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# "Evaluating The Role Of Green Finance In Promoting Sustainable Investment: An Empirical Study On Investor Attitudes"

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## ABSTRACT

The purpose of this study is to examine investor sentiment on green finance. It seeks to shed light on investors' attitudes, tastes, and actions in relation to sustainable investing. The study investigates investor attitude, including knowledge with various green finance products and government policy and legislation pertaining to green finance, using the descriptive analysis of survey data. Here, we use the 150 respondents' data. The study's conclusions emphasis how crucial it is for investors to have more education and understanding about green financing. The report emphasis's how important it is for stakeholders to work together to promote sustainable investment practices.

**KEYWORDS:** - sustainable goal, investors attitude, green finance, investors perspective and sustainable investment.

## INTRODUCTION

In recent years, the concept of green finance has moved from being a niche concern to a central pillar of sustainable economic policy and corporate strategy. Scholars and practitioners increasingly recognize that aligning financial flows with environmental goals is not only an ethical imperative but also a strategic necessity to address climate change, reduce carbon emissions, and foster long-term economic resilience (Liu etal, 2023).

Green bonds, as one of the most tangible instruments in green finance, have exhibited substantial growth globally and provide an avenue for channeling private and public capital into environmentally beneficial projects. A comprehensive review of the green bond market's evolution shows rapid expansion: by 2021 the market had reached US$1,651.92 billion, with over 60% of the instrument issuances aligning with a small number of UN Sustainable Development Goals. These goals are largely

associated with shifting energy systems from high carbon to renewable sources, Dina Hosam Gabar etal.(2024). Data from empirical studies also offer additional support that green bonds lead to positive environmental results. Longitudinal research of listed Japanese companies demonstrated that the issuance of initial green bonds was associated with reductions in greenhouse gas emission intensity and energy consumption intensity over the long term; moreover, they also observed improvements in financial performance, providing they established defined quantitative environmental targets, Bai Y.(2025)

Considering the Indian context, the green bond market is less developed than in developed economies, but research shows it is becoming more of a priority for India's low-carbon transition. As there are no studies to date that have evaluated Indian green bonds during the period of 2020-2025, we review regulatory changes and innovations, pricing aspects (including the influence of "greenium"), and limitations that include verification costs, fragmented taxonomy, and limited thematic diversity prior to 2020 Chouhan M.,(2025)

In addition, wider concept of green finance is also contributing to better risk management, reduced cost of capital, and increased firm value if firms are involved in sustainability disclosure and have sufficient environmental, social and governance (ESG) practice Liu etal (2023) show sustainability disclosure studies in the literature indicate that green practices and disclosures are positively related to financial returns.

Despite this progress, there are continuing challenges. Some green bond financing does not result in identifiable environmental benefits especially among firms with weaker financial constraints or vague targets, (i.e. those which do not have or demonstrate clear verification or monitoring). Bannan.M., et al (2024) This recognition leads to an impetus to study the implications of green finance (and tools like green bonds), and their advantages for contributing to sustainability in regional terms (for example, India). which include the regulatory context, ESG disclosure, market dynamics, and any changes in firm behaviour with respect to environmental and financial outcomes. in this involves those financing or investing, being used to build the cities, buildings and other infrastructures, which are more environmentally sustainable.

Preliminary Development of Environmental Awareness:

A timeline of green finance as a theory can be described back in the mid-20th century, when we can witness an awakening of societal environmental awareness. A lot of societal issues arose at the time over things like pollution, deforestation, as well the depletion of natural resources, and residents began to worry more about environmental issues than they used to. Society began to think differently when it came to environmental awareness. Then they began looking at ways they could build environmental awareness into their company practices, and how they could be responsible in their actions. Likewise, investors began looking at it as well, they began to realize that the economy was connected to the environment, and that they could begin to frame their investment decisions around the concepts of the

actor or investment plans that did not harm the environment in any way, and both sides could earn benefits.

**Society and rules making the difference:-**

In the 20th century there were many events held which was a lot of concentration for the people, and these events also create a more awareness in the people, society towards environmental education. Similarly these events not only held in India, but throughout the world.

Events like- Cuyahoga River in Ohio, known as most polluted river in the mid 20's century caught fire in 1969, when it was determined that the river had a built-up oily debris likely ignited by sparks from a passing train. Besides, this is not the first time it was the thirteenth time, then the government passed a legislation to try to cut back on the negative environmental effects being imposed from human activities.

Chipko movement- At the 20th century, this movement took place to save the trees, in this movement the people hugged the trees to save them from being cut down. Moreover, this movement, had a tremendous effect on the government and it was the beginning of putting a stop to the commercialization of the forests. This movement occurred in the Gopeshwar,state of Uttarakhand's, district of Chamoli.

Likewise, there is many environmental related events held in the world, which also affect the thinking of the others. After these movements, government also made some rules and regulation regarding the environmental issues, and through this, companies made friendlier towards environment. These rules very helpful in shaping the green finance and change the investors investing decisions and their choice while they make any kind of investment related decisions.

**Socially Responsible Investing (SRI):-**

In 1980 SRI (socially responsible investing) come in existence. This was the first step taken towards what we call now green finance. Through this investors not only thinking about their own profit making but about the society well-being and the environment perspective also while they made the investment decision.

Government also create the some special funds, which mainly focused on the ethical and sustainable investment.

**Global Rules for Sustainability:-**

In the late 1900s and early 2000s, global organizations made some rule for sustainable investment

(Like that- united nations principle for responsible investment) that help the investors in their investment decisions which is good for the environment and the society. The global rules create a

groundwork in which environmental, social and governance (ESG) factors include while making the investment strategies.

**Green Finance Going Mainstream:-**

When we come in 2000s the green finance not play the side role it come in front and become in the lead role. Now the big market forces get to know that environment is not just for the society, people well-being but also the good thing in term of the finance. Currently investors is now wanting the both things to do the right thing and making the money for the long term , and investors also started looking for that investment which align with sustainable goals.

## LITERATURE REVIEW

Mohd and V K (2018). Focus on the significance of green finance in attaining sustainable development. They argue that green finance efforts are necessary to address climate-related issues, while enabling economic development. The study outlines a variety of strategies and mechanisms to integrate green finance into sustainable development agendas.Chowdhury, et al. (2013). Emphasize the role of green finance for economic development and sustainability. Their analyses illustrate how green finance principles can promote sustainability while also protecting ecosystems and ideally fostering economic development. It also analyzed the case for financial providers aligning their financial practices with sustainability. Keerthi (2013). reviews the challenges and opportunities relating to the emerging green finance in India. The paper discusses the existing trends and assesses barriers to the implementation of green finance practices. It goes on to discuss possible opportunities for using green finance to meet sustainable development goals within India. Berensmann and Lindenberg (2019). Present a briefing paper on green finance, focusing on key actors, challenges, and policy recommendations. They examine the roles of various stakeholders in advancing green finance initiatives and propose policy measures to overcome obstacles to implementation. Dipika (2015). Examines green banking strategies adopted by banks in India to promote sustainable development. The paper analyses the implementation of green banking practices and their impact on environmental conservation and financial sustainability.Dikau and Volz (2018). Discuss the role of central banks in addressing climate change through green finance initiatives. They examine the potential contributions of central banks to promoting green investments and mitigating climate-related risks.Wang et al. (2019). Investigate the relationship between internet finance, green finance, and sustainability. They explore how internet-based financial technologies can facilitate green investment and promote sustainable development.Adams (2020). examines the relationship between sustainability reporting and value creation within organizations. The paper synthesizes existing literature to elucidate how sustainability-reporting practices contribute to creating value for companies. Adams highlights the importance of sustainability reporting in enhancing corporate reputation, attracting investors, and mitigating risks. The review underscores the growing consensus among scholars regarding the positive impact of sustainability reporting on organizational performance and stakeholder perceptions. Akomea-Frimpong, Wu, and Yamoah (2021). Conduct a

comprehensive review of studies on green finance in the banking sector, aiming to identify research trends, gaps, and future directions. The review synthesizes existing literature to analyse the role of banks in promoting sustainability through green finance initiatives. The authors discuss emerging trends such as sustainable lending, green bond issuance, and environmental risk management. Additionally, they highlight research gaps related to the effectiveness of green finance instruments and the role of regulatory frameworks in shaping bank behaviour. Alali and Romero (2012). Investigate the use of the Internet for corporate reporting by banks, focusing on the case of Argentina. The paper examines the extent to which Argentine banks utilize their websites to disclose financial and non-financial information to stakeholders. Through content analysis, the authors assess the quality and comprehensiveness of online disclosures, highlighting differences across banks and over time. The study contributes to the literature on corporate reporting practices in emerging markets and underscores the importance of online transparency for enhancing stakeholder trust and engagement. Alsahali and Malagueno (2021). Conduct a systematic literature review on sustainability reporting assurance, aiming to provide insights into current trends and identify future research directions. The paper synthesizes existing studies to analyses the role of assurance providers in enhancing the credibility and reliability of sustainability reports. The authors discuss various assurance mechanisms and methodologies, as well as their implications for stakeholders and organizational transparency. Additionally, they propose a future research agenda to address gaps in the literature and advance knowledge in the field of sustainability reporting assurance. Alshehhi, etal (2018). Review the literature on the relationship between sustainability practices and corporate financial performance. They examine trends in research and identify future research directions in this domain. The paper highlights the growing interest in understanding how sustainability initiatives affect financial outcomes and suggests avenues for further investigation. Andreeva et al. (2018). Explore trends and regulatory prospects in green finance, particularly focusing on Eastern Europe. The paper discusses the evolution of green finance initiatives and their implications for financial regulation. It provides insights into the growing importance of integrating environmental considerations into financial decision-making processes. Aswani, Raghunandan, and Rajgopal (2022). Investigate the association between carbon emissions and stock returns. Their research explores the financial implications of carbon emissions for investors, shedding light on the relationship between environmental performance and stock market outcomes. Banahan (2018). discusses the challenges and risks associated with green investment in unregulated securities markets. The paper emphasizes the need for government intervention to establish regulatory frameworks that ensure transparency and accountability in green finance. Bachoo, Tan, and Wilson (2013). Investigate the relationship between firm value and the quality of sustainability reporting in Australia. Their study assesses how the comprehensiveness and credibility of sustainability reports influence investor perceptions and firm performance.Bauer and Hann (2014). Analyses the relationship between corporate environmental management practices and credit risk. Their research explores how environmental performance influences lenders' assessment of creditworthiness and loan terms.Bebchuk and Tallarita (2022). Discuss the challenges and potential drawbacks of using environmental, social,

and governance (ESG) criteria in executive compensation schemes. Their paper examines the implications of ESG-based compensation for corporate governance and financial performance. Berthelot, Coulmont, and Serret (2012). Examined whether investors value sustainability reports in Canada. Their study assessed the impact of sustainability disclosures on investor decision-making and stock market outcomes. They found evidence suggesting that sustainability reports positively influence investor perceptions and market valuation, indicating a growing recognition of the importance of environmental and social considerations in investment decisions.Bolton and Kacperczyk (2022). examined the global pricing of carbon-transition risk in financial markets. Their research focused on how investors price the financial implications of transitioning to a low-carbon economy, considering factors such as carbon emissions, regulatory policies, and technological innovations. The study provided insights into the valuation of carbon-intensive assets and the pricing of climate-related risks in different regions. By analysing the impact of carbon-transition risk on asset returns and market dynamics, the paper contributed to understanding the financial implications of climate change for investors and policymakers.Booth, Sutton, Clowes, and Martyn-St James (2021). Provided a comprehensive guide to conducting systematic literature reviews. The book offered practical advice and methodologies for researchers seeking to synthesize existing knowledge, identify research gaps, and generate new insights in various fields. The authors outlined systematic approaches to literature searching, screening, data extraction, and synthesis, emphasizing the importance of methodological rigor and transparency in the review process. The book served as a valuable resource for scholars and students interested in conducting high-quality literature reviews to inform research and decision-making.Bowen and Wittneben (2011). examined the challenges of carbon accounting and its implications for organizational practices. Their research explored the complexities of measuring and reporting carbon emissions across different organizational fields, considering issues related to accuracy, consistency, and certainty. The paper discussed the role of accounting standards and frameworks in addressing these challenges, highlighting the need for transparent and standardized carbon accounting practices. By analyzing the interplay between organizational dynamics and carbon accounting processes, the study contributed to understanding the complexities of managing carbon emissions and promoting sustainability across various sectors.Buallay (2019). explores the relationship between sustainability reporting and firm performance. The study investigates whether sustainability reporting positively affects a firm's financial performance. By analysing data from a sample of companies, Buallay examines the association between the extent of sustainability reporting and various financial performance measures. The findings contribute to understanding the role of sustainability reporting in enhancing firm value and competitiveness. The study underscores the importance of transparent reporting on environmental, social, and governance (ESG) issues for stakeholders and investors in evaluating a firm's long-term sustainability.Buchner et al. (2021), provide an overview of the global landscape of climate finance. The report analyses trends, challenges, and opportunities in climate finance, focusing on investment flows and policy initiatives aimed at addressing climate change. By examining data from various sources, including public finance, private investment, and international

climate funds, the report assesses progress towards climate-related goals and targets. The findings highlight the need for increased investment in clean energy, sustainable infrastructure, and climate resilience measures to accelerate the transition to a low-carbon economy. The report serves as a valuable resource for policymakers, investors, and practitioners involved in climate finance initiatives worldwide.Burnett, Skousen, and Wright (2011), examine the relationship between corporate sustainability practices and firm value. The study investigates whether firms that adopt eco-effective management practices, such as environmental stewardship and social responsibility, achieve higher market valuations. Using empirical analysis, the authors assess the impact of corporate sustainability on firm performance and shareholder value. The findings suggest a positive association between eco-effective management and firm value, indicating that sustainable business practices can enhance financial performance and long-term competitiveness. The study contributes to understanding the business case for sustainability and its implications for corporate decision-making and value creation.Chang, Fu, Jin, and Liem (2022). Investigate the relationship between sustainable finance practices, firm value, and investment returns. The study focuses on environmental, social, and governance (ESG) factors and corporate social responsibility (CSR) initiatives, examining their impact on financial performance and shareholder returns. Through empirical analysis, the authors assess the significance of sustainable finance in driving long-term value creation and investment attractiveness. The findings contribute to understanding the integration of ESG/CSR considerations into financial decision-making processes and the implications for sustainable development and responsible investment strategies. Chava (2014). explores the relationship between environmental externalities and the cost of capital for firms. The study investigates how environmental factors, such as pollution and resource depletion, influence firms' financing costs and investment decisions. Through empirical analysis, the author examines the impact of environmental risks on stock prices, bond yields, and credit ratings. The findings provide insights into the financial implications of environmental risks for investors, creditors, and corporate decision-makers, highlighting the importance of incorporating environmental considerations into capital allocation and risk management practices.Cheema-Fox, LaPerla, Wang, and Serafeim (2021). Examine corporate resilience and response strategies to the COVID-19 pandemic. The study investigates how companies adapt their business models, operations, and governance practices to navigate crises and sustain performance during challenging times. Through case studies and empirical analysis, the authors assess the effectiveness of resilience strategies in mitigating the impact of the pandemic on financial stability and stakeholder value. The findings contribute to understanding the dynamics of crisis management and organizational resilience in the face of unprecedented disruptions, offering practical insights for corporate leaders and policymakers.Chen and Chen (2021). Investigate the effectiveness of green finance development in reducing carbon emissions across 30 Chinese provinces. The study examines the relationship between green finance initiatives, such as green lending and investment, and carbon emission levels. Through econometric analysis, the authors assess the impact of policy measures and financial incentives on promoting sustainable development and environmental protection. The findings provide empirical evidence on the

role of green finance in mitigating climate change and advancing low-carbon transition strategies at the regional level, highlighting opportunities for policymakers and financial institutions to support green investment and innovation. Chen, Huang, Drakeford, and Failler (2019). Investigate the relationship between lending interest rates, loan scale, and government subsidies in green innovation projects. The study examines how financial incentives and policy support influence firms' investment decisions in sustainable technologies and renewable energy projects. Through empirical analysis, the authors assess the impact of interest rate policies and subsidy programs on promoting green innovation and environmental sustainability. The findings provide insights into the effectiveness of financial mechanisms in facilitating the transition to a green economy and fostering innovation-driven growth strategies.Choi, GAO, and Jiang (2020). Analyses the attention to global warming among investors and financial markets. The study investigates how climate-related risks and opportunities are incorporated into asset pricing and investment decisions. Through empirical analysis, the authors examine the relationship between environmental concerns, market sentiment, and stock returns. The findings provide insights into the role of investor attention and information dissemination in shaping market perceptions of climate change and its implications for asset valuation and portfolio performance. The study highlights the importance of climate-related disclosure and risk management practices in enhancing market efficiency and investor confidence in addressing sustainability challenges.Clark and Allen (2012). Examine shareholder value creation through sustainability leadership within industry groups. The study compares valuation ratios of companies recognized for their sustainable business practices and environmental stewardship. Through statistical analysis, the authors assess the relationship between sustainability performance and market valuation, controlling for industry-specific factors. The findings suggest that firms demonstrating leadership in sustainability achieve higher valuation multiples and market premiums relative to industry peers. The study highlights the business case for sustainability and the importance of integrating environmental, social, and governance (ESG) considerations into corporate strategy and performance measurement frameworks. Coqueret (2022). provides perspectives on sustainable equity investing, focusing on environmental, social, and governance (ESG) factors and their integration into investment decision-making processes. The book examines the evolution of sustainable finance practices, investment strategies, and market trends in the context of global sustainability challenges. Through case studies and expert insights, the author discusses best practices in ESG integration, impact investing, and sustainable portfolio management. The book serves as a comprehensive resource for investors, asset managers, and financial professionals seeking to navigate the growing field of sustainable equity investing and maximize positive social and environmental outcomes while generating financial returns. Cornell and Damodaran (2020). Examine the valuation of environmental, social, and governance (ESG) factors in investment decision-making. The study investigates whether ESG metrics reflect fundamental value creation or merely signal corporate social responsibility (CSR) efforts. Through theoretical analysis and empirical research, the authors explore the relationship between ESG performance, market valuation, and financial returns. The findings provide insights into the challenges and opportunities of ESG integration in investment

analysis and portfolio management. The study contributes to understanding the economic implications of sustainable finance practices and the role of ESG considerations in shaping investor preferences and market outcomes. Cui, Geobey, Weber, and Lin (2018). Investigate the impact of green lending on credit risk in China. The study examines how financial institutions' lending practices, specifically targeted at environmentally sustainable projects and initiatives, influence credit risk levels within the banking sector. Through empirical analysis, the authors assess the relationship between green lending activities, loan performance, and default probabilities. The findings suggest that green lending practices can mitigate credit risk exposure by promoting investments in environmentally responsible projects and industries. The study contributes to understanding the role of financial innovation and regulatory incentives in fostering green finance initiatives and advancing sustainable development goals. The findings have implications for policymakers, regulators, and financial institutions seeking to promote responsible lending practices and enhance financial stability in the context of environmental sustainability challenges. Cullen (2018). examines the implications of the High-Level Expert Group on Sustainable Finance (HLEG) recommendations for European Union (EU) banks and financial institutions in addressing climate change mitigation and adaptation challenges. The study assesses the role of regulatory frameworks, policy incentives, and governance mechanisms in promoting sustainable finance practices and integrating climate-related considerations into banking operations and investment strategies. Through legal analysis and policy evaluation, the author discusses the implementation challenges and opportunities arising from the HLEG recommendations, emphasizing the importance of precautionary principles and risk management approaches in addressing systemic environmental risks and promoting financial stability. The study contributes to advancing understanding of the regulatory landscape and policy responses to climate change in the context of EU banking and financial markets.Diaye, Ho, etal. (2021). Conduct a panel integration analysis to examine the relationship between environmental, social, and governance (ESG) performance and economic growth. The research investigates how ESG factors impact long-term economic development, considering their influence on productivity, innovation, and competitiveness. Through empirical analysis, the authors provide insights into the potential synergies between sustainability practices and economic performance, highlighting the importance of integrating ESG considerations into policymaking and business strategies. Karakas¸D etal (2015). Examine the concept of active ownership in the context of responsible investing. The paper explores the role of institutional investors in engaging with companies on environmental, social, and governance (ESG) issues to enhance long-term shareholder value. Through empirical analysis and case studies, the authors discuss the effectiveness of active ownership strategies in promoting corporate sustainability and value creation. The findings provide insights into the mechanisms and outcomes of shareholder activism, highlighting its potential to drive positive change and improve financial performance.Dragomir (2012). critically assesses corporate sustainability reports regarding the disclosure of industrial greenhouse gas emissions. The paper evaluates the quality and comprehensiveness of emissions data provided by companies in their sustainability reports, considering factors such as accuracy, transparency, and consistency. Through a

systematic analysis, Dragomir identifies strengths and weaknesses in corporate disclosure practices, highlighting the challenges and opportunities for improving transparency and accountability in environmental reporting.Edmans (2023) discusses the potential limitations and drawbacks of environmental, social, and governance (ESG) investing. The paper critically examines the effectiveness of ESG metrics in identifying high-performing companies and generating superior investment returns. Through theoretical analysis and empirical research, Edmans explores alternative approaches to sustainable investing and emphasizes the importance of rigorous financial analysis and fundamental research in evaluating corporate sustainability practices.El Ghoul, etal. (2011). investigate the impact of corporate social responsibility (CSR) on the cost of capital for firms. The research examines how CSR initiatives influence investors' perceptions of risk and return, affecting the cost of equity and debt financing. Through empirical analysis, the authors assess the relationship between CSR performance, financial risk, and capital market outcomes. The findings provide insights into the financial implications of CSR practices for firms and investors, highlighting the potential benefits of responsible corporate behavior in reducing financing costs and enhancing long-term value creation.Engle, Giglio, Kelly, Lee, and Stroebel (2020). Analyses the impact of climate change news on financial markets and investor behaviour. The paper investigates how news about climate-related risks and opportunities affects asset prices, trading volumes, and market volatility. Through empirical analysis, the authors examine the relationship between climate change sentiment, investor attention, and stock returns. The findings provide insights into the role of information dissemination and media coverage in shaping market perceptions of climate change, highlighting the challenges and opportunities for investors in managing climate-related risks and opportunities.Falcone and Sica (2019). assess the opportunities and challenges of green finance in Italy, focusing on the biomass production sector. The research examines the role of financial instruments and policy incentives in promoting sustainable investment and innovation in renewable energy projects. Through case studies and empirical analysis, the authors analyses the drivers of green finance adoption, the barriers to implementation, and the potential economic and environmental benefits. The findings provide insights into the dynamics of green finance development and the implications for fostering green growth and sustainable development in Italy. Green finance instruments (e.g., green bonds, ESG funds, transition finance, green loans) are increasingly positioned as critical pathways for mobilizing capital at scale for decarbonization and sustainability purposes. Understanding investor attitudes toward green finance — including knowledge, motivations, risk/return expectations, trust, and perceptions of greenwashing — is needed to explain uptake and to make informed decisions on policy design to facilitate the mobilization of private capital.Woode, J. K. (20240.Clear policies, standardized reporting, and credible taxonomies have been identified over and over again as enabling conditions for positive investor perceptions. Recent reviews have noted that with a strong policy (and enforcement) environment, information frictions are reduced and there can be large-level institutional allocations to green investment. In 2025, investor coalitions have even urged regulators not to weaken reporting standards, indicating that investor's relied on regulatory guardrail.Kaur.A.,(2025)

# RESEARCH METHODOLOGY

The research will includes qualitative as well as quantitative with designing the structured questionnaire - provided by close-handed question, data is used from primary source by conducting survey, mainly we distribute the questionnaire to the people who are doing investment . In addition, satisfied 150 number of sample size we will took as a sample for data analysis in this research paper, this research study is exploratory in nature.

## OBJECTIVES OF THE STUDY:-

- To categorize and examine the various types of green financing instruments
- To analyse investor attitudes, preferences, and behavioral patterns toward green finance.
- To evaluate the role of green finance in achieving sustainability goal.

## SCOPE OF THE STUDY:-

The scope of this research paper is know the investor attitude, behaviour regarding the green finance. Through the in-depth analysis of survey data.. this study show various dimensions of investors emotions, knowledge, including their familiarity with the different types of the green finance products, investors belief about impact of green fiancé on long term financial returns. Likewise, through this research we try to get the answer of the objectives of this study. By doing survey and then analysis that survey data and then interpretation of that data and get the answer

## HYPOTHESIS

H1: A positive correlation exists between the ranking of green finance products and consideration of liquidity in investment decisions.

H2: Investor belief that green finance enhances long-term financial returns is positively correlated with investor willingness to invest.

H3: Government policy and regulation are meaningful determinants of investor disposition to invest in green finance.

H4: Awareness of environmental and social impact measurement tools are positively related to favorable attitudes towards the incorporation of green finance into the investment approach.

# DATA ANALYSIS AND DATA INTERPREATION

The research employed descriptive statistical analysis and correlation analysis to examine the survey data furnished by the 150 respondents. The outcome of the analysis of each hypothesis will be described as follows:

H1: The correlation coefficient for the ranking of green financing products relative to consideration of liquidity was 0.32, which indicates a moderate level of positive correlation.

Interpretation: Investors who hold a strong ranking of green finance products are also likely to place value on liquidity in their investment decisions. Therefore, H1 was supported.

H2: 67.55% of respondents agreed that investing in green finance will have a positive impact on long-term returns while only 17.21% disagreed, and 15.23% neither agreed nor disagreed.

Interpretation: It is clear that a majority of investors view green finance as being financially beneficial in the long run. Therefore, H2 was significantly supported.

H3: The mean influence ratings for government policy and regulation was 2.15 (out of 5) and the modal rating was 3.

Interpretation: Government regulation was involved in only a moderate influence in investor inclination, and we cannot ascertain it was the only influence on investment choice. Therefore, H3 was partially supported.

H4: Very familiar "(29.80%)" with environmental and social impact measurement tools, and then, "somewhat familiar" (54.30%).

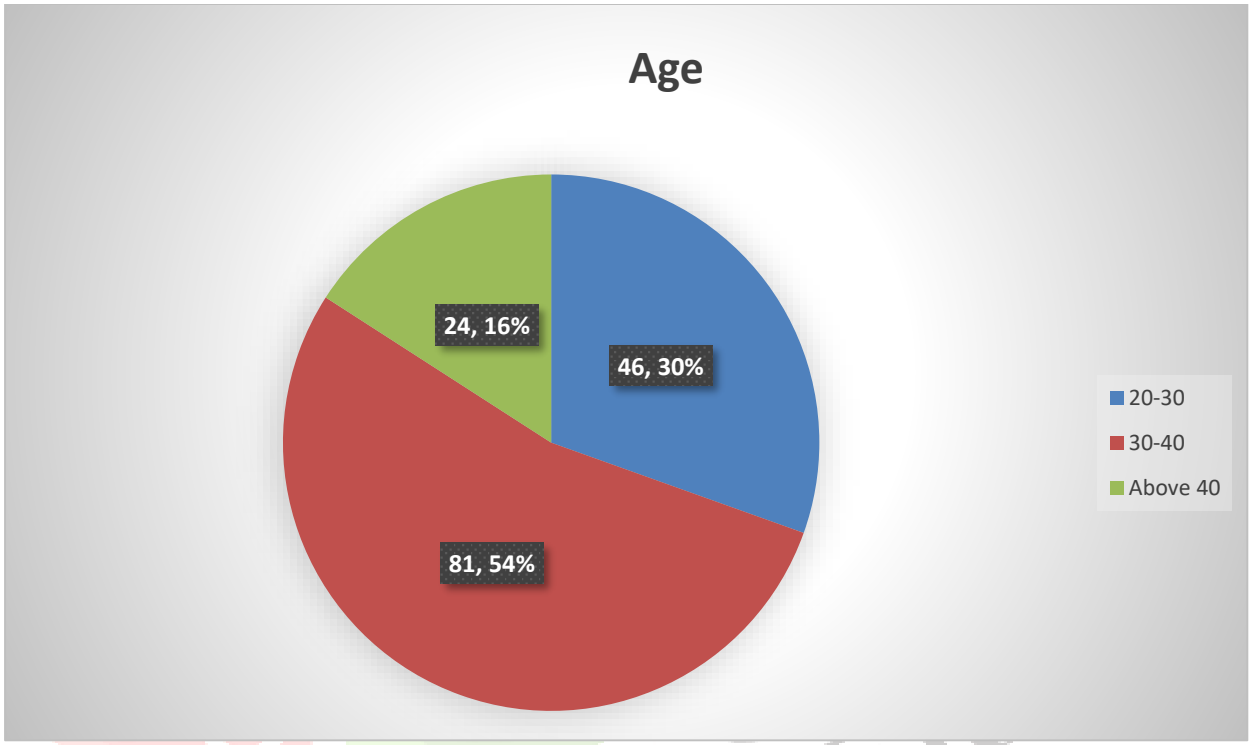
Interpretation: The greater the familiarity of the impact measurement tool, the more favorable attitude viewed in respect to integrating green finance. Therefore, H4 is moderately supported.

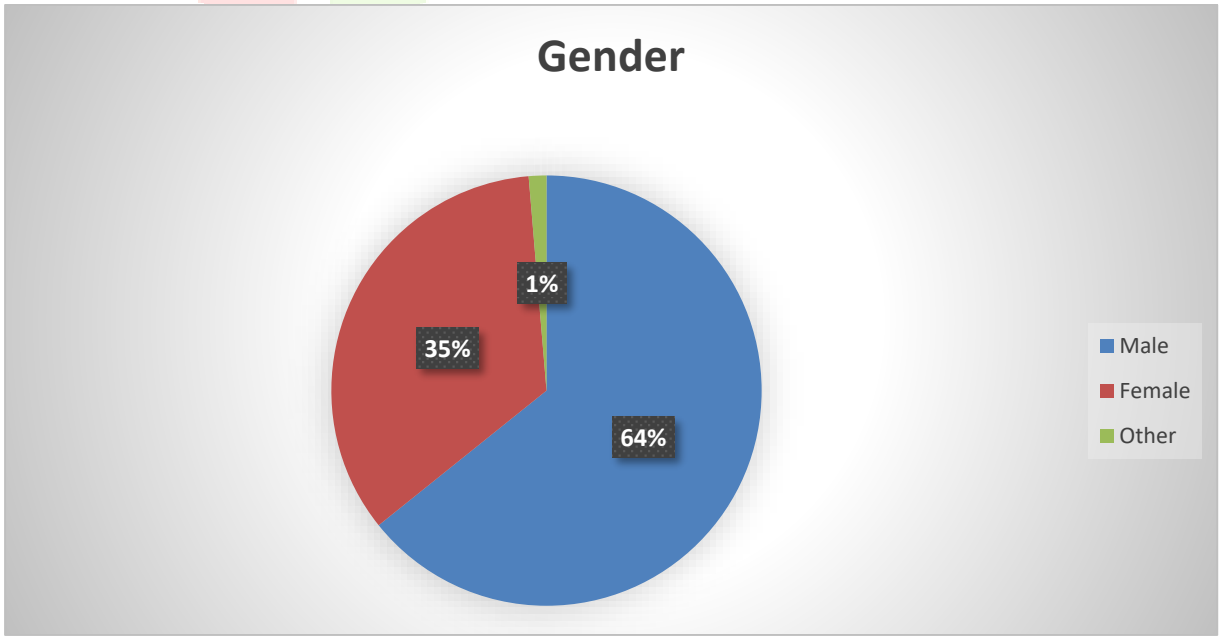
**Table: Hypothesis Testing Results**

| Hypothesis | Statement | Result | Interpretation |
|---|---|---|---|
| H1 | There is a positive association between the ranking of green finance products and the consideration of liquidity in investment decisions. | Supported | Correlation coefficient (r = 0.32) indicates a moderate positive relationship. Higher product ranking aligns with higher liquidity consideration. |
| H2 | Investor belief that green finance improves long-term financial returns positively influences their willingness to invest. | Strongly Supported | 67.55% of respondents agree, showing belief in green finance as a value-enhancing strategy. |
| H3 | Government policy and regulation significantly influence investor inclination towards green finance investment. | Partially Supported | Mean rating = 2.15 (moderate influence). Policy matters but is not the sole determinant of investor behavior. |
| H4 | Awareness of environmental and social impact measurement tools is positively associated with | Moderately Supported | Majority (84.1%) are "very" or "somewhat" familiar with tools, which corresponds with a slightly |

| | | | |
|---|---|---|---|
| | favorable attitudes toward integrating green finance into investment strategies. | | positive attitude toward green finance integration. |

RESPONSES SIZE THROUGH CHART- Chart-1&2



In the above two charts we get to know that the responses which of which age group and of which gender mainly like we see, in age chart we mainly respondent is of 30-40 age group and then 20-30 and least from above 40 age group.

In addition, in the gender figure we will see that the mainly respondent is male in our responses and the female and then other which least one is.

**CHART-3**

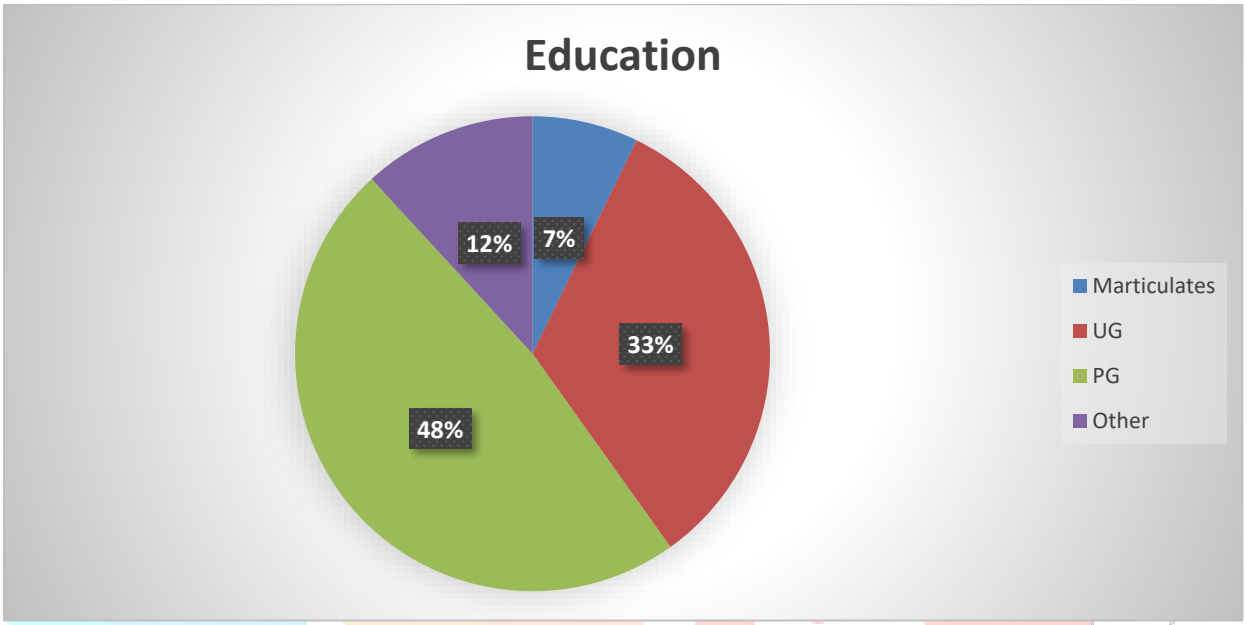
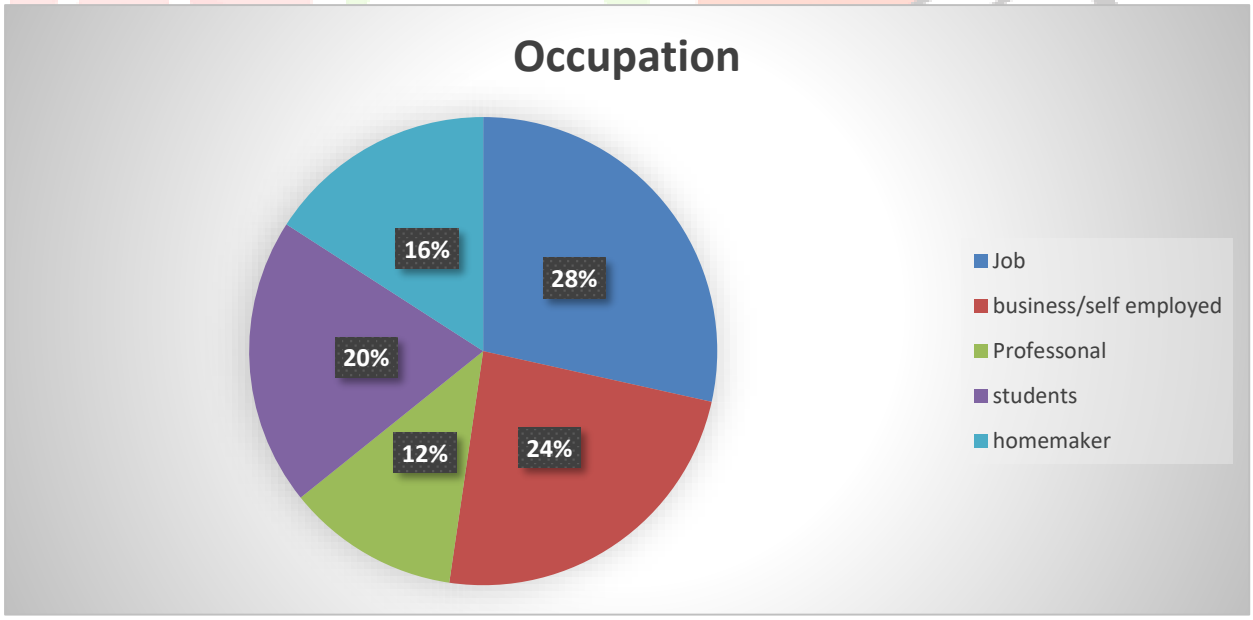
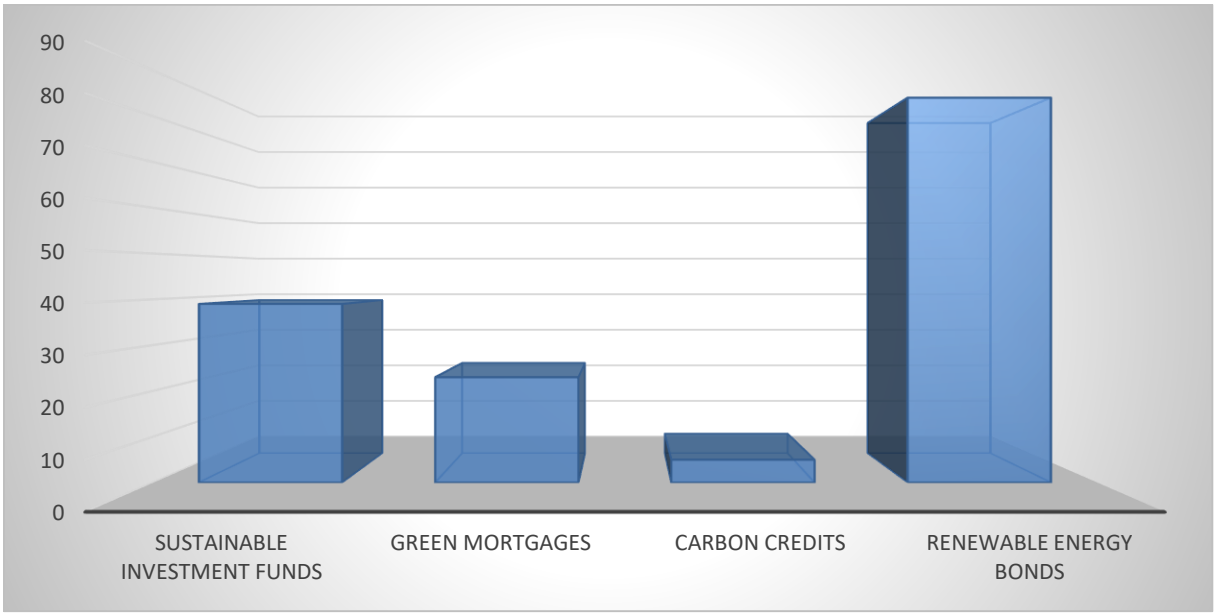



**CHART-4**



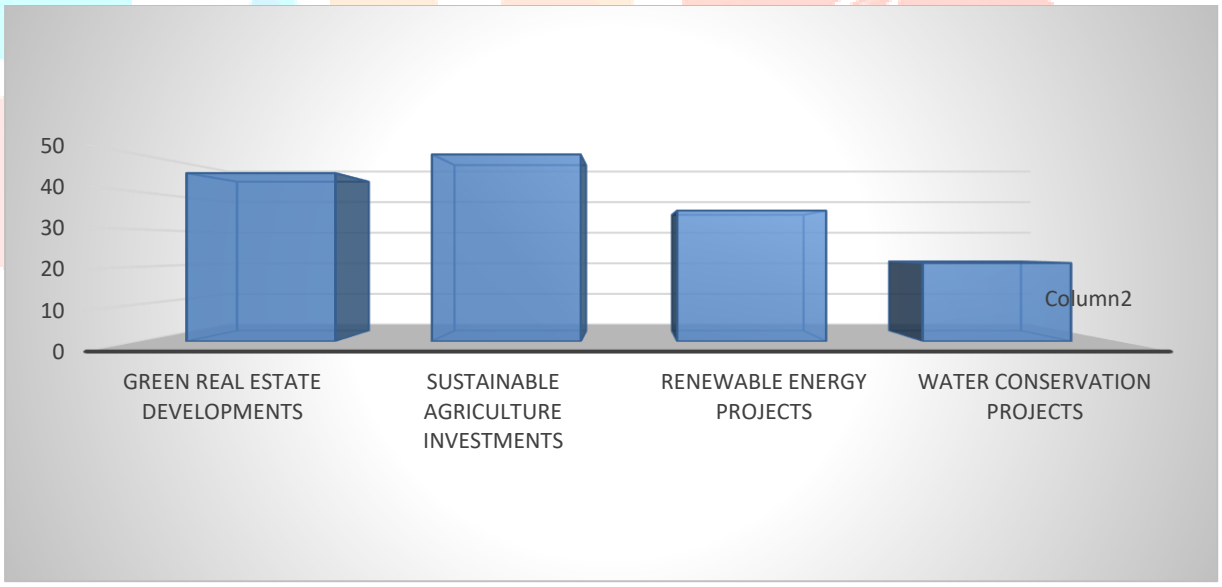

In the above chart 3 & 4, we see the education and occupation level of the respondents; here we see the most respondent completed the PG and the least respondent from matriculates. In addition, from chart 4 we see most respondent from job background and the least one from professional background.

**GRAPH-1**



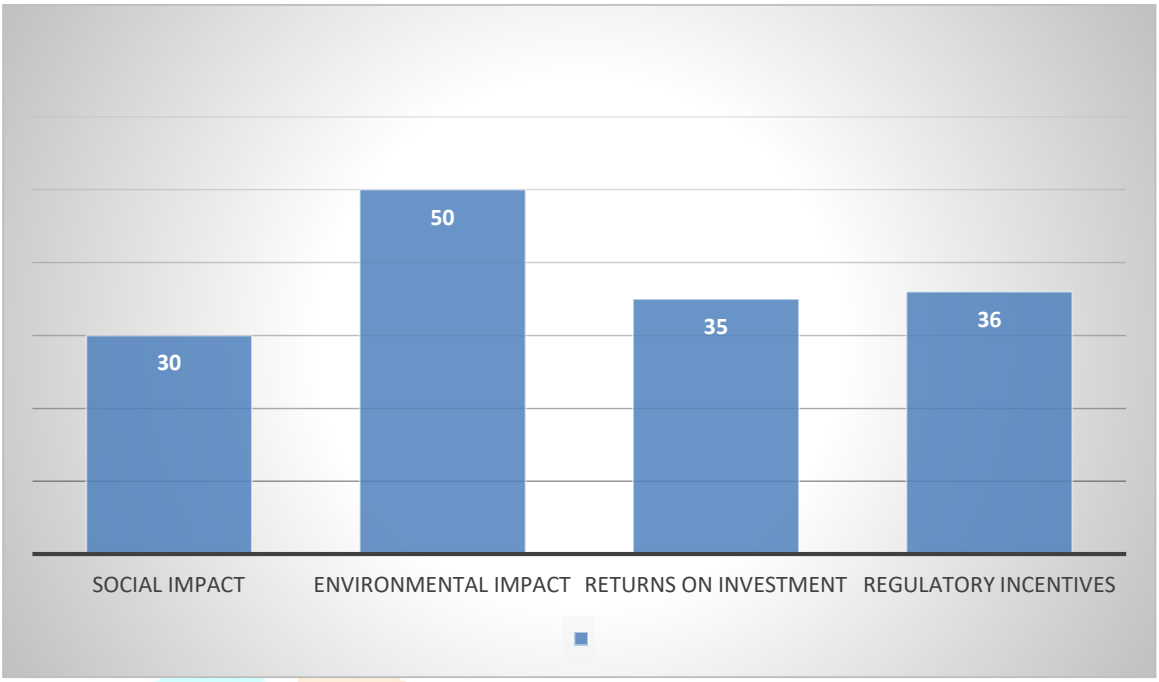

Through graph 1 we get to know the as an investor most favourable green finance type is Renewable energy bonds. In addition, on 2 number is sustainable investment Funds and on 3 number is green mortgages and the least investing type of green finance is Carbon credits.

**Graph-2**



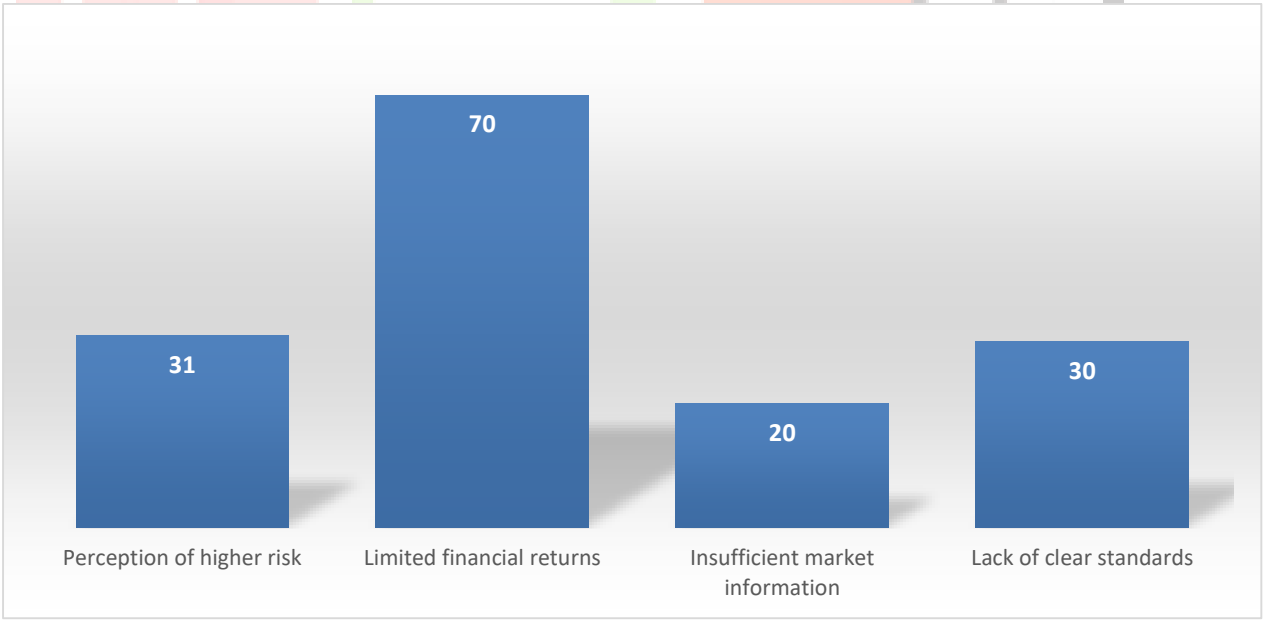

In graph 2 we will see which green finance project is more risky in the above , we see that sustainable agriculture investments in more risky project according to data which is collected through the survey and on number 2 is green real estate developments projects and then renewable energy projects and the last one is water conservation projects.

**Graph-3**



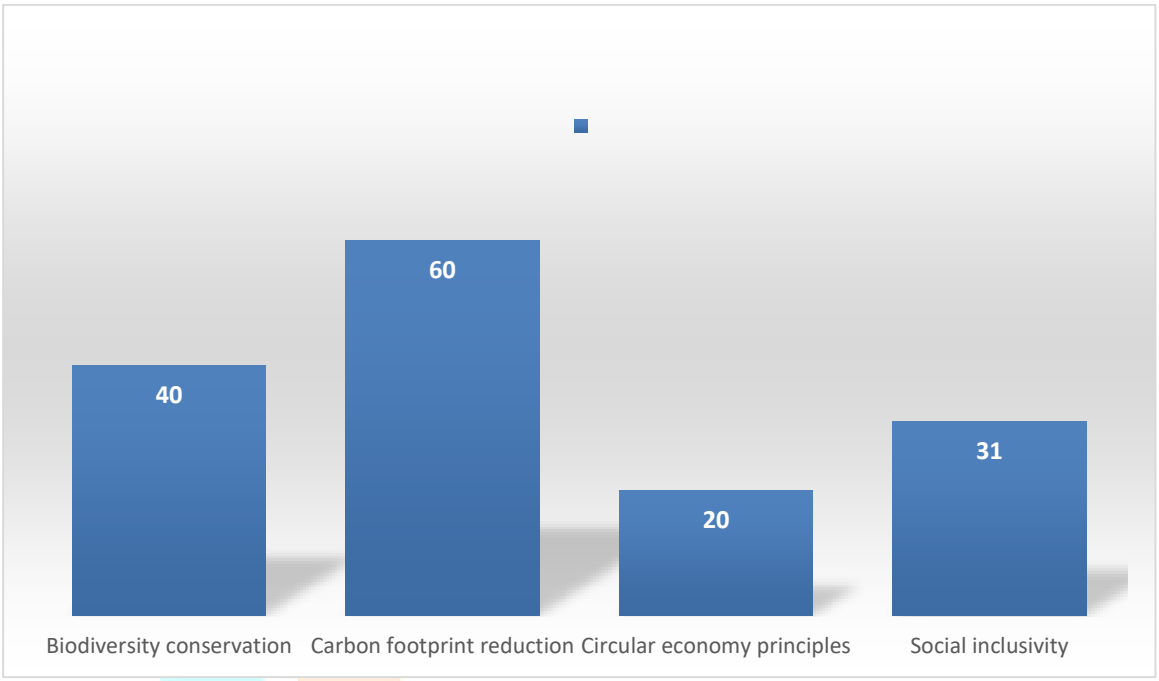

In the above graph 3, we see the factors, which influence the decision to include or exclude green finance options in the investment portfolio. Here we see that the major factor is environmental impact, the second number factor is regulatory incentives, and then we see the return on investment factor and the last one is the social impact factors. Therefore, we see the major factor is environmental impact and the least influencing factor is social impact.

**Graph-4**



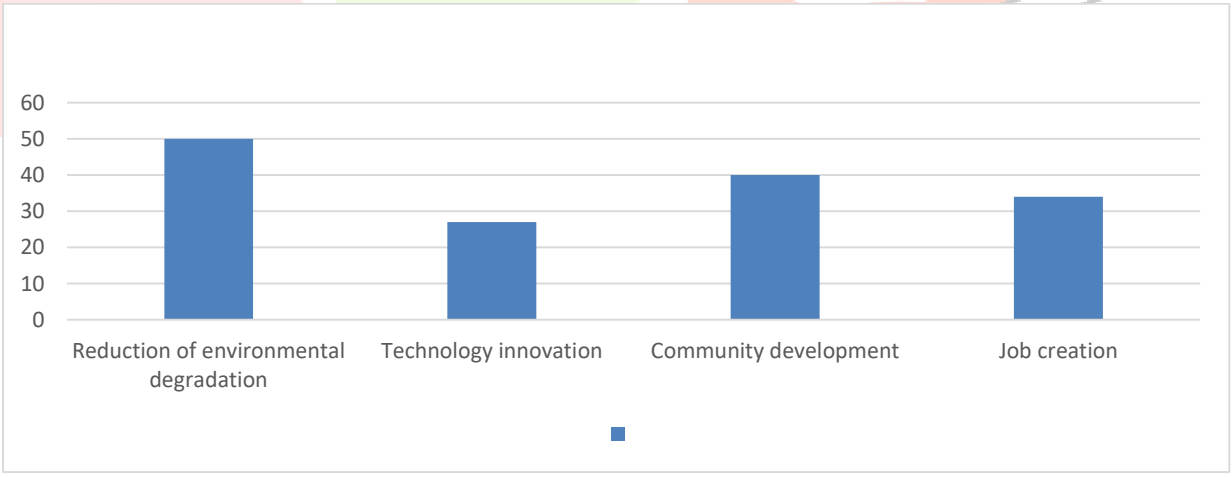

This above graph 4 represent the potential barriers deters investors from engaging in green finance. Here we see that according to the responses limited financial returns is at top and then perception of higher risk and then lack of clear standards and then insufficient market information. Therefore, from the data we get to know that limited financial returns is at top and insufficient market information is at the last number.

**Garph-5**




In the graph 5, we see the aspects of the green finance which responder consider most crucial for achieving sustainability objectives. So from the survey we get to know that carbon footprint reduction is most important for achieving the sustainability objectives and then biodiversity conservation and we get to know that social inclusivity and then circular economy principles.

**Graph 6-**




In the graph 6, we see that green finance contribution to addressing environmental and social challenges. Here we see that through reduction of environmental degradation green finance contribute to addressing the environmental and social challenges most and then through community development and then through job creation and then through technology innovation. This data we receive from the survey.

An investigation of the questionnaire responses has revealed that investors are in general positively disposed towards green finance, especially when it is clear that there are environmental benefits and potential long-term financial benefits to investing in green finance. Liquidity considerations and knowledge of impact measurement tools are positively associated with investors' willingness to use

green finance instruments. In contrast, government policies have a moderate impact on the decision of investors to use green finance, indicating the need for stronger regulations and incentives so that investors are encouraged and feel comfortable in participating in green finance. Thus, it is evident from the survey results that limited financial returns and perceived risk remain the key barriers to greater acceptance. Overall, the findings support a case for better investor education and transparency in reporting practices as well as government policy facilitation to achieve more investor engagement in green finance and to expedite investors towards achieving sustainable development goals.

## FINDINGS

**1. Positive Investor Attitude:** Investors generally have a mildly positive attitude about including green finance alternatives in their portfolio.

**2. Key Drivers:** The biggest driver of including green finance alternatives is the environmental impact, followed by regulatory incentives to invest and the expected returns.

**3. Perceived Risk**: Sustainable agriculture projects were seen to be the most risky projects while the water conservation projects were seen to be the least risky.

**4. Regulators influence:** Government policy shapes investment behavior with some level of influence, indicating there may be potential for improved policy development and support.

**5. Barriers to Adoption:** Limited financial returns and high perceived risks are the barriers preventing greater participation, and overwhelm other existing barriers.

**6. Awareness Education:** A higher level of awareness and familiarity to the use of impact measurement tools was correlated to more positive attitudes toward green finance, warranting further avenues of success in developing investor awareness and education.

# Conclusion

This research indicates that green finance is becoming more attractive as an investment strategy where long-term goals of sustainability and financial return can coexist. Overall, investor sentiment tends to be positive in this regard, when they agree that long term financial returns are plausible. However, obstacles such as limited perceived returns, perceptions about risk, and the absence of a standard framework still pose barriers to widespread buy-in. This research calls for constructive policies, clear reporting standards, and increased awareness and training in order to build investor confidence and assist with increased participation by investors in green finance in India. Green finance can help deliver long-term economic resilience in India as it acts as a bridge between increased environmental sustainability and feasible financial performance.

## Implications

### Managerial Implications

- **Investment Firms:** It is necessary to create and promote green finance products that have clear risk-return profiles and quantifiable sustainability impacts to engage and attract a wider pool of investors.
- **Corporate Strategy:** Corporations may adopt ESG-linked financing instruments and improve sustainability reporting for the purpose of building investor trust and improving the market price of the firm.

- **Risk Mitigation:** Acknowledging and addressing a sustainability-related investor's concern about risk can involve providing detailed risk assessments and highlighting relevant case studies where sustainability was successfully achieved.

**Policy Implications**

- **Regulatory Clarity:** The establishment of a common green taxonomy, as well as standardized reporting protocols, is important for lessening information asymmetry amongst investors and financiers.
- **Incentives:** Providing tax incentives, interest rate subsidies, or credit guarantees for green projects can increase the attractiveness of financing green projects.
- **Awareness Campaigns:** Collaborative public/private institution campaigns to raise awareness of impact measurement tools and the long-term economics of green investments should be more common.

**Academic Implications**

- Subsequent research endeavors may engage multivariate techniques including regression analysis or structural equation modeling (SEM), to measure the aggregate impacts of a number of variables influencing the adoption of green finance.

- Longitudinal studies could explore how investor's attitudes change in response to the evolving green finance market in India as the market develops and regulation matures.

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