



PORTUGUESE INVESTOR'S PERCEPTION OF INVESTING IN COMPANIES WITH ESG PRACTICES

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ABSTRACT

Objective: The objective of this study is to identify the perceptions of Portuguese investors regarding ESG (Environmental, Social and Governance) factors. It also aims to identify the criteria that lead investors to consider, or not, ESG criteria in their decisions.

Theoretical Framework: The concept of ESG (Environmental, Social, and Governance) has emerged as a fundamental framework for assessing the sustainability and ethical impact of companies. Its three dimensions – environmental, social, and governance – address different aspects of business operations and are increasingly considered in investment decisions and in the integration of their practices in companies. In this topic, the main concepts and theories that underpin the research are presented.

Method: Based on a quantitative approach, 118 questionnaires were collected from Portuguese individuals, with the aim of deepening the understanding of this phenomenon and obtaining empirical data that can contribute to the academic and practical debate on the impact of these criteria in the business context.

Results and Discussion: The results obtained revealed [synthesize the main results of the research]. In the discussion section, these results are contextualized in light of the theoretical framework, highlighting the implications and relationships identified. Possible discrepancies and limitations of the study are also considered in this section.

Research Implications: The results of this study highlight the complexity of investment decisions in the ESG context and the diversity of factors that influence investor behavior. Familiarity with these factors emerges as a key variable, while other demographic factors such as age, education and location have a less evident influence.

Originality/Value: This research contributes to the field of socially responsible investing by identifying the variables that influence the adoption of ESG-aligned investment practices. However, further research is needed to understand how psychological, institutional and cultural factors may interact and influence investors' perceptions of ESG practices, thus creating a broader field for future research.

Keywords: ESG (Environmental, Social, and Governance), Investors, Investment Decisions, Social Responsibility.

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PERCEÇÃO DO INVESTIDOR PORTUGUÊS EM RELAÇÃO A INVESTIR EM EMPRESAS COM PRÁTICAS DE ESG

RESUMO

Objetivo: O objetivo deste estudo é identificar as percepções dos investidores portugueses relativamente aos fatores ESG (Ambiental, Social e de Governança). Pretende-se identificar também os critérios que levam os investidores a considerarem, ou não, os critérios ESG nas suas decisões.].

Referencial Teórico: O conceito de ESG (Environmental, Social, and Governance) emergiu como uma estrutura fundamental para avaliar a sustentabilidade e o impacto ético das empresas. As três dimensões – ambiental, social e de governança – abordam diferentes aspetos das operações empresariais, sendo cada vez mais considerada nas decisões de investimento e na integração das suas práticas nas empresas.

Método: Assente numa abordagem quantitativa, foram recolhidos 118 questionários de portugueses, com o intuito de aprofundar a compreensão deste fenómeno e obter dados empíricos que possam contribuir para o debate académico e prático sobre o impacto destes critérios no contexto empresarial.

Resultados e Discussão: Os resultados deste estudo sublinham a complexidade das decisões de investimento no contexto ESG e a diversidade de fatores que influenciam o comportamento dos investidores. A familiarização com estes fatores emerge como uma variável chave, ao passo que outros fatores demográficos como idade, escolaridade e localização têm uma influência menos evidente.

Implicações da Pesquisa: Esta investigação contribui para o campo dos investimentos socialmente responsáveis ao identificar as variáveis que influenciam a adoção de práticas de investimento alinhadas com as dimensões ESG. Mais estudos são necessários para compreender como fatores psicológicos, institucionais e culturais podem interagir e influenciar as percepções dos investidores acerca das práticas ESG, criando assim um campo mais amplo de investigação futura.

Palavras-chave: ESG (Environmental, Social, and Governance), Investidores, Decisões de Investimento, Responsabilidade Social.

PERCEPCIÓN DE LOS INVERSORES PORTUGUESES SOBRE INVERTIR EN EMPRESAS CON PRÁCTICAS ESG

RESUMEN

Objetivo: El objetivo de este estudio es identificar las percepciones de los inversores portugueses sobre los factores ESG (ambientales, sociales y de gobernanza). También pretende identificar los criterios que llevan a los inversores a considerar, o no, los criterios ESG en sus decisiones.

