INVESTOR & PUBLIC PERSPECTIVES ON SUSTAINABLE FINANCE IN ROMANIA: A MIXED-METHOD ANALYSIS

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Contents

Executive summary

This report presents a comprehensive analysis of perceptions of sustainable finance in Romania. The findings are drawn from multiple research streams designed to provide a holistic view of the Romanian market. This analysis is particularly relevant in the context of the EU's evolving sustainable finance policy landscape, including the implementation of regulatory packages such as MiFID II and the Sustainable Finance Disclosure Regulation (SFDR). As of 10/10/2025, the EU has directed approximately €1.2 trillion towards sustainable investments, striving for a 30% share of sustainable investments in total EU assets by 2030. However, recent data indicates that the effectiveness of these policies is still developing. For example, according to the European Commission (Report on Sustainable Finance, 06/2024), only approximately 8% of EU investment products are classified as 'sustainable' under SFDR. This paper addresses these questions by focusing on researching the specific perceptions, challenges, and opportunities for sustainable finance within the Romanian market. As of 10/10/2025, sustainable investments in Romania constitute approximately 4.5% of the total investment volume (Romanian Financial Authority, Market Snapshot 2024), and a recent survey conducted in 09/2025 revealed that 42% of Romanian investors are familiar with sustainable finance concepts (Romanian Investor Sentiment Survey, 09/2025). These figures highlight both the potential and the existing gaps in the Romanian sustainable finance landscape:

- **Expert Interviews:** In-depth interviews with specialists in finance, sustainability, and investment, to provide context, best practices, and regulatory/market insights.
- **Focus Groups:** Two focus groups with individuals possessing a medium level of prior knowledge on sustainable finance, to assess attitudes, comprehension of key concepts, and the barriers to entry for the general population.
- **Surveys:** Two separate surveys, to understand the Romanian landscape:
    - A broad national survey of 1000 natural persons, aiming to capture the general population's knowledge, attitudes, and investment behaviors regarding sustainability.
    - A targeted survey of 200 top-tier Romanian investors, to assess their motivations, decision criteria, and allocation strategies within the sustainable finance arena.

While the study finds varying levels of awareness about sustainable finance, particularly concerning the risk of 'greenwashing' and the need for robust investment transparency, the overall findings, when assessed in light of the contrasting groups surveyed, indicate a promising yet still nascent potential for the Romanian market.

Romania's capital market recorded broadly positive developments in 2024. Market capitalization on the regulated market reached 350.2 billion lei at year- end (≈€71–72bn depending on FX), up

~19% vs. end- 2023, signalling stronger equity valuation and issuer performance. Total value traded on the regulated market and the MTF was ~37 billion lei, a slight decrease of 2.6% year- on- year, while transaction volumes rose sharply (2.6 million trades, +32%), indicating greater retail and institutional activity. Government securities trading increased to ~5.09 billion lei and equities remained the dominant asset class, accounting for ~47% of traded value.

Investor composition & distribution Intermediaries (SSIFs and credit institutions) were responsible for ~91% of intermediation, with SSIFs holding client assets of 41.05 billion lei in custody and 124,000 active client accounts—evidence of expanding retail participation. OPC (collective investment schemes) assets totalled ~44.3 billion lei (+21.6% y/y), driven by strong growth in UCITS/OPCVM (+34.3%), SIs (+14.7%) and AIFs (+13.4%), while FP assets contracted. The top three asset managers concentrate the majority of UCITS and AIF assets (≈72% and ≈66% respectively), indicating market concentration.

Sustainable investing remains an emerging but growing segment. Using the expanded market context (domestic market cap and OPC/AUM dynamics), a 2024 estimate of sustainable AUM in Romania of roughly €6.0–10.8 billion (mid ≈€8.4bn) remains consistent with observed trends: rising trade activity, substantial growth in OPCVM assets, and expanding retail accounts support faster distribution of ESG products. Green- labelled products are a small subset (estimated €4.8–9.6bn, including green). Limited domestic green issuance and concentrated liquidity still constrain rapid scaling.

The regulator's 2024 data confirm a healthier, more active Romanian capital market with expanding fund assets and retail engagement. Sustainable investing is still a modest slice of total assets but is well positioned to grow given the rapid expansion of OPC assets, rising transaction counts and improving distribution infrastructure—subject to better ESG disclosures, diversification of green issuance and enhanced liquidity.

This analysis synthesizes data from diverse sources, painting a comprehensive picture of sustainable finance in Romania:

- **Knowledge disparities: Public vs. specialists vs. top investors:** There are distinct knowledge levels across the different groups. Specialists exhibit a command of complex frameworks; focus groups show a decent base, but often limited by lack of information; while the surveys reveal the top tier-investors display better-informed view points than what has been measured by general public survey. *Conclusion:* Tailored educational initiatives must cater to the varied knowledge needs of different Romanian market segments.
- **Demand for transparency and credibility (all groups):** Transparency and credible reporting are high priorities, regardless of participant type. The public survey stresses the

need for clear labels; focus groups want trusted sources. In line, surveyed top-investors express a desire for reliable metrics to quantify the environmental/social benefits. *Conclusion:* Greater trust through robust verification standards and readily-available data is central to increased adoption.

- **Values-driven motivations persist:** Values- driven investors prioritize alignment between their portfolios and personal beliefs, often choosing to exclude or underweight sectors or companies they find objectionable (e.g., fossil fuels, tobacco, weapons) and favouring businesses perceived as ethically managed; their primary goal is moral consistency rather than measurable outcomes. Impact- driven investors, by contrast, allocate capital specifically to generate measurable social or environmental outcomes alongside financial returns—seeking investments with clear KPIs (e.g., tonnes of CO2 avoided, megawatts of renewable capacity financed, number of beneficiaries) and robust impact reporting.All categories—natural persons, sophisticated investors, and interviewed experts—emphasize the role of personal values and a desire for societal benefit to guide investment inclinations. *Conclusion:* Campaigns should lean into resonant values themes (e.g., community development, environmental protection) to appeal to Romanian investors.
- **Risk mitigation and performance:** While "value alignment" scores high as motivation, top investors were also keenly sensitive to potential greenwashing. Many respondents showed more risk adverse, while also requiring more economic benefits/incentives for engaging in ESG/sustainable investing. *Conclusion:* Education must address performance vs traditional investments, as well as practical ways in which to minimize risks.
- **Action and information**: While more pronounced across lower tiers, top investors also noted some concerns about the gap between wanting to invest and not having the suitable tools or know-how at hand, *Conclusion:* A multi-channel approach that is highly customized is needed to provide high information availability in conjunction with clear steps.

Detailed findings by research method

A. Focus group analysis: The participants identified the need for easily understandable comparisons between traditional & sustainable investments. General public also wants a clearer information channel through regular public entities (regulators, government and known public companies). Thei highlighted visual material as preferred educational outlet.

B. Targeted interviews : Specialists highlighted the importance of regulation and regulatory compliance in the overall financial and ESG investment structure. They have a deep understanding on financial instruments needed, to not have only good ethical consideration without understanding potential financial loses. There is still need for more education to both general public and new-investors.

C. Surveys analysis: Insights from a Romanian Top investors sample and general public sample

The level of understanding of green washing are very distinct with top-tier investment being far-more informed. Majority of the respondents would like to allocate more money in green/ sustainable investment but not always they do have tools or knowledge. People look for transparency, so they know that the investment does contribute to social projects or environmental ones. They agree to accept a much lower return of the investment to know that money invested will generate change for good in society. Depending on the reason for which they choose green investment (personal values or impact), the investors'opinion on the green washing may have a different approach to condemn this process.

Building upon the data from all the research streams, these tailored actions are necessary:

1. **Increase ESG related financial information and education** to more investors, and do education tailored according with needs of the client (retail client or top investor).
2. **Promote transparency and give easy access to that:** the transparency is something that will generate trust in investors.
3. **Create opportunities to engage:** provide concrete steps about how to convert that interest into action.

Conclusions

The combined evidence showcases that the path to Romanian market activation must consider each sector by their level of education, income, sophistication, knowledge and risk tolerance.

By emphasizing both the practical and ethical elements for each profile, sustainable investing can flourish and become a significant driver in changing social/economic patterns in Romania.

1.Assessment on the perception of sustainable finance in Romania - focus group analysis

1.1 Summary

This report presents the findings of two online focus groups conducted in Romania to assess perceptions of sustainable finance. The sessions took place in December 2024 (5 participants) and December 2025 (8 participants) and comprised experienced professionals from financial services, market participants and representatives of the financial regulator. The group profile was balanced by gender (45% men, 55% women). Discussions explored familiarity with ESG and green finance concepts, motivations for adoption (values- aligned vs. impact- oriented), market barriers (transparency, greenwashing risk, liquidity and performance concerns) and opportunities for product development and regulatory improvement. Qualitative insights from these groups complemented quantitative evidence and provided practical guidance for tailoring communications, product design and trust- building measures to accelerate sustainable investment uptake in Romania. The analysis highlights both emergent interest and key areas for improvement to enhance understanding and drive engagement. The findings underscore the need for targeted education, enhanced clarity, and transparent communication to foster a more informed and active market for sustainable investments in Romania.

1. Level of knowledge and familiarity

The majority of participants (approximately 70-80%) possess minimal to moderate knowledge regarding sustainable finance, with limited understanding of specific instruments and benefits. A clear need exists for targeted education and clarification to enhance awareness and understanding of both the benefits and potential risks associated with sustainable finance.

2. Perception of communication and educational materials

Participants appreciate the visual impact of video-based materials but consider them insufficiently explanatory. Over 80% requested more detailed explanations, concrete examples, and illustrative graphics for clarification. Approximately 60% of participants found existing materials clear but insufficient. The remainder felt the materials lacked adequate explanatory depth. Educational materials require enhancement to be more explanatory and visually engaging, facilitating understanding of the differences between traditional and sustainable investments.

3. Perception of investment performance and risks

A perception exists that sustainable investments may yield lower returns and exhibit greater volatility, leading to hesitation in engaging with such opportunities. Over 70% of participants emphasize the risk-return trade-off, often preferring safer investment options. Supplementary clarifications are needed regarding how to effectively manage risks and capitalize on the long-term benefits of sustainable investments.

4. Questions and concerns regarding transparency and credibility

Participants expressed interest in independent certifications and transparent information, underscoring a need for trust and clear standards within the field. Promoting certifications and verification standards can enhance trust and increase motivation to invest.

5. Discrepancy between interest and action

Despite growing interest in sustainable investments, nearly all participants cited a lack of sufficient information or concrete opportunities to transition from theoretical interest to active investment. Over 80% of participants believe they lack sufficient information to actively invest in this domain. A continuous educational strategy is essential, featuring targeted materials and dedicated events to convert interest into tangible action.

6. Importance and impact of personal values

Participants prefer investments that align with their personal values but also express concerns regarding associated risks and returns. Over 60% of participants indicate that personal values significantly influence their investment decisions. The capacity of sustainable investments to combine profit with positive social and environmental impact needs highlighting.

7. Perception of social and environmental impact

Participants are cognizant of social and environmental impacts and seek to invest responsibly, but desire concrete explanations of how these impacts are measured and verified. Transparency initiatives and comprehensive impact reports are essential to enhance credibility and encourage participation.

Participants demonstrated interest in the subject matter and openness to discussions regarding the social and environmental impact of investments. A clear perception of the importance of value alignment in the decision-making process was evident. There is a moderate level of awareness of the principles and instruments of sustainable finance, even if participants are not yet active investors. Discussions revealed a preoccupation with risks and returns, reflecting an understanding of the balance between profit and the postulation of ethical values.

Conclusion

The two focus groups have highlighted an emerging interest and some leveling of the perception on sustainable finance in Romania, but there is an increased need for education and clarification to increase the degree of involvement and understanding. Communication needs to become more explanatory, visual and adapted to build confidence and real awareness. This process must be supported by concrete information and training actions, to transform theoretical interest into active participation in the sustainable investment market.

1.2 Detailed analysis

Although most participants have minimal or average knowledge, there is a clear need for more in-depth education to understand the benefits and risks of sustainable investments, as well as the functioning of specific financial instruments.

Participants requested concrete examples, graphics and detailed explanations to be able to make the difference between traditional and sustainable investments a sign that current materials, such as the video, should be improved for clarity and depth. There is a perception that they can have lower or more fluctuating returns, which makes some participants prefer traditional, safer and better understood investments.

Participants are interested in knowing whether an investment is "verified" or certified by an independent authority, which indicates the need to promote standards and credibility in the field. Although interest in sustainability is growing, almost all participants mention the lack of momentum or sufficient information to take the concrete step towards sustainable investments. This gap requires educational interventions and continued support.

Participants prefer multiple sources and ways of informing, not just direct talks or short videos, but also workshops, case studies, reports and interactive online platforms. The perception that you invest not only for profit, but also for a positive social and ecological impact, becomes a major motivation, but is accompanied by the need for clear explanations of how to quantify these impacts. Participants are more willing to invest if they trust that the information is objective and if they invest in products with increased transparency and with a clear history.

Participants are not yet familiar with technical terms or indicators such as ESG, social impact, certifications or sustainability reports. This fact limits the understanding and confidence in sustainable financial instruments. Group members show skepticism or disagreement with investments in industries with controversial social or ecological impacts, such as mining for electrical technologies. They require more stringent rules and transparency to be able to invest in such areas.

Most participants prefer simple, easy-to-understand products and information, without excessive jargon or complicated technical explanations, in order to make quick and informed decisions. Some participants mentioned that they avoid investing in foreign companies due to the lack of transparency or difficulties in verifying their origin and practices.

The responses indicate a general perception that information about sustainable funds and financial instruments is insufficient or difficult to find in Romanian market. Many participants say that the decision to invest or not to invest in certain companies depends on their moral opinion, for example, avoiding companies that promote products or practices considered ethically unacceptable. Participants express a preference for receiving reliable information from official, independent or authority sources.

Based on these findings, the following recommendations are put forth to enhance sustainable finance adoption in Romania:

1. **Enhance educational materials:** Financial institutions should develop more detailed, visually engaging materials that clearly explain sustainable finance concepts, benefits, and risk mitigation strategies.
2. **Promote clear standards and certifications:** Authority should be addressed by advocating for the use of clear, transparent standards and independent certifications to foster trust and credibility.
3. **Address risk perceptions:** Financial institutions should provide clear guidance on how to manage risks associated with sustainable investments, focusing on long-term benefits and risk-adjusted returns.
4. **Targeted communication strategy:** Financial institutions and professional associations develop a more personalized, transparent and educational communication strategy to transform interest into concrete actions on the sustainable investment market in Romania.

1.3 Conclusions

These observations underscore the importance of a more personalized, transparent and educational communication strategy for transforming interest into concrete actions in the sustainable investment market in Romania.

To turn emerging interest into active engagement, it is essential to implement an integrated educational and communication strategy that meets the criteria and concerns identified in focus groups: clarification, transparency, exemplification and trust. The proposed actions can help consolidate a local market for sustainable finance that is more informed and more encouraging.

2. Report analysis of interviews on sustainable product investment decisions

2.1Introduction

In the framework of this project, we carried out a set of 20 individual interviews with investors, in order to understand in depth their behavior, values, perceptions and decisions in relation to sustainable investments. In the following, we will present a detailed analysis of the answers, highlighting general trends, important differences and common points.

Based on the analysis of interview responses, most participants have a general awareness, estimated at about 70 to 80 percent, indicating a moderate level of familiarity with sustainable products and the concept of sustainable investments. Regarding their portfolios, only a tiny proportion, at most 20 percent, already hold such investments, while the majority express an intention to invest in the future, especially in the field of green energy.

When it comes to investment priorities, over 60-70 percent of participants say that the impact on the environment and the measurability of results are important aspects, and they prefer investments with a direct, easily verifiable impact, such as renewable energy projects or pollution reduction. Also, approximately 80-90 percent of investors want a balance between personal values and financial return, being interested in both ethical aspects and profit.

Another relevant element is the concern about the greenwashing phenomenon, which causes about half of the participants to be skeptical and exclude projects or companies at risk of being misinformed or misleading. At the same time, the majority (over 70%) prefer to invest in projects with a direct impact, especially in green energy, considering these investments safer and more sustainable.

The following topics were obvious from the interviews:

A. Personal values and ethics in investment decision - Participants emphasize transparency, ethical responsibility and coherence between sustainability declarations and the actual behavior of companies. There is a clear preference for investments that reflect personal values, such as environmental protection, social justice and probity. The majority perceive ethical investments as an emotional motivator and a factor of personal satisfaction, even if this means financial sacrifices in certain cases.

Most of the interviewees put moral and ethical values at the forefront of decision criteria. Many state that investments must reflect personal beliefs, such as respect for the environment, social responsibility and integrity. For example, one participant said that he prefers to invest in companies that promote renewable energy and reduce the impact on the environment, because this is an expression of his own values.

A high level of expectation for transparency is highlighted: investors want sustainability reports to be correct, verifiable and consistent with the actual behavior of companies. The absence of greenwashing and honest reporting are considered fundamental when choosing an investment.

All interviewees agree that personal values must be reflected in the portfolio, even if some accept compromises if the return is significant.

B. Impact and measurability of investments - Approximately 70% consider the measurable impact to be an essential criterion. They prefer investments with a direct and visible impact – such as financing a solar power plant or reducing carbon emissions – and express a desire to use concrete indicators (eg: the amount of emissions reduced, the number of jobs created) to evaluate the result.

A large portion of the interviewees (over 50%) acknowledge that measuring impact is often challenging due to the absence of universally accepted indicators and the risk of greenwashing. Despite this, they recognize that transparency and accurate reporting are essential to ensuring genuine impact. Some more conservative investors prefer investments where impact can be clearly controlled and measured, while others are open to supporting indirect or community-based initiatives, even if the specific benefits cannot be precisely quantified. The impact assessment approach involves tracking specific indicators, verifying reports, and gathering feedback from the community to ensure the authenticity of the results.

C. Level of risk and return - Participants audibly prefer investments that offer moderate to high returns (10-20%), but are willing to sacrifice part of the profit for ethical values, especially if the impact is visible and recognized. Most prefer diversification and balanced portfolios, avoiding sectors with reputational risk or low sustainability. The risk of greenwashing is in the consciousness of the participants (~50-60%) and determines them to be temperate in the interpretation of the reports of sustainability.

D. Level of voluntary and ethical involvement - Participants express a firm belief that investments should reflect personal values, such as social responsibility, environmental protection, and company integrity. There is a willingness to inform and educate communities, as well as to constantly monitor the impact.

D. Values vs. impact – balance and conflicts - All participants agree that personal values are a key factor in investment decisions. When faced with a conflict between profitability and ethical principles, most opt to prioritize moral considerations. However, opinions differ: some are willing to accept lower returns if the investments are ethical and sustainable, while others focus on maximizing profit first and then seek ways to generate impact. They note that their approach depends on the specific context, but the ideal scenario is having a clear and uncompromised impact. Overall, there is a common view that personal values should be central to decision-making, but the actual impact must be tangible, carefully measured, and verifiable.

E Level of risk and perception of greenwashing - Approximately 50-60% of the interviewees express great concern about the risk of greenwashing and consumer deception. They emphasize that sustainability reports are not always reliable, which is why verification and transparency become essential aspects when choosing an investment. Although they are aware of the risks, many are willing to accept a moderate level of risk if the impact and transparency are well guaranteed.

Participants prefer projects with low or moderate risk, and avoid investments in sectors with a high reputational risk, such as companies suspected of greenwashing or that practice reduced social responsibility. Some investors show more reticence towards projects that are too promising or without solid documentation, while others are more open if the social/green impact seems real.

F. Level of involvement and personal responsibility - All respondents believe that investments must reflect a personal commitment and responsibility to society and the environment. They express a desire to actively contribute and to educate and inspire other investors or communities. Participants say they feel good when their investments bring about a concrete social or ecological impact, even with small amounts. Many mention the importance of getting involved in local projects or volunteering as complementary mechanisms.

At the same time, they indicate the influence of the opinion of those around them and trends as factors that can modulate the decision, but personal values are ultimately the main criterion in the choice. Everyone considers personal values and responsibility to be the fundamental drivers of investment decisions.

Participants say that social perception and reputation are factors that can influence the decision, but are not the main determinants. They admit that internal beliefs and personal values are more important. In some cases, investors want their impact to be recognized and valued socially, but the final decision is based on internal convictions and compatibility with personal values. They want to be perceived as responsible and sustainable, but do not compromise the authenticity of their beliefs explicitly.

2.2 Detailed analysis

According to participants' responses, success in investing is understood as a combination of financial and non-financial outcomes. Primarily, they view success as achieving specific targets for return and safety—such as generating stable profits, monitoring financial indicators like returns, acceptable risk levels, and diversification of the portfolio. However, success is not limited to financial performance; it also encompasses positive social and environmental impacts. Many participants believe that true success involves a balance of financial results, personal values alignment, and social benefits. Overall, they perceive investment success as a complex, multidimensional concept that integrates steady financial returns with meaningful social and ecological contributions.

When analyzing the importance of various decision-making criteria, the main criteria influencing investment decisions are as follows:

- Approximately 85–95% of investors prioritize profitability and risk levels, considering these the most critical factors. They believe that return and risk are the primary elements guiding their investment choices, as they are well-understood and central to their decision process.
- Around 70–80% emphasize transparency and the quality of information, highlighting the importance of reliable financial and sustainability reporting. Trust in the data provided by companies or funds is seen as essential before making a decision.

- About 60–75% cite personal values—such as social responsibility, environmental care, and ethics—as filtering and motivating factors, especially among investors with strong convictions in these areas.
- Approximately 55–65% see credibility and long-term strategic positioning of the company or fund as secondary yet influential factors in decision-making, especially when differences between options are minor.

Motivations for choosing sustainable investments

Participants **pursue sustainable investments** mainly due to personal values and the desire to contribute to social and ecological well-being. Many see these investments as an opportunity to align with their religious, ethical, and social responsibility beliefs, supporting sustainable development and environmental protection. They regard such investments as morally correct and necessary for a better future for generations and communities. They also derive personal satisfaction from knowing they support projects with social and ecological benefits, which strengthens their confidence and sense of moral fulfillment.

Some participants view sustainable investing as a way to manage macroeconomic risks, especially amid increasing awareness of climate change and environmental challenges. They believe these investments can yield financial returns over a long horizon.

Conversely, some investors **avoid or are hesitant about sustainable investments** mainly due to doubts about financial performance—fearing lower returns or volatility compared to traditional assets. Their confidence is limited by a lack of transparency, credible impact data, and concerns about greenwashing. Additionally, higher initial costs, complexity in selecting suitable products, and perceptions of increased risk and delayed benefits deter some from investing in sustainability.

Many investors cite moral and ethical reasons for their choices—supporting projects they believe contribute to a more sustainable future. They feel that investing in socially responsible and environmentally friendly projects allows them to express their core values, such as social justice and environmental stewardship, and fosters a sense of pride. Others are motivated by the desire to contribute to the community, promote sustainable development, serve as role models for their families, and experience personal fulfillment.

On the other hand, some avoid sustainable investments due to **concerns** over the credibility and actual impact of these products, perceiving that the social and ecological benefits may be smaller or less tangible than expected.

Personal values influencing investment choices

The **most frequently cited personal values** include social responsibility and environmental protection, mentioned by about 85–95% of respondents, reflecting their dominant role in decision-making. Transparency and ethics are also highly valued, noted by 70–80%, while responsibility toward the community and future generations is important for 60–70%. Less commonly cited are spiritual or religious values, often linked to broader themes of social responsibility and ethics.

When choosing companies with sustainable portfolios, participants generally **expect companies to be transparent**—providing clear, accurate, and verifiable social and ecological impact reports. They want companies to adhere to international standards on sustainability, promote openness, and actively combat greenwashing through concrete actions and trustworthy disclosures. About 80–95% emphasize the importance of transparency and accountability in corporate practices, expecting responsible leadership and ethical governance that reflect their values.

Most investors report that their choices are primarily driven by moral convictions and personal beliefs. They experience more comfort and motivation when their investments align with their values, although they acknowledge that objective factors—like financial performance and verified sustainability indicators—support their decisions without being the sole criteria.

Approximately 60–70% feel that moral satisfaction or **a sense of "warm glow"** from investing responsibly plays an important role in their decision-making. Many derive personal fulfillment from contributing to social and ecological good, even if these investments do not always generate the highest immediate financial return.

2.3 Conclusions

The analysis of the answers from the interviews indicates a clear and coherent story: personal values, ethics and social responsibility are the foundation for investment decisions in sustainable products. Although financial return and level of risk are important factors, moral motivators and measurable impact are key criteria in the evaluation process.

Participants manifest a solid conviction that investments must reflect who they are and what they believe, and have an increased perception of the risk of greenwashing. They balance initiatives with personal values and social perception, but internal beliefs and **authentic**

Romanian investors perceive sustainable products as an opportunity, but they are aware that in order to include them with confidence in the portfolio, emphasis must be placed on transparency, concrete evidence and sustainable financial performance.

3. Sustainable finance perceptions among Romanian retail investors: top investors and the general public

3.1. Introduction

This report presents a comparative analysis of two surveys conducted on Romanian retail investors to understand their attitudes, awareness, and engagement with sustainable finance. The surveys targeted two distinct groups:

- **General public (n=1000):** A broad survey of the general Romanian public, aimed at assessing baseline knowledge and attitudes regarding sustainable finance.
- **Top Investors (n=200):** A targeted survey of high-net-worth Romanian investors, designed to understand the motivations, decision criteria, and investment behavior of experienced players in the market.

The analysis will highlight both common trends and key differences between these groups to provide a comprehensive picture of the sustainable finance landscape in Romania.

The survey findings indicate a mix of promising trends and persistent challenges in the Romanian sustainable finance market:

- **Broad awareness, limited knowledge:** While roughly two-thirds of both samples are aware of sustainable finance concepts, significant gaps exist in their understanding of ESG principles, certification labels, and effective implementation.
- **Moderate adoption with growth potential:** Current ownership of sustainable investments is moderate (around 36% in both samples), but future investment intentions are positive, suggesting increasing interest in the coming years.
- **Value-driven investing:** Both groups prioritize alignment with personal values and a desire to contribute to positive societal change, even alongside traditional financial goals.
- **Persistent misconceptions:** Confusion remains surrounding key concepts such as greenwashing, impact investing, and exclusionary strategies.
- **Nuanced risk-return perceptions:** Perceptions of risk, return, and fees associated with sustainable investments are mixed and not fully consistent across both samples.
- **Financial collaboration common:** A significant portion of respondents across both samples make financial decisions jointly with a partner, highlighting the role of shared values and financial planning.

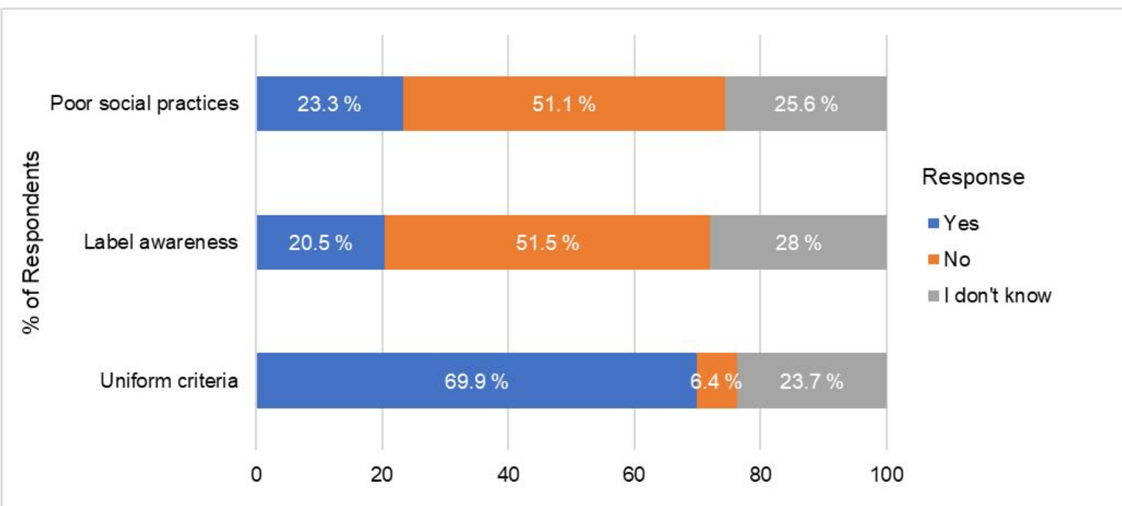
- **Divergent demographics, aligned values:** Despite differences in education and income levels (see Section III), both samples demonstrate a similar level of commitment to sustainable investing principles.

3.2. Detailed analysis

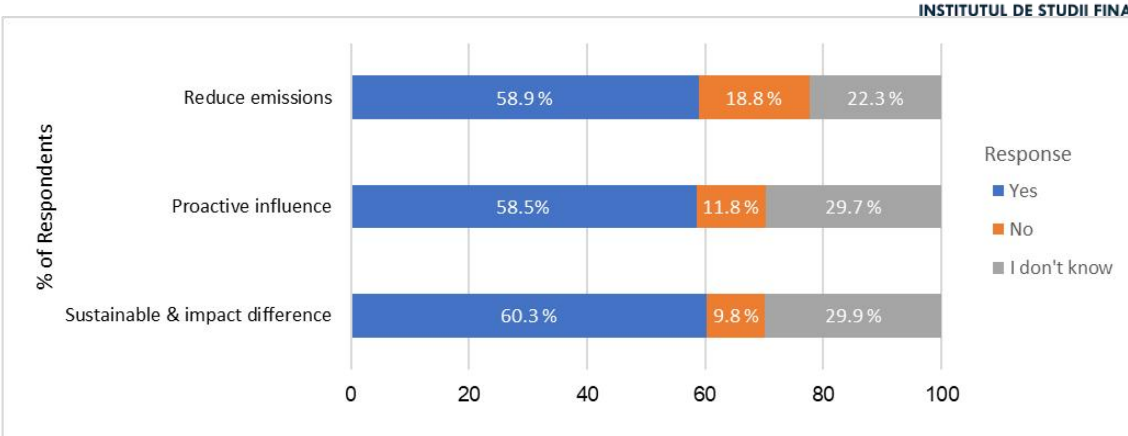
Both samples show high awareness (~67%) of sustainable finance products, indicating widespread exposure. Slightly more respondents in the top investors sample (n=200) demonstrate better comprehension of compound interest and inflation, with marginally fewer misconceptions about growth calculations and inflation impact.

<u>Awareness and misconceptions about ESG</u>

Despite high awareness, misconceptions remain prevalent: only **around 11-14%** correctly identify “Environmental, Social, and Governance,” with a significant proportion (~34-34%) asserting they don’t know or offering incorrect interpretations. The misconception that 'S' stands for 'Sustainable' rather than 'Social' indicates confusion about fundamental terminology, which can hinder proper assessment of funds (13.66% vs. 11.2%).. There is a pressing need for targeted educational campaigns emphasizing ESG terminology, components, and the holistic nature of sustainable investing.



Awareness of ESG rules, labels, and definitions (N = 1000)



Awareness of engagement, impact, and emissions mechanisms in sustainable finance (N = 1000)

Only about **19-20%** in both groups of investors are aware of labels or certificates that verify sustainable products, indicating **a significant knowledge gap**. Over **half (about 52-53%)** in each group report being unaware of such labels, and nearly **28-29%** are uncertain. Despite low recognition, a **slightly higher interest** in certification labels labeling sustainable products is observed in the smaller sample (~20.5% vs. ~19.3%). Certifying labels could be central to building trust, but currently, the lack of awareness limits their effectiveness. Increasing visibility and public education about globally recognized labels (Ecolabels, EU Ecolabel, Green Bond labels) could improve investor confidence.

Many believe sustainable funds directly reduce CO_2 emissions (~58%), more so in the larger group, indicating misconceptions about the mechanisms of impact.

More than **69-70%** in both samples believe that EU-specified “sustainable financial products” must meet strict standards, but **around 24-24.9%** are uncertain or unaware. This indicates a **moderate awareness** of regulatory frameworks but highlights room for improvement in communicating regulatory oversight. The higher interest in regulatory standards suggests investors value oversight but may need more information to differentiate between actual regulation and marketing claims.

Approximately **58-59%** believe that investing in low-CO_2 companies directly reduces emissions—this reflects a common misconception that sustainable investments have an immediate environmental impact, which simplifies the more complex reality of indirect influence. Investors are motivated by understanding how funds contribute to tangible environmental and social outcomes. Clarifying that impact is often indirect but impactful over time could enhance engagement.

More top investors respondents correctly view that a company with good environmental practices but poor social practices isn't fully "sustainable" (~56% vs. ~51%). They also demonstrate a clearer understanding that companies must meet all ESG criteria (~76% vs. ~70%).

About **22-25%** in each sample correctly understand greenwashing as marketing deception, but **a large portion remains unsure (~30%) or confuses** it with other green-related activities. Recognition of greenwashing as a concept is slightly better in the smaller group (25.37% vs. 22.8%). Greater education is needed to help investors spot greenwashing, which remains a significant barrier to trust in sustainable finance.

Investment behavior and future intentions

In both the general and top investor samples, approximately **36%** of the Romanians currently own sustainable finance products or investments—**36.96%** in the smaller (top investors) sample and **35.72%** in the larger (general investor) sample. The slight difference (~1%) suggests a comparable, moderate level of active engagement with sustainable investing among both groups.

The majority of respondents hold **0-20%** of their total investments in sustainable funds (~38-39%), reflecting cautious or initial stages of integration. Notably, in the smaller sample, **39%** of investors report having **20-40%** of their portfolio allocated to sustainable investments, which is higher than in the larger sample (~34%). A **small but noteworthy proportion (about 1-2%)** report 100% sustainable investments, slightly more in the larger sample, indicating that full commitment remains rare but exists. The **substantial minority** with higher allocations (~20–40%) indicates increasing portfolio integration, especially in the smaller sample, pointing toward deeper engagement.

In the larger sample of 1000 Romanian investors, **58.1%** plan to invest more in sustainable finance within the next three years, while in the smaller sample, **55.6%** share this intent—**a marginal difference**. This reflects **strong future interest** across both groups, with no significant demographic or educational barriers evident at this level. The majority intend to gradually increase their sustainable portfolio share, potentially moving toward higher asset allocations. This signals **a growing trend** rather than a passing curiosity.

Aspect	Romanian Investors	Top investors	Observations
Ownership rate	~36%	~37%	Similar moderate engagement; both groups are entering or already in the sustainable investing space.
Portfolio share	Majority in 0-20% (~38%), with some (11–	Similar pattern, with a slightly higher share	Indicates deeper integration in the smaller sample, possibly due

Aspect	Romanian Investors	Top investors	Observations
	12%) in higher ranges (>60%)	(39%) investing 20-40%	to higher education or financial literacy.
Future investments	58.1% plan to invest more	55.6% plan to invest more	Slightly higher future plans in the larger sample, reflecting growing confidence or awareness.

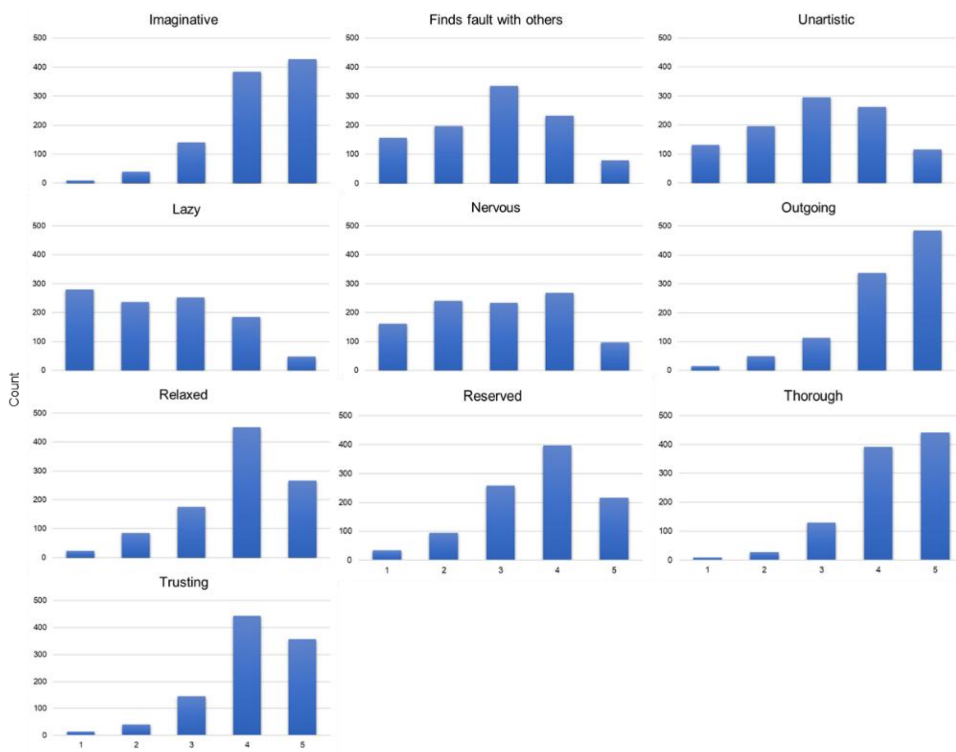
The smaller sample's slightly more cautious risk perception correlates with their higher current sustainable investment holdings, suggesting **more informed or confident decision-making**.

The proportion holding 20%+ sustainable assets in the smaller sample points toward **more mature or deliberate investments**, reflecting perhaps greater familiarity with sustainable products or stronger values alignment.

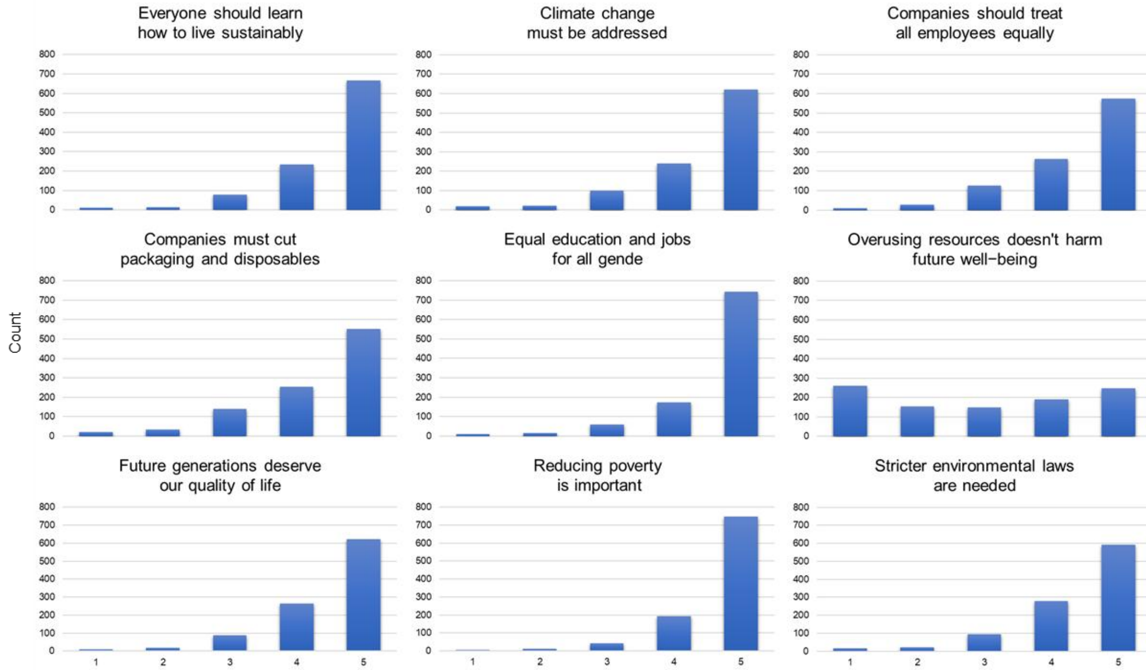
Moderate current ownership signals expanding acceptance of sustainable finance but not yet universal adoption. The high percentage (over 55%) planning to invest more indicates **positive future trajectories**. **Deeper engagement** in the smaller sample suggests that **higher education, income, and perhaps financial literacy** facilitate larger and more meaningful sustainable investment shares. **Hesitation or hesitancy to move fully** into sustainable investments might be due to lingering misconceptions, perceived risks, or lack of transparent information, underscoring **a need for targeted education and better product transparency**.

The majority of respondents (approximately **51.8%**) reported making their financial decisions **individually**. In contrast, a significantly **higher proportion (59.02%)** of top investors reported making financial decisions **jointly with a partner**, demonstrating a **more collective approach** to financial decision-making. This tendency may be influenced by higher levels of education or cultural factors emphasizing partnership and shared financial responsibility. Conversely, the **larger group**'s inclination toward individual decision-making suggests a **greater diversity** of decision styles within the broader population, potentially reflecting varied levels of financial literacy, independence, or risk aversion.

Concerning the d**istribution across risk levels** (on a scale from 1 = completely unwilling to 7 = very willing): The **top investors** showed a **greater concentration** of respondents in the **moderate risk zone** (levels 4 and 5), with **24.1%** at level 4 and **26%** at level 5 whereas the majority **sample** displayed a **broader spread**, with **more respondents at the extreme ends**: **13.8%** at level 7 (very willing to risk) and a significant number at the lowest end (completely unwilling). This in fact means that the **top investors group's** risk attitude leans **more toward caution** and **moderation**, indicating **higher risk awareness** or **greater familiarity** with sustainable investments' risk profile whereas the **larger group** exhibits **greater variability**, with a noticeable subset of respondents **more willing to take risks**, but also a significant portion **less** willing, reflecting **diverse perceptions** and levels of confidence regarding financial risks. The **more cautious risk perception** in the smaller sample aligns with their **higher sustainable investment holdings** and **greater confidence**—factors that potentially influence their willingness to allocate larger portfolio shares to sustainable assets.



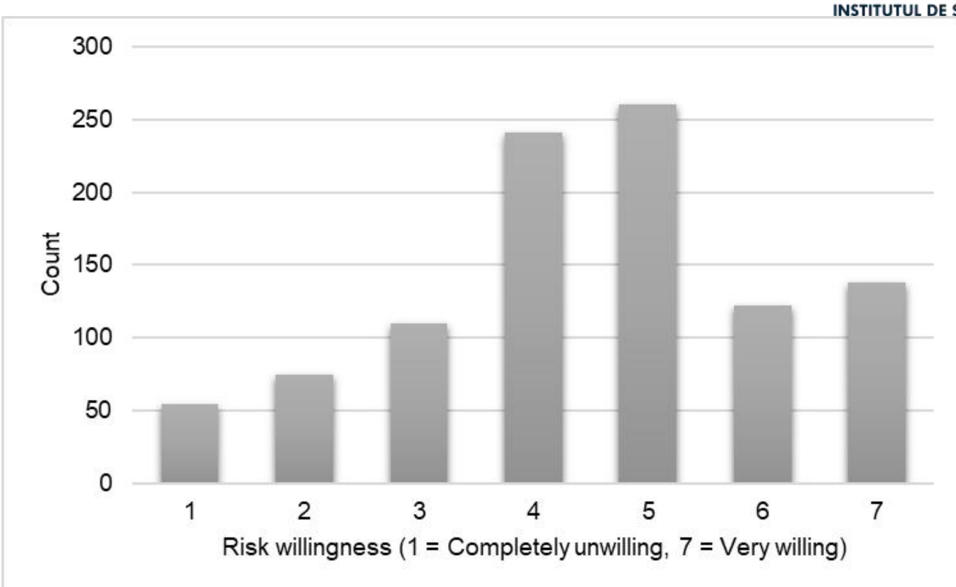
Personality features of Romanian retail investors (N = 1000)



Attitudes toward environmental sustainability and social justice among Romanian retail investors (N = 1000)

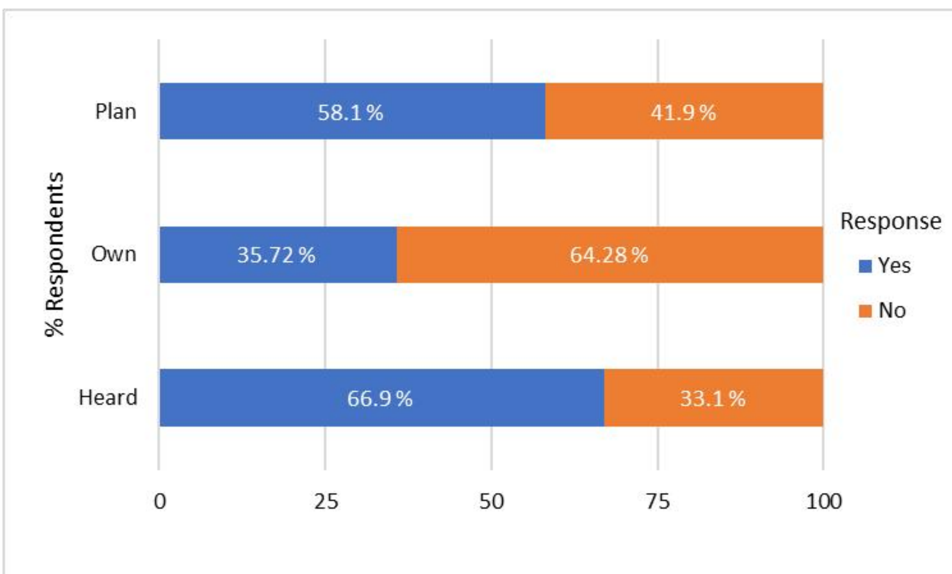
A **larger percentage** of top investors respondents believe that sustainable investments are **"rather lower risk"** (~25% vs. ~19% in the large sample). They also show **less uncertainty** regarding risk perceptions (~10.7% unsure) compared to **17.6%** in the majority of Romanian investors sample and also **more confident risk perceptions** suggesting **better understanding** of the risk-reward dynamics of sustainable investments. The **more varied risk attitudes** in the **large sample** may be attributed to **less familiarity** or **diverse investment backgrounds**, leading to **greater uncertainty** and **less consensus**.

The **majority of Romanians sample** demonstrates **more conservative, balanced risk attitudes** and **higher decision-making collaboration**, indicative of **greater financial literacy and confidence**.



Risk willingness of Romanian retail investors (N = 1000)

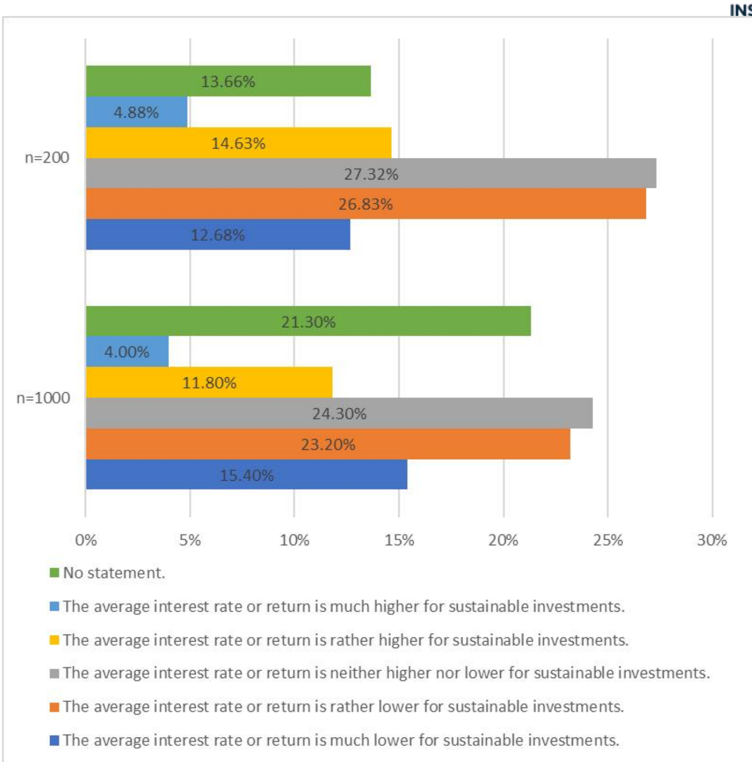
Their wider spread in risk willingness, including **more respondents at both ends**, reflects **divergent perceptions** possibly driven by **less information, experience, or confidence**. This interplay **affects sustainable investing behaviors**, with the **more cautious** and **collaborative** smaller group **more likely to** have invested in or plan to invest **more deeply** in sustainable assets.



Stages of engagement with sustainable investments among Romanian retail investors (N = 1000)

Aspect	Romanian Investors	Top Investors	Observations
Decision-making	**~52%** make decisions **alone**	**~41%** make decisions **alone**; **~59%** decision **jointly**	The smaller group favors **collaborative decision-making**, indicating **higher trust and engagement**.
Risk attitudes	More **diverse**, with **more at high risk (Level 7)** (~13.8%)	More **moderate**, with **~24%** at **Level 4** and **~26%** at **Level 5**	The smaller group tends to be **more cautious** and **risk-aware**, aligning with their sustainable investment behaviors.
Perception of risk (lower risk)	About **~19%** believe risks are **"rather lower"**	About **~25%** in the smaller sample believe risks are **"rather lower"**	The smaller sample perceives **less risk** and thus **more confidence** in sustainability.
Uncertainty in risk perception	**~17.6%** are **unsure**	**~10.7%** are **unsure**	The smaller group shows **less uncertainty**, indicating **better understanding** of risk profiles.
Risk tolerance (level 4-5)	Approximate **~50%**	Approximate **~65%**	The **smaller sample** demonstrates **more moderate risk attitudes**, influencing their sustainable investment patterns.

A **greater proportion** of the **top investors group perceives** sustainable investments as **"rather lower risk"** (~25%) compared to **around 19%** of Romanian investors. Conversely, **uncertainty** regarding risk assessments is lower in the **top investors gropu** than in the **large group**, indicating **more confidence** among top investors. In the **group of top investors**, approximately **14.6%** believe **returns are "much higher"** than conventional investments, whereas only **11.8%** in the Romanian investor sample share this view. Both groups predominantly **see returns as "neither higher nor lower"** (~26-27%), reflecting moderate expectations. The **top investors group** demonstrates **more optimistic perceptions**, perceiving **lower risk** and **greater return potential**. This outlook likely **encourages higher investment allocations** in sustainable assets. The **large group** exhibits **greater uncertainty**, possibly limiting their willingness to fully commit or embrace sustainable investment opportunities.



Romanian investors tend to **view fees neutrally**, with **~26-27%** believing fees are **"neither higher nor lower"**. Slightly **more respondents in the top investors group** (**~18.5%**) consider **fees as "somewhat lower"**, which could **favor more active allocation** toward sustainable funds. C**ost perceptions** are **more favorable among top investors**, potentially influencing **their readiness** to increase sustainable investment share.

<u>Personal values and motivations</u>

Romanian investors recognize sustainable investing as **a way to reflect personal values** (~60%), with the **top investors** showing **a marginally stronger agreement**. About **65–68%** believe **investments influence societal progress**, with **more certainty in the top investors** (slightly higher agreement levels). Approximately **58%** in both groups **believe** their **own investments** can **make a difference**. The **top investors group** exhibits **more confident and decisive attitudes** regarding **positive societal and environmental impacts**, likely correlating with **more active engagement** in sustainable investing.

The **Romanian top investors group** shows **more targeted and resolute perceptions**, with **fewer neutral or uncertain responses** about the real-world impact of sustainable finance.Regarding **investment efficacy**, they are **more inclined to believe** that sustainable investments **effect real changes**.

These **more decisive attitudes** suggest **a greater conviction** in sustainable finance's **contribution to societal benefits**, which can **motivate higher investment levels**. Both groups show high motivation to learn about sustainable finance (~88%), but the smaller sample shows slightly less intensity in the highest interest category, implying a more measured curiosity.

Romanian investors predominantly perceive **moderate to high impact** for sustainable funds aligned with climate objectives, such as decarbonization initiatives.

Whereas, in the top investors group, approximately **30-30.5%** rate impact as **"high"**, around **13%** believe impact is **"very high"** and about **13%** consider impact as **"no" or "very low"**, but this is **fewer** than in the larger group, the large group of Romanian investors, slightly fewer rate impact as **"high"**, with **~27.9%** and around **15%** believe impact is **"very high"**. The **top investors group** displays **more confidence** in the real-world impact of sustainable funds, rating impact higher overall. The **Romanian investment group** perceives impact as **moderate**, with **more respondents** skeptical about high-impact claims.

Romanian investors recognize that funds targeting climate change mitigation **demonstrate tangible impacts** - about **30–31%** in both groups rate impact as **"high"** and a smaller proportion (~13–14%) in each group perceives **"very high"** impact. Slightly **more respondents in the top investors group** (~30%) believe impact as **"high"** compared to **27.9%** in the large group. All of the repondents view exclusion strategies (e.g., removing companies involved in harmful activities) as **effective in generating impact**: approximately **32–36%** in both groups rate impact as **"moderate" or "high"**. Funds employing internal impact scoring and environmental/social metrics are perceived to **have substantial impact**: about **30–34%** of the Romanian investors impact as **"moderate" or higher**. Top investors' perception is **marginally more positive**, with **a higher percentage** rating impact as **"high"** or **"very high"**.

Romanian investors **recognize** that sustainable funds **contribute to societal/ environmental benefits**, but **misconceptions** about **what constitutes impact** are present. Top investors demonstrates **greater confidence** in the **effectiveness** of impact strategies, believing that sustainable funds **significantly influence** real-world outcomes. The **top investors' higher perceived impact** suggests **greater familiarity** with impact measurement and reassurance about **funds' real effects**. The Romanian investors showed **a more cautious and moderate view**, possibly due to **less detailed knowledge** or **greater skepticism about impact efficacy**. All of the respondents viewed funds aligned with Paris Climate goals (e.g., decarbonization funds) as having moderate-to-high impact, with the smaller sample somewhat more optimistic (~30% high impact vs. ~28%) and more open to impact potential.

Funds based on internal scores or exclusion criteria are perceived as similarly impactful (~35%), with the top investors slightly more confident in their impact ratings. They also demonstrate a clearer understanding that sustainable investments contribute indirectly to environmental benefit, rather than immediate emission reductions (~57% correct in smaller sample vs. ~50% in larger).

Aspect	General public	Top investors	Observations

Aspect	General public	Top investors	Observations
Overall perceived impact	Mainly **moderate to high impact** (~27.9%–30%)	Slightly **more optimistic**, with **~30–30.5%** rating impact as **"high"**	The **top investors** exhibits **greater confidence** in impact ratings.
Impact of decarbonization funds	Recognized as **impactful**, with **~27.9%** rating impact as **"high"**	Similar impact perceptions, with **higher percentage** perceiving **"high"** impact	Both groups see decarbonization strategies as **effective**, with **top investors** slightly more optimistic.
Impact of exclusion-based strategies	Viewed as **effective** by **~32–36%**, with **moderate to high impact**	Slightly **more positive perceptions**, with **~35–36%** rating impact as **"high"**	The **top investors** perceives **exclusion strategies** as **more impactful** in practice.
Impact of impact scoring & metrics funds	Considered **impactful** (~30–34%), with some **skepticism**	Slightly **more confident**, with **higher impact ratings**	The **top investors** more readily **believe** in **funds' real-world influence**.

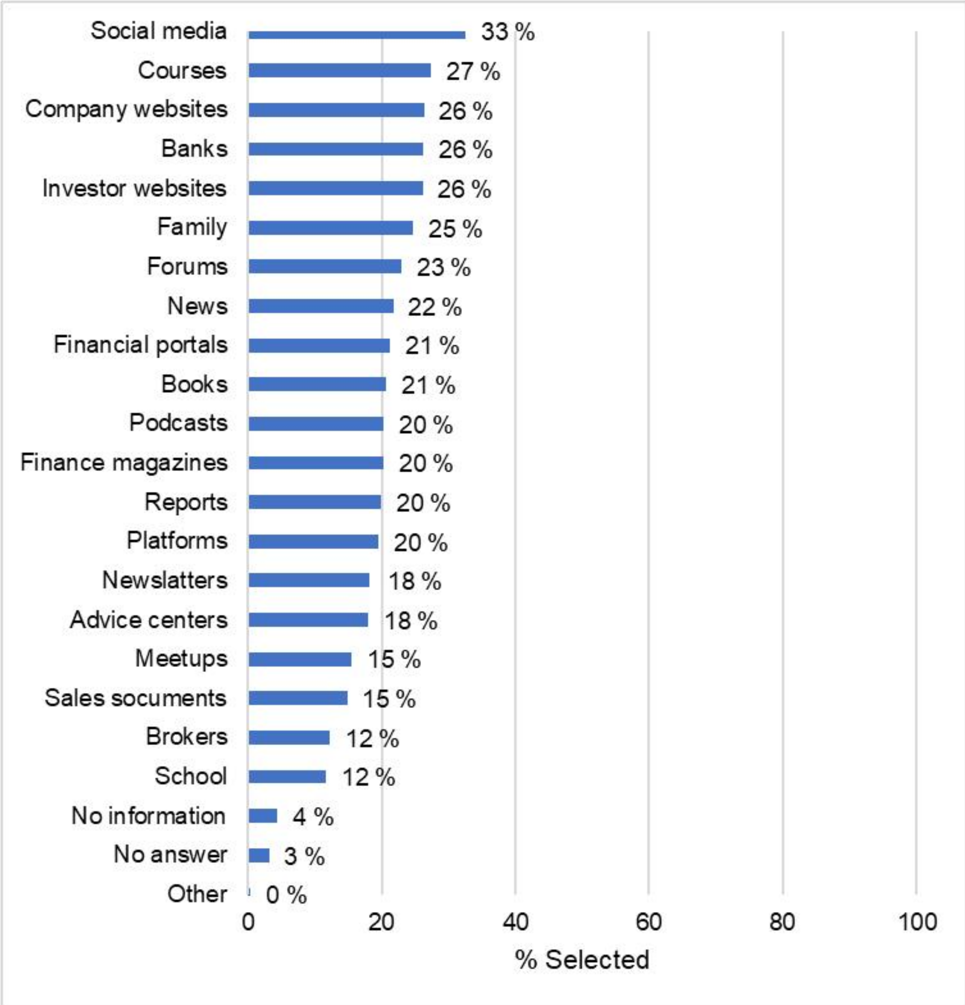
The **top investors** exhibits **higher educational attainment**: **53.17%** hold **bachelor's degrees** versus **44.7%** in the larger group, **3.41%** possess **PhDs**, compared to only **1.8%**. Higher education levels in the **top investors** likely correlate with greater **financial literacy**, **awareness** of sustainable finance terms, and **confidence** in impact strategies. Education influences perceptions of **impact efficacy**, **risk assessment**, and **understanding of complex topics**, leading to **more informed investment decisions**.

The **top investors group** exhibits a **more polarized income profile**, with **more respondents** in both the **lowest** and **highest** income brackets: **~19%** earn **EUR 500–1000**, **~7.8%** report **monthly income over EUR 10,000**. The **large group** tends to concentrate more respondents in **middle-income brackets**: EUR **2000–3000** 19.3%). The **polarized income distribution** suggests the **top investors** includes **both lower-income** individuals who may be **aspiring investors** and **high-income** individuals with **significant assets**, possibly influencing **investment capacity and risk appetite**. The **larger group**'s middle-income concentration might reflect **broad participation** but with **less wealth or capacity** for large-scale investments in sustainable funds. Income level impacts **accessibility**, **risk tolerance**, and **investment volumes**, influencing choices around sustainable assets.

The **top investors group** reports **lower household assets**: the majority (~**45–50%**) report assets **below EUR 2000–5000**. And fewer respondents (>**8%**) hold assets **above EUR 50,000**. The **top investors** may be **more asset-rich**, but their **assets are often concentrated**, possibly reflecting **more strategic, high-net-worth investing**. **Lower asset levels** in the top investors sample **do**

not preclude interest in sustainable finance; rather, those with assets in the **lower-middle range** are **also engaged**, indicating **broader accessibility or interest among different wealth levels**.

There is a correlation between **higher education** and **higher income/assets**, which **facilitates** deeper **financial literacy** and **understanding** of sustainable strategies. This, in turn, may **drive greater ownership** and **confidence** in impact investing.



Preferred information channels for learning about sustainable investing (N = 1000)

Charitable giving indicates **socially engaged** investor profiles across the board, with **no significant demographic polarization**. Such a high level of charitable activity indicates that **socially conscious investors** are present in both groups; for the **top investors**, this may correlate with **greater impact awareness** and **motivation** to align investments with personal values.

3.3 Conclusions & recommendations

The retail investors participating to the survey demonstrate high awareness (~67%) of sustainable finance. However, misconceptions—particularly around ESG terminology, impact pathways, and certification labels—are prevalent (>30% unsure or inaccurate). This suggests that while awareness exists, deep understanding remains limited.

Approximately 36% of respondents currently hold sustainable investments, with nearly 55–58% planning to increase their holdings within three years. Notably, top investors exhibit **more confident asset allocations**, often dedicating higher portfolio shares (>20–40%) to sustainable funds, indicating deeper engagement linked to higher education and assets.

The **more educated**, **higher-income**, and **asset-rich** top investor group demonstrates **greater confidence** in the impact and performance of sustainable funds, alongside **more cautious risk perceptions**. Conversely, the broader population shows **more uncertainty** and **diversity** in risk attitudes, emphasizing the importance of targeted education.

Both groups believe sustainable investments **reflect personal values** (~60%) and **contribute positively to societal change**, with **more conviction** among top investors. Their perceptions of impact are **more optimistic** and **more aligned** with real-world outcomes, indicating that confidence and understanding of impact pathways are critical for investor engagement.

Education, income, and asset levels strongly correlate with **impact understanding**, **ownership levels**, and **risk perception**. More educated investors tend to hold **more assets**, **more knowledge**, and **more active impact strategies**.

Some **recommendations** in order to improve the awareness and decision-making of sustainable products are:

1. **Enhance investor education and communication** - develop targeted educational campaigns that clarify core concepts such as **ESG criteria**, **impact pathways**, and **certification labels**. Financial services providers should use clear, simpler language and visual tools to demystify complex topics, especially aimed at the larger, less-educated investor base. Authorities and professional associations should promote **impact literacy** by illustrating concrete examples of how sustainable funds influence social and environmental outcomes.

2. **Increase transparency and labeling** – Authority should raise awareness about **certification labels** and **regulatory standards** through multi-channel informational initiatives. Financial institutions should collaborate with regulatory authorities and industry bodies to **standardize and promote trusted labels**, enhancing investor confidence and mitigating greenwashing fears.

3. **Segmented outreach based on demographics** – professional associations and financial institutions should tailor messaging to different demographic segments:

    - For **less educated or lower-income groups**, focus on accessibility, cost benefits, and practical impact.
    - For **high-net-worth investors**, emphasize sophisticated impact metrics, impact measurement, and strategic portfolio integration.

    The offer of such products should use personalized communication channels such as financial advisors, webinars, and social media.

4. **Promote deeper engagement and portfolio integration –** financial institutions should encourage higher asset allocation in sustainable funds by demonstrating their **performance, impact, and risk-management benefits**. In the same time, authority and professional associations should offer education on **impact investing** and **active impact strategies**—highlighting their potential for **real-world change**—to foster **more committed commitments**.

5. **Build trust through impact measurement & reporting** - the authority should support funds with transparent impact measurement and regular, accessible reporting. Professional associations should showcase successful case studies illustrating **positive environmental/social outcomes**, reinforcing the real impact of sustainable investments.

6. **Address impact misconceptions** – more communication should be done in order to clarify that sustainable investments **do not** directly **reduce** CO_2 emissions but **indirectly influence** corporate behavior. A national public campaign should educate investors on the **holistic nature** of ESG and impact investing, emphasizing **holistic criteria** and **long-term effects**.

Bridging the knowledge gap and fostering **trust and confidence** are essential to accelerating sustainable finance adoption in Romania. Tailored, transparent, and impact-focused communication, coupled with investor education, can unlock the full potential of sustainable investing, ensuring it becomes an accessible and meaningful choice for a broader population.

4. Final conclusions

Romanian investors, both at the general public level and among top investors, demonstrate a reasonable level of awareness of sustainable finance. However, this awareness is not matched by an in-depth understanding of core ESG principles, impact pathways, and certification standards.

The inclination to invest ethically and align investments with personal values is a central motivator across both groups. This suggests that emphasizing the personal and societal benefits of sustainable finance is crucial for driving adoption.

More top investors see sustainable investments as a way to reduce risk than the broader general public. There's a notable gap between respondents' expressed interest in sustainable investing and their actionable steps toward fully integrating these principles into their portfolios.

Across all studied groups, a high degree of emphasis has been placed on reliable, verifiable, and transparent reporting to understand the value, impact and ethical positioning of their investments. Concerns about greenwashing and the authenticity of reported impacts persist, influencing investment decisions. There seems to be a gap between being informed that a company does "good" and really knowing about it, which greatly impacts their decisions.

While ethical motivations are important, top investors in particular remain highly sensitive to risk-adjusted returns and the potential for greenwashing. Education must focus on how to mitigate those risks, ensure performance, and offer incentives for ESG investments.

The study indicates the need for targeted education and engagement strategies that cater to the distinct needs of different investor segments. The general public would benefit from simplified, accessible information, while top investors require more sophisticated and detailed impact data.

Interviewees were looking for companies to involve their stakeholders in their decisions. The perception of that happening increases people's intentions to invest with that company.