



A Study on Sustainable Finance and Investment

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Abstract – In recent years, the growing awareness of environmental, social, and governance (ESG) factors has led to an increasing emphasis on sustainable finance and investment as critical components of long-term economic growth. The primary aim of this journal paper is to examine sustainable finance and investment and strategies that can be utilized to promote these practices in organizations. The specific objectives included exploring the benefits of sustainable finance and the potential challenges that can be experienced in their implementation. The findings of this study are significant in expanding the literature on sustainable financing and investment. A mixed method was employed, and surveys and interviews were considered for data collection. A crucial finding was that sustainable financing and investment benefits included adopting innovative practices and increased organizational profitability. In particular, sustainable funding was noted to improve the company's image as caring due to the management of social and environmental issues, thereby attracting more customers. The study revealed that sustainable finance and investment significantly enhance organizational profitability, drive research and development, and promote environmental responsibility. However, challenges such as greenwashing, lack of investor commitment, and slow returns hinder its widespread adoption, highlighting the need for stronger regulations, awareness creation, and policy enforcement. A crucial challenge linked to sustainable financing entails greenwashing, in which organizations provide false information on their sustainability efforts, thereby misleading customers about the quality of products. In this regard, one recommendation to promote sustainable financing and investment involves implementing policies that lower the costs of implementing sustainable investments. Moreover, increasing awareness among investors on sustainable financing can ensure that they consider the sustainable practices of organizations before funding them.

Keywords – Sustainable, finance, investment, strategies, organization, green investment, organizational profitability, greenwashing, corporate sustainability, responsible investment.

I. INTRODUCTION

Background

The adverse impact of climate change on business productivity has prompted industries worldwide to collaborate on sustainability solutions. According to Olumekor and Oke (2024), achieving the goals of these collaborations through treaties, protocols, and agreements—requires significant financial investments and resources. Essentially, the need for financial commitment to achieving environmental sustainability has led to sustainable finance and investment (Cunha, Meira, and Orsato 2021). Generally, sustainable finance considers Environmental, Social, and Governance (ESG) factors when making investment decisions (Filippini, Leippold, and Wekhof 2024).

The goal of this study is to encourage financial investments in projects that are sensitive to reducing the global carbon footprint. In other words, sustainable finance goes beyond supporting the current green economy campaigns to mobilize funding regarding investment for industries, companies, businesses, and organizations that are mindful of the environment in their dealings (Schumacher, Chenet, and Volz 2020). The purpose of this study is to examine sustainable finance and investment and disseminate the information for proper decision-making by investors and households.

The success of global sustainability efforts relies on the orientation of the financial systems towards environmental protection (Kulkarni et al. 2022; Kumar et al. 2022). Therefore, to achieve sustainable development targets, the

direction of financial investments matters because all initiatives require funding. Without significant reform, the gap is set to swell to USD 6.4 trillion by 2030, the target year for the Sustainable Development Goals (SDGs) (Cunha, Meira, and Orsato 2021). Therefore, monumental financial resources are required in terms of investments, which calls for the promotion and support of sustainable finance and investment practices. In that respect, Kuhn (2022) acknowledged collaborative actions from the banking sector, insurance sector, government, and NGOs towards sustainable finance in Germany. A similar trend has been reported across other European countries in a recent study by Olumekor and Oke (2024).

Similarly, Schumacher, Chenet, and Volz (2020) reported the presence of ESG criteria in investment decision-making within the Japanese financial sector. Despite differences in financial structures and regulatory frameworks, these countries converge on sustainable finance because climate change, ESG imperatives, and global investment flows demand a unified response to sustainability challenges. Similarly, Schumacher et al. (2020) reported the presence of ESG criteria in investment decision-making within the Japanese financial sector, demonstrating that environmental and social considerations have become a universal priority beyond structural and cultural differences. Therefore, this research digs into the practices of sustainable finance to understand the major considerations taken into account and options for sustainable financial investment.