Marco Teórico: El concepto de ESG (ambiental, social y de gobernanza) há surgido como un marco fundamental para evaluar la sostenibilidad y el impacto ético de las empresas. Sus tres dimensiones –ambiental, social y de gobernanza– abordan diferentes aspectos de las operaciones comerciales y se consideran cada vez más en las decisiones de inversión y en la integración de sus prácticas en las empresas.

Método: Con base en un enfoque cuantitativo, se recogieron 118 cuestionarios de individuos portugueses, con el objetivo de profundizar en la comprensión de este fenómeno y obtener datos empíricos que puedan contribuir al debate académico y prático sobre el impacto de estos criterios en el contexto empresarial.

Resultados y Discusión: Los resultados de este estudio resaltan la complejidad de las decisiones de inversión en el contexto ESG y la diversidad de factores que influyen en el comportamiento de los inversores. La familiaridad con estos factores surge como una variable clave, mientras que otros factores demográficos como la edad, la educación y la ubicación tienen una influencia menos evidente.

Implicaciones de la investigación: Esta investigación contribuye al campo de la inversión socialmente responsable al identificar las variables que influyen en la adopción de prácticas de inversión alineadas con los criterios ESG. Sin embargo, se necesitan más investigaciones para comprender cómo los factores psicológicos, institucionales y culturales pueden interactuar e influir en las percepciones de los inversores sobre las prácticas ESG, creando así un campo más amplio para futuras investigaciones.



Palabras clave: ESG (Ambiental, Social y Gobernanza), Inversores, Decisiones de Inversión, Responsabilidad Social.

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1 INTRODUCTION

The concept of ESG, which focuses on the business activities and strategic development of companies, is considered an extension of Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) (Tsang , Frost & Cao , 2023). While CSR places greater emphasis on social responsibility and SRI is related to sustainability principles in investment decisions, ESG presents a more comprehensive view, integrating environmental, social and governance issues (Eccles *et al .*, 2014)

Researchers based on stakeholder theory suggest that adopting ESG criteria can improve investment efficiency by reducing information asymmetry and agency conflicts, as well as building a good reputation and minimizing reputational risks (Freeman & McVea , 2001). However, there are studies that argue that ESG practices do not always produce positive financial results and may even harm companies' financial well-being. (Barnett & Salomon, 2012)

According to Heidorn *et al .* (2023), the 2008 financial crisis, also known as the Great Recession, triggered by failures in the financial system, especially in the US housing market, exposed questionable ethical behavior and excessive risk-taking in financial institutions. This global economic collapse revealed the need for profound changes in the sector in order to prevent future crises and ensure greater transparency and accountability.

This event influenced investors and stakeholders to seek out companies that adopted more responsible practices, both to reduce risks and to positively impact long-term financial performance (Kaiser, n.d.). Thus, the integration of ESG criteria began to be seen as a strategic opportunity for companies, allowing investors to consistently reduce portfolio risk without compromising returns, while aligning their investments with ethical values.

ESG is increasingly important in investment decisions as investors focus not exclusively on financial indicators but also on sustainability metrics (Hua Fan & Michalski, 2020). The objective of this type of investment is to contribute to sustainable development by promoting a



resource-efficient economy and supporting companies that minimize negative impacts on the environment and society.

ESG integration is defined as the explicit mention of ESG risks and opportunities in traditional financial analysis and management and investment decisions, based on a systematic process and appropriate research sources (Eurosif , 2014). Asset managers' actions fall into three categories: non-systematic ESG integration, which refers to the provision of ESG analysis to analysts and fund managers; the systematic consideration of ESG research in financial assessments; and mandatory investment restrictions based on financial ratings resulting from ESG analysis. According to (Eurosif , 2014), only the last two consistently align with the true definition of ESG integration.

However, the term ESG does not yet have a universally accepted definition. It is often understood as an evolution of the concepts of socially responsible investing (SRI) and corporate social responsibility (CSR) or as a set of non-financial objectives that complement corporate strategy (Hartzmark & Sussman , 2019). This lack of consensus contributes to a subjective interpretation of ESG, with its definition varying among different investment funds, which, despite this, can be categorized as ESG Funds.

Due to the growing interest in ESG investments and the pressure for greater corporate responsibility, some companies may adopt *greenwashing practices* , trying to attract consumers and investors without making significant changes to their operations, an issue that will be discussed later in this study.

