Chapter 2

Literature Review

2. Literature Review

2.1 Investor Behavior

Rosen, B. N., Sandler, D. M., & Shani, D. (1991). The findings from this study reveal that socially responsible investors tend to be younger and possess higher levels of education compared to their counterparts with different investment preferences. When asked to delineate what constitutes socially responsible corporate conduct, respondents most frequently highlight environmental and labor relations issues. Interestingly, these investors hold a substantial appreciation for socially responsible behavior in the companies they choose to invest in, although they remain unwilling to compromise their financial returns in pursuit of these ethical goals.

Glac, K. (2009). Over the past two decades, the prevalence of socially responsible investing has grown significantly. Nevertheless, our understanding of the individual socially responsible investor remains primarily confined to descriptive and comparative accounts. The fundamental question of "why some individuals opt for socially responsible investing while others do not" remains largely unanswered. To bridge this gap in the existing literature, this paper formulates a decision model for engaging in socially responsible investment, drawing from cognitive psychology literature.

The hypotheses postulated in this model are tested through an experimental survey. The findings suggest that how the investment scenario is presented affects the likelihood of involvement in socially responsible investing and the extent to which individuals are willing to forego returns when favoring socially responsible options over conventional investments. Interestingly, the study does not discover evidence of a connection between expectations concerning corporate social responsibility and the likelihood of participating in socially responsible investing.

Nilsson, J. (2008). This article delves into the burgeoning field of retail socially responsible investment (SRI) profiled mutual funds. Very few prior studies have delved into the end consumers of SRI profiled mutual funds. Consequently, this study takes an exploratory approach to investigate the influence of various pro-social, financial performance, and socio-demographic factors on SRI behavior, aiming to shed light on why investors allocate varying portions of their investment portfolios to SRI profiled

funds. An ordinal logistic regression analysis conducted on 528 individual investors unveiled those two out of the three pro-social factors had a favorable impact on the extent to which consumers invested in SRI profiled funds. Furthermore, it was evident that there existed a non-altruistic motive for SRI investment, as those who perceived SRI's financial returns as equal to or better than those of "standard" mutual funds allocated a larger proportion of their portfolio to SRI profiled mutual funds. Additionally, the results indicated that women and individuals with higher levels of education were more inclined to invest a greater portion of their investment portfolio in SRI.

Lewis, A., & Mackenzie, C. (2000). This paper reports on a questionnaire survey of 1146 ethical investors in the UK. Ethical investing usually means that certain companies are excluded from one's portfolio on non-economic grounds, e.g. because they manufacture armaments, test chemicals on live animals, or have poor pollution records. Is this an example where moral commitment rather than economics is driving economic decision making? Ethical investors were found to be neither cranks nor saints holding both ethical and not so ethical investments at the same time. A case is made that people are prepared to put their money where their morals are although there is no straightforward trade-off between principles and money. A broader analysis than that based on rational economic man is recommended: an economic psychology.

McLachlan, J., & Gardner, J. (2004) Socially responsible investment is a rapidly growing trend in personal investment, yet the drivers behind investors' choices of socially responsible investment products, particularly in an Australian context, remain inadequately understood. This study undertakes a comparative analysis of conventional and socially responsible investors with the objective of pinpointing these factors. A total of 55 conventional investors and 54 ethical investors partook in the study, completing mailed questionnaires encompassing aspects of their investment behavior, general attitudes and beliefs. The findings reveal noteworthy distinctions between socially responsible and conventional investors in their beliefs regarding the significance of ethical considerations, their investment decision-making approach, and their perceptions of moral significance. These results lend support to the idea that socially responsible investors diverge significantly from conventional investors, and the study delves into the theoretical and practical implications of these differences.

Nilsson, J. (2009). This paper aims to investigate the factors influencing consumer investment in socially responsible investment (SRI) profiled mutual funds, with a specific focus on the interplay between financial returns and social responsibility in investment decisions. The study utilized a cluster analysis approach to categorize 563 SR-investors into distinct segments based on their perceptions of the relative importance of financial return and social responsibility. Additionally, discriminant analysis and chi-squared tests were employed to create profiles for these segments.

The findings unveiled the existence of three distinct segments among SR-investors. The "primarily concerned about profit" segment prioritizes financial return over social responsibility. The "primarily concerned about social responsibility" segment places a higher emphasis on social responsibility than financial return. The "socially responsible and return-driven" segment values both financial returns and social responsibility when making investment choices. These segments exhibited notable variations in various profiling variables.

Williams, G. A. (2011). This paper develops a general model of investor choice to analyze Socially Responsible Investment (SRI). Drawing on data from a large survey of investors across five countries we show that SRI may be driven more by investor attitudes to the social aims of firms rather than by financial returns. We also show that investors who care about social issues as consumers appear to carry this behavior over into their portfolio strategy. We find little evidence that demographic factors affect SRI but some indirect evidence that market context in terms of institutional ownership and the regulatory environment may play a role.

Anand, P., & Cowton, C. J. (1993). Traditional finance theory has historically emphasized risk and return as the primary considerations for shaping investment portfolios. However, an emerging trend reveals a rising number of investors who are keen on integrating moral or social considerations into their decision-making processes. Employing principal components analysis, this paper endeavors to deduce potential "non-financial" dimensions within utility functions by examining the preferences of 125 "ethical investors.

Beal, D. J., Goyen, M., & Philips, P. (2005). An examination of three potential drivers for ethical investment – financial gains, non-wealth-related benefits, and fostering social change – suggests that these motivations are not exhaustive or mutually exclusive. It's apparent that a single motivation cannot account for the behavior of all ethical investors. Some investors may experience a trade-off between financial and psychological rewards. For consumption-oriented investors, this trade-off is anticipated to be minimal, with maximum total utility achieved at lower levels of ethical investment, as per the participation model. However, this trade-off is expected to fluctuate based on the ethical commitment of investment-oriented investors when ethical intensity is factored into their utility function. The concept of psychic returns can also be interpreted as an enhancement of happiness, a perspective that can be subjected to empirical testing, enriching our comprehension of why individuals opt for ethical investments.

Craig, M., & Lewis, A. (1999). This paper is a report of an empirical psychological study of the relationship between the ethical and financial beliefs and desires of ethical investors. Semi-structured interviews of 20 ethical investors have been carried out by the pro ject 10 of which have been analysed using qualitative data analysis software. All of ollr participants faced the problem that, while they had ethical concerns, they were not prepared to sacrifice their essential financial requirements to address them. We found four common ways of dealing with this problem: they divided up their money into core and surplus accounts; they decided that it was enough to only be a partial ethical investor; they avoided detailed consideration of the costs of ethical investment; and they avoided rigorous ethical thinking. One equilibrium position arising from these responses is a portfolio approach to ethics, which allows people to assuage their consciences by investing only a small proportion of their investments ethically, while leaving the rest in non-ethical investment vehicles.

2.2 Theory of Planed Behavior

Palacios-González, M. M., & Chamorro-Mera, A. (2018). The paper proposes a relationship model, suggesting that the intention to invest in a socially responsible manner can be elucidated by three variables: the individual's socially responsible consumption, their perception of personal benefit, and their perception of the effectiveness of their actions. The analysis of these relationships was conducted using the Partial Least Squares technique, involving a survey of 415 customers of financial institutions. The results indicate that the intention to invest in a socially responsible manner can be elucidated by the three aforementioned variables. The investor's habits of socially responsible consumption and their perception of the efficacy of socially responsible investment have a direct and positive impact on their intention. On the other hand, the perception of personal gain exerts an indirect influence on intention through its association with the perception of the action's effectiveness. These findings offer valuable insights to financial and collective investment institutions, aiding them in designing effective marketing strategies.

