 years of experience.

Table 4.2 provides a summary of the demographic characteristics and investment experience of Generation Z respondents in the financial market. The majority of participants, comprising 164 individuals, were male, accounting for 63.81% of the total.

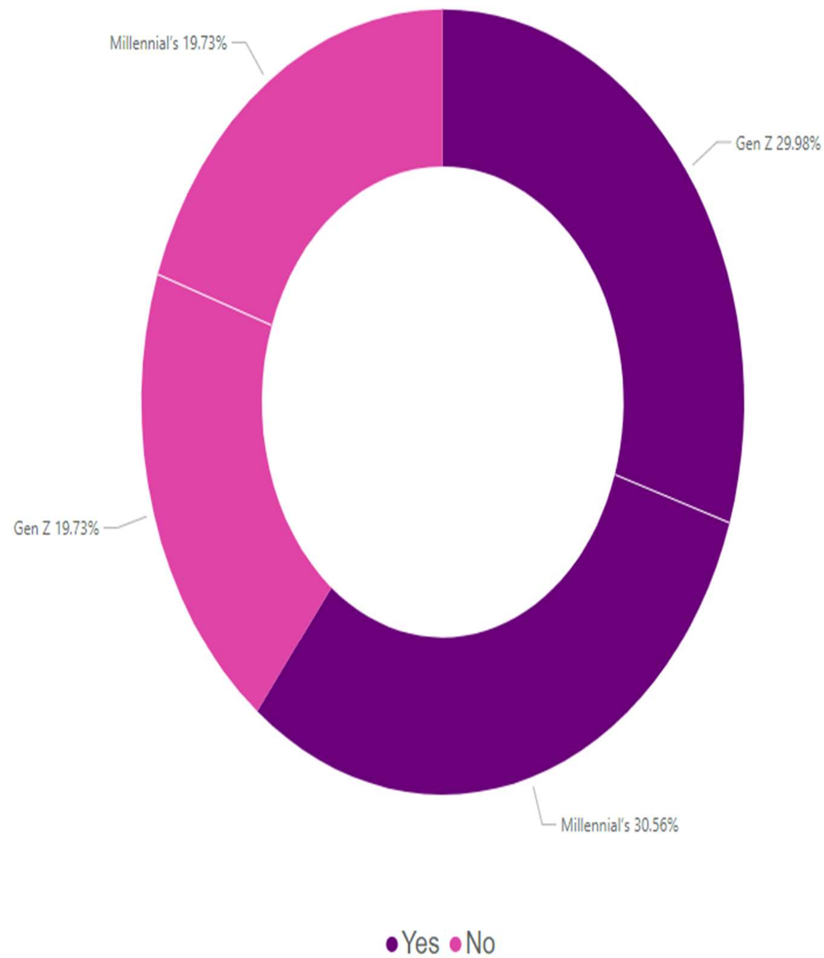
Variables	Categories	Frequency within each category	Relative frequency within each category (%)
Gender	Male	164	63.81%
	Female	93	36.19%
Highest Education Qualification	Undergraduate	109	42.41%
	Graduate	67	26.07%
	Postgraduate	60	23.35%
	Professionals	21	8.17%
Profession	Student	42	16.34%
	Unemployed	56	21.79%
	Self-employed / Entrepreneur	49	19.07%
	Employed	32	12.45%
	Service	49	19.07%
	Other	29	11.28%
Experience in investing in the financial market	<1 year	127	49.42%
	1–5 years	130	50.58%

Analysis conducted by the author

Regarding education qualifications, the majority were undergraduates (109; 42.41%), followed by graduates (67; 26.07%). The majority of respondents were unemployed (56; 21.79%), followed by those who were self-employed or in service (49; 19.07%). Concerning investment experience in the financial market, 130 (50.58%) had 1-5 years of experience, while 127 (49.42%) had less than 1 year of experience.

4.2 Understanding Basic investment information for millennials and GenZ

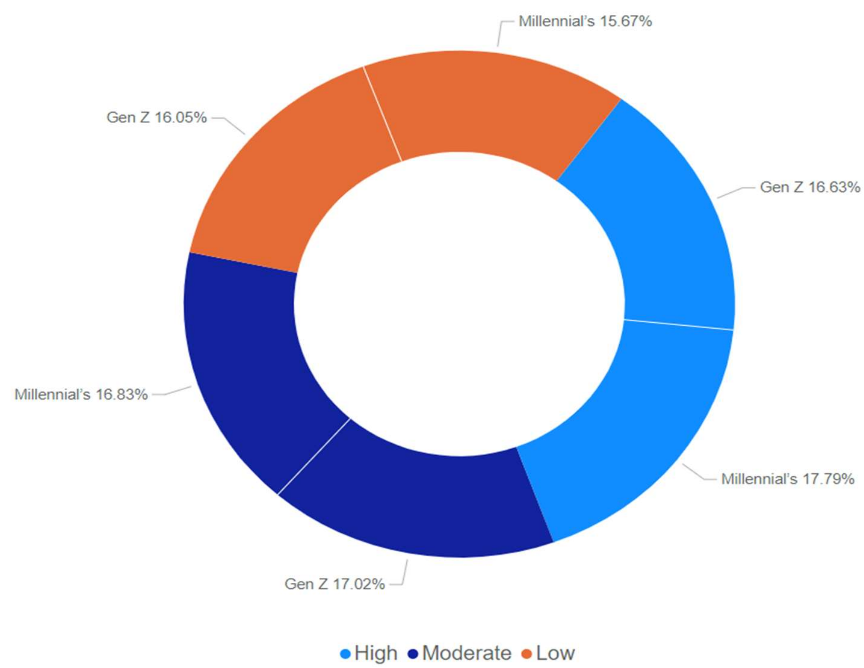
Figure:4.2.1- Percentage of Respondents Considering ESG Factors in Investment Decisions



Analysis and visualisation by the author

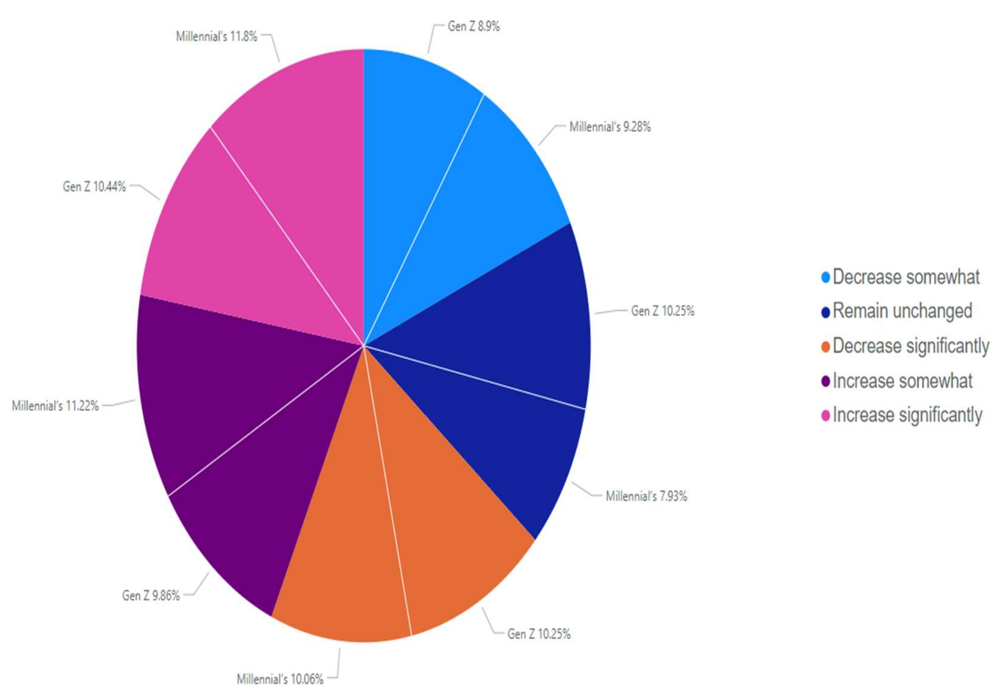
Among respondents, 60.54% incorporate ESG factors into their investment decisions, with 30.56% being Millennials and 29.98% being Generation Z. On the other hand, 39.46% of respondents do not consider ESG factors in their investment decisions, with 19.73% each for Millennials and Generation Z.