This study aims to identify the perceptions of Portuguese investors regarding ESG (Environmental, Social and Governance) factors. The aim is to identify the most important pillars for investors and the factors that influence investors to consider, or not, ESG criteria in their decisions.

Using a quantitative approach, 118 questionnaires were collected from Portuguese people, with the intention of deepening the understanding of this phenomenon and obtaining empirical data that can contribute to the academic and practical debate on the impact of ESG in the business context.

The concept of ESG (Environmental, Social, and Governance) has emerged as a fundamental framework for assessing the sustainability and ethical impact of companies. Each of its three dimensions – environmental, social and governance – addresses different aspects of business operations and is increasingly considered in investment decisions as part of a responsible investment strategy.



2 THEORETICAL FRAMEWORK

2.1 ENVIRONMENTAL DIMENSION (E)

The environmental dimension of ESG focuses on the impact that a company's activities have on the natural ecosystem and its ability to operate sustainably in the long term. It assesses factors such as the efficiency in the use of resources, including water and energy, the management of greenhouse gas emissions, pollution associated with production processes and waste management. In addition, it includes how the company deals with climate risks and adapts to increasingly stringent environmental regulations. According to Friede *et al.* (2015), companies that adopt good environmental practices tend to improve their operational efficiency, which can lead to cost reduction and mitigation of risks associated with possible sanctions or environmental disasters.

Companies that effectively manage their environmental impacts not only protect the environment, but can also gain competitive advantages, such as access to new markets and better relationships with stakeholders (Eccles *et al.* , 2014).

2.2 SOCIAL DIMENSION(S)

The social dimension of ESG focuses on how companies manage their relationships with the people and communities affected by their operations. This dimension assesses aspects related to employee well-being, fair labor practices, human rights, and the company's impact on local communities. It also includes the ability to maintain strong relationships with customers and suppliers, as well as assessing the company's involvement in social causes and its corporate responsibility.

Social practices are seen as a way for a company to build social capital by fostering employee loyalty, increasing consumer trust, and avoiding labor conflicts. Stakeholder theory, proposed by Freeman (1984), argues that a company that serves the interests of all its stakeholders—including workers, communities, and suppliers—can achieve better long-term performance.



2.3 GOVERNANCE DIMENSION (G)

The governance dimension of ESG relates to how a company is managed and the structures implemented to ensure transparency and accountability in decision-making. Strong corporate governance ensures that management acts in the best interests of shareholders, protecting their rights, and that the company adopts appropriate practices to prevent corrupt practices, such as fraud or bribery.

This dimension covers the structure of the board of directors, executive compensation policies, risk management, and compliance with ethical standards. According to Eccles *et al.* (2014), companies with strong governance tend to have superior performance, as their risk management and decision-making capacity is more solid.

ESG has become crucial in sustainable investment decisions as investors look not only for financial returns but also for ethical contributions and mitigation of non-financial risks. According to Matos (2020), investors are increasingly aware of the impact that inadequate management of ESG factors can have on a company's market value, and poor governance practices or negative impacts on the environment and society can result in losses, financial and irreparable damage to business reputation.

Furthermore, the adoption of ESG practices is often associated with long-term resilience, as companies that integrate these dimensions into their operations are better able to anticipate regulations and respond to crises, while building stronger relationships with stakeholders.

2.4 INTEGRATION OF ESG PRACTICES IN COMPANIES

According to Ferola and Plagia (2021), implementing an ESG program in companies involves three fundamental steps. The first step, called introspection, refers to the company carrying out a self-analysis, with the aim of identifying which ESG aspects are most relevant to its sector and operations. This internal analysis allows companies to understand where they can improve in terms of sustainability, social responsibility and governance, aligning the company's objectives with stakeholders' expectations (Eccles *et al.*, 2014).

After introspection, the company moves on to structuring, which consists of defining clear goals and creating internal policies aligned with ESG objectives. This phase is crucial to ensure that the practices implemented are in line with the organizational culture and that the resources needed to achieve these goals are appropriately allocated. Studies by *Giese et al.*



(2019) demonstrate that companies that efficiently integrate ESG objectives into their operations and internal policies present greater resilience to risk and better long-term performance. Additionally, the creation of ESG committees and the allocation of specific responsibilities for monitoring sustainable policies are common steps in this phase (Hartzmark & Sussman , 2019).