Muda, R., Faigah, S., & Alwi, S. (2019). Green investment in Malaysia is still in its early stages, primarily due to the limited awareness of environmentally friendly concepts within the general population. This form of investment integrates environmental considerations into a framework of rigorous financial analysis. Consequently, this study aims to pinpoint the factors influencing the intention of Muslims to embrace green investment. The study adopts the Theory of Planned Behavior (TPB) framework, encompassing variables such as attitude, subjective norms, perceived behavioral control, knowledge, reputation, and religious values. Data for the study were collected via self-administered questionnaires employing a six-point Likert scale, involving 270 respondents in the Klang Valley area. The research reveals that the five variables, including attitude, perceived behavioral control, knowledge, reputation, and religious values, significantly impact Muslims' intention to engage in green investment, with religious values emerging as the most influential contributor. As a result, this study offers several implications and outlines future research avenues to promote and enhance green investment.

Sultana, S., Zainal, D., & Zulkifli, N. (2017). This research paper constructs a research model grounded in feedback from individual stock market investors in Bangladesh concerning Environmental, Social, and Governance (ESG) matters. Employing the Theory of Planned Behavior (TPB) within the positivistic paradigm, this study enriches the ESG literature by adapting ESG dimensions derived from the United Nations Global Compact (UNGC) and Thomson Reuters Corporate Responsibility Index (TRCRI).Initial findings derived from Structural Equation Modeling (SEM) analysis reveal that ESG issues exert an influence on investment choices. Among these issues, governance matters wield the most significant impact on respondents' investment decisions, followed by social and environmental concerns. This study holds substantial theoretical significance and practical relevance for regulatory authorities, business entities, and, notably, stock market investors hailing from developing nations.

This study signifies investors' inclination toward ESG considerations, potentially paving the way for the formulation of guidelines and regulations aimed at enhancing the ESG performance of companies, promoting ESG reporting, and potentially introducing an ESG index in Bangladesh. Such measures could foster stable stock markets and facilitate the sustainable overall growth of the country.

Singh, M., Mittal, M., Mehta, P., & Singla, H. (2021). This study seeks to investigate the influence of personal values, specifically collectivism, materialism, and environmental attitudes, on the attitude toward investing in socially responsible investments (SRIs). Furthermore, it explores how this attitude impacts the intention to engage in SRI, with potential moderation by religiosity beliefs. This moderated relationship is also separately examined for two gender groups.

Talha, M., Salim, A. S. A., Jalil, A. A. A., & Yatim, N. M. (2020). This paper investigates the moderating influence of fund managers' experience and the size of the fund on their engagement in socially responsible investment (SRI). A survey was conducted to gather responses from fund managers, and the data were analyzed using a multi-group approach within Structural Equation Modeling (SEM). At the intention level, the study identified a significant moderating effect on the relationship between attitudes and the inclination to adopt SRI, particularly among less experienced fund managers. For more experienced fund managers, there was a notable moderating effect concerning the connection between subjective norms and perceived behavioral control,

impacting their intention to engage in SRI. Additionally, small-sized fund managers exhibited a significant moderating influence on the relationship between subjective norms and a commitment to ethical principles, influencing their intention to participate in SRI. At the behavioral level, the research unveiled a significant moderating effect related to the relationship between moral intensity and SRI behavior, particularly among less experienced fund managers. In contrast, among larger-sized fund managers, there was a significant moderating impact regarding the connection between moral intensity and a dedication to ethical principles, influencing their SRI behavior. This paper addresses a gap in the existing literature by extending our comprehension of how the experience and fund size of managers influence their involvement in SRI. It offers valuable insights for policymakers, suggesting the need for effective talent development strategies to garner support from fund managers for SRI-related initiatives within the capital market.

Chan, K. H., Ng, T. H., & Fadi, A. (2018). The pressing concerns of climate change and its detrimental consequences necessitate intensified efforts from all stakeholders to expedite the shift toward a low-carbon economy. Green investments are regarded as a viable solution to address environmental degradation, yet research in this field remains limited. This study employs the Theory of Planned Behavior (TPB) to investigate the associations between personal attitudes, subjective norms, perceived behavioral control (PBC), and the intentions of university students in Malaysia to engage in green investments. The study surveyed 260 university students in Kuala Lumpur and Melaka, with a response rate of 77%. The findings from multiple linear regression analysis reveal that these factors (personal attitudes, subjective norms, and PBC) serve as significant predictors. The study offers a range of measures and policy recommendations aimed at promoting green investment.

2.3 Systematic Review on Socially Responsible Investments

van Dijk-de Groot, M., & Nijhof, A. H. J. (2015). This marks the inaugural literature review on Socially Responsible Investment (SRI) funds. Despite the proliferation of SRI funds, there exists a dearth of comprehensive knowledge about these investment instruments. This article conducts a retrospective analysis of academic literature on SRI funds spanning the past 25 years. It surveys the existing landscape of theoretical research on SRI funds and, through an assessment of the characteristics, content, and methodological aspects of this body of literature, identifies areas for future research, setting research priorities and strategic pathways. The current state of research on SRI funds predominantly adopts a financial perspective and primarily emphasizes financial performance. Furthermore, it reveals that a substantial portion of this research emanates from European and North American academic institutions, with limited attention dedicated to social performance or the foundational principles underpinning SRI funds. Therefore, we assert that significant opportunities for future research lie in exploring the potential of SRI funds to simultaneously achieve their financial and social objectives.

Fabregat-Aibar, L., Barberà-Mariné, M. G., Terceño, A., & Pié, L. (2019). This paper has two primary objectives: (i) to pinpoint the most influential documents in the analysis of socially responsible funds, and (ii) to unveil the conceptual structure of research in this field through co-word analysis. To accomplish these objectives, we employed the VOS Viewer and examined 209 research papers from the Web of Science (WOS) and Scopus databases spanning the years 1988 to 2018. This analysis offers valuable insights into the essence and prevailing trends within the realm of socially responsible investment (SRI) funds.

Von Wallis, M., & Klein, C. (2015). This paper presents a comprehensive overview of the existing literature on socially responsible investing (SRI). We delve into the motivations, historical development, and contemporary best practices in SRI. Additionally, we conduct an extensive analysis of a wide range of studies addressing two critical aspects within this domain: firstly, we investigate the relative performance of SRI vehicles in comparison to their conventional counterparts. Our meta-analysis reveals that most research studies suggest that socially responsible (SR) investments

perform on par with conventional investments, although these findings are met with conflicting results from certain studies. Secondly, we explore the impact of SR behaviour on a company's financial outcomes, focusing on the period from 1986 to 2012. This paper serves as a valuable resource for future researchers, offering a well-documented and structured overview of the current SRI literature while pinpointing areas that may benefit from further investigation.

Daugaard, D. (2020). Environmental, Social, and Governance (ESG) investing stands as a substantial and influential industry, warranting in-depth scrutiny, assessment, and enhancement through academic research. Regrettably, existing research has primarily fixated on gauging return performance, leaving a broader spectrum of subjects unaddressed. A more comprehensive exploration of topics is imperative to offer valuable insights to investors, companies, and regulators. This paper rises to the challenge by systematically delving into the literature to unveil a more diverse range of subjects. These encompass the heterogeneous nature of ESG investing, its associated costs and motivations, and its roots in management literature.

Talan, G., & Sharma, G. D. (2019). This paper conducts a comprehensive review of research in the realm of sustainable investment to pinpoint research gaps and establish a future research agenda. We scrutinize articles on sustainable investment published in journals indexed by the Web of Science from 1989 to the present. This search yielded a total of 225 papers, with 213 selected for review. The paper identifies noteworthy gaps in the existing literature, which can serve as promising areas for future investigation. The analysis of these articles underscores the need for a comprehensive research agenda that provides a unified framework for sustainable investment, reducing disparities and enhancing widespread acceptance.