Figure:4.2.2- Millennials and Gen Z Perception of ESG Factors' Influence on Investment Performance



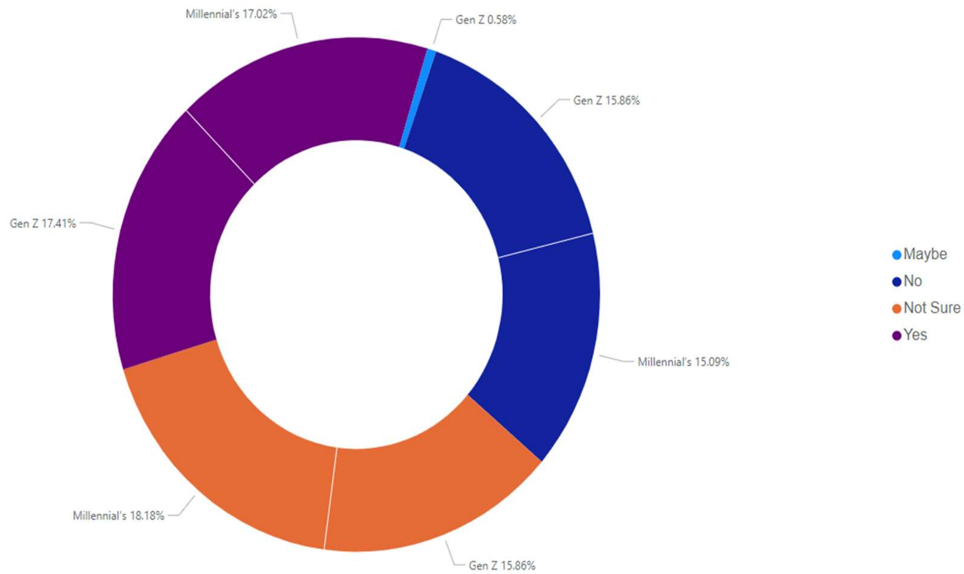
Analysis and visualisation by the author

Figure:4.2.3-Percentage of Respondents Prioritize ESG Factors in Future Investments



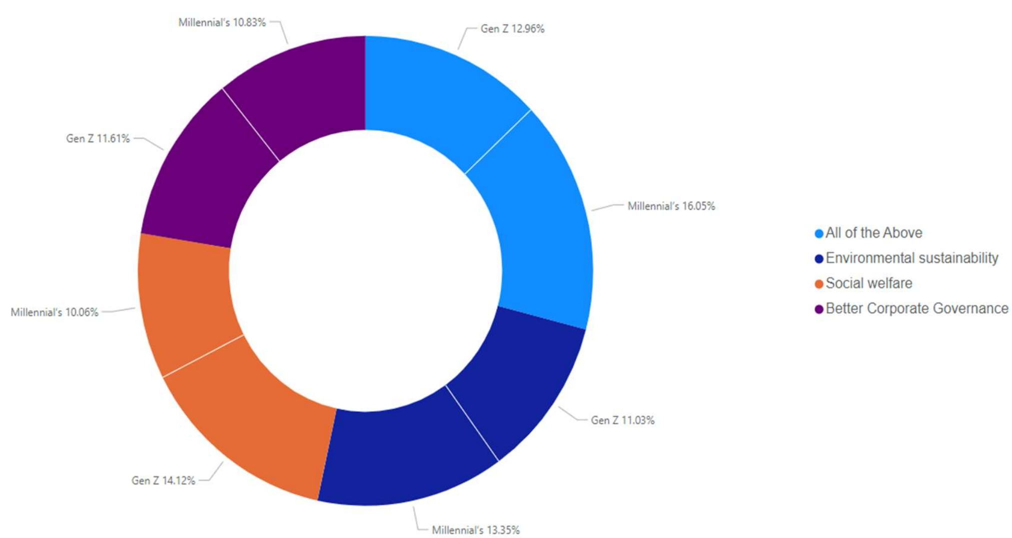
Analysis and visualisation by the author

Figure:4.2.4- Respondent's perception of financial outperformance linked to strong ESG performance



Analysis and visualisation by the author

Figure: 4.2.5- ESG Factors Prioritized by Millennials and Generation Z in Investment Decision Making

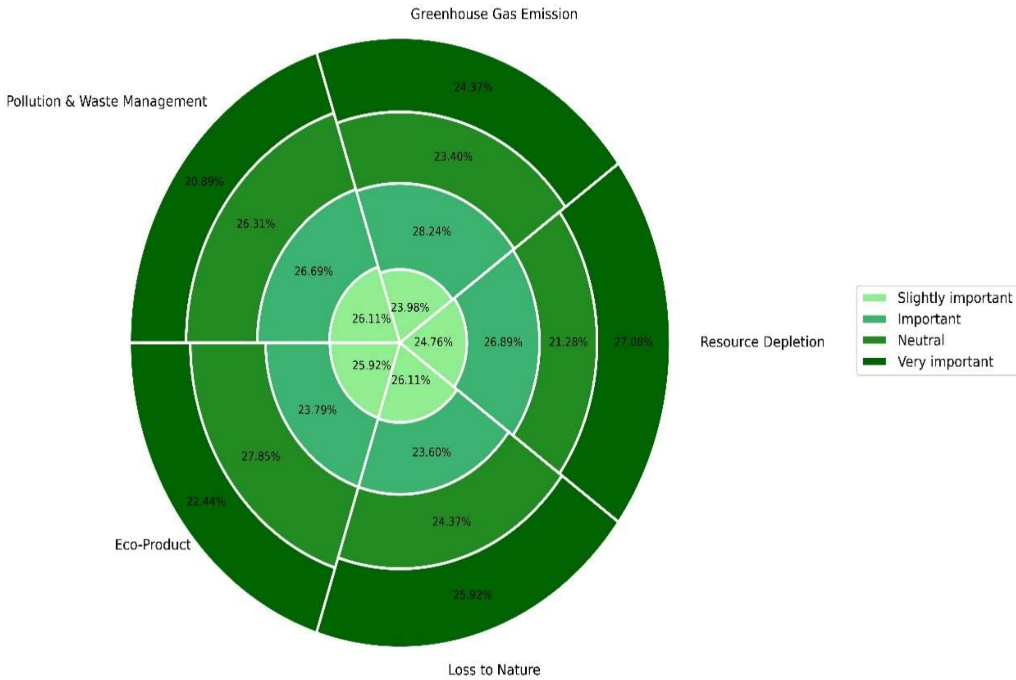


Analysis and visualisation by the author

Among Millennials, 16.05% prioritize all ESG factors, with a particular focus on Environmental Sustainability (13.35%). In contrast, 14.12% of Generation Z prioritize Social Welfare, followed by a focus on all ESG factors (12.96%) including Better Corporate Governance and Environmental Sustainability.

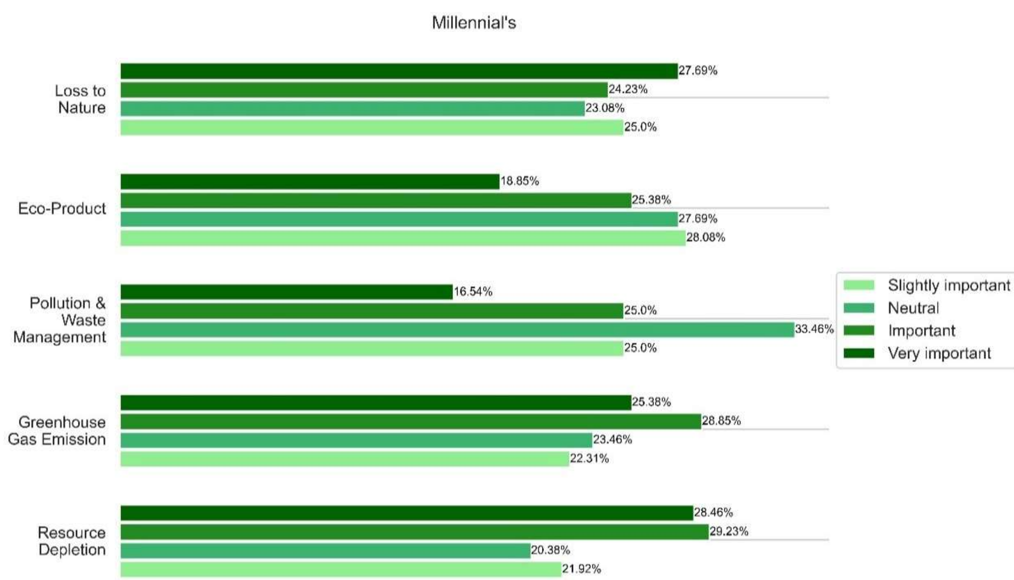
4.3 Environmental Criteria in Investment Decision Making

Figure:4.3.1- Illustrate significance for Five Environmental Sub-Factor measured using Likert Scale



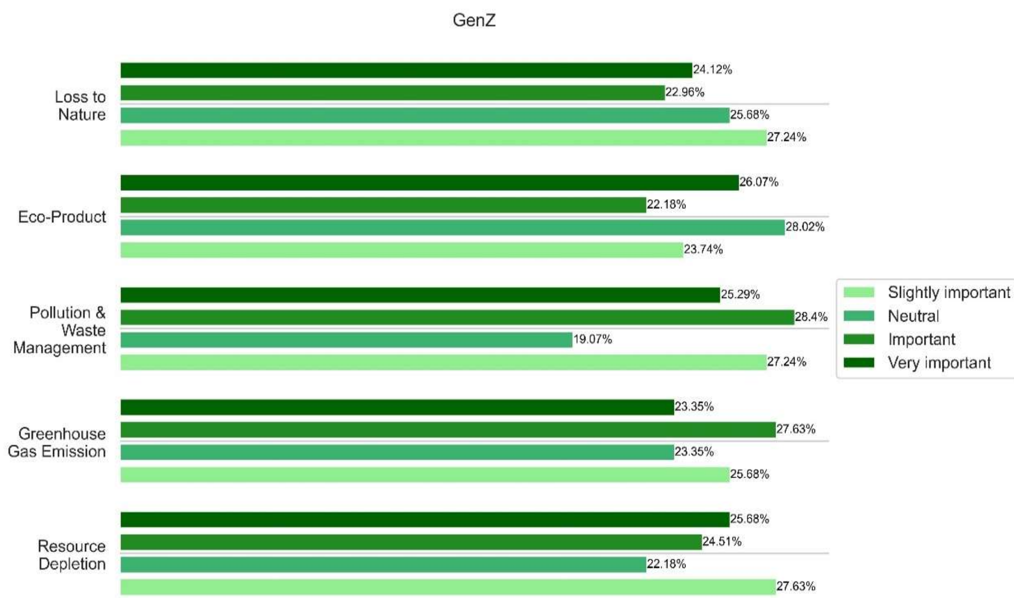
Analysis and visualisation by the author

Figure 4.3.2-Illustrate significance for Five Environmental Sub-Factor amongst Millennial's measured using Likert Scale.



Analysis and visualisation by the author

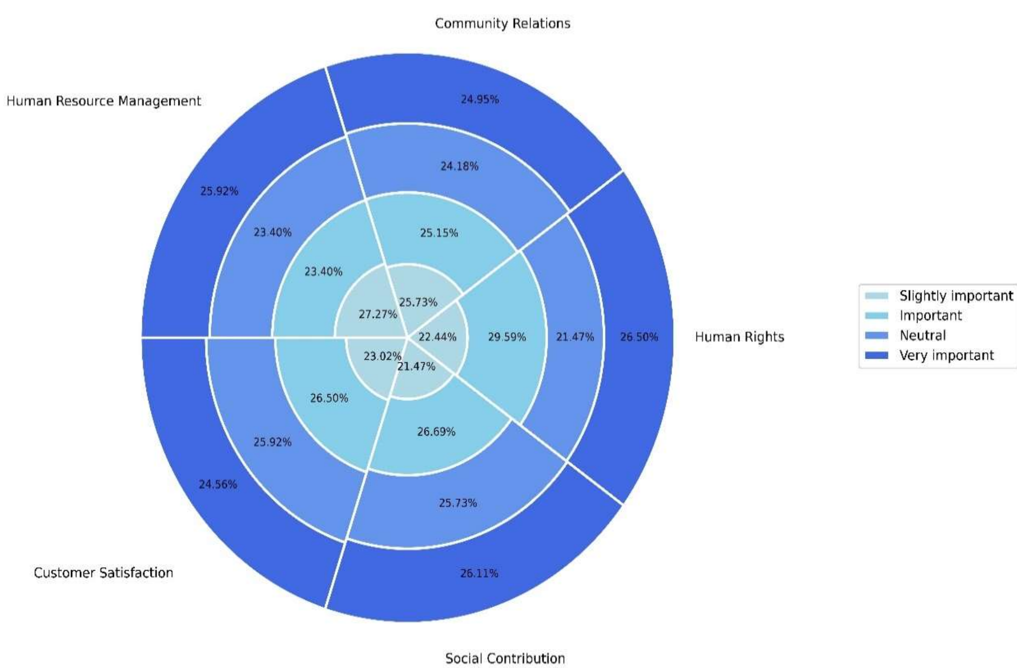
Figure 4.3.3-Illustrate significance for Five Environmental Sub-Factor amongst Gen Z measured using Likert Scale



Analysis and visualisation by the author

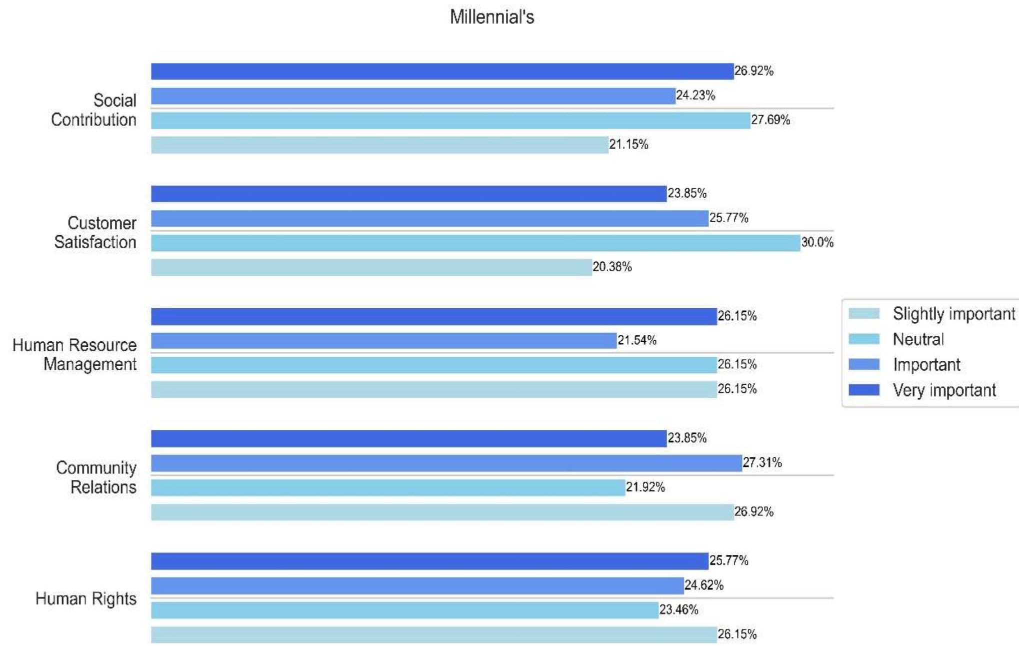
4.4 Social Criteria in Investment Decision Making

Figure:4.4.1- Illustrate significance for Five Social Sub-Factor measured using Likert Scale.



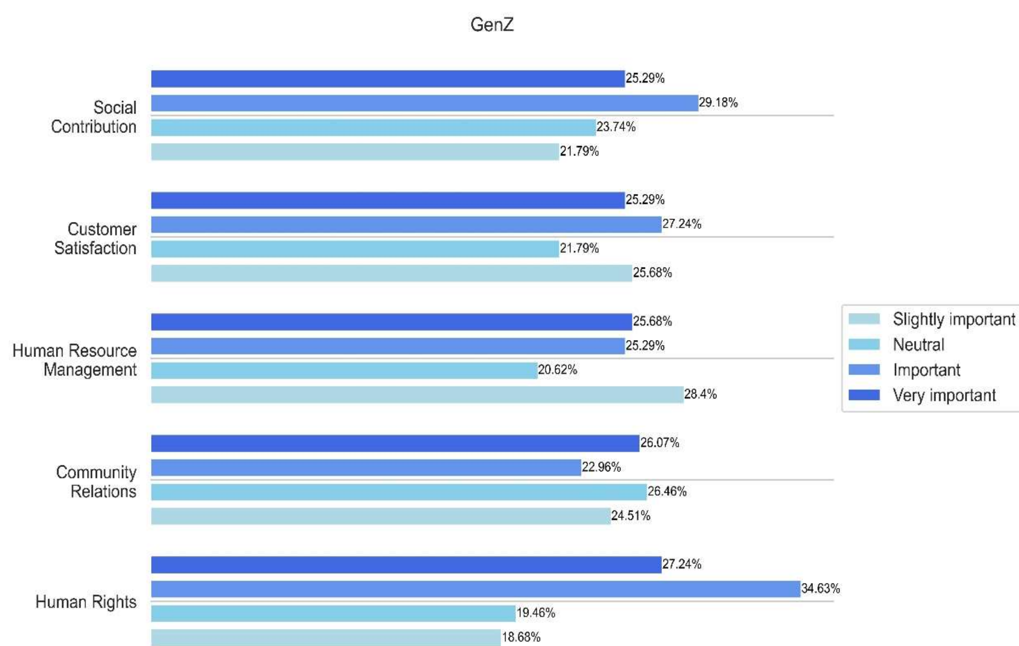
Analysis and visualisation by the author

Figure 4.4.2-Illustrate significance for Five Social Sub-Factor amongst Millennial's measured using Likert Scale.



Analysis and visualisation by the author

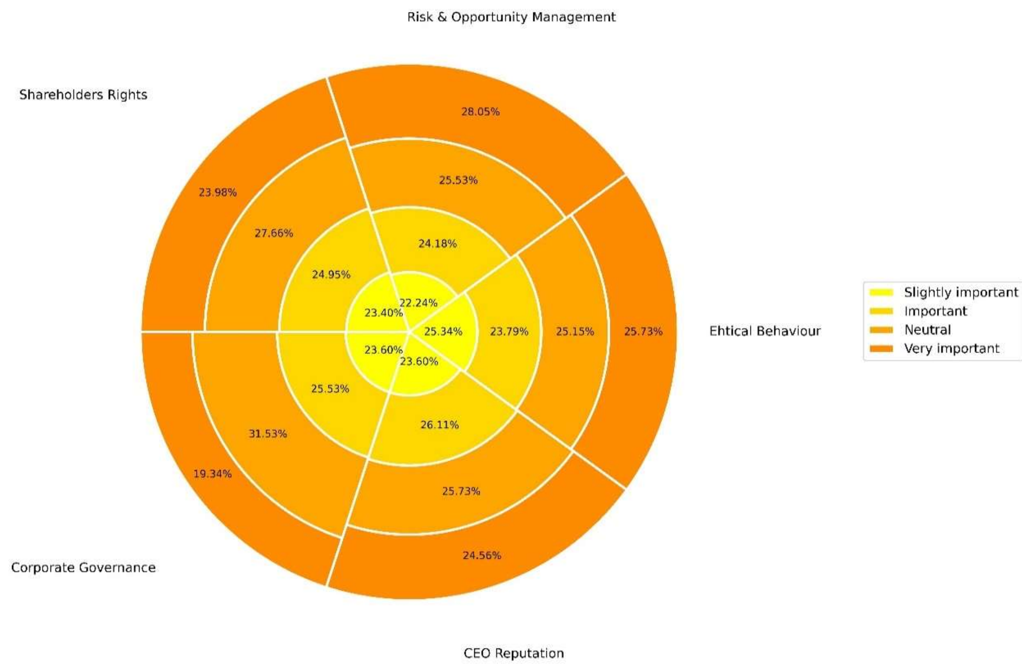
Figure 4.4.3-Illustrate significance for Five Social Sub-Factor amongst Gen Z measured using Likert Scale.



Analysis and visualisation by the author

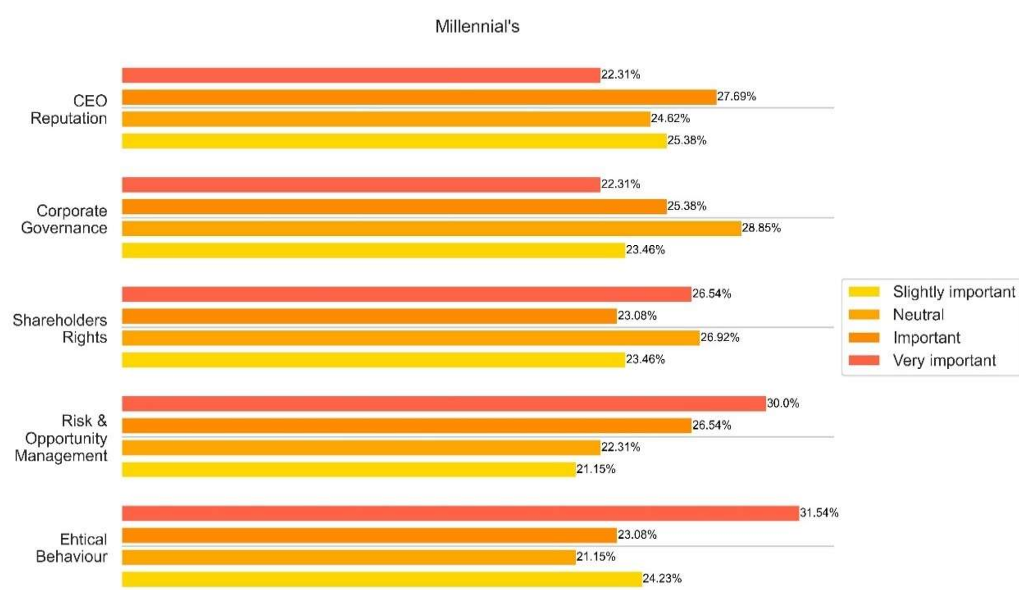
4.5 Governance Criteria in Investment Decision Making

Figure:4.5.1- Illustrate significance for Five Governance Sub-Factor measured using Likert Scale.



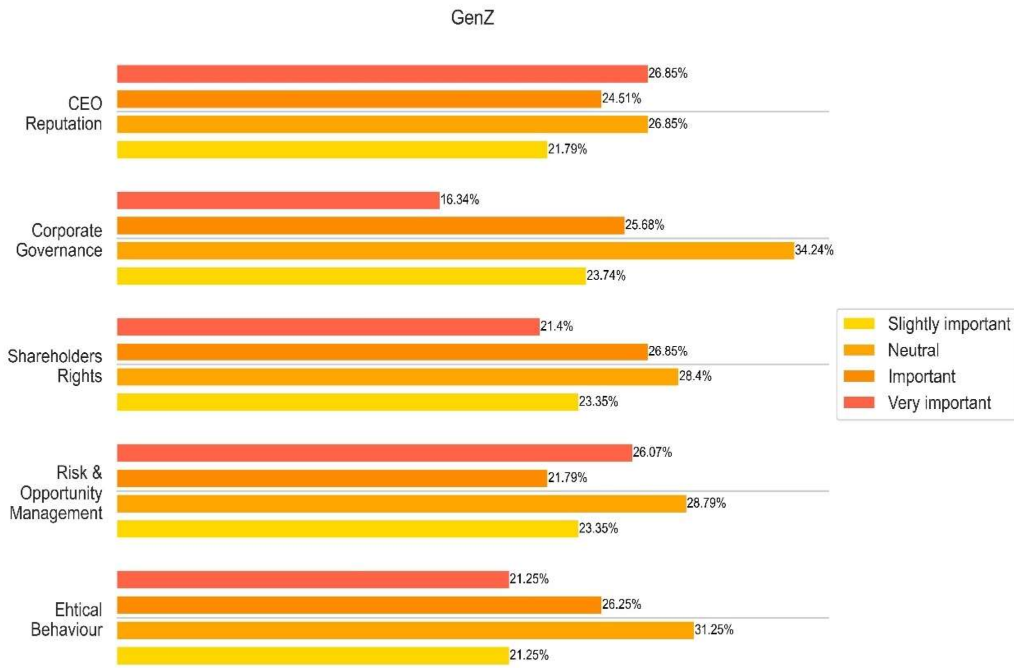
Analysis and visualisation by the author

Figure:4.5.2-Illustrate significance for Five Governance Sub-Factor amongst Millennial's measured using Likert Scale.



Analysis and visualisation by the author

Figure:4.5.3-Illustrate significance for Five Governance Sub-Factor amongst Gen Z measured using Likert Scale.



Analysis and visualisation by the author

4.6 Model Examination

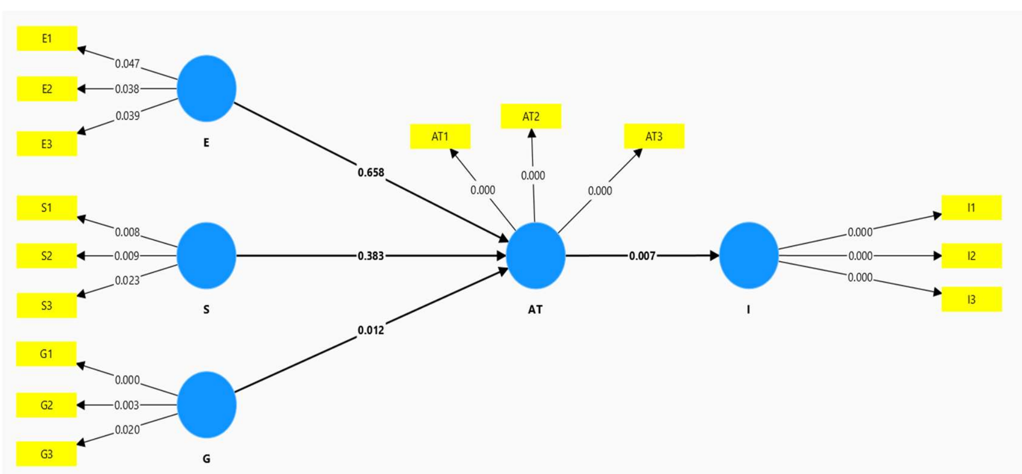
The model consists of component that connects measured variables (items) to latent variables (constructs). Examination of models comprise reliability, and validity assessments. The present study followed the model fit recommendations given by Hair et al. (2014), employing various fit indices to prevent redundancy. Following the approach proposed by Hair et al. (2014), the research assessed the construct's reliability by computing Cronbach's alpha estimates and the composite reliability (CR). The reliability metrics (Cronbach's alpha and CR) for all the constructs must be greater than the 0.70 threshold value (Hair et al., 2014; Nunnally, 1994). The construct's validity was determined using the two-step technique advocated by Hair et al. (2014), i.e., convergent and discriminant validity, the measurements' outer loadings must be above the minimum permissible limit of 0.5, and the AVE estimates must be above the prescribed values of 0.5 (Hair et al., 2014).

This study confirms discriminant validity by using two different approaches. The first technique requires that "the square root of the AVE" of all the constructs must be above their "inter-construct correlations" (Ab Hamid et al., 2017). The Second technique computes "the Heterotrait–Monotrait ratio of correlations" (Henseler et al., 2015), which should be less than the allowable threshold of 0.90 (Ab Hamid et al., 2017).

4.7 Assessment of the Model for Millennial's

The model comprises five components, with one being endogenous and the remaining four exogenous. Through a multi-item scale, the estimated model consists of 15 observable items and 5 latent variables. Each measured item is associated with its own latent variable, ensuring that error terms are independent of other elements within the model. Three measured items represent three latent factors Environment, Social, and Governance, three items reflect the Attitude toward ESG-based investment, and three measured items demonstrate the latent dependent variable Intention towards ESG-based investment. The study employed the five-point Likert scale as its measuring scale because of its ease of use and coding, ability to provide respondents a wider variety of possibilities (less skewed distribution), and versatility in statistical analysis (Burns and Bush, 2006). The partial least squares (PLS) path modeling approach was chosen for this study due to its primary ability to effectively handle deviations from normality, such as multivariate normality.

Figure 4.7.1 Measurement Model of the Study (Millennial's)



Analysis conducted by the author

Table 4.7.1 Reliability and Convergent Validity for Millennial's

Construct	Items	Outer Loading	AVE	CR	Cronbach's Alpha (**α**)
Environment (E)			0.689	0.868	0.802
	E1	0.737			
	E2	0.951			
	E3	0.787			
Social (S)			0.695	0.871	0.808
	S1	0.881			
	S2	0.913			
	S3	0.690			
Governance (G)			0.539	0.766	0.726
	G1	0.970**			
	G2	0.625			
	G3	0.533			
Attitude toward ESG Based Investment			0.693	0.870	0.802
	AT1	0.845**			
	AT2	0.940**			
	AT3	0.694**			
Intention toward ESG based Investment			0.722	0.886	0.812
	I1	0.782**			
	I2	0.887**			
	I3	0.876**			

Analysis conducted by the author

The reliability of the construct was evaluated by calculating estimates of Cronbach's alpha and composite reliability (CR). The reliability metrics (Cronbach's alpha and CR) for all the constructs were greater than the 0.70 threshold value and outer loadings were above the minimum permissible limit of 0.5, and the AVE estimates were above the prescribed values of 0.5 (Hair et al., 2014). Thus, the measurement model confirmed the reliability and convergent validity (Table 4.7.1)

Table 4.7.2: Discriminant Validity (Fornell-Larcker Criterion) for Millennial's

	AT	E	G	I	S
AT	0.833				
E	0.045	0.830			
G	0.273	0.027	0.734		
I	0.165	0.139	0.140	0.850	
S	0.082	-0.030	0.014	-0.015	0.834

Note: The diagonal is the square root of AVE.
Analysis conducted by the author.

Discriminant validity quantifies the extent of differences across overlapping systems (Hair et al., 2011). This study confirms discriminant validity by using two different approaches. To ensure discriminant validity, the initial technique necessitates that the square root of the Average Variance Extracted (AVE) for each construct exceeds the inter-construct correlations (Ab Hamid et al., 2017). The table demonstrates that the diagonal of the latent variable represents the square root of its AVE, indicating its superiority in magnitude.

Table4.7.3: Discriminant validity (Heterotrait-Monotrait Ratio -HTMT) for Millennial

	AT	E	G	I	S
AT					
E	**0.067**				
G	0.212	**0.054**			
I	0.175	0.165	**0.334**		
S	0.090	0.053	0.062	**0.047**	

Note: the values (in bold) indicate discriminant validity is lower than the HTMT threshold value 0.85.
Analysis conducted by author

The next technique computes "the Heterotrait–Monotrait ratio of correlations" (Henseler et al., 2015), which should be less than the allowable threshold of 0.85 (Ab Hamid et al., 2017). In summary, the discriminant validity of the components is affirmed, and the results of this study provide further validation of discriminant validity (Table 4.7.2 and Table 4.7.3).

4.7.1 Structural Model: Hypotheses Testing

The structural model comprises latent variables representing relationships. The outcomes of hypothesis testing, as presented in Table 4.7.4 and Fig. 4.7.1, reveal that among the ESG factors, only governance demonstrates a significant positive impact on attitude towards ESG principle-based investment ($\beta = 0.271$; $t = 2.526$; $p\ (0.012) < 0.05$). Conversely, the environmental factor exhibits no significant positive impact ($\beta = 0.040$; $t = 0.442$; $p\ (0.658) > 0.05$), as does the social factor ($\beta = 0.383$; $t = 0.873$; $p\ (0.383) > 0.05$), thus supporting H7 while H1 and H7 are not supported. Additionally, attitude towards ESG principle-based investment significantly influences investment intentions towards ESG principle-based investment among millennial investors ($\beta = 0.165$; $t = 2.679$; $p\ (0.007) < 0.05$), thereby confirming H10.

Table 4.7.4: Hypotheses Testing Summary for Millennial's

Hypothesis	Linkage	(Beta)	t-value	p-Value	Remarks
H1	E-AT	0.040	0.442	0.658	Reject
H4	S-AT	0.383	0.873	0.383	Reject
H7	G-AT	0.271	2.526	0.012	Accept
H10	AT-I	0.165	2.679	0.007	Accept

Analysis conducted by the author

Table 4.7.5: R2 AND Adjusted R2 for Millennial's

	R-square	R-square Adjusted
Attitude toward ESG principle-based Investment	0.222	0.202
Intention toward ESG principle-based Investment	0.27	0.24

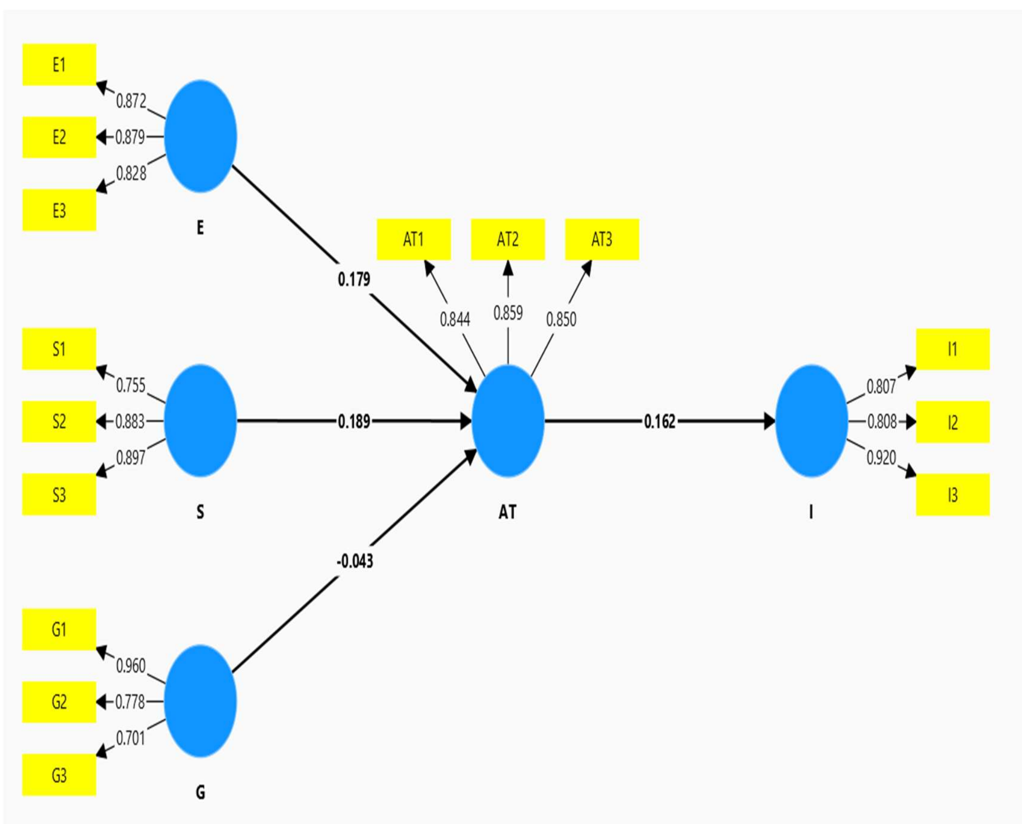
Analysis conducted by the author

According to Chin (1998), R2 values exceeding 0.67, 0.33, or 0.19 indicate strong, moderate, or weak correlations, respectively, demonstrating both the strength of the effect and significance, showing weak correlation for this model.

4.8 Assessment of Model for Generation Z.

The model comprises five components, with one being endogenous and the remaining four exogenous. Through a multi-item scale, the estimated model consists of 15 observable items and 5 latent variables. Each measured item is associated with its own latent variable, ensuring that error terms are independent of other elements within the model. Three measured items represent three latent factors Environment, Social, and Governance, three items reflect the Attitude toward ESG-based investment, and three measured items demonstrate the latent dependent variable Intention towards ESG-based investment. The study employed the five-point Likert scale as its measuring scale because of its ease of use and coding, ability to provide respondents a wider variety of possibilities (less skewed distribution), and versatility in statistical analysis (Burns and Bush, 2006). The partial least squares (PLS) path modeling approach was chosen for this study due to its primary ability to effectively handle deviations from normality, such as multivariate normality.

Figure 4.8.1 Measurement Model of the Study Generation Z



Analysis conducted by the author

Table 4.8.1: Reliability and Convergent Validity for Generation Z

Construct	Items	Outer Loading	AVE	CR	Cronbach's Alpha (**α**)
Environment (E)			0.740	0.895	0.824
	E1	0.872			
	E2	0.879			
	E3	0.828			
Social (S)			0.718	0.884	0.814
	S1	0.755			
	S2	0.883			
	S3	0.897			
Governance (G)			0.673	0.858	0.806
	G1	0.960			
	G2	0.778			
	G3	0.701			
Attitude toward ESG Based Investment			0.725	0.888	0.810
	AT1	0.844			
	AT2	0.859			
	AT3	0.850			
Intention toward ESG based Investment			0.717	0.883	0.821
	I1	0.807			
	I2	0.808**			
	I3	0.920**			

Analysis conducted by the author

The reliability of the construct was evaluated by calculating estimates of Cronbach's alpha and composite reliability (CR). The reliability metrics (Cronbach's alpha and CR) for all the constructs were greater than the 0.70 threshold value and outer loadings were above the minimum permissible limit of 0.5, and the AVE estimates were above the prescribed values of 0.5 (Hair et al., 2014). Thus, the measurement model confirmed the reliability and convergent validity (Table 4.8.1)

Table 4.8.2: Discriminant Validity (Fornell-Larcker Criterion) for Generation Z

	AT	E	G	I	S
AT	0.851				
E	0.199	0.860			
G	-0.036	0.047	0.820		
I	0.162	0.078	0.034	0.847	
S	0.210	0.119	-0.004	0.053	0.847

Note: The diagonal is the square root of AVE. Analysis conducted by the author

Discriminant validity quantifies the extent of differences across overlapping systems (Hair et al., 2011). This study confirms discriminant validity by using two different approaches. To ensure discriminant validity, the initial technique necessitates that the square root of the Average Variance Extracted (AVE) for each construct exceeds the inter-construct correlations (Ab Hamid et al., 2017). The table demonstrates that the diagonal of the latent variable represents the square root of its AVE, indicating its superiority in magnitude.

Table 4.8.3: Discriminant validity (Heterotrait-Monotrait Ratio -HTMT)

	AT	E	G	I	S
AT					
E	0.244				
G	0.042	0.062			
I	0.173	0.147	0.045		
S	0.236	0.145	0.073	0.142	

Note: the values (in bold) indicate discriminant validity is lower than the HTMT threshold value 0.85. Analysis conducted by the author

The next technique computes "the Heterotrait–Monotrait ratio of correlations" (Henseler et al., 2015), which should be less than the allowable threshold of 0.85 (Ab Hamid et al., 2017). In summary, the discriminant validity of the components is affirmed, and the results of this study provide further validation of discriminant validity (Table 4.8.2 and Table 4.8.3).

4.8.1 Structural Model: Hypotheses Testing

The structural model comprises latent variables representing relationships, as illustrated in Table 4.8.1 and Fig. 4.8.4. The findings suggest that among the ESG factors, the environmental factor exhibits a positive impact on attitude towards ESG principle-based investment ($\beta = 0.179$; $t = 3.064$; $p\ (0.002) < 0.05$), while the social factor also demonstrates a significant positive impact ($\beta = 0.189$; $t = 2.443$; $p\ (0.015) < 0.05$). However, only the governance factor does not show a significant positive impact on attitude towards ESG principle-based investment ($\beta = -0.043$; $t = 0.457$; $p\ (0.648) > 0.05$), thereby not supporting H8 but supporting H2 and H5. Additionally, attitude towards ESG principle-based investment has a significant positive effect on investment intentions towards ESG principle-based investment among millennial investors ($\beta = 0.162$; $t = 2.637$; $p\ (0.008) < 0.05$), confirming H11.

Table 4.8.4: Hypotheses Testing Summary for Generation Z

Hypothesis	Linkage	Path Coefficient (Beta)	t-value	p-Value	Remarks
H2	E-AT	0.179	3.064	0.002	Accept
H5	S-AT	0.189	2.443	0.015	Accept
H8	G-AT	-0.043	0.457	0.648	Reject
H11	AT-I	0.162	2.637	0.008	Accept

Analysis conducted by the author

Table 4.8.5 R2 And Adjusted R2 for Generation Z

	R-square	R-square Adjusted
Attitude	0.27	0.26
Intention	0.26	0.23

Analysis conducted by the author

According to Chin (1998), R2 values exceeding 0.67, 0.33, or 0.19 indicate strong, moderate, or weak correlations, respectively, demonstrating both the strength of the effect and significance, showing weak correlation for this model.

4.9 Non-Parametric Test: Hypothesis testing

Table 4.9.1 Construct Reliability (Cronbach's Alpha)

Construct	Millennial's	Generation Z
Environmental	0.802	0.824
Social	0.808	0.814
Governance	0.726	0.806
Attitude	0.802	0.810
Intention	0.812	0.821

Analysis conducted by the author

In order to assess the construct's reliability and internal consistency, The Cronbach's alpha test was administered. A coefficient (α) below 0.700 is generally regarded as indicating poor dependability, while a coefficient (α) exceeding 0.700 is deemed to be a good indicator. In this study, we have established a threshold of 0.700 to determine the level of dependability. The results presented in Table 4.9.1 suggest that the Cronbach's alpha test yielded values surpassing the established threshold, indicating a significant level of reliability.

Table 4.9.2 Hypotheses testing- Mann Whitney U Test

Hypothesis	Sig. (p-value)	Decision
H3 (Environment)	0.045	Reject
H6 (Social)	0.127	Accept
H9 (Governance)	0.094	Accept
H12 (Attitude)	0.27	Accept
H13 (Intention)	0.478	Accept

Analysis conducted by the author

The Mann-Whitney U test was utilized to accommodate the non-normality of the data. Examination of the hypothesis testing outcomes comparing Millennials and Generation Z reveals that the null hypotheses are supported. The findings derived from collected data of both the age group Millennial's and Generation Z demonstrate that the perceived Positive attitude and Intention towards ESG factors have favourable and statistically significant impact on investment Decision along with Social and Governance.

4.10 Limitations of the study

One potential limitation of the study was its reliance on self-reported data from participants. While self-reporting could offer valuable insights, it was crucial to acknowledge the potential of response bias. This implied that respondents might have unintentionally provided inaccurate or socially desirable responses, potentially compromising the validity of the findings. Additionally, the research primarily focused on Millennials and Generation Z.

Given the limited availability of studies related to ESG and investment decision making, a careful approach was used in selecting appropriate research in order to maintain the integrity of study. However, it was possible that certain aspects might not have been fully analysed. Nevertheless, despite these challenges, the findings of this research are significance as this provide a valuable insight Through this study, it became apparent that there is limited role play by ESG Disclosure in influencing the investment Decision of Millennials and Generation Z due to Closeness and limited difference between the both age group

Another limitation was the use of non-probabilistic (Convenient) sampling in this research hence in future researcher should incorporate probabilistic sampling techniques instead of non-probabilistic techniques to gather sample data from the targeted population.

To address these limitations and enhance the reliability of future research, researchers could consider employing alternative methodologies, which use objective metrics for data collection. This approach would offer a more impartial evaluation of the factors under examination. Additionally, to expand the scope of this study a wider range of age group and Multiple attributes of demographic would improve the external validity of the results, enabling a more comprehensive understanding for financial product generation and financial product

CONCLUSION

This study makes a substantial contribution to the ESG literature, especially in comprehending the impact of ESG disclosure on decision-making related to ESG principle-based investments, primarily focusing on attitudes and intentions based on the Theory of Planned Behaviour (TPB). Methodologically, the study utilizes measurement scales from UNGC (2004) and TRCRI (2013), which have been underutilized in previous ESG studies. By doing so, it captures internationally recognized ESG dimensions across different age groups.

The subsequent section is divided into two parts: firstly, analysing aggregated data from millennials and Generation Z to provide a comprehensive depiction, and secondly, examining the relationship between various ESG factors and attitudes and intentions towards ESG principle-based investment. This project aims to address the current knowledge gap regarding untapped ESG principles in the Indian market and their specific impact on these two groups. Furthermore, the research endeavours to achieve a more detailed understanding of the intersection between millennials' and Gen Z's investment decision strategies and their potential synergistic effects on financial product development through a thorough examination of their investment behaviour.

The study findings indicate that the influence of ESG initiatives does significantly vary across two age groups. According to respondents' perceptions, Millennials tend to prioritize governance factors when making investment decisions, whereas Generation Z focuses on both social and environmental factors. Therefore, fund management companies must actively advertise and market their environmental initiatives to attract a larger pool of investors. They should also be transparent in publicly disclosing their environmental activities and avoid greenwashing, as this can negatively impact their efforts. Furthermore, the influence of social and governance indicators on investors' perceptions is also significant. It is noteworthy that both ESG policies have a considerable favourable impact on investor behaviour, indicating that investors are more inclined to react positively and invest in firms that embrace ESG policies.

Insights from the study in India shed light on the relationship between ESG factors and investor behaviour. Incorporating ESG elements into a company's operations has a favourable impact, aligning with previous research indicating a lack of complete understanding of the ESG framework among individuals in India across both age groups. Interestingly, there appears to be a prioritization of affordable products over environmental, social, and governance concerns. Generation Z appears to prioritize social factors and environmental factor more, while Millennials place greater emphasis on governance concerns. These findings highlight the distinct preferences and priorities of each generation regarding ESG factors, with Generation Z showing a stronger inclination towards social issues and environmental issues and Millennials focusing more on governance aspects.

The study underscores a significant business management insight, emphasizing that organizations should effectively communicate their ESG policies to build trust and enhance their reputation. While listed companies are already mandated by SEBI to adhere to ESG requirements and report their practices, it would be beneficial to encourage non-listed entities to recognize the importance of ESG and educate the public on its interpretation. Exclusively assigning ESG responsibilities to listed companies could limit the significance of achieving sustainable goals over time. Policymakers can contribute by facilitating dialogue and initiatives to promote these concepts, ensuring increased public familiarity.