The third step concerns monitoring. Companies monitor and communicate the results of their ESG initiatives, using appropriate performance indicators, such as ESG ratings and compliance audits. The study by Gordon *et al.* (2015) highlights the importance of transparent communication for building reputation and attracting socially responsible investors. Furthermore, regular monitoring helps the company to adjust its ESG strategies and promote continuous improvement, ensuring that targets are met and that implemented policies remain aligned with market and regulatory changes (Friede *et al.*, 2015).

3 METHODOLOGY

The objective of this study was to identify the perceptions and attitudes of Brazilian investors in relation to ESG (Environmental, Social and Governance) factors. To this end, several variables considered relevant were analyzed in order to provide a more in-depth insight into investors' motivations and decision criteria in the ESG context.

Data collection was carried out through a questionnaire, distributed in a mixed format: online and through face-to-face surveys. This approach was necessary, given that many of the interviewees had no prior knowledge of the ESG concept. Therefore, before answering the survey, they were given a brief explanation on the topic. Only individuals over 18 years of age were included in the study, resulting in a total of 118 valid responses.

In the first four sections, responses were assessed using a scale from 1 (Not at all important) to 5 (Very important) in order to capture respondents' perceptions of different aspects and behaviors related to ESG standards.

For data analysis, a quantitative approach was adopted, using IBM SPSS Statistics *software* . Spearman 's correlation coefficient was the statistical method chosen, since it is suitable for measuring the strength and direction of the association between non-parametric ordinal or interval variables. This coefficient is useful when the data do not follow a normal distribution, verifying whether the increase in one variable is associated with an increase or decrease in the other, helping to identify monotonic relationships between variables.



4 RESULTS AND DISCUSSIONS

4.1 DESCRIPTIVE ANALYSIS OF THE SAMPLE

The descriptive analysis of the sample reveals an age distribution dominated by young participants. The majority of respondents (77.1%) belong to the age group between 18 and 30 years old, corresponding to a total of 91 individuals. The age group between 31 and 43 years old has 9 participants, representing 7.6% of the sample. The age group between 44 and 56 years old includes 16 participants, which is equivalent to 13.6% of the sample. The age groups from 57 to 69 years old and over 70 years old have a residual presence, with only 1 participant in each, making up 0.8% of the total sample of 118 individuals.

Regarding the level of education, the distribution is more varied. Two participants completed the 4th, 6th and 9th grades, each representing 1.7% of the sample. The 12th grade is the most common level of education among those interviewed, with 37 participants (31.4%). Five participants (4.2%) declared having a bachelor's degree. The largest percentage of participants have a degree, with 58 individuals (49.2%). Finally, 12 participants (10.2%) have a master's degree, making up the total sample of 118 participants.

Regarding geographical distribution, the majority of participants reside in the Central Region of Portugal, with 85 individuals (72.0%). Eighteen participants (15.3%) come from the Metropolitan Region of São Paulo, while 11 participants (9.3%) reside in the North region. Both Alentejo and residents outside Portugal are represented by two participants each, corresponding to 1.7% of the total sample.

4.2 STATISTICAL RESULTS

This section analyses the proposed hypotheses, assessing the relationship between different variables related to investors' familiarity with the ESG concept and its importance in investment decisions.

Hypothesis 1: Familiarity with the ESG concept is positively related to the importance given to Environment, Social and Governance themes.

The hypothesis explores whether investors more familiar with the ESG concept attach greater importance to the Environment, Social and Governance themes. The Spearman correlation between familiarity with the ESG concept and the importance of the Environment theme was 0.210, with a significance of 0.023, indicating a weak but significant positive



correlation ($p < 0.05$). Regarding the Social theme, the correlation obtained is 0.337, with a significance of less than 0.001, demonstrating a moderate and highly significant positive correlation ($p < 0.01$). Regarding Governance, the correlation coefficient is 0.249, with a significance of 0.007, reflecting a weak but significant positive correlation ($p < 0.01$). Thus, it is concluded that Hypothesis 1 is accepted, evidencing a significant positive correlation between familiarity with the ESG concept and the importance attributed to the Environment, Social and Governance themes.

Hypothesis 2: – Investors who have already invested in shares of sustainable or ethical companies attach greater importance to compliance with ESG standards in investment decisions.