The research agenda outlined in this paper serves as a valuable resource for researchers, guiding them in shaping their research questions around the identified gaps. Sustainable investment holds significant potential as a solution to address social and environmental challenges by reshaping financial markets to instil greater accountability for their impacts. Therefore, it is imperative to conduct extensive research in this field, ultimately elevating it to an established and applied domain of investment. This paper stands as the first systematic review in the field of sustainable investment in the past two decades, offering a significant contribution to the literature.

Widyawati, L. (2020). Socially responsible investment (SRI) operates at the intersection of ethical and financial considerations. In this systematic literature review, we delve into three pivotal research themes within the SRI literature, revealing a notable disjunction among these themes and an overwhelming emphasis on the financial paradigm at the expense of the ethical one. Among the fundamental tenets of SRI lie environmental, social, and governance (ESG) metrics. This review underscores the critical role of ESG metrics in the SRI domain, serving dual purposes as indicators of sustainability performance and facilitators of the SRI market.

Nonetheless, two primary issues concerning ESG metrics cast doubts on their reliability: a lack of transparency and a lack of convergence. These issues pose challenges to the efficacy and trustworthiness of ESG metrics within the SRI framework.

Capelle-Blancard, G., & Monjon, S. (2012). In this study, we employ online search engines and archival collections to assess the prevalence of socially responsible investing (SRI) in both newspapers and academic journals. A straightforward content analysis reveals that a majority of the papers addressing SRI predominantly concentrate on financial performance. This extensive body of research may appear somewhat perplexing, considering that most of these studies employ similar methodologies and yield comparable outcomes. So, what accounts for the proliferation of studies on SRI financial performance?

We contend that the academic literature on SRI is primarily driven by available data, akin to the well-known 'looking for the keys under the lamppost' phenomenon. While examining the financial performance of SRI funds is undoubtedly a pertinent aspect, it is possible that disproportionate emphasis has been placed on this dimension. Instead, there is a pressing need for further research grounded in conceptual and theoretical frameworks, particularly delving into the objectives of SRI investors, the intricate interplay between regulation and SRI, and the assessment of non-financial performance.

2.4 Socially Responsible Investments & Ethical Investment

Harte, G., Lewis, L., & Owen, D. (1991). The heightened public concern regarding social and environmental issues may have far-reaching implications for the content and structure of corporate annual reports. A prominent illustration of the growing interest in evaluating the social performance of businesses is the emergence of ethical unit trusts in the United Kingdom. Through a questionnaire-based approach, we present the perspectives of these ethical unit trusts regarding the sources of information they rely on for ethical investment decisions. Specifically, we delve into the corporate annual report, which, although often recognized as the most valuable source of information, is generally perceived as having limited utility in addressing numerous issues of concern. In closing, we engage in a discussion regarding the potential consequences for corporate reporting within a more radical framework focusing on social and environmental considerations.

O'Rourke, A. (2003). This paper investigates a prominent and often provocative sector within the financial industry: Ethical or Socially Responsible Investment. By offering ethical or sustainable financial products with the potential to influence a broad spectrum of stakeholders, the financial industry assumes a distinctive role in steering corporate sustainability. However, it raises questions about the message conveyed by ethical investment to companies and the financial sector. Can ethical investors and their rating agencies effectively drive corporations toward more sustainable patterns of production and consumption, and do their approaches align with the principles of Cleaner Production?

The paper commences by providing an overview of various definitions of 'ethical investment' and the scope of activities encompassed by this term. Subsequently, it delves into the examination of screening methods and their application. A typology of diverse ethical mutual funds is presented, and two case studies featuring ethical funds, Robur's Environmental Fund and Sustainable Asset Management's sustainability rating tool, are analyzed in terms of their capacity to unveil or obscure cleaner production innovations within the firms they assess. To ascertain the potential influence of Ethical Investment on companies and its reciprocal effects on asset management companies, we explore the impact of ethical investment on both entities. The paper culminates in

proposing a reflexive model of corporate and finance sector learning driven by the ethical screens.

Webley, P., Lewis, A., & Mackenzie, C. (2001). Recent research has brought to light two apparent 'contradictions' in the behaviour of ethical investors: it's not uncommon for individuals to forgo the interest on their ethical investments but express a willingness to invest more if the interest rate were increased, and it's a common practice for people to invest in both ethical and conventional funds. Lewis and Mackenzie have proposed that these contradictions can be explained through the concepts of framing and mental accounts. In this study, we employ an experimental approach to investigate these issues.

Participants engaged in a role-play scenario where they consulted with a 'virtual' financial advisor, facilitated through the World Wide Web and the Netscape browser. During this interaction, they provided financial and other relevant information to the financial advisor and were subsequently presented with various investment choices. The study findings indicate that ethical investors tend to demonstrate a strong commitment to ethical investment, maintaining such investments even if they perform poorly or fall short of ethical effectiveness.

Anand, P., & Cowton, C. J. (1993). Finance theory conventionally focuses on risk and return as the factors relevant to the construction of investment portfolios. But there is evidence of a growing number of investors who wish to incorporate moral or social concerns in their decision-making. Using principal components analysis, this paper attempts to infer possible 'non-financial' dimensions of utility functions by considering the preferences of 125 'ethical investors'.

Krosinsky, C., & Robins, N. (2012). Sustainable Investing is rapidly emerging as an intelligent approach to achieving long-term returns. As traditional investors rush to incorporate concerns like climate change, this book captures a pivotal moment in the transformation of global finance. By uniting prominent Sustainable Investing practitioners worldwide, this book traces the evolution of this agenda, assesses its current impact, and explores the emerging prospects for the future. Sustainable Investing has already demonstrated superior performance compared to the mainstream,

and conscientious investors must understand how to position themselves effectively for the potential market transformations on the horizon.

Magiera, F. T. (2006). Socially responsible investment (SRI) extends beyond community investing and exclusion screening; it is fundamentally an investment strategy shaped by the values and convictions of the investor. This paper explores four SRI approaches (exclusion, best in class, engagement, and advocacy) and establishes their connections with other commonly employed investment frameworks in the finance field. SRI considerations are pertinent to any investor who does not adhere to the notion of market or economic efficiency.

Craig, M., & Lewis, A. (1999). This paper presents an empirical psychological study exploring the interplay between the ethical and financial convictions and aspirations of ethical investors. The research involved semi-structured interviews with 20 ethical investors, with qualitative data analysis software applied to analyze 10 of these interviews. A common dilemma emerged among all participants, where ethical concerns clashed with their essential financial needs, leading to the identification of four prevalent coping strategies. These strategies included segregating their funds into core and surplus accounts, adopting a partial ethical investor stance, avoiding in-depth consideration of the costs associated with ethical investments, and sidestepping rigorous ethical contemplation. Among these responses, a balance was achieved through a portfolio approach to ethics, allowing individuals to alleviate their ethical concerns by dedicating only a fraction of their investments to ethical endeavors while maintaining the remainder in non-ethical investment vehicles.

2.5 Sustainable Investments – Cases, Reports & Meta Analysis

GSIA. (2018). Global Sustainable Investment Review 2018. This report highlights the global landscape of sustainable investing, an approach incorporating environmental, social, and governance (ESG) factors in portfolio decisions. The Global Sustainable Investment Alliance (GSIA) adopts an inclusive definition for sustainable investing, encompassing related terms like responsible and socially responsible investing. The report emphasizes assets in local currencies to mitigate exchange rate fluctuations. As of 2018, global sustainable investing assets reached $30.7 trillion, marking a 34 percent increase in two years. With market share growth in all regions except Europe, responsible investment holds a substantial portion of managed assets, ranging from 18 percent in Japan to 63 percent in Australia and New Zealand. The fastest-growing regions from 2016 to 2018 were Japan, Australia/New Zealand, and Canada, mirroring the trends observed in the preceding two-year period. The largest regions by sustainable investing assets were Europe, the United States, and Japan. This data underscores the significant impact of sustainable investing on global financial markets.