Problem Statement

Popescu, Hitaj, and Benetto (2021) pointed out that managers are required by investors to evaluate and present



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non-financial performance portfolios, which include sustainability assessment. Sometimes, the investors are greenwashed to direct their funds towards unsustainable ventures. The authors indicated that different firms used different definitions and constituting factors in declaring their commitment to sustainability, such as varying interpretations of 'carbon footprint' or 'ethical sourcing,' leading to a negative impact on sustainable finance and investment initiatives." In the meantime, Liang and Renneboog (2020) noted inconsistencies in the ESG performance ratings of organizations, which raised confusion about investors' portfolio decisions. The authors indicated that different firms used different definitions and constituting factors in declaring their commitment to sustainability, leading to a negative impact on sustainable

finance and investment initiatives. A notable example is the disparity in ESG scores for the same company across rating agencies like MSCI and Sustainalytics, where variations in criteria often mislead investors about the true sustainability performance. Further, Lee (2020) indicated limited literacy on sustainable and green finance among stakeholders such as customers and investors, which hindered effective sustainable investment decision-making. In that respect, the current study sheds light on the components of sustainable finance, including practices, challenges, and promotion strategies for better investor decision-making. The research addresses the problem concerning the challenges of defining the parameters of sustainable finance and investment.

Research Aim and Objectives

The primary aim of this study is to examine the role of sustainable finance and investment in promoting organizational growth and environmental responsibility.

The specific objectives include:

1. To explore the benefits of sustainable finance and investment on organizational performance.
2. To investigate the challenges affecting the successful implementation of sustainable finance and investment.
3. To examine strategies for promoting sustainable finance and investment in organizations.

Research Significance

The findings of this research are crucial for promoting sustainable financial literacy among investors, enabling them to make informed decisions that encourage green production. By highlighting key factors to evaluate during investment decisions, the study equips investors with practical knowledge to identify truly sustainable ventures and avoid greenwashing. Furthermore, the insights gained are equally relevant for households, as they can influence consumer behavior by fostering green purchasing decisions. While the concept of sustainability is widely recognized, there remains a significant gap in understanding financial sustainability among both investors and consumers, which this research aims to address. Therefore, this research is relevant in providing green accounting insights to households that would

influence personal investment options and purchasing decision-making toward sustainability. Further, the research contributes to the financial policy formulation of organizations. By identifying key benefits such as improved profitability, enhanced brand image, and increased innovation, this study offers organizations a framework to align their financial policies with ESG (Environmental, Social, and Governance) standards. The findings also highlight potential risks, such as greenwashing and lack of transparency, which organizations can address through stricter reporting mechanisms, robust sustainability audits, and clear performance metrics. Consequently, the research serves as a guide for decision-makers to design policies that not only meet regulatory requirements but also build investor confidence and promote long-term value creation.

Outline of Paper

This journal paper is composed of six chapters. The current chapter is the introduction and outlines the research background information, problem, aim and objectives, and significance. The second chapter is the literature review. Essentially, the section contains a critical analysis of existing studies on sustainable finance and investment. The third chapter is the methodology, where a step-by-step explanation of data collection and analysis for the research is presented for purposes of transparency. The fourth chapter presents the findings, detailing the results obtained from the data collection and analysis processes. The fifth chapter is a discussion, presenting a critical evaluation of the findings, which involves stating the implications of the research and comparing it with previous findings. Lastly, the sixth chapter is the conclusion. Here, the findings are connected to the research objectives.

II. LITERATURE REVIEW

The current chapter presents studies conducted on sustainable financing and investment to reveal key findings as well as gaps that this study will aim to fill. The subtopics covered in this section include theoretical framework and practices in sustainable finance and investment. Additionally, this chapter covers potential benefits and challenges of sustainable finance and investment as well as strategies for promoting sustainable finance and investment and research gaps. The references reviewed in this chapter are drawn primarily from peer-reviewed journal articles, conference papers, and reports published between 2010 and 2024 to ensure contemporary relevance. Databases such as Scopus, Web of Science, Google Scholar, and ScienceDirect were utilized to gather credible and high-impact studies. Keywords used during the literature search included 'sustainable finance,' 'green investment,' 'ESG practices,' 'sustainability challenges,' 'financial innovation,' and 'responsible investment.' This structured approach ensures that the literature review is both comprehensive and aligned with the objectives of the current research.

Theoretical Framework

This research is supported by the Technology Acceptance Model (TAM). Primarily, TAM's main idea is that



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technology adoption in any sector is affected by perceived usefulness and perceived ease of use (Thatsarani and Jianguo 2022). Figure 1 indicates a summary of the TAM framework.