This hypothesis assesses the relationship between prior investment experience and the perceived importance of complying with ESG standards. The correlation coefficient between investment experience and the importance of complying with ESG standards is 0.152, with a significance of 0.101, indicating a weak but not significant positive correlation ($p > 0.05$). Thus, it is concluded that Hypothesis 2 is not accepted.

Hypothesis 3: The importance attributed to transparency and corporate governance is positively associated with the level of education of investors.

The hypothesis suggests that investors with a higher level of education tend to value transparency and corporate governance practices more. Regarding the importance of governance, the correlation coefficient is 0.009 with a significance of 0.924, indicating a non-existent and non-significant correlation. Regarding the importance of transparency, the correlation is -0.127, with a significance of 0.171, showing a weak and non-significant negative correlation. Therefore, it is concluded that Hypothesis 3 is not accepted.

Hypothesis 4: Investors who attribute high importance to environmental issues in investment decisions also tend to prioritize companies that promote innovation and adaptation to new sustainability trends.

Hypothesis 4 explores the relationship between the importance attributed to the environmental theme and innovation in sustainability in investment decisions. The correlation coefficient between the importance of innovation and the adaptability for sustainability and the environmental theme is 0.032, with a significance of 0.727, indicating a very weak and non-significant correlation ($p > 0.05$). Therefore, it is concluded that Hypothesis 4 is not accepted.

Hypothesis 5: The promotion of gender and ethnic/racial equality by companies is more valued by investors who attribute high importance to the Social theme in the ESG context.



The hypothesis analyzes the relationship between the importance attributed to the Social theme in the ESG context and the appreciation of gender and racial equality in companies. The correlation between the importance of the Social theme and gender equality is -0.120 ($p = 0.196$), while the correlation between the Social theme and ethnic/racial equality is 0.063 ($p = 0.498$). Since both correlations are weak and not significant, it is concluded that Hypothesis 5 is not accepted.

Hypothesis 6: A good family of ESG takes the investors to take ESG factors into consideration when investing.

This hypothesis investigates whether familiarity with the ESG concept affects participants' investment decisions. The correlation between familiarity with ESG and the influence of ESG factors on investment decisions is 0.224 , with a significance of 0.015 , indicating a weak but significant positive correlation ($p < 0.05$). Therefore, Hypothesis 6 is accepted.

Hypothesis 7: A age influence in the consideration of the ESG factors in time of invest .

Hypothesis 7 explores the relationship between respondents' age and the influence of ESG factors on their investment decisions. The correlation between these variables is 0.168 , with a significance of 0.068 , which indicates a weak correlation that is not statistically significant ($p > 0.05$). Therefore, Hypothesis 7 is not accepted.

Hypothesis 8: The level of education influence in consideration of the factors ESG in the time to invest.

Hypothesis 8 assesses the relationship between educational level and the influence of ESG factors on investment decisions. The correlation coefficient is -0.227 ($p = 0.013$), indicating a negative and statistically significant correlation ($p < 0.05$), suggesting that as educational level increases, the influence of ESG factors tends to decrease. Therefore, Hypothesis 8 is accepted.

Hypothesis 9: The district of residence influences the consideration of ESG factors when investing.

Hypothesis 9 explores the relationship between respondents' geographic location and the influence of ESG factors on their investment decisions. The correlation coefficient is 0.033 , with a significance of 0.720 , indicating a very weak and non-significant correlation ($p > 0.05$). Therefore, Hypothesis 9 is not accepted.



4.3 SYSTEMATIZATION OF HYPOTHESIS FORMULATION

Figure 1

Hypothesis Formulation

Hypotheses	Results
H1 – Familiarity with the ESG concept is positively related to the importance given to Environment, Social and Governance themes.	Accepted
H2 – Investors who have already invested in shares of sustainable or ethical companies attach greater importance to compliance with ESG standards in investment decisions.	Do not accept
H3 - The importance attributed to transparency and corporate governance is positively associated with the level of education of investors.	Do not accept
H4 – Investors who attribute high importance to environmental issues in investment decisions also tend to prioritize companies that promote innovation and adaptation to new sustainability trends.	Do not accept
H5 – The promotion of gender and ethnic/racial equality by companies is more valued by investors who attribute high importance to the Social theme in the ESG context.	Do not accept
H6 - One good family of ESG takes the investors to take ESG factors into consideration when investing.	Accepted
H7 - A age influence in the consideration of the ESG factors in time of invest .	Do not accept
H8 - The level of education influence in the consideration of the factors ESG in the time to invest .	Accepted
H9 – The district of residence influences the consideration of ESG factors when investing.	Do not accept

Source: Survey data, 2024

4.4 DISCUSSION OF RESULTS

The results obtained in this study provide significant insights into the relationship between demographic factors and the influence of ESG (Environmental, Social, and Governance) in the investment decisions of participants. The application of Spearman 's correlation coefficient allowed testing a set of hypotheses, of which three were accepted and six rejected, reflecting the complexity of the relationship between the factors studied.