Tekula, R., & Andersen, K. (2019). This article explores the dynamics of impact investing by examining the roles of public, private, and nonprofit facilitators in the field. It categorizes facilitation into four types: enabling, improving, moving, and launching. Case examples are provided for each type, contributing to the development of a comprehensive model for the impact investing marketplace. The aim is to assist market participants in identifying the most efficient investments for both investors and investees. By understanding the various types of facilitation, stakeholders can envision optimal approaches and determine the most suitable facilitators for specific investments. This analysis serves as an initial step toward creating a broader model that enhances decision-making in the impact investing landscape.

Agrawal, A., & Hockerts, K. (2021). Impact investing, as an emerging alternative asset class, has experienced substantial growth in recent years, yet academic research has not kept pace with practitioner interest. This systematic review examines 85 published articles and reports, utilizing Harzing's Publish or Perish academic search engine and cross-referencing with databases like JSTOR and Web of Science. The review makes several key contributions: it provides a longitudinal perspective on the

evolution of impact investing, highlighting a shift from a pre-paradigm stage to proper scientific inquiry; identifies six unique characteristics of the field; notes a predominance of exploratory scholarship with a recent shift toward confirmatory studies; and suggests the need for deeper exploration of concepts such as selection processes, stakeholder management, opportunity recognition, and performance reporting to advance the field and generate applied knowledge.

Apostolakis, G., Kraanen, F., & van Dijk, G. (2016). The discourse surrounding the sustainability of the Dutch pension system and the ensuing calls for reforms have sparked discussions about introducing more individual choices into collective pension schemes. This study explores pension beneficiaries' willingness to accept a lower pension in exchange for investing in a socially responsible portfolio that incorporates impact investment characteristics alongside socially responsible investment criteria. The sample is drawn from a Dutch pension administrative organization affiliated with the healthcare sector. Using regression models, the research analyzes the relationship between attitudes toward impact and socially responsible investments and the willingness to pay for socially responsible choices. Additionally, the study investigates the influence of involvement on the willingness to pay for such a portfolio. The results indicate that positive attitudes toward SRI screenings significantly enhance the willingness to pay, and individuals with higher product involvement demonstrate greater readiness to incur extra costs. This paper contributes to the responsible investments literature and offers insights for shaping pension policies within collective pension schemes.

Korhonen, J., Nuur, C., Feldmann, A., & Birkie, S. E. (2018). The concept of the Circular Economy (CE) is gaining traction in policy and business advocacy, yet the research on CE is still in its early stages. This paper aims to address two interconnected objectives: firstly, to identify, discuss, and refine the various definitions provided by the emerging literature on CE, and secondly, to propose an initial research approach for conducting CE research. The analysis reveals that current CE work primarily focuses on the practical and technical aspects of material and energy flows in production-consumption systems, emphasizing concrete metrics, tools, instruments, and computations. The underlying values, societal structures, cultures, worldviews, and paradigmatic potential of CE are largely unexplored. The paper argues that CE has

become an "essentially contested concept," and proposes a model for CE research to categorize, classify, and organize investigations, addressing the observed imbalance and enhancing the contribution of the CE approach to a more sustainable global society.

OXFAM India. (2020). The Indian Socially Responsible Investment (SRI) market is experiencing slower growth compared to the global SRI markets, with SRI investor allocations in India reaching $28 billion, a marginal increase of 6% over the past two years. In contrast, global SRI flows grew at a 16% Compound Annual Growth Rate (CAGR) to $30.7 trillion from 2016 to 2018. Despite ESG integration being a widely adopted strategy globally, the Indian SRI market is mostly driven by foreign investors. Major Indian asset management companies are poised to introduce Environmental, Social, and Governance (ESG) funds, representing 50% of the market, although widespread adoption of ESG metrics in stock and bond investments is yet to be seen. The SBI Magnum Equity ESG Fund, the first ESG-branded fund in India, has delivered impressive returns, outperforming benchmark indices. ESG index returns in India have consistently outperformed conventional counterparts by 36 to 55 basis points over a 5-year period, demonstrating that SRI strategies, incorporating ESG assessments, do not necessarily harm investor returns. The MSCI India ESG Leaders Index stands out as a top performer, consistently outperforming Nifty and S&P indices.

Paper, W. (2012). This paper conducts a meta-analysis to explore the influence of selected primary study characteristics on the performance of Socially Responsible Investment (SRI) funds compared to conventional funds. Analyzing 25 studies with over 500 observations, the research identifies factors affecting the probability of significant outperformance or underperformance of SRI funds. The results indicate that accounting for survivorship bias in a study increases the likelihood of significant outperformance and decreases the likelihood of significant underperformance of SRI funds. Additionally, the focus on United States (US) SRI funds is found to increase the probability of significant outperformance and decrease the probability of significant underperformance. The impact of the time period on SRI fund performance is noted, although the paper suggests caution in drawing general conclusions about this variable based on the results.

Revelli, C. (2016). This study seeks to analyze how the conceptualization of ethics in finance has influenced socially responsible investing (SRI), leading it towards a financial approach where ethics is shaped by financial considerations. Employing a critical perspective on the historical and contemporary development of SRI, the research advocates for a reconceptualization of the SRI paradigm. It proposes a framework rooted in Polanyi's theory of embeddedness, aiming to re-integrate finance with ethical and social values. The conclusion puts forward an SRI model where investments are guided by impact measurement and the assessment of extra-financial performance.

Sachs, J. D., Schmidt-Traub, G., Mazzucato, M., Messner, D., Nakicenovic, N., & Rockström, J. (2019). The Sustainable Development Goals (SDGs) and the Paris Agreement emphasize the need for profound transformations globally, requiring collaborative efforts from governments, civil society, science, and business. To address the challenge of operationalizing the 17 SDGs, this study introduces six SDG Transformations as modular components for SDG achievement. These transformations encompass critical areas such as education, gender, inequality, health, well-being, energy decarbonization, sustainable industry, food, land, water, oceans, sustainable cities, communities, and the digital revolution for sustainable development. Each transformation outlines key investments and regulatory challenges, proposing actions involving specific government sectors, businesses, and civil society. The approach allows operationalization within existing government structures, recognizing the interconnectedness of the SDGs. Additionally, the paper outlines an action agenda for the scientific community to contribute essential knowledge for designing, implementing, and monitoring the SDG Transformations.

Talan, G., & Sharma, G. D. (2019). This study systematically reviews research in the field of sustainable investment, examining articles published in journals indexed at the Web of Science from 1989 to 2018. Out of 225 identified papers, 213 were selected for review, aiming to identify research gaps and propose a future research agenda. The analysis reveals gaps in the literature that present opportunities for further study. The paper emphasizes the need for a research agenda offering a holistic framework for sustainable investment with increased acceptability. The proposed agenda is expected to assist researchers in framing their studies around identified gaps. Sustainable

investment holds promise as a solution to social and ecological challenges, transforming financial markets to be more accountable for their impacts. The research agenda proposed in this paper aims to contribute to the development of sustainable investment as an applied field over the next years, filling a gap in systematic reviews in this area for the past two decades.

USSIF Foundation. (2017). Sustainable, responsible, and impact investing (SRI) is an investment discipline that prioritizes environmental, social, and corporate governance (ESG) criteria to achieve enduring financial returns and positive societal impact across various asset classes, such as stocks, bonds, and cash. Often referred to as "values-based investing," "impact investing," "ethical investing," or "socially responsible investing," depending on specific emphasis, SRI has experienced rapid growth, with assets under professional management in the United States increasing by 33% from $6.57 trillion to $8.72 trillion between 2014 and 2016. While institutional investors have been actively engaged in SRI, this guide is tailored to provide retail, non-accredited investors with a concise resource to embark on sustainable investment.

US SIF: The Forum for Sustainable and Responsible Investment. (2020). Mycotoxins, small toxic chemical byproducts produced by certain fungi, pose a significant threat to crops, leading to extensive research on analytical and detection techniques. Ochratoxins and Aflatoxins, major mycotoxins, necessitate diverse analytical methods due to their varied structures. Routine analysis faces challenges in terms of high-sensitivity requirements and the need for specialized laboratory settings. This manuscript reviews various existing analytical techniques suitable for mycotoxin analysis and detection, considering their flexibility and broad applicability. While numerous lab-based methods are employed, there is no singular technique that stands out, with analytical liquid chromatography, often coupled with mass spectroscopy, being a popular choice. The manuscript covers sample pre-treatment methods like liquid-liquid extraction (LLE), supercritical fluid extraction (SFE), solid phase extraction (SPE), separation methods such as thin-layer chromatography (TLC), high-performance liquid chromatography (HPLC), gas chromatography (GC), and capillary electrophoresis (CE), as well as other methods like enzyme-linked immunosorbent assay (ELISA). Current trends, advantages, disadvantages, and future prospects of these techniques are thoroughly discussed.

Wagemans, F. A. J., Koppen, C. S. A. K. van, & Mol, A. P. J. (2013). In the last two decades, an increasing number of shareholders have considered non-financial criteria, such as social and environmental factors, in their investment decisions, leading to the emergence of socially responsible investment (SRI). This review article examines the actors involved in SRI, the motivations behind it, relevant theoretical frameworks, and its effectiveness in influencing the environmental, social, and corporate governance (ESG) performance of public companies. SRI involves various actors with diverse motives employing distinct strategies. While the impact of SRI strategies is challenging to quantify, it currently has a limited role in changing ESG performance. Several impediments hinder the effectiveness of SRI in enhancing ESG performance, outlining an action agenda for both SRI researchers and practitioners. The research agenda for SRI studies should address engagement strategies, factors influencing SRI effectiveness, the relationship between shareholders and other stakeholders, and the development of theoretical frameworks. The theory of stakeholder salience and ecological modernization theory are suggested as promising starting points for theoretical development.

Keeble, B. R. (1988). The World Commission on Environment and Development unveiled its report at a London press conference on April 27, 1987. This report delves into the vital issues of environment and development, offering practical and realistic suggestions to address them. It advocates for substantial changes to be implemented at both national and international levels to effectively execute the proposed solutions. The report serves as a comprehensive guide to understanding and tackling the challenges at the intersection of environmental concerns and developmental goals.

Widyawati, L. (2020). Socially responsible investment (SRI) constitutes a blend of ethical and financial considerations. This systematic literature review scrutinizes three primary research themes within the SRI domain, uncovering a pronounced gap between financial and ethical perspectives. Central to SRI is the use of environmental, social, and governance (ESG) metrics. The review accentuates the pivotal role of ESG metrics in SRI, serving as both a gauge for sustainability performance and a catalyst for the SRI market. Nonetheless, the reliability of ESG metrics is compromised by two key challenges: insufficient transparency and a lack of convergence within the metrics.

Barber, B. M., Morse, A., & Yasuda, A. (2019). This study reveals that investors derive nonpecuniary satisfaction from investing in dual-objective venture capital (VC) funds, even at the expense of returns. Impact funds, designed for both financial and societal impact, exhibit a 4.7 percentage points lower internal rate of return (IRR) compared to traditional VC funds. Through random utility and willingness-to-pay (WTP) models, investors are willing to accept 2.5-3.7 percentage points lower IRRs in advance for impact funds. This positive WTP finding holds true even when accounting for fund access restrictions and variations in investor expectations. Certain investor groups, such as development organizations, foundations, financial institutions, public pensions, Europeans, and UNPRI signatories, demonstrate a high WTP. Investors with mission objectives or facing political pressure also exhibit elevated WTP, while those constrained by legal restrictions (e.g., ERISA) show lower WTP.

Graham, B. (1950). This paper delves into the evolving trend of major corporate governance institutional owners emphasizing systemic considerations. It progresses through three stages of corporate governance: focusing on structure and process as governance (stage I), expanding to include environmental and social factors (stage II), and advancing to a system focus (stage III). The paper breaks new ground by asserting that a closer examination of the role of modern portfolio theory (MPT) in investment processes is necessary, exploring how MPT influences corporate structure, behavior, and governance. Emphasis is placed on understanding the dynamics of individual portfolios and the market as a whole within governance analysis, challenging the conventional notion that portfolio investment risk is confined to diversifying idiosyncratic risk through security selection, assuming no impact on beta. The paper highlights the interconnected feedback loops between portfolio risk management, beta, and systemic risk, emphasizing their interconnected nature.

Hebb, T. (2013). Impact investing extends beyond micro-finance, encompassing intentional decisions to achieve both financial returns and social/environmental benefits. Operating across diverse asset classes like real estate, private equity, infrastructure, equities, and fixed income, it's considered by some as an emerging asset class. Also known as double/triple bottom line, mission-related investing, and more, it marks an innovative approach to address social needs while generating financial returns. The estimated market size ranges from $1 trillion to $14 trillion, including

global infrastructure investments. The 'Blended Value Proposition' underpins impact investing, stating that organizations create economic, social, and environmental value, and investors generate all three through capital provision. Investors are categorized as 'impact first' or 'finance first.' 'Impact first' investors prioritize social/environmental impact over financial return, often found in philanthropy. 'Finance first' impact investors seek market-rate risk-adjusted returns, considering social/environmental impact after assessing financial merits. Institutional investors with fiduciary duty prioritize financial returns but may still consider deals with positive social/environmental outcomes without sacrificing financial returns.

Gunther Capelle-Blancard1 Monjon2, S. (2012). This paper employs online search engines and archive collections to assess the prevalence of socially responsible investing (SRI) in newspapers and academic journals. Content analysis reveals a predominant focus on the financial performance of SRI in academic papers, raising questions about the proliferation of such research with similar methodologies and outcomes. The authors argue that the abundance of studies on SRI financial performance is driven by data-centric approaches, akin to the 'looking for the keys under the lamppost' phenomenon. While acknowledging the relevance of investigating SRI fund financial performance, the authors suggest a need for a more balanced research approach, emphasizing conceptual and theoretical exploration. They propose delving into the aspirations of SRI investors, examining the interplay between regulation and SRI, and evaluating extra-financial performances as crucial areas for further investigation.

Clarkin, J. E., & Cangioni, C. L. (2016). Once perceived as opposing poles—financial investment and philanthropy are now converging to support social enterprise development. Impact investing (II) stands out as an innovative approach that harnesses the financial market's resources to address seemingly insurmountable global challenges. While interest in II has surged, scholarly exploration in this field remains limited. This paper aims to kindle interest by offering a primer and reviewing the existing knowledge in II. Through a comprehensive search across legal, financial, social entrepreneurship, and project management literature, the study identifies themes and reveals gaps in the current understanding of II. While practitioners emphasize the opportunities and potential of II, there is a scarcity of studies addressing its challenges. The paper

highlights that II is not a universal solution and may be unsuitable for many social enterprises, urging rigorous examinations of its applicability and efficacy. This literature review equips scholars with an overview of II and a plethora of potential resources to contribute to advancing knowledge in the field.

Derwall, J., Guenster, N., Bauer, R., & Koedijk, K. (2005). This study delves into the impact of socially responsible investing (SRI) on portfolio performance, specifically focusing on the concept of "eco-efficiency" as a measure of a company's economic value relative to the waste it generates. The research, using eco-efficiency scores from Innovest Strategic Value Advisors, constructs and evaluates two equity portfolios with varying eco-efficiency levels. The high-ranked portfolio consistently outperforms the low-ranked counterpart during the 1995-2003 period, demonstrating superior performance associated with SRI. The performance difference persists across various factors such as market sensitivity, investment style, and industry-specific considerations. Importantly, the results remain robust across different levels of transaction costs, highlighting the substantial incremental benefits that socially responsible investing can bring. This study contributes valuable insights to the ongoing discourse on the financial implications of incorporating social and environmental considerations into investment decisions.

Eurosif. (2014). In 2012, Eurosif marked its first year operating from Brussels and the tenth anniversary of its biannual study. The European Sustainable and Responsible Investment Study, now in its 5th edition, is a collaborative effort with national Sustainable Investment Forums (SIFs) contributing to the research. Reflecting the dynamic nature of the Sustainable and Responsible Investment (SRI) industry, the study has evolved over the years to capture significant changes and developments. While defining SRI consistently across Europe remains a challenge, the study aims to contribute to the ongoing debate and provide valuable insights for the general public, industry practitioners, policymakers, and other stakeholders. The 5th edition introduces changes, such as a focus on trends impacting individual responsible investment strategies and a brief overview of the European impact investing market, adding depth to the understanding of this increasingly sophisticated market.

2.6 Sustainable Investment – Mix Research Works

Charles, A., Darné, O., & Pop, A. (2015). This study contributes to the existing body of literature on the impact of Shari'ah filtering criteria on the risk profile of Dow Jones Islamic indexes compared to their conventional counterparts. Our analysis reveals that both Islamic and conventional indexes are susceptible to similar extreme events, influencing risk estimations, particularly during the Global Financial Crisis of 2007-2008 and its aftermath, marked by heightened volatility. Subsequently, we assess whether Islamic indexes exhibit higher risk compared to conventional indexes, employing diverse risk metrics. Additionally, we scrutinize the performance of both indexes using various risk-adjusted measures over the entire period (1996-2013). The sample period is further segmented into low and high volatility periods, identified through the detection of structural breaks in volatility. Our results indicate that variance changes have impacted both indexes. Notably, most Islamic indexes demonstrate a higher level of risk across all sub-periods, suggesting that they are generally riskier than their non-Islamic counterparts. Furthermore, our findings reveal that, in most instances, Islamic indexes either outperform non-Islamic indexes or exhibit no significant performance difference. These outcomes may be attributed to reduced diversification in Islamic indexes, leading to increased concentration risk in specific sectors like basic materials, industrial, and technology firms. Additionally, variations in risk and performance are observed across different jurisdictions.

N.S. Eccles Institute. (2008). *No TitleМаркетинг по Котлеру*. 282. This research delves into the examination of work motivation among civil servants employed at Cluj-Napoca City Hall, utilizing Victor Vroom's expectancy theory as a framework. The study scrutinizes elements pertaining to the work and career context of civil servants that impact their expectations, instrumentality, and valences. Employing a quantitative research methodology, the findings indicate that while there are positive influences, the overall level of work motivation is assessed as medium. The implications of this study extend to the management of local public institutions, public and private managers, as well as other stakeholders with an interest in enhancing the motivation levels of civil servants.

Crifo, P., & Mottis, N. (2016). The research note explores the distinctive approach of socially responsible investment (SRI) in France, which contrasts with the strategies employed in other countries like the United States and the United Kingdom. While historical trends in these countries leaned towards exclusion approaches, particularly the avoidance of sin stocks, France adopts a "best in class" methodology. This study aims to investigate whether the French SRI market, prioritizing financial considerations over ethical factors, may lead to a form of "mainstreaming" in SRI processes, setting it apart from countries such as the United States, the United Kingdom, or Sweden. The authors delve into several convergent mechanisms to understand this phenomenon.

Initially, the research examines the historical context of SRI, emphasizing the significance of mainstreaming in the evolution of SRI and its current relevance in academic discussions regarding the interplay between financial and extra financial (SRI) performance. Secondly, the study evaluates the influence of ethical finance laws implemented in France during the early 2000s on the growth of the SRI market. Analyzing the regulatory framework provides insights into how these policies have shaped socially responsible investing practices in the country. Lastly, the authors present the results of a 2009 survey involving French SRI analysts working for large institutional investors and asset managers. This survey serves as a valuable empirical source to understand the perspectives and practices of key stakeholders in the French SRI market. By exploring these convergent mechanisms, the research seeks to unravel the dynamics that distinguish the French SRI market and assess whether its unique emphasis on financial considerations contributes to the mainstreaming of SRI processes compared to other global counterparts.

Vargas, M., Vicente, R., & Muñoz, F. (2014). This study seeks to furnish sovereign bond fund investors with a roadmap for identifying the most lucrative and enduring investment strategy. Utilizing a Global Sustainable Competitiveness Index, we analyze a sample of 48 funds. Employing a best-in-class analysis, our findings endorse the notion that the optimal strategy involves investing in funds associated with high GDP-per-capita countries, showcasing top-tier sustainable performance scores. Furthermore, our research highlights the beneficial impact of screening funds for sustainable performance, and it observes a lack of a robust correlation between sustainability and GDP per capita.

Lean, H. H., Ang, W. R., & Smyth, R. (2015). We conduct a comprehensive analysis, comparing the performance and performance persistence of Socially Responsible Investment (SRI) funds in both Europe and North America. Our study encompasses a broad sample, including 500 European and 248 North American SRI funds, spanning from January 2001 to December 2011. The results reveal that SRI funds consistently outperform the market benchmark in both Europe and North America during this timeframe, with North American SRI funds exhibiting superior performance compared to their European counterparts. Despite limited evidence of performance persistence using a ranked portfolio approach in either region, our study identifies a greater degree of performance persistence in European SRI funds compared to their North American counterparts when employing a non-parametric ranked portfolio approach.

Ortas, E., Álvarez, I., Jaussaud, J., & Garayar, A. (2015). Utilizing a Neo-institutional framework, this paper explores the impact of national-specific social, cultural, legal, regulatory, and economic variations on the operational practices of companies dedicated to a particular voluntary corporate social responsibility (CSR) initiative across various sustainability dimensions. The study evaluates the disparities in environmental, social, and governance (ESG) performance among companies operating in the three countries with the highest number of firms committed to the United Nations Global Compact (UNGC), namely Spain, France, and Japan. A multidimensional HJ-Biplot technique is employed for this assessment, providing a joint graphical representation in a low-dimensional Euclidean space, typically a plane, for a multivariate data matrix. This research contributes quantitatively to the existing literature by offering evidence of how distinct country-specific social and institutional frameworks influence companies' ESG performance.

The primary findings indicate the presence of two distinct clusters of companies exhibiting varying approaches to sustainability issues. First, Spanish and French companies demonstrate comparable levels of social and corporate governance performance, surpassing those of Japanese firms. Second, Japanese firms appear more dedicated to environmental concerns compared to Spanish and French companies. These outcomes affirm that diverse countries, shaped by distinct institutional contexts, prompt different emphases among their firms concerning ESG performance, even when sharing a common commitment to the principles of a adopted CSR initiative.

Erragragui, E., & Lagoarde-Segot, T. (2016). The Previous research investigating the correlation between societal and financial performance has produced inconclusive findings. This correspondence aims to provide an explanation for this inconsistency. We posit that the apparent lack of disparity in returns between ethical and conventional indices may be attributed to the phenomenon of ethical investment becoming more mainstream. Utilizing a database encompassing 24 international indices during the 2008–2014 periods, we compute rolling daily returns, employ a robust test for differences in Sharpe ratios, and compare alphas across EGARCH asset pricing models with endogenous volatility breakpoints. The results consistently point towards the absence of a significant difference in financial performance between conventional and ethical indices. This lends support to the 'mainstreaming' hypothesis and suggests potential avenues for future research.

Basso, A., & Funari, S. (2012). To assess the effectiveness of socially responsible investment (SRI) funds, we introduce models utilizing data envelopment analysis that are applicable across all business cycle phases. These models concentrate on essential components of mutual fund investments. The existing literature has employed both constant and variable returns to scale DEA models for mutual fund performance evaluation. An empirical examination conducted on European SRI equity funds reveals that, for the analyzed funds, returns to scale remain constant. The empirical investigation also incorporates the measurement of social responsibility degrees for SRI equity funds across various European countries. Furthermore, we scrutinize the performance of the considered funds using diverse DEA models, each differing in how they account for ethical objectives. The paper additionally addresses a pivotal aspect of socially responsible investing: the comparison of performances between SRI and non-SRI funds. The empirical study suggests that the pursuit of ethical objectives can be achieved without sacrificing financial rewards.

Gond, J. P., & Boxenbaum, E. (2013). This research delves into the institutional work facilitating the diffusion of responsible investment (RI) and its adaptation to local contexts. Drawing upon institutional theory and actor–network theory, we introduce the concept of contextualization work to elucidate the institutional efforts sustaining the glocalization of RI. Through empirical data from two case studies involving the introduction of RI from the United States to France and Québec, we identify three forms

of contextualization work—filtering, repurposing, and coupling—that support the glocalization of RI. Our findings demonstrate how entrepreneurial actors utilized these strategies in both settings to address the challenges arising from the lack of technical, cultural, or political alignment between the imported practice and the local context. The results shed light on the development of divergent globalized versions of RI through contextualization work and offer insights into the adaptation process. Ultimately, we discuss how this repertoire of contextualization work contributes to understanding the emergence of local manifestations of a global concept and the uneven diffusion patterns it exhibits.

Viviers, S., Eccles, N. S., De Jongh, D., Bosch, J. K., Smit, E. V. D. M., & Buijs, A. (2008). In response to the escalating interest in responsible investing (RI) in South Africa, this study aimed to pinpoint and empirically assess the primary drivers, barriers, and enablers of RI in the local context. Through telephone interviews conducted in 2007 with a sample comprising pension funds, asset managers, and advisory service providers, the study unveiled key insights. All three respondent groups highlighted fiduciary responsibility as a paramount barrier to RI in South Africa. Meanwhile, increased legislation/regulation and evidence supporting heightened risk-adjusted returns from local RI initiatives emerged as crucial drivers. The two most influential enablers were identified as mainstream RI benchmarks and collaborative initiatives.

Siew, R. Y. J. (2017). There is a growing demand from stakeholders for enhanced transparency in environmental, social, and governance (ESG) disclosures. However, there is limited knowledge about the status of sustainability reporting in Malaysia, particularly within the property and construction industry. This paper aims to address this knowledge gap. The primary methodology employed in this study involves content analysis of corporate websites, sustainability reports, and annual reports. The findings reveal that Malaysian construction companies predominantly report corporate governance indicators compared to environmental or social indicators. Additionally, there is a notable absence of detailed information regarding the actual health and safety performance of these companies and the implemented initiatives in their reporting. Considering the rising number of rating tools in capital markets that rank companies based on their sustainability disclosures and performance, such as the Dow Jones Sustainability Index (DJSI) and FTSE4Good Index, the reliability of such rankings for

the Malaysian property and construction market is brought into question. This paper is valuable for construction management practitioners and ESG analysts focusing on Asian markets.

Viviers, S., Bosch, J. K., Smit, E. V. D. M., & Buijs, A. (2008). An increasing number of investors, both globally and in South Africa, are embracing Responsible Investing (RI), which involves integrating ethical, environmental, social, and corporate governance considerations into investment analysis and decision-making processes. This paper aims to position RI within an ethical framework, given the growing impact of investors on corporate decision-making. It demonstrates that RI can be seen as a form of moral investing, as responsible investors express a concern for universal principles that go beyond legal requirements. The paper contextualizes the practice of RI in relation to seven approaches to ethical reasoning: ethical egoism, utilitarianism, deontological ethics, the ethics of care, virtue theory, the conventional approach to ethics, and emotivism. The evidence presented suggests that responsible investors in South Africa tend to favor the principles underlying deontological ethics and the ethics of care, particularly concerning the protection of human rights and equality, as well as the promotion of distributive and compensatory justice.

Syed, A. M. (2017). This study investigated the incorporation of environmental, social, and governance (ESG) criteria in the decision-making processes of fund managers. The focus of this examination was on the integration of ESG-related information by fund managers in the UK and France. Data on managerial beliefs were gathered through questionnaires administered to fund managers in both markets. Overall, our findings reveal a mixed landscape in significant differences in beliefs. Managers from both countries share common beliefs, such as the government's expectation for environmental and social responsibility (ESR), the notion that ESR contributes to better managing investment risks, and the belief that corporate governance (CG) enhances long-term shareholder value. Notable distinctions emerge, as UK managers view CG as the fiduciary obligation of the company, while French managers perceive ESR as the fiduciary obligation. Moreover, UK managers believe that ESR is demanded by shareholders, whereas French managers assert that CG is the demand from shareholders. French managers exhibit a more favorable perspective towards ESR, while UK managers hold balanced beliefs toward both CG and ESR.

Gond, J. P., & Piani, V. (2013). This article examines the process of organizing collective action by investigating the role of the organizational platform offered by the United Nations-backed Principles for Responsible Investment (PRI) initiative in facilitating institutional investors' collaborative engagement with corporations on environmental, social, and governance issues. The authors integrate stakeholder and collective action theories to elucidate how institutional investors exert influence on corporations through collective engagement. Utilizing unique access to data from the PRI secretariat on two cases of collaborative campaigns, the framework is evaluated. The findings elucidate how investors bolster their sources of power, legitimacy, and urgency, capturing managers' attention through collaborative engagement. The study reveals how investors effectively manage these attributes to reshape the legitimacy and urgency of their claims in the eyes of managers. The data suggests that "enabling organizations" like the PRI initiative play a crucial role in facilitating the emergence of collective action by reducing entry barriers, providing a mobilizing structure, supporting collaborative efforts with their own legitimacy, normative power, and persistence, and creating conditions for a sustained dialogue between investors and managers through the provision of a hybrid organizational space.

Richardson, B. J. (2013). In the aftermath of the Global Financial Crisis and escalating collateral social and environmental challenges, there has been a heightened international interest in socially responsible investing (SRI) as a potential force for positive influence on the financial economy. SRI is increasingly viewed as a mechanism to advance environmentally sustainable development, urging financial markets to be more mindful of their ecological impacts. Positioned as a form of transnational governance, SRI utilizes non-state actors and mechanisms to advocate for sustainability in an economic sector that historically lacked accountability for its environmental performance. However, being predominantly voluntary and lacking robust legal support, SRI has faced limitations in its impact. A hindrance to the aspirations of SRI lies in deficiencies within its justifications. This article critiques the main theories supporting SRI in terms of their contribution to promoting environmental sustainability: the complicity-based doctrine, leverage-based responsibility, and the universal owner thesis. Highlighting gaps and limitations in each rationale, the article demonstrates their conflict with the existing parameters of fiduciary law responsibility for financial institutions. Proposing an alternative rationale that underscores the temporal

perspective and encourages long-term investments, the article suggests a more relevant approach for SRI to effectively address the urgent challenges of promoting sustainability and governing global financial markets.

Stankevičienė, J., & Čepulytė, J. (2014). This article examines the alignment of corporate social responsibility (CSR) in companies with the performance of socially responsible funds. It explores how companies incorporating CSR elements into their investment strategies and funds selecting socially responsible companies impact sustainable value creation. The article proposes a methodology for evaluating the sustainable performance of socially responsible investment funds. Application of the suggested methodology emphasizes the significance of social and ecological responsibility and provides evidence of the relationship between these factors and value creation. The study establishes a connection between the sustainable performance of companies and the financial outcomes of socially responsible investment funds. Notably, variables such as intellectual capital, social, and ecological performances of companies significantly influence the performance of socially responsible investment funds. The investigation highlights the sensitivity of the method to the availability of social and ecological performance information, typically found in companies' sustainability reports.

Déjean, F., Giamporcaro, S., Gond, J. P., Leca, B., & Penalva-Icher, E. (2013). In a recent article posits that the development of socially responsible investment (SRI) in France can be best understood as a social movement with a collective identity, aiming to challenge the prevailing logic of the financial market. This perspective contrasts with a body of empirical studies that characterizes SRI in the French context as a market creation process led by loosely coordinated actors with conflicting interests and values. These actors, in many cases, are seen as aligning with, rather than opposing, the prevailing financial logic of the asset-management field. In this commentary, we draw on previous research to challenge Arjaliès' viewpoint on both theoretical and empirical grounds. Our objective is to underscore the limitations of conflating social movements and other forms of collective action in understanding the development of new markets in organizational theory and SRI studies. We argue that by misinterpreting forms of collective action that contribute to market emergence as social movements, scholars in organizational theory may conflate distinct mechanisms, neglect the intricate dynamics

and interactions between markets and social movements, and, crucially, fail to assess the actual political significance of SRI as an empirical phenomenon. We propose that future research on SRI carefully distinguishes "social-movement research as a theoretical framework" from "social movement as an empirical phenomenon" to avoid such pitfalls while leveraging recent advancements in social-movement research.

Gunther Capelle-Blancard et. al.. This paper utilizes online search engines and archive collections to investigate the prevalence of socially responsible investing (SRI) coverage in newspapers and academic journals. Through a straightforward content analysis, it becomes apparent that a majority of the papers on SRI primarily center around financial performance. The abundance of research on this aspect raises questions, given the repetitive nature of methodologies and outcomes across studies. The paper explores the reason behind the extensive focus on SRI financial performance, suggesting that the academic literature on SRI is predominantly data-driven—a manifestation of the "looking for the keys under the lamppost" syndrome. While the inquiry into the financial performance of SRI funds is undeniably important, the paper contends that perhaps too much emphasis has been placed on this aspect. The argument proposes that more research is warranted on a conceptual and theoretical basis, particularly exploring the motivations of SRI investors, the interplay between regulation and SRI, and the evaluation of non-financial performances.

Himick, D., & Audousset-Coulier, S. (2016). The incorporation of environmental, social, and governance (ESG) criteria into asset evaluation is widely acknowledged among socially responsible investors. However, the integration of investors' preferences in this process has not been adequately addressed. The challenge lies in incorporating the preferences of diverse investors, not only conventional ones but also those particularly attuned to sustainability issues (socially responsible investors), recognizing that socially responsible investors themselves may not be homogeneous. This paper aims to tackle this challenge by presenting a methodological approach based on the application of fuzzy multicriteria decision-making methods (MCDM) to integrate the preferences of ESG investors collectively. Given that investors' preferences may vary based on the material aspects considered within a sector, the study has been tested using data from the clothing sector. Results affirm the efficacy of the proposed methodological approach in generating a comprehensive "commercial

solution" that integrates the preferences of various investors while aligning with individually defined preferences.

Derwall, J., Guenster, N., Bauer, R., & Koedijk, K. (2005). To assess the performance of socially responsible investment (SRI) funds, we introduce models utilizing data envelopment analysis (DEA) that can be applied throughout various phases of the business cycle. These models concentrate on essential elements of mutual fund investments. Existing literature has utilized both constant and variable returns to scale DEA models for evaluating mutual fund performance. An empirical investigation conducted on European SRI equity funds reveals that, for the analyzed funds, returns to scale remain constant. The study also considers measuring the degree of social responsibility of SRI equity funds in different European countries. Furthermore, we analyze the performance of the considered funds using different DEA models proposed, which vary in how the ethical objective is incorporated. Additionally, the paper addresses a pivotal concern in socially responsible investing: comparing the performances of SRI and non-SRI funds. The empirical study suggests that the ethical objective can be pursued without forgoing financial rewards.

Van Duuren, E., Plantinga, A., & Scholtens, B. (2016). This study explores the factors influencing mutual fund managers' willingness to integrate Environmental, Social, and Governance (ESG) issues into their investment decision-making process. Utilizing survey data from fund managers across five different countries, the research reveals that this inclination is more pronounced when managers have a shorter average forecasting horizon and rely more heavily on business risk in portfolio management. Additionally, the propensity to incorporate ESG factors is positively associated with increased risk aversion, greater importance placed on salary change and senior management approval/disapproval as motivating factors, and longer professional experience in the current fund, as well as an enhanced significance of assessment by superiors in remuneration. The findings suggest that, for fund managers, ESG diligence primarily serves as a risk mitigation strategy driven by herding behavior, rather than a tool for additional value creation. This predominant use of ESG criteria for risk mitigation aligns with behavioral finance theory but contrasts with the traditional approach. Furthermore, the study indicates a notable difference in the forecasting horizon between continental European and Anglo-Saxon fund managers.

Dam, L., & Scholtens, B. (2015). The incorporation of environmental, social, and governance (ESG) criteria into the asset evaluation process is widely acknowledged among socially responsible investors. However, the integration of investors' preferences in this process has not been sufficiently developed. The challenge lies in integrating the preferences of heterogeneous investors, encompassing not only conventional investors but also those particularly attuned to sustainability issues (socially responsible investors), recognizing the non-homogeneous nature of socially responsible investors. This paper aims to address this challenge by presenting a methodological approach based on the application of fuzzy multicriteria decision-making methods (MCDM) to integrate ESG investors' preferences in a collective manner. Since investors' preferences may vary based on the material aspects considered within a sector, the study has been tested using data from the clothing sector. Results affirm the effectiveness of the proposed methodological approach in generating a comprehensive "commercial solution" that integrates the preferences of various investors while simultaneously aligning with individually defined preferences.

De Colle, S., & York, J. G. (2009). The objective of socially responsible investing (SRI) is twofold: (1) to enable investors to align their investment choices with their personal values and ethics, and (2) to encourage companies to enhance their ethical, social, and environmental performance. To achieve these goals, SRI fund managers often employ negative screening, involving the exclusion of companies engaged in industries deemed "sinful." This paper contends that there are theoretical and practical issues with this methodology. Consequently, current SRI offerings may not accurately reflect the values and ethical beliefs they aim to represent. The use of a priori criteria is considered problematic, as illustrated by examples from glue and wine making. This flawed approach hinders SRI funds from effectively influencing the direction of firms they deem in need of redirection. Instead of relying on the simplistic assumption that certain industries are inherently "saints" or "sinners," the paper proposes a new framework grounded in the philosophical tradition of American pragmatism. It suggests that SRI methodology could be enhanced by analyzing (1) the actual impacts of a company's products and services, (2) the company's relationships with its specific stakeholders, and (3) the contingent environment (social, economic, political, legal, and cultural) in which the business operates.

Martí-Ballester, C. P. (2015). The assets under management dedicated to socially responsible investing experienced nearly a threefold increase from 2007 to 2011 in Europe, primarily driven by pension funds. This growth has spurred companies to adopt socially responsible practices, leading to advancements in cleaner production methods aimed at reducing greenhouse gas emissions, total water usage, energy consumption, and waste generation. Incorporating environmental, social, and governance policies for cleaner production into pension plans' investment strategies may impact their costs and benefits. This study has a dual objective: first, to assess the financial performance of Spanish pension plans compared to market benchmarks, considering their category and the socially responsible business strategy employed by the manager; and second, to examine potential differences in financial performance among solidarity pension plans, ethical pension plans, and traditional pension plans. The analysis employs a sample of 651 individual system pension plans, utilizing robust random effects panel data methodology. The findings indicate that ethical pension plans, which invest in companies enhancing cleaner production methods, achieve financial performance comparable to conventional pension plans, while solidarity pension plans significantly outperform their conventional counterparts.