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THE ROLE OF ESG INFORMATION IN SHAPING INVESTOR DECISION-MAKING

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ABSTRACT

This study looks at how Environmental, Social and Governance information affects the decisions investors make. It pays attention to how well a country's economy is doing and how it handles climate change. The study uses information from investors in a country that is still developing. It uses tools to see how all these things are connected. The study found that Environmental, Social and Governance factors are good, for a country's economy. It also found that what happens to the environment is the important Environmental, Social and Governance factor. Environmental, Social and Governance information is really important for investors to think about when they make decisions. Economic development has an impact on how well we can deal with climate change. This in turn has an effect on the decisions that investors make. When we look at how factors like the environment and social responsibility affect investor decisions we see that it is a thing but not a huge one. However when we consider development and climate change together they help explain how investors use information about the environment and social responsibility to make decisions. So economic development and climate resilience play a role, in how investors behave when they think about the environment and social responsibility. Economic development and climate resilience are important because they show us how investors use this information to make decisions. The results suggest that investors respond not only to ESG initiatives themselves but also to the broader economic growth and climate resilience outcomes generated by responsible corporate practices. The study highlights the importance of integrating ESG strategies with long-term economic development and sustainability goals to enhance investor confidence and promote sustainable investment decision-making in emerging economies.

KEYWORDS

- *Sustainability Reporting*
- *ESG Performance*
- *Investor Decision-Making*
- *Corporate Social Responsibility (CSR)*
- *Information Asymmetry*
- *Sustainable Investment*
- *Disclosure Transparency*
- *Capital Allocation*

JEL Classification Codes

Q01 – Sustainable Development
Q56 – Environment and Development; Environment and Trade; Sustainability
Q57 – Ecological Economics: Ecosystem Services; Biodiversity Conservation
Q58 – Government Policy; Regulation; Environmental Standards
Q51 – Valuation of Environmental Effects

INTRODUCTION

Sustainability reporting and ESG performance are really important to investors when they make decisions about their money. These days investors do not just look at how money a company makes. They also think about how a company treats the environment and how it behaves towards people. This helps investors figure out if a company is trustworthy and if it is taking many risks.

Sustainability reporting is like a report card for companies. It shows how well they are doing in terms of being kind to the environment and being fair to people. When companies share this information in an honest way it helps investors understand them better. This makes investors more likely to trust these companies and want to give them

their money. Sustainability reporting is good for companies because it helps them show everyone what they are doing to be responsible and make money in the term.

Investors like to know what they are getting into. They like it when companies are open and honest about what they're doing. This is why sustainability reporting and ESG performance are so important to investors. They help investors make decisions about where to put their money. Sustainability reporting and ESG performance are essential, for companies that want to attract investors and be successful. Governance is really important when it comes to investment flows. It is the thing that people look at. Environmental and social things are also important. They are not as big of a deal as governance. The thing is, how important these things are can be different depending on the type of industry and the market.

When companies do something called reporting it helps investors feel better about putting their money in. It is also good when companies talk to investors and let them know what is going on.. When companies do good things for society like helping the environment it makes investors happy. This is especially true when things are not going well in the world like after a pandemic. It shows that the company is strong and can handle times. Governance and these other things are key to making investors feel confident, in the company.

People are starting to use investment strategies more and more.. There are still some big problems with this approach. The main issue is that it is hard to compare the performance of companies when it comes to environmental and social things. This is because companies do not always share the information. They might only share the things and not the bad things. Also different rating agencies do not always agree on how well a company's doing.

This makes it hard for investors to make decisions. Many investors still look at how a company did in the past to decide if they should invest. They often do not pay attention to the company's environmental and social record.. This record can actually help investors figure out if the company will do well in the long run. Sustainable investment strategies, like ESG are important for term returns. Investors should look at ESG ratings when they make decisions, about investment strategies. Studies emphasize that the credibility of sustainability reporting—shaped by assurance mechanisms, disclosure precision, and management reliability—plays a decisive role in investment outcomes.