Hypothesis 1, which postulated a correlation between familiarity with the ESG concept and the importance attributed to Environmental, Social and Governance issues in investment decisions, was accepted. A positive and significant correlation was observed between these variables, indicating that, as investors acquire greater knowledge about ESG, they tend to value these aspects more in their investment choices. These results reinforce the importance of education and awareness about ESG, suggesting that initiatives aimed at increasing financial literacy in the ESG context can positively influence sustainable investment practices (Gordon *et al.*, 2015).

Hypothesis 2, which suggested that investors with prior experience in sustainable investing would value compliance with ESG standards more, was rejected. Although the correlation was positive, it was weak and not significant, which suggests that experience in



sustainable investing may not be a determining factor in the valuation of ESG standards. This result contradicts some studies that indicate that direct experience with sustainable investing can increase commitment to ESG practices (Friede *et al.* , 2015), suggesting that additional factors, such as personal values or ethical motivation, may play a more significant role.

Hypothesis 3, which predicted a positive correlation between the level of education and the importance attributed to transparency and corporate governance, was also rejected. The observed correlations were weak and non-significant, both for governance and transparency. These results contradict theoretical expectations, given that, in principle, higher levels of education should be associated with a greater appreciation of these factors, especially in the context of investment practices. This result may indicate that other factors, such as the type of education or professional experience, are more influential in the appreciation of transparency and governance (Eccles *et al.* , 2014).

Hypothesis 4, which explored the relationship between the importance of environmental issues and the prioritization of innovation and adaptation to sustainability in investment decisions, was also rejected. The correlation found was very weak and not significant, suggesting that the appreciation of environmental issues does not automatically translate into the prioritization of innovative and adaptable companies in terms of sustainability. This result indicates that, although commitment to the environment may be important to investors, other criteria, such as financial performance or market stability, may prevail in investment decisions (Hartzmark & Sussman , 2019).

Hypothesis 5, which investigated the relationship between the importance of the social theme and the appreciation of gender and ethnic/racial equality in companies, was also rejected. The observed correlations were weak and not significant, suggesting that the importance attributed to the social theme in the ESG context is not strongly associated with the appreciation of gender and racial equality in investment decisions. This conclusion raises questions about the practical understanding of the social pillar of ESG among investors, indicating a potential dissociation between the theoretical appreciation of ESG and the concrete application of social principles in their decisions.

On the other hand, Hypothesis 6 was accepted, confirming a positive correlation between familiarity with ESG and its influence on investment decisions, although the correlation was weak. This result suggests that a greater understanding of ESG may lead investors to consider these factors more seriously, which reinforces the importance of disseminating knowledge on the ESG topic to promote investment practices more aligned with sustainability principles (Giese *et al.* , 2019).



Hypotheses 7 and 9, which analyzed the relationship between age and district of residence and the importance attributed to ESG factors, were rejected, with weak and non-significant correlations. This suggests that neither age nor geographic location of investors have a relevant impact on the consideration of ESG factors in their investment decisions. These results are in line with studies indicating that, although demographic factors can influence attitudes towards sustainable investments, their impact tends to be less direct than that of other factors, such as education or income (Hua Fan & Michalski, 2020).

Finally, Hypothesis 8 was accepted, revealing a significant negative correlation between the level of education and the consideration of ESG factors in investment decisions. This result suggests that, as the level of education increases, the influence of ESG factors tends to decrease. One possible explanation for this result is that individuals with a higher level of education may consider other criteria, such as quantitative financial analysis and market performance, as being more relevant than ESG factors in their investment decisions.