Moreover, effective communication of ESG practices may align with investors' expectations and positively impact investor's behaviour. Implementing a comprehensive approach to ESG policies presents organizations with a golden opportunity to improve business performance, gain a competitive advantage, and foster sustainable profitability. The preference of investors towards ESG could potentially catalyse the development of regulations aimed at improving ESG performance and reporting, potentially leading to the introduction of an ESG based index in India. This could in turn attract more Foreign Direct Investment (FDI), Institutional investors and foreign stock investors. Consequently, integrating ESG framework into investment decisions has the potential to contribute towards overall sustainable growth of the country, particularly within similar cultural, legal and political settings.

REFERENCES

- Adam, A. A., & Shaulu, E. R., (2014). Socially responsible investment in Malaysia: Behavioral framework in evaluating investors' decision-making process. Journal of Cleaner Production, 80, 224-240.

- Agarwal, Upasna A., Sumita Datta, Stacy Blake-Beard, and Shivganesh Bhargava. 2012. Linking LMX, Innovative work behaviour and turnover intentions: The mediating role of work engagement. Career Development International 17: 208–30.

- Allouche, Jose, and Patrice Laroche. 2005. A meta-analytical examination of the link between corporate social and financial performance.

- Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179–211.

- Ajzen, I., and Fishbein, M. (1980). Understanding attitudes and predicting social behavior. Englewood Cliffs, NJ: Prentice-Hall.

- Barreda-Tarrazona, I., Matallín-Sáez, J. C., and Balaguer-Franch, M. R. (2011). Measuring Investors' Socially Responsible Preferences in Mutual Funds. Journal of Business Ethics, 103(2), 305–330.

- Becchetti, Leonardo, Rocco Cicretti, Ambrogio Dalo, and Stefano Herzel. 2015. Socially responsible and conventional investment funds: Performance comparison and the global financial crisis. Applied Economics 47: 2541–62.

- Berry, T. C., and Junkus, J. C. (2013). Socially responsible investing: An investor perspective. Journal of Business Ethics, 112, 707-720.

- Blacconiere W. G., and Patten, D. M. (1994). Environmental disclosures, regulatory costs, and changes in firm value. Journal of Accounting and Economics, 18(3), 357–377.

- Boukattaya, Sonia, and Abdelwahed Omri. 2021. Impact of board gender diversity on corporate social responsibility and irresponsibility: Empirical evidence from France. Sustainability 13: 4712.

- Brulhart, Franck, Sandrine Gherra, and Bertrand V. Quelin. 2019. Do stakeholder orientation and environmental proactivity impact firm profitability? Journal of Business Ethics 158: 25–46.

- Broadstock, David C., Kalok Chan, Louis T.W. Cheng, and Xiaowei Wang. 2021. The role of ESG performance during times of financial crisis: Evidence from COVID-19 in China. Finance Research Letters 38: 101716.

- Crifo, P., Forget, V. D., and Teyssier, S. (2015). The price of environmental, social and governance practice disclosure: An experiment with professional private equity investors. Journal of Corporate Finance, 30, 168-194.

- De Franco, Carmine. 2020. ESG controversies and their impact on performance. The Journal of Investing 29: 33–45.

- Dalvi-Esfahani, M., Ramayah, T., and Rahman, A. A. (2017). Moderating role of personal values on managers' intention to adopt Green IS. Industrial Management and Data Systems, 117(3), 582–604.

- De Zwaan, L., Brimble, M., and Stewart, J. (2015). Member perceptions of ESG investing through superannuation. Sustainability Accounting, Management and Policy Journal, 6(1), 79–102.

- Diouf, D., Hebb, T., and Touré, E. H. (2016). Exploring factors that influence social retail investors' decisions: Evidence from Desjardins fund. Journal of Business Ethics, 134(1), 45-67.

- Escrig-Olmedo, Elena, María Á. Fernández-Izquierdo, Idoya Ferrero-Ferrero, Juana María Rivera-Lirio, and María Jejús Muñoz-Torres.2019. Rating the raters: Evaluating how ESG rating agencies integrate sustainability principles. Sustainability 11: 915.

- Ferreira, J., Fernandes, C. and Ratten, V. (2016), "A co-citation bibliometric analysis of strategic management research", Scientometrics, Vol. 109 No. 1, pp. 1-32.

- Freeman, R. E. 1984. Strategic Management: A Stakeholder Approach. New York: Cambridge University Press.

- Friede, Gunnar, Timo Busch, and Alexander Bassen. 2015. ESG and financial performance: Aggregated evidence for more than 2000 empirical studies. Journal of Sustainable Finance & Investment 5: 210–33.

- Derwall, J., Guenster, N., Bauer, R., and Koedijk, K. (2005). The eco-efficiency premium puzzle. Financial Analysts Journal, 61(2), 51-63.

- Gallego-Alvarez, Isabel, and Lilane Christina Segura. 2015. Greenhouse gas emissions variation and corporate performance in international companies. International Journal of Global Warming 8: 555–82.

- Ghassim, Babak, and Marcel Boger. 2019. Linking stakeholder engagement to profitability through sustainability-oriented innovation: A quantitative study of the minerals industry. Journal of Cleaner Production 224: 905–19.

- Hart, Stuart L., and Gautam Ahuja. 1996. Does it pay to be green? An empirical examination of the relationship between emission reduction and firm performance. Business Strategy and the Environment 5: 30–37.

- Healy, P. M., and Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. Journal of accounting and economics, 31(1-3), 405-440.

- Hoepner, Andreas G. F., Ioannis Oikonomou, Zacharias Sautner, Laura T. Starks, and Xiao Y. Zhou. 2019. ESG Shareholder Engagement and Downside Risk.

- Ilhan, Emirhan, Zacharias Sautner, and Grigory Vilkov. 2021. Carbon tail risk. The Review of Financial Studies 34: 1540–71.

- Gopi, M., and Ramayah, T. (2007). Applicability of theory of planned behavior in predicting intention to trade online: Some evidence from a developing country. International Journal of Emerging Markets, 2(4), 348-360.

- Gray, R., Owen, D., and Adams, C. (1996). Accounting and accountability: changes and challenges in corporate social and environmental reporting. Prentice Hall.

- Hirt, G. A. & Block S. B. (1999). Fundamentals of Investment Management (6th ed.). Singapore: McGraw-Hill/Irwin.

- Jagongo, A., & Mutswenje, V. S. (2014). A survey of the factors influencing investment decisions: The case of individual investors at the NSE. International Journal of Humanities and Social Science, 4(4), 92-102.

- Joyner, B. E., Payne, D., and Raiborn, C. A. (2002). Building values, business ethics and corporate social responsibility into the developing organization. Journal of developmental entrepreneurship, 7(1), 113

- Kim,Woo Cheol, and JiWon Park. 2017. Examining structural relationships between work engagement, organizational procedural justice, knowledge sharing, and innovative work behavior for sustainable organizations. = Sustainability 9: 205.

- Lee, Daren, Robert Faff, and Saphira Rekker. 2013. Do high and low-ranked sustainability stocks perform differently? International Journal of Accounting and Information Management 21: 116–32.

- Matos, Pedro Verga, Victor Barros, and Joaquim Miranda Sarmento. 2020. Does ESG affect stability of dividend policies in Europe? Sustainability 12: 8840.

- Menguc, Bulent, and Lucie K. Oanne. 2005. Challenges of the “green imperative”: A natural resource-based approach to the environmental orientation-business performance relationship. Journal of Business Research 58: 430–38.

- Nam, Vu Hoang, Minh Mgoc Nguyen, Duong Anh Nguyen, and Hiep Ngoc Luu. 2020. The impact of corruption on the performance of newly established enterprises: Empirical evidence from a transition economy. Borsa Istanbul Review 20: 383–95.

- Nakamura, E. (2013). The impact of shareholders' types on corporate social responsibility: evidence from Japanese firms. Journal of Global Responsibility.

- Nair, Abhilash and Ladha, Rani. (2014). Determinants of non-economic investment goals among Indian investors. Corporate Governance: The international journal of business in society. 14. 714-727.

- Noland, Marcus, Tyler Moran, and Barbara R. Kotzchwar. 2016. Is gender diversity profitable? Peterson Institute for International Economics Working Paper.

- Palacios-Gonz´alez, M.M., Chamorro-Mera, A., 2018. Analysis of the predictive variables of the intention to invest in a socially responsible manner. J. Clean. Prod. 196, 469–477.

- Park, Kwong O. 2020. How CSV and CSR affect organizational performance: A productive behavior perspective. International Journal of Environmental Research and Public Health 17: 2556.

- Porter, Michael, Serafeim George, and Kramer Mark. 2019. Where ESG Fails. Institutional Investor. Available online: https://www.institutionalinvestor.com/article/b1hm5ghqtxj9s7/Where-ESG-Fails.

- Raut, R.K., Kumar, R., Das, N., 2020. Individual investors' intention towards SRI in India: an implementation of the theory of reasoned action. Social. Responsible. J. 17 (7), 877–896.

- Refinitiv. 2021. ESG Scores Methodology.

- Rehman, Hania, Muhammad Ramzo, Muhammad Zia Ul Haq, Jinsoo Hwang, and Kyoung-Bae Kim. 2021. Risk Management in Corporate Governance Framework. Sustainability 13: 5015.

- Riedl, A., Smeets, P., 2017. Why do investors hold socially responsible mutual funds? J. Finance. 72 (6), 2505–2550.

- Sairally, B. S. (2015). Integrating Environmental, Social and Governance (ESG) factors in Islamic finance: Towards the realization of Maqasid Al- Shari'ah. ISRA International Journal of Islamic Finance, 183.

- Schwartz, S. H. (1977). Normative Influences on Altruism. Advances in Experimental Social Psychology Volume 10, 221–279. https://doi.org/10.1016/s0065-2601(08)60358-5

- Swanson, Diane L. 1999. Toward an integrative theory of business and society: A research strategy for corporate social performance. Academy of Management Review 24: 506–21.

- Thakur, Bhanu Pratap Singh, M. Kannadhasan, Parikshit Charan, and C. P. Gupta. 2019. Corruption and firm value: Evidence from emerging market economies. Emerging Markets Finance and Trade 4: 1182–97.

- UNPRI. 2021. PRI Update Q1

- Van der Laan Smith, J., Adhikari, A., Tondkar, R. H., and Andrews, R. L. (2010). The impact of corporate social disclosure on investment behavior: A cross-national study. Journal of Accounting and Public Policy, 29(2), 177–192.

- Vyas, V., Mehta, K., Sharma, R., 2022. Investigating socially responsible investing behavior of Indian investors using structural equation modeling. J. Sustain. Finance Invest. 12 (2), 1–23.

- Walsh, G., Mitchell, V.-W., Jackson, P. R., and Beatty, S. E. (2009). Examining the Antecedents and Consequences of Corporate Reputation: A Customer Perspective. British Journal of Management, 20(2), 187–203.

- Warsame, M. H., and Ireri, E. M. (2016). Does the theory of planned behavior (TPB) matter in Sukuk investment decisions? Journal of Behavioral and Experimental Finance, 12, 93-100.

- Yee, C.H., Al-Mulali, U., Ling, G.M., 2022. Intention towards renewable energy investments in Malaysia: extending theory of planned behaviour. Environment. Science. Pollution. Res. 29 (1), 1021–1036.

ANNEXURE

Part 1: Demographic Information	
Question	**Options**
Identify yourself based on Age group	• Millennials • Generation Z
Gender	• Male • Female • Other • Don’t want disclose
Highest level of education :	• Undergraduate • Graduate • Postgraduate • Professional: • Others
Current occupation	• Student • Employed (full-time) • Self-employed / Entrepreneur • Unemployed • Service • Other

Part II: Basic Information on Investments and ESG	
Do you currently invest in financial markets?	• Yes • No
Have you actively sought out information about ESG factors when considering investment opportunities?	• Yes • No
How would you rate your understanding of, how ESG factors can impact investment performance?	• High • Moderate • Low
How would you describe your level of experience in investing in the financial market?	• Less than 1 year • 1–5 years • 5–10 years • More>10 years
Based on your investment beliefs and aims, which aspect(s) do you prioritize in your investment decisions?	• Environmental sustainability • Social welfare • Better corporate governance • All of the above

Part III: Enviornment Criteria		
Sub Criteria	**Questions**	**Options** Please rate your response on a scale of 1 to 5, where:
Resource Depletion	How important is it for you to invest in companies that prioritize the efficient management of energy and other consumable resources to mitigate resource depletion?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
GHG (Greenhouse Gas) Emission	How important is it for you to invest in companies that actively manage and reduce the level of greenhouse gas (GHG) emissions to meet the targets set by Supranational Bodies?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Pollution & Waste Management	How important is it for you to invest in companies that actively manage pollution and waste as part of there operations?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Eco-Product	How important is it for you to invest in companies that consider the potential damage to nature and make efforts for ecological protection?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Nature Loss	How important is it for you to invest in companies that strategically work to reduce their environmental impacts through eco-friendly product design?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important

Part IV: Social Criteria		
Sub Criteria	**Questions**	**Options** Please rate your response on a scale of 1 to 5, where:
Human Rights	How important is it for you to invest in companies that prioritize respecting and securing human rights in their business practices?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Community Relations	How important is it for you to invest in companies that make efforts to build a solid reputation and foster positive relationships with local communities?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Human Resources Management	How important is it for you to invest in companies that prioritize ensuring the dignity, equality, health, and benefits of their employees?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Customer Satisfaction	How important is it for you to invest in companies that provide products and services that satisfy their customers while prioritizing customer welfare and privacy?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Social Contribution	How important is it for you to invest in companies that make efforts to contribute socially as responsible citizens, building greater overall value for society through activities such as engaging in philanthropy?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important

Part V: Governance Criteria		
Sub Criteria	**Questions**	**Options** Please rate your response on a scale of 1 to 5, where:
Ethical Behaviour	How important is it for you to invest in companies that prioritize monitoring and management to comply with applicable laws and regulations while exhibiting ethical behaviour?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Risk & Opportunity Management	How important is it for you to invest in companies that prioritize the identification and management of strategic risks and opportunities regarding long-term value creation, like investment in AI or ML etc	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Shareholder's Rights	How important is it for you to invest in companies that uphold shareholders' concerns and voices in company strategy and management, thereby prioritizing shareholders' rights?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
Corporate Governance	How important is it for you to invest in companies that have a management system structure reflecting the direction and controlment of the company?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important
CEO Reputation	How important is it for you to consider the impact of CEO and top management personality and qualifications on the corporate image and value when making investment decisions?	1 = Not important at all 2 = Slightly important 3 = Neutral 4 = Important 5 = Very important

Part VI: Model Construct		
Variable	**Items**	**Options**
Environment (E1)	How likely are you going to choose a company that incorporate environmental sustainability, even if it means potentially lower financial returns?	• Highly Likely • Likely • Neutral • Unlikely • Highly Unlikely
Environment (E2)	How important is it for you to consider the impact of CEO and top management personality and qualifications on the corporate image and value when making investment decisions?	• Very Important • Important • Moderately Important • Slightly Important • Not Important
Environment (E3)	How much emphasis do you place on environmental sustainability when making investment choices?	• VeryHigh Emphasis • High Emphasis • Moderate Emphasis • Low Emphasis • No Emphasis
Social (S1)	How much importance do you place on investing in companies that actively contribute to social causes or community development?	• Very Important • Important • Moderately Important • Slightly Important • Not Important
Social (S2)	How much do you consider the social implications of your investments, including factors like employee well-being, human rights, and diversity and inclusion?	• Very High Consideration • High Consideration • Moderate Consideration • Low Consideration • No Consideration

Part VI: Model Construct		
Variable	**Items**	**Options**
Social (S3)	How inclined are you to prioritize investments in companies with strong social responsibility practices, even if it means sacrificing some financial returns	• Very High Priority • High Priority • Moderate Priority • Low Priority • No Priority
Governance (G1)	How much emphasis do you place on investing in companies with robust corporate governance structures, including independent boards, transparent decision-making processes, and shareholder rights protection?	• Very High Emphasis • High Emphasis • Moderate Emphasis • Low Emphasis • No Emphasis
Governance (G2)	How much do you consider the governance practices of companies when making investment decisions, including factors like executive compensation, compliance with regulatory standards?	• Very High Consideration • High Consideration • Moderate Consideration • Low Consideration • No Consideration
Governance (G3)	How inclined are you to prioritize investments in companies with strong governance frameworks, even if it means accepting lower short-term gains for the sake of long-term stability and sustainability?	• Very High Priority • High Priority • Moderate Priority • Low Priority • No Priority

Part VI: Model Construct		
Variable	**Items**	**Options**
Attitude (A1)	To what extent do you agree that investing in companies or funds aligned with Environmental, Social, and Governance (ESG) principles is a wise and ethical decision?	• Strongly Agree • Agree • Neutral • Disagree • Strongly Disagree
Attitude (A2)	To what extent do you believe that Environmental, Social, and Governance (ESG) investing is merely a trend used as a marketing tactic by companies?	• Strongly Agree • Agree • Neutral • Disagree • Strongly Disagree
Attitude (A3)	To what extent do you believe that investments aligned with Environmental, Social, and Governance (ESG) principles are more reliable than conventional investments?	• Strongly Agree • Agree • Neutral • Disagree • Strongly Disagree
Intention (I1)	To what extent do you intend to invest in a portfolio that adheres to Environmental, Social, and Governance (ESG) principles?	• High Intention • ModerateIntention • Neutral • Low Intention • No Intention
Intention (I2)	To what extent do you wish to refrain from investing in companies engaged in activities that may harm society and the environment, instead prioritize investments aligned with Environmental, Social, and Governance (ESG) principles?	• Strongly Refrain • Refrain • Neutral • Prioritize • Strongly Prioritize

Part VI: Model Construct		
Variable	**Items**	**Options**
Intention (I3)	To what extent do you believe that the likelihood of you investing in companies aligned with Environmental, Social, and Governance (ESG) principles is minimal?	• Highly Likely • Likely • Neutral • Unlikely • Highly Unlikely

PAPER NAME

MRP(Shanky).docx

WORD COUNT **9580 Words**	CHARACTER COUNT **59954 Characters**
PAGE COUNT **48 Pages**	FILE SIZE **1.9MB**
SUBMISSION DATE **May 1, 2024 5:23 PM GMT+5:30**	REPORT DATE **May 1, 2024 5:24 PM GMT+5:30**

5% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

- 5% Internet database
- 3% Publications database
- Crossref database
- Crossref Posted Content database
- 1% Submitted Works database

Excluded from Similarity Report

- Bibliographic material
- Quoted material
- Cited material
- Small Matches (Less then 10 words)