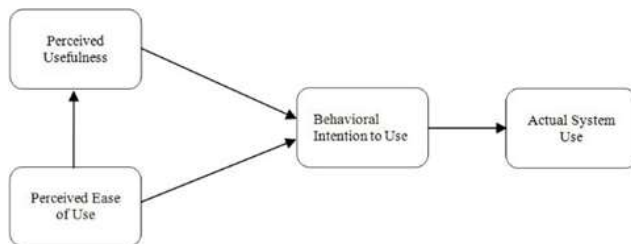


Figure 1: TAM Framework (Thatsarani and Jianguo 2022)

According to author, perceived usefulness indicates the extent to which organizations expect performance and operations to improve if they adopt a specific technology. For the finance sector, technology adoption can enhance monitoring operations to identify green projects, enabling more investments for those that involve sustainable practices, Abroad et al. (2015). Available research has indicated that adopting technology finance can promote the financial inclusion of low-income and marginalized groups in society, thereby improving sustainable practices by positively impacting the social environment (Gbongli, Xu, and Amedjonekou 2019).

Meanwhile, perceived ease of use shows the extent to which organizations operate technology with minimal training (Thatsarani and Jianguo 2022). In finance, studies such as Chowdhury and Hussain (2022) have indicated that technology adoption is widespread due to perceived user-friendliness, which makes more people able to adopt the systems. However, one criticism of TAM is that it does not consider other factors, such as cost and structural issues, that can influence users and organizations to adopt technology in a specific industry (Malatji, Eck, and Zuva 2020).

The current study addresses this criticism by extending the analysis beyond user perceptions to include financial and organizational factors such as investment costs, regulatory frameworks, and structural readiness that affect the adoption of technology-driven sustainable finance solutions. By incorporating these broader determinants, the study provides a more comprehensive understanding of how technology adoption can facilitate sustainable finance. Nonetheless, the current study explores the idea of sustainable finance by considering technology adoption and how it can facilitate the process.

Sustainable Finance and Investment Practices

Sustainable finance's key idea involves integrating ESG and Socially Responsible

Investing (SRI),(Cautero 2023). A crucial difference between ESG-based investing and SRI (Socially Responsible Investing) is that the former uses ESG scores as a filter while still prioritizing financial returns, whereas

the latter prioritizes positive social change, with financial returns being secondary considerations. One strategy of sustainable investing is green bonds. While their risk-adjusted performance is generally comparable to conventional fixed-income instruments implying marginally lower yields for investors in exchange for financing projects with clear environmental benefits (Hauter 2018). Examples of projects supported by green bonds include wind and solar farms. Green bonds represent a key strategy for addressing climate change, as the 2015 Paris Agreement estimates that at least \$3 trillion in investments will be required to meet its targets annually to support renewable energy projects around the world and minimize the effects of global warming (Henry and North 2023).

Previous studies show that sustainable finance considers the economic benefits and the social and environmental impacts to ensure that the investments promote a common good instead of only benefitting a few people (Thompson 2023; UK Government 2023). According to the UK Government (2023), a 30 billion domestic investment plan was launched in 2021 to support renewable energy projects and reduce environmental pollution and overreliance on fossil fuels. This government-driven initiative has contributed to a 67% increase in renewable energy industry exports in the UK since 2020, compared to a national growth rate of only 6% (UK Government, 2023). While this demonstrates how government schemes can successfully promote sustainable financing and economic growth, they differ from multi-stakeholder collaborations such as those involving private investors, NGOs, and financial institutions because they rely primarily on state funding and policy direction rather than shared investments or diverse stakeholder partnerships. The finding underscores that both government-led schemes and collaborative initiatives can play complementary roles in enhancing environmental conservation and profitability.

The views of the UK Government (2023) are aligned with the views of the OECD (2023), showing that since the Paris Agreement in 2015, private climate finance for developing countries has increased from \$44.6 billion in 2015 to \$89.6 billion in 2021. The trends imply that investors in both developed and developing countries are increasingly considering sustainability when selecting projects to invest in. However, contrasting views were presented in a recent report, which showed that since the 2015 Paris Agreement, the UK's top 60 banks have invested £2.7 trillion in companies with high emissions, such as oil and coal (World Wide Fund 2021). The strategy has led to the banks indirectly emitting 805 million tons of carbon based on their investment (World Wide Fund 2021). This contrast exists because, while government initiatives prioritize long-term sustainability goals and align with international climate commitments, private banks often remain driven by short-term profitability and established relationships with high-revenue industries like oil and coal. Therefore, it is noted that despite the progress made in sustainable finance and



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investing, there is still more work to be done to achieve significant positive change in society.