In summary, the results of this study highlight the complexity of investment decisions in the ESG context. While familiarity with ESG appears to be an influential factor in the adoption of sustainable investment practices, factors such as educational level appear to have an inverse effect, indicating the need for a greater focus on ESG education aimed at different levels of education. These results provide a solid basis for the development of educational strategies and public policies that encourage greater integration of ESG principles into investment practices.

5 CONCLUSION

This study sought to identify the perception of Brazilian investors in relation to companies that adopt ESG (*Environmental, Social, and Governance*), exploring the perceptions and attitudes of 118 participants. The application of Spearman 's correlation coefficient allowed us to examine the relationship between various demographic variables and the consideration of ESG factors in investment decisions, generating several conclusions of interest for understanding this topic.

First, it was found that familiarity with the ESG concept is positively correlated with the importance attributed to environmental, social and governance issues. This result highlights the relevance of education and awareness about ESG practices, suggesting that investors who have greater knowledge about this concept tend to value sustainability practices more in their investment decisions. Thus, educational campaigns and greater dissemination of information



about ESG could play a crucial role in encouraging investments that are more aligned with the principles of social and environmental responsibility.

On the other hand, previous experience in sustainable investments did not demonstrate a significant correlation with the appreciation of ESG standards. This suggests that direct experience in sustainable investments, by itself, may not be enough to decisively influence the consideration of ESG factors. This result raises the hypothesis that other motivational factors or personal values may play a more influential role in investment decisions, in addition to experience itself, corroborating previous studies that point to the complexity of decision-making in the context of sustainable investments (Friede *et al.* , 2015).

Contrary to expectations, it was found that the level of education is not positively associated with the importance given to transparency and corporate governance. In fact, the results revealed that as the level of education increases, the influence of ESG factors on investment decisions tends to decrease. This result challenges the expectation that higher levels of education necessarily lead to a greater appreciation of ESG practices and suggests that individuals with higher education may adopt a more holistic approach, considering a more diverse set of criteria in their investment decisions, in addition to ESG factors. This result may also indicate that more educated individuals weigh traditional financial analysis more rigorously, incorporating more complex financial considerations into their decisions (Giese *et al.* , 2019).

Additionally, it was observed that investors' age and geographic location did not have a significant influence on the consideration of ESG factors. As in other studies, the lack of a significant correlation suggests that demographic factors such as these may not be determinants in ESG-related investment decisions. This result reinforces the need to focus more on personal values or psychological characteristics, such as ethical motivation or concern for environmental impact, to explain variations in the adoption of sustainable investment practices (Hartzmark & Sussman , 2019).

It can be concluded that the results of this study highlight the complexity of investment decisions in the ESG context and the diversity of factors that influence investor behavior. Familiarity with the ESG concept emerges as a key variable, while other demographic factors such as age , education and location have a less evident influence. This study suggests that financial education and the dissemination of information about ESG are key strategies to promote greater integration of ESG principles into investment practices, while other factors, such as experience in sustainable investments, may not have the expected impact.



In summary, this research contributes to the field of socially responsible investing by identifying the variables that influence the adoption of ESG-aligned investment practices. However, further studies are needed to understand how psychological, institutional and cultural factors may interact and influence investors' perceptions of ESG practices, thus creating a broader field for future research.

Regarding the ESG factors analyzed, the research focused on three main components (Environment, Social and Governance), but future research could take a more segmented approach, exploring the importance of specific sub-dimensions within each ESG factor. For example, within the environmental dimension, the impact of carbon emissions or water management could be assessed separately, providing a more detailed view of investors' priorities regarding these issues.

As for future developments, it would be interesting to explore the influence of regulation on the adoption of ESG practices. With the increasing implementation of government policies that encourage or require sustainable practices, the role of state regulation and international standards in investor behavior deserves further analysis. The relationship between familiarity with regulations and investment decisions could also be a central focus of future studies, given that stricter regulations may change the importance attributed to ESG factors.

Finally, future research could focus on differences between types of investors, such as institutional versus individual investors, or even specific sectors of activity, since the importance of ESG factors can vary significantly depending on the nature of the assets and sectoral priorities. Exploring these distinctions would allow for a better understanding of ESG dynamics within different economic contexts.

In short, despite the limitations presented here, this study opens space for a set of future developments that can contribute to a more detailed understanding of the relationship between ESG factors and investment decisions, as well as to the improvement of educational strategies and public policies aimed at promoting more sustainable and socially responsible investment practices.

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