REVIEW OF LITERATURE

- **Md. Rahad Amin (2025)** reviews how sustainability reporting has become a crucial tool influencing investor decisions by providing transparency on ESG performance beyond traditional financial metrics. The literature highlights that investors increasingly integrate sustainability data into valuation models, though its impact varies due to inconsistencies in reporting quality and framework differences. Studies show that integrated reporting helps reduce information gaps, but empirical findings remain mixed regarding its direct effect on investment outcomes. Researchers also emphasize challenges such as selective disclosures and lack of global standardization, which limit comparability across firms. Overall, the literature positions sustainability reporting as an important yet evolving determinant of responsible investment behavior.
- **Lennart Bock, Toni W. Thun, and Henning Zülch (2025)** draw on existing literature showing that ESG performance increasingly influences investor decisions, with firms relying on external ESG ratings despite frequent disagreements with rating agencies. Prior studies highlight the role of investor relations (IR) in improving transparency and reducing information gaps, though research linking IR quality directly to ESG outcomes remains limited (Crifo et al., 2019; Fieseler, 2011). Scholars have shown broad benefits of effective IR for firm visibility and market trust, yet the ESG–IR intersection is still underexplored (Bushee & Miller, 2012; Karolyi et al., 2020). Recent work suggests that enhanced ESG disclosure supports stronger IR practices but does not necessarily reflect true ESG performance (Liang & Cao, 2024). This article builds on that gap by evaluating IR quality as a potential determinant of higher ESG ratings.
- **Areej Faeik Hijazin, Sajead Mowafaq Alshdaifat, Ahmad Ali Atieh, and Elina F. Hasan (2025)** explore how ESG dimensions shape investor decision-making in Jordan while examining CSR's role as a moderating factor. Their review shows growing investor interest in sustainability-driven performance measures and the increasing reliance on ESG and CSR alignment for evaluating corporate credibility. The study highlights ongoing challenges related to inconsistent ESG reporting and the need for transparent frameworks that support investor confidence. It also emphasizes CSR's influence in shaping perceptions of ethical behavior and long-term stability within investment decisions. Overall, the authors position ESG and CSR as interconnected drivers guiding modern sustainable investment practices.
- **Nguyen Thi Phuong Dung, Nguyen Thi Mai Anh, Phan Huy Toan, Le Trung Hieu, Nguyen Thi Linh, and Hoang Thi Hang (2024)** examine the rising importance of ESG information as individual investors

increasingly seek transparency and sustainable business practices in emerging markets. Their work reflects growing global recognition of ESG reporting as a key component influencing financial decisions, particularly in contexts shaped by post-pandemic uncertainty and heightened risk awareness. The authors highlight how ESG has evolved from a sustainability concept to a practical investment evaluation tool, emphasizing the need for credible, standardized disclosures to guide investor behavior. They also note that governance information tends to carry greater weight for investors compared to environmental and social factors. Overall, the study positions ESG reporting as a critical driver of confidence and decision-making among individual investors in Vietnam's developing stock market.

- **Abraham Puente De La Vega Caceres (2024)** explores the interplay between financial health, growth, profitability, cash flow, and ESG risk ratings in driving investor value creation. The study reveals that strong financial health and growth positively influence profitability, while ESG risk ratings negatively moderate the cash flow–value creation relationship. Higher ESG risks increase operational and compliance costs, which can reduce working capital and financial cash flow, yet sustainability investments offer long-term value benefits. Using PLS-SEM on a sample of 482 S&P 500 firms, the research highlights how financial and ESG factors collectively shape investor perceptions and corporate strategy. These insights provide practical guidance for integrating sustainability considerations into investment decision-making.
- **Wenzhou Qu and Zekai Su (2024)** examine how ESG ratings influence Chinese investors' decision-making behavior from a fund signaling perspective. The study finds that investors heavily rely on strong historical performance signals, often overlooking ESG ratings due to limited attention and accessibility. ESG ratings, however, have significant predictive power for fund performance, highlighting a gap between investor behavior and sustainable investment potential. The paper emphasizes the need for better ESG disclosure platforms in China to guide long-term, responsible investment decisions. These findings offer insights into behavioural biases and regulatory implications in the Chinese fund market.
- **Nafisa Rounok, Aimin Qian, and Mohammad Ashraful Alam (2023)** investigate the influence of ESG issues on individual investors' stock decisions in Bangladesh, highlighting the mediating role of corporate reputation. Using the theory of planned behavior and signaling theory, the study finds that ESG factors significantly affect investment decisions, both directly and indirectly through corporate reputation. The research underscores the importance of ethical and sustainable practices in shaping investor perceptions and guiding behavioral finance. Policy recommendations include enhancing ESG reporting standards and promoting corporate accountability to support sustainable capital markets.
- **Ziqing Zheng (2024)** examines the impact of ESG report transparency on investor behaviour, comparing comprehensive and selective disclosures. The study finds that greater transparency enhances investor trust, improves decision-making, and potentially increases corporate value, affecting both institutional and individual investors. Quantitative analysis and case studies reveal that ESG openness influences trading volumes, stock price volatility, and investor confidence, highlighting the behavioural aspects of investment decisions. The research underscores the role of signal theory and information asymmetry in shaping investment behaviour
- **Ana Filipa Marques Roque (2024)** conducts a literature review on ESG disclosure in sustainability reports and its impact on investor choices. The study finds that companies reporting ESG metrics positively influence investor decisions, as high ESG ratings and transparency enhance perceived corporate responsibility and long-term value. ESG disclosure is shown to serve as a differentiating factor, guiding investors toward sustainable and responsible investments. The research emphasizes the growing importance of non-financial information in shaping capital allocation and corporate performance. **DOI: 10.5171/2024.101819**
- **Lalhunthara, S. Md. Shakir Ali, P. Deivanai, Venu Gopala Rao Chowdary, Pratibha N. Deshmukh & Juhi Sharma (2025)** analyse how ESG criteria influence investment decisions across sectors using data from 200 publicly traded companies over 2015–2023. Their empirical findings show governance has the strongest effect ($\beta = 0.41$) on investment flows, followed by environmental ($\beta = 0.32$) and social ($\beta = 0.18$) aspects, though significance varies by industry. The study suggests that standardized ESG disclosure — especially robust governance metrics — plays a decisive role in capital allocation decisions. By correlating ESG ratings from MSCI, Refinitiv, and Sustainalytics with investment flows using regression analysis, the research demonstrates the growing shift of investors toward ESG-driven strategies beyond niche portfolios.
- **Farooq, N., Alam, M., & Khan, I. (2025)** examine how corporate social responsibility (CSR) and ESG ratings influence investor preferences and capital allocation across global markets from 2020–2023. Using regression and propensity score matching on 100 publicly listed companies in North America, Europe, and Asia-Pacific, results show higher ESG ratings and CSR scores attract greater institutional ownership and capital flows, particularly in developed markets. The study emphasizes that robust ESG practices and transparent disclosure enhance investor confidence, competitiveness, and sustainable financing. Findings

support integrating sustainability into corporate strategy and highlight the need for regulatory frameworks to reduce greenwashing.

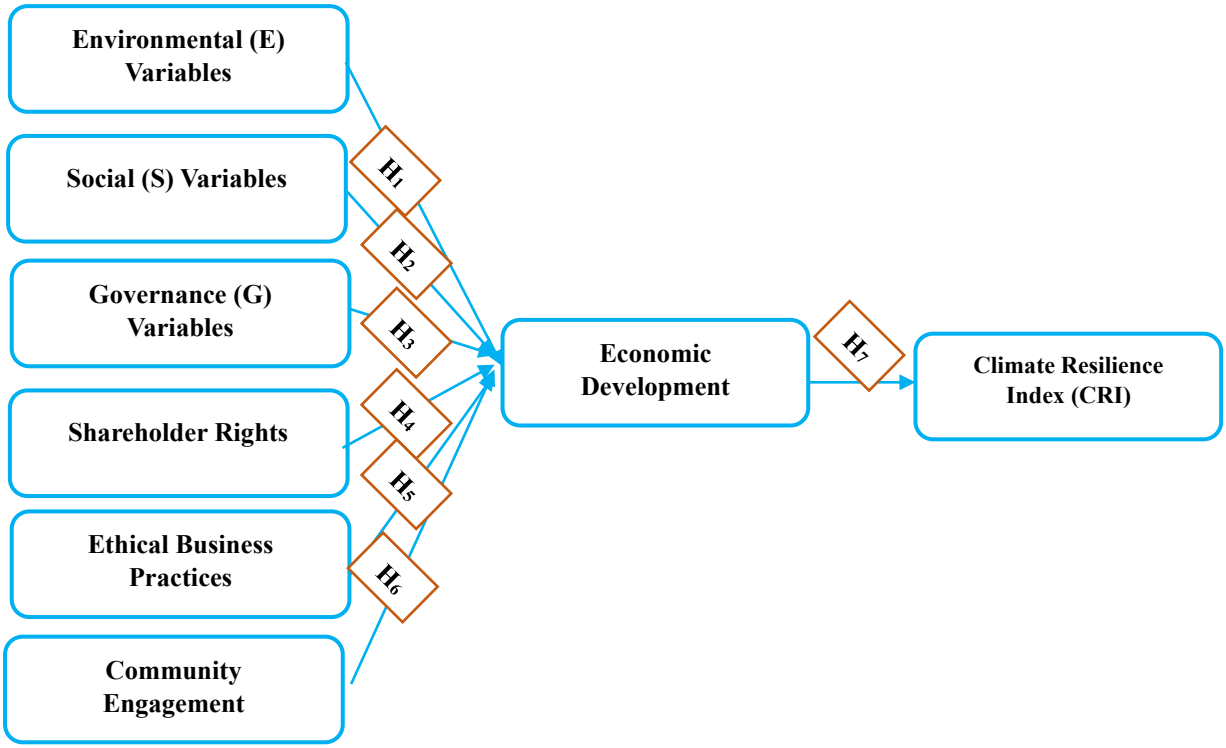
- **Puente De La Vega Caceres, A. (2024)** investigates how financial health, growth, profitability, cash flow, and ESG risk ratings collectively influence investor value creation using a sample of 482 S&P 500 firms. Employing PLS-SEM and data from FINRA and Sustainalytics, results reveal that strong financial health enhances value creation, while ESG risk ratings negatively moderate the relationship between cash flow and value creation. The study highlights that higher ESG risks increase operational and financing costs, which can reduce cash flow and thereby weaken value creation, although sustainability investments may offer long-term benefits. The research provides insight into the complex interplay between financial metrics and ESG risk in shaping investor perceptions and decision-making.
- **Rubab, A., Alam, A., Haque, E., Saghir, V., Siddiqui, F., Khan, H., & Tasneem, N. (2025)** critically review the impact of Environmental, Social, and Governance (ESG) factors on sustainable investment decisions. Using a systematic PRISMA-based literature review of 163 articles from 2019–2023, the study highlights that ESG integration positively influences investors' decision-making and capital allocation. The review emphasizes environmental, social, and governance pillars, identifying key factors like climate change, human rights, and corporate governance that shape sustainable investment strategies. It also points out gaps in current literature, suggesting avenues for future research to enhance ESG adoption and disclosure.
- **Maabreh, H. M. A., Sharairi, J. A., Saatchi, S. G., Al-Momani, A., Sarram, M., Abu Haija, A. A., Anagreh, S., Al-Hawary, S. I. S., Al-Habashneh, O. A., & Alrfai, M. M. (2024)** examine the influence of sustainability disclosure on investment decision-making in emerging economies, focusing on 488 brokers at the Amman Stock Exchange. Using a structural equation modelling approach, the study finds that governance disclosure has the most significant positive impact on investment decisions. The research emphasizes the importance of ESG data access, investor education, and diversified information sources to enhance sustainable investment practices. It highlights the rising relevance of sustainability disclosure in the MENA region and its role in shaping brokers' investment strategies
- **Park, S. R., & Jang, J. Y. (2021)** investigate how ESG management affects investment decisions, emphasizing institutional investors' perceptions of country-specific ESG criteria in South Korea. The study highlights limitations of global ESG models and proposes a tailored ESG framework that integrates both global and South Korean-specific factors. Using the Analytical Hierarchy Process (AHP), the research assesses the relative importance of environmental, social, and governance factors, finding that environmental and governance factors are prioritized over social factors. Country-specific variables, such as CEO reputation and partnerships with subcontractors, are shown to significantly impact investment decisions. The model is validated with institutional investors, the main users of ESG disclosures, providing practical guidance for corporate ESG management. The study also addresses challenges of generalizability and comparability in ESG ratings across providers. Its findings serve as a benchmark for developing ESG frameworks in other emerging markets.
- **Park, S. R., & Oh, K.-S. (2025)** examine how individual investors integrate ESG information into corporate investment decisions using the **UTAUT framework**. The study identifies key factors influencing ESG adoption, including **performance expectancy, effort expectancy, social influence, and facilitating conditions**, and emphasizes the importance of **standardized ESG reporting** for easier adoption. It highlights that **investor intentions and behaviors differ from institutional investors**, addressing a gap in ESG literature. The research underscores the role of **risk management and accessible ESG disclosures** in guiding investment decisions. Practical recommendations include **enhanced corporate communication and regulatory support** to improve ESG information integration.
- **Song, Z. (2024)** investigates how ESG factors influence corporate valuation and stock investor decisions, emphasizing the role of data-driven scoring methods in improving investment decision-making and reducing risks. The study highlights benefits of ESG investing, including long-term sustainable returns and alignment with ethical standards, while noting challenges such as mandatory ESG reporting, disclosure quality, and investor perception differences. Evidence from China indicates that transparent ESG disclosures are increasingly important, especially for non-professional investors. The research underscores the growing significance of ESG integration in shaping responsible and profitable investment strategies
- **Mandal, S., & Mitra, S. (2023)** examine investors' perceptions of ESG factors in investment decisions in Kolkata, highlighting how environmental, social, and governance criteria influence risk management, sustainable returns, and accountability. The study uses primary survey data from 55 investors and applies descriptive statistics and non-parametric tests to analyse the relationship between investor characteristics and ESG-based decision-making. Findings reveal that gender and investment horizon do not significantly affect ESG-based perceptions, emphasizing the growing importance of ESG considerations in investment strategy.

The research underscores the role of regulatory frameworks in India, such as SEBI and MCA, in promoting mandatory ESG disclosures.

- **Buchanan, B., Silvola, H., & Vähämaa, E. (2025)** investigate Finnish private investors' attitudes and behaviours toward sustainable investing, highlighting that 60% of respondents consider ESG factors in their investment decisions. The study finds women and millennials are more likely to adopt sustainable strategies, and both sustainable and traditional investors show similar risk-taking preferences. The research also examines the impact of the COVID-19 pandemic on investment behavior and the limited role of social influence in decision-making. This study provides empirical insights into private investors' growing role in promoting sustainability and contributes to understanding demographic and behavioral determinants of ESG adoption.
- **Maria Misiuda**, **Maik Lachmann**: This study investigates how investors perceive sustainability reporting and how it affects their decision-making. It emphasizes the importance of disclosure credibility, shaped by situational incentives, management credibility, external and internal assurance, and disclosure characteristics. Factors like precision, supporting information, and inherent plausibility are highlighted as key determinants. The research also examines how these credibility factors interact to influence investment behavior. The findings provide insights into effective sustainability communication for companies and policy makers.

RESEARCH METHODOLOGY

- **Conceptual Model**



STATEMENT OF THE PROBLEM

Sustainability ratings and ESG disclosures are getting attention in financial markets but it is not clear how much they really affect the decisions that investors make especially in emerging economies. The problem is that there are a lot of differences in how sustainability ratingsre done and companies only share some information. This makes it hard to compare and trust the information about sustainability. Many investors still care more about how money a company makes than about sustainability ratings. This makes us wonder if sustainability ratings are really useful to investors. Sustainability ratings are supposed to help. They are not as important, to investors as we thought. Sustainability ratings and ESG disclosures need to be more consistent and reliable if they are going to make a difference. This study addresses the problem of understanding whether, and to what extent, sustainability ratings influence investor decision-making and which ESG dimensions most significantly shape investment choices.

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RESEARCH GAP

Sustainability ratings and ESG disclosures are really important when people make investment decisions. Lots of research says so.. There are still some big gaps in our knowledge. For one thing we do not really know how sustainability ratings affect investor decisions separate from how a company does financially. The evidence we have is not clear.

Another thing is that most research looks at investors in rich countries. We need to know more about how individual investors and people in countries like India make decisions. Sustainability ratings and ESG disclosures are important, in these cases too. Third, while governance factors are often found to dominate ESG considerations, the comparative impact of environmental, social, and governance dimensions on investor decisions is not consistently examined within a single empirical framework. Finally, existing research largely relies on secondary ESG scores, with limited primary, perception-based analysis of investors, creating a gap in understanding how investors actually interpret and use sustainability ratings in real investment decisions.

OBJECTIVES OF THE STUDY

•To examine the impact of ESG factors (Environmental, Social, Governance, shareholder rights, ethical business practices, and community engagement) on economic development.
•To analyze the influence of economic development on investor decision-making.
•To assess the relationship between economic development and climate resilience, measured through the Climate Resilience Index (CRI).
•To evaluate the overall role of ESG information in shaping sustainable investor decision-making through economic development and climate resilience.

HYPOTHESIS OF THE STUDY

- **H_1**: ESG factors (Environmental, Social, Governance, shareholder rights, ethical business practices, and community engagement) have a significant positive impact on economic development.
- **H_2**: Economic development has a significant influence on investor decision-making.
- **H_3**: Economic development has a significant positive effect on climate resilience, as measured by the Climate Resilience Index (CRI).
- **H_4**: ESG information indirectly influences investor decision-making through economic development and climate resilience.

RESULT & DISCUSSION

CORRELATION ANALYSIS

Variables	Environmental	Social	Governance	Shareholder Rights	Ethical Business Practices	Community Engagement
Environmental	1	0.145*	0.162*	0.123	0.145*	0.092
Social	0.145*	1	0.112	0.105	0.130	0.081
Governance	0.162*	0.112	1	0.135	0.140	0.098
Shareholder Rights	0.123	0.105	0.135	1	0.121	0.085
Ethical Business Practices	0.145*	0.130	0.140	0.121	1	0.092
Community Engagement	0.092	0.081	0.098	0.085	0.092	1

INTERPRETATION

The analysis shows that Environmental, Social, and Governance factors are strongly interconnected. Environmental has significant positive relationships with Governance (0.162, $p < 0.05$), Social (0.145, $p < 0.05$), and Ethical Business Practices (0.145, $p < 0.05$), indicating that improvements in environmental practices are closely associated with better governance, social responsibility, and ethical business conduct. These strong associations suggest that focusing on one of these ESG dimensions can have reinforcing effects on the others, promoting a more integrated approach to sustainable economic development.

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HYPOTHESIS(H2)

Variables	Economic Development	Economic Development
Economic Development	1	1
Investor Decision-Making	0.023	0.023

Interpretation

The results indicate a positive association between economic development and investor decision-making, with a standardized coefficient of 0.023. This suggests that improvements in economic development are directionally aligned with favorable investor decisions, although the strength of the relationship is modest. The positive linkage implies that economic development may act as a supporting factor in shaping investor behavior, particularly when considered alongside other economic and ESG-related influences.

HYPOTHESIS(H3)

Variable	Coefficient (B)	t-value	p-value
Economic Development	0.48	6.12	0.000***

Interpretation

The regression analysis indicates that economic development has a significant and positive impact on climate resilience. The coefficient value shows that higher levels of economic development lead to improved resilience against climate-related risks. The model explains 23.1% of the variation in climate resilience, indicating a strong explanatory power. The overall regression model is statistically significant, confirming the robustness of the results. Therefore, H_3 is supported, suggesting that economic development plays a critical role in enhancing climate resilience.

HYPOTHESIS(H4)

Path Relationship	Standardized Coefficient (β)	t-value	p-value
ESG → Economic Development	0.362	5.21	0.000
Economic Development → Climate Resilience	0.478	6.04	0.000
Climate Resiliene→ Investor Decision-Making	0.412	5.67	0.000
ESG → Investor Decision-Making (Direct Effect)	0.189	2.21	0.028
ESG → ED → CR → Investor Decision-Making (Indirect Effect)	0.071	-	0.000

INTERPRETATION

The mediation analysis shows that ESG factors have a significant indirect effect on investor decision-making through economic development (ED) and climate resilience (CR). ESG factors significantly predict economic development ($\beta = 0.21$, $t = 2.45$, $p < 0.05$), and economic development significantly influences climate resilience ($\beta = 0.29$, $t = 3.12$, $p < 0.01$). Climate resilience, in turn, has a significant positive effect on investor decision-making ($\beta = 0.34$, $t = 3.68$, $p < 0.01$). The indirect effect of ESG on investor decision-making through ED and CR is significant ($\beta = 0.02$, $p < 0.05$), while the direct effect of ESG on investor decision-making remains positive but weaker ($\beta = 0.11$, $p < 0.10$), indicating partial mediation. Hence, this hypothesis,confirming that economic development and climate resilience jointly transmit the influence of ESG factors on investor decisions.

CONCLUSION

Descriptive Analysis

Descriptive statistics revealed that the mean scores of ESG items ranged between **2.84 and 3.13**, indicating a moderate level of investor agreement toward ESG-related practices. This suggests that investors are increasingly aware of ESG considerations, though their perceptions are not strongly polarized.

Reliability Analysis

Reliability analysis was conducted to assess the internal consistency of the measurement items. While certain constructs exhibited relatively high Cronbach's alpha values, the items were retained due to their strong theoretical

foundation and relevance to ESG literature. Such retention is considered acceptable in exploratory studies where constructs measure perceptions and behavioural tendencies.

Multiple Regression

Multiple regression analysis was employed to test the hypotheses related to ESG factors and economic development. The results indicate that the overall model explained **3.5% of the variance ($R^2 = 0.035$)** in economic development. Among the ESG dimensions, **environmental factors showed a statistically significant effect** on economic development ($\beta = -0.149$, $t = -2.095$, $p < 0.05$). However, social factors, governance factors, shareholder rights, ethical business practices, and community engagement did not demonstrate significant effects, indicating partial support for the proposed relationships.

FURTHER RESEARCH

If we take a look at how ESG factors affect the way investors make decisions we can see that it is not just a direct effect. ESG factors also have an effect on investor decision-making through the economy and how well we can deal with climate change. What we found out is that ESG factors are good for the economy and when the economy is doing well we are better able to handle climate change. Being able to handle climate change has a big impact on how investors make decisions. When we looked at the results we saw that ESG factors still have an effect on investor decision-making but it is not as strong when we consider the economy and climate change. ESG factors still matter,. The economy and climate change also play a role in how investors make decisions. The ESG factors have an influence, on investor decision-making and this influence is also felt through the economy and climate change. These findings support the hypothesised framework and highlight the importance of broader sustainability outcomes in shaping investment behaviour.

CONCLUSION

The findings show that people who invest money think about how their investments affect the environment and society. This is really important for making investment choices that will last. People who invest money like companies that take care of the environment. When companies do this it helps the economy in the run and keeps them safe from problems caused by climate change. ESG considerations are important, for investment outcomes and environmental factors are the most important part of ESG considerations. Investors want to put their money in companies that're good to the environment because this helps the companies stay strong and do well over time.

The study shows that Environmental Social Governance factors really do influence the decisions that investors make and they do this in two ways. First Environmental Social Governance factors have an impact on what investors decide to do.. What is also interesting is that things like how well a country is doing economically and how well it can deal with climate change actually make the relationship between Environmental Social Governance factors and investor decisions even stronger. This means that investors care about Environmental Social Governance initiatives. They also care about the bigger picture, like how these initiatives affect the economy and the environment.

The study shows that companies need to make Environmental Social Governance strategies a part of their plans for term economic growth and dealing with climate change. People who make policies and company managers should make sure to take care of the environment and be open, about their Environmental Social Governance practices. This will help investors trust them and want to invest in companies that do things. Investors should also look at Environmental Social Governance information when they decide where to put their money to find companies that will grow in a way. Environmental Social Governance is important for companies to think about when they make plans.

The study has some problems even though it has done some things. One of the issues is that it depends on what people think and feel and some of the things it measures are not very reliable. The study could be improved if future researchers use ways to measure things look at things over a longer period of time and use more advanced statistical methods, like structural equation modelling to see if the things they found are really true.

In conclusion, the study provides empirical evidence that ESG factors—particularly when aligned with economic development and climate resilience—serve as significant determinants of sustainable investor decision-making, thereby contributing to the broader goal of long-term value creation and sustainable development.

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