The other crucial point from the literature is that sustainable finance emphasizes stakeholder value rather than shareholder value. Specifically, Schoenmaker (2017) posited that sustainable finance deviates from the traditional idea of investment, where businesses have a primary goal of profit-making, and it is the government's responsibility to deal with social and environmental issues and regulate the business environment. In sustainable finance, caring for the environment and enhancing society's welfare is a joint responsibility of all stakeholders, including citizens, companies, and the government, to ensure all stakeholders benefit from the business being set up in a community (Abrudan, Matei, and Abrudan 2021). However, the views of Abrudan, Matei, and Abrudan (2021) and Schoenmaker (2017) were indirect contradicted by Filippini, Leipold, and Wekhof (2024), who explained that while sustainable finance can help to enhance the common good of all stakeholders, most investors lacked the awareness and knowledge on sustainable finance literacy as well as the impact of ESG practices on the real economy. Therefore, the findings imply that creating awareness among investors regarding the importance of sustainable financing is critical in ensuring they consider green practices when making investments.

Potential Benefits of Sustainable Finance and Investment

A crucial benefit of sustainable finance and investment is increased profitability. The idea was noted by Pisani and Russo (2021), who compared the profitability of 30 European companies based on ESG rating and noted that those with higher ratings posted higher financial performance than those with lower ratings, even during the COVID-19 when most businesses were affected. Their study particularly emphasized sectors such as renewable energy, technology, and consumer goods, which demonstrated greater resilience due to strong ESG integration and proactive sustainability measures. These sectors benefited from sustained investor confidence and consumer demand for sustainable products, which partially shielded them from the pandemic's economic shock.

The views of Pisani and Russo (2021) are supported by Zhou et al. (2022), who explained that sustainable financing improves company image, which leads to businesses attracting more environmentally conscious customers, culminating in higher profits in the long run. Although they agreed with Pisani and Russo (2021) regarding increased profitability of sustainable financing, the authors explained that the main reason is that many companies that violate social and environmental concerns such as whale hunting or activities related with high carbon emission have been placed on exclusion list by most financial organizations. The trend leads to such companies struggling to access funding for their operations. Additionally, the exclusion is often influenced by pressure from NGOs who use both social media and traditional media to convey their concerns

about the negative companies' activities on sustainability (Dyllick and Muff 2016). In this regard, the findings imply that sustainable finance and investment is a growing trend, and investing in high-emission companies is stigmatized, which can cause a loss of social capital that can affect profitability.

The other crucial benefit of sustainable financing is that it leads to increased competition and innovation among companies to develop attractive products that address environmental concerns. According to Nayal et al. (2022), sustainable financing can ensure faster progress towards net zero goals as more companies increase research and development to develop products that align with environmental protection goals. The views of Nayal et al. (2022) are supported by Maradin, Malnar, and Kaštelan (2022), who pinpointed that in the automotive industry, sustainable financing has ensured that more car companies invest in the research and development of electric cars to compete with Tesla, which was the market leader.

The strategy has led to market share of electric cars rising from 0.01% to 14% from 2010 to 2022 (Statista 2024). Other key factors include advancements in battery technology, government incentives such as subsidies and tax credits, stricter emission regulations, rising fuel prices, and increased consumer demand for modern and cost-effective mobility solutions. While sustainability and reduced carbon emissions are major selling points, the economic and technological advantages of EVs have been equally instrumental in accelerating their market penetration. The results suggest that when effectively implemented, sustainable financing can help to promote innovations that are aligned with social and environmental goals, thereby enabling the development of products and services that ensure a common benefit of stakeholders.

Potential Challenges of Sustainable Finance and Investment

A potential challenge of sustainable finance from the literature is corporate greenwashing. According to De Vries et al. (2015), corporate greenwashing is a common practice where companies misrepresent, overstate, or publish disinformation about ESG to improve their reputation as environmentally friendly without actually living up to the claims. The views of De Vries et al. (2015) were supported by Dupré and Roa (2020), who highlighted that about 85% of investment funds labeled to be sustainable are often misleading and unsubstantiated. This finding underscores the growing concern over 'greenwashing' within the investment sector, where financial institutions use sustainability labels primarily as marketing tools rather than adhering to genuine ESG criteria.

Dupré and Roa (2020) noted that many funds fail to provide transparent reporting on how investments align with sustainable goals, and in some cases, portfolios include companies with questionable environmental or social practices. Such misleading claims not only erode investor trust but also divert capital away from truly sustainable



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initiatives, thereby undermining the core objectives of sustainable finance. The results imply that while sustainable finance has the potential to provide economic, social, and environmental benefits, companies' greenwashing can derail their efforts. The issue was also highlighted by the European Commission (2023), explaining that the Volkswagen emissions scandal involved the company deceiving customers on their cars' emissions being within the safety standards by using illegal cheat software. However, investigations exposed the deception, which led to the company losing customer and investor trust, as well as huge fines from regulators amounting to \$30 billion, which damaged the company's image (Zhang, Atwal, and Kaiser 2021). This case exemplifies how greenwashing or deceptive practices can undermine sustainable finance efforts, as they erode stakeholder confidence in ESG claims and discourage investors from funding genuinely sustainable projects.

Such scandals create skepticism in the market, making it harder for organizations with legitimate sustainability initiatives to secure investments, as investors may doubt the credibility of all green or ESG-related disclosures. In this regard, it is realized that a lack of verification protocols for sustainable financing can lead to a serious loss of trust as well as unethical practices, which can reduce the progress towards achieving SDGs.

The other challenge to sustainable finance and development is limited private sector participation. According to Schoenmaker (2017), the private sector puts micro efforts into long-term sustainable investment despite agreeing with the need for green finance. The authors also mentioned that private investors would shift industries if the regulations in one sector were tightened. The findings were supported by Aggarwal and Elembilassery (2018), who highlighted disparities between the purported finance in sustainable development and the actual private investment levels.

The findings imply that despite efforts to secure active participation in sustainable financial investment, the private sector is still carried away with short-term traditional finance investment strategies. The challenge was also raised by Clark, Reed, and Sunderland (2018), showing that Softbank Asia Infrastructure Fund (SAIF) Partners avoided long-term ventures into impact investment due to a lack of matching return opportunities. Essentially, the study established that the private sector focused on potential returns while considering sustainable finance options. The trend derails the public sector's long-term commitment to sustainable investments. Another challenge in sustainable finance is rejection by some players.

According to Dimmelmeier (2023), sustainable finance is contested among a section of shareholders and stakeholders as overly ambitious and unreasonably expensive. The issue was supported by Kashif et al. (2024), who pointed out that companies and investors opposed sustainable finance due to low returns and concern about externalities. The findings imply that sustainable finance and development are not

fully understood by companies and investors, leading to limited commitment towards implementation. Notably, the studies show that the challenges stem from resistance to change. Organizations with greater knowledge of ESG principles and clear regulatory guidance tend to demonstrate stronger commitment to sustainable finance initiatives.

Strategies for Promoting Sustainable Finance and Investment

One strategy used to promote sustainable finance and investment is policy development, where countries develop appropriate regulations that help in the enforcement of green practices. According to Schütze and Stede (2024), the European Union developed the Sustainable Finance Disclosure Regulation 2019/2088 (SFDR), which requires companies to assess and publicly disclose the ESG of their products, thereby helping investors to finance companies that engage in sustainable practices. The policy has the potential to enhance market transparency, reduce greenwashing, and increase investor confidence in ESG-labeled products. Furthermore, by setting uniform reporting standards, the SFDR encourages companies to improve their sustainability practices to remain competitive and attract investment.

Schütze and Stede's (2024) views are echoed by Olumekor and Oke (2024), who emphasized that the 2015 Paris Agreement played a pivotal role in compelling countries to make financial commitments aligned with the United Nations Sustainable Development Goals (SDGs). Similarly, views of the Oxford Institute (2024) revealed that in China, new regulations in 2023 required car manufacturing companies to ensure that 18% of their cars were electric to accelerate net zero goals. The regulation increased sustainable financing as more investors redirected their capital to support the car companies in meeting the new regulations (Oxford Institute, 2024). The results suggest that developing international, regional, and national agreements on sustainable financing can accelerate the adoption of green practices and ensure more investors consider environmental issues during investment.

However, contrasting views were shared by Cremasco and Boni (2022), who noted that regulations on green practices and sustainable financing could influence businesses to engage in greenwashing, where they rebrand and add names, such as green, ESG, or sustainable, to their names without actually allocating finances towards reducing carbon emissions in their operations. One example is the case of DWS Group (a subsidiary of Deutsche Bank), which was investigated in 2021 for overstating the sustainability credentials of its investment funds. Similarly, H&M faced criticism for misleading claims regarding its 'Conscious' clothing line, which independent audits revealed did not meet the advertised sustainability standards. These cases highlight how some firms exploit ESG branding to attract investors or consumers without implementing real environmental initiatives. In this regard, it is realized that regulations on promoting sustainable financing should also



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focus on showing how to assess sustainability efforts and punish companies engaged in greenwashing.

The other strategy for promoting sustainable finance and investment is increasing awareness of sustainability among customers and investors. According to Siemionek- Ruskań, Lepczyński, and Fanea-Ivanovici (2022), sustainable finance awareness entails acquaintance with green finance concepts, from the definitions to the benefits of compliance. The knowledge of financial sustainability by Polish and Romanian consumers influenced their stance on demand for producer and investor compliance (Siemionek-Ruskań, Lepczyński, and Fanea-Ivanovici 2022). The views were supported by Li, Wu, and Lin (2023), who noted that consumer green awareness positively impacted borrowing for renewable energy projects. The researchers explained that consumers' commitment to environmental sustainability drove banks to consider loans for clean energy projects, thus boosting sustainable finance. The findings imply that consumer sustainability awareness is a formidable force for driving investor orientation toward sustainable finance because of demand preferences. To strengthen this influence, strategies such as public awareness campaigns, sustainability-focused educational programs, transparent product labeling, and the use of digital platforms to share verified ESG information can be implemented.

These approaches help consumers make informed choices, which in turn pressures investors and companies to align their financial practices with sustainable principles. A similar observation was made by Mustika, Rohaeti, and Al (2023), pinpointing that increased education on sustainability and sustainable finance promoted the adoption of green finance by investors in minor and major Muslim nations. The researchers noted that all sectors of the economy needed to know and understand the concept of using financial investments to fund sustainable projects by companies and individuals, so that everyone could direct their finances correctly. Birzhanova, Nurgaliyeva, and Nurmagambetova (2023) showed that the decision to invest in sustainable ventures relied on knowledge of sustainable finance and environmental impacts. To promote awareness levels, Kadaba, Aithal, and KRS (2022) proposed government expenditure on public sensitization and training.

In addition, partnerships between governments, financial institutions, and non-governmental organizations (NGOs) could help develop easily accessible platforms for educating both institutional and individual investors about ESG factors and their long-term benefits. Moreover, embedding sustainability literacy in educational curricula, organizing workshops, and using media campaigns to highlight successful sustainable investment case studies can further enhance awareness and foster confidence among investors. The implication is that awareness of sustainable finance and investment should be prioritized across all sectors of the economy.

Research Gaps

A crucial gap noted from the literature review is that there is limited research done on how to efficiently enforce sustainable finance regulations and detect issues of greenwashing by companies. Although there are regulations developed to encourage sustainable financing, their enforcement is still unclear since most companies self-regulate, which can encourage deceptive practices. Therefore, this research examines how the sustainability financing issues can be addressed to promote ethical practices during green financing. The other gap in the literature is the relationship between investment decisions and sustainable finance. In other words, there is limited discussion in the literature on whether investment choices affect the sustainability of green finance concepts.

Chapter Summary

The current research is supported by the Technology Acceptance Model, which describes the extent to which investors and companies are willing to adopt sustainable finance technology in their financial and investment decisions. Meanwhile, the literature provides evidence of sustainable finance practices that accord significance to the social and environmental components of the economy. Notably, most of the practices are focused on environmental sustainability. The studies also highlight the potential benefits of sustainable finance and investment. Additionally, the literature provides information on the potential challenges of sustainable finance and the strategies for promoting its implementation. Generally, the literature argues that sustainable finance has the potential to facilitate a green economy but is facing challenges that require careful attention.

III. METHODOLOGY

The current chapter presents steps taken to execute this study. The chapter covers several subtopics, including research method, design and approach, sampling, data collection and analysis, and ethical considerations. This chapter is crucial in enabling readers to replicate this research and verify its findings, thereby improving the validity of this study.

Research Paradigm

The research paradigm provides the philosophical foundation for the study, outlining the assumptions about reality (ontology) and knowledge (epistemology) that guide the research design and methods. This study adopts a pragmatist paradigm, which emphasizes the use of approaches that best address the research problem rather than being tied to a single philosophical stance (Creswell and Plano Clark 2018). Pragmatism allows the combination of both qualitative and quantitative methods, making it well-suited for exploring the multifaceted nature of sustainable finance and investment, where both measurable trends and in-depth insights are necessary.

Research Method



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The current research used a mixed research method that allowed the gathering and interpretation of both qualitative and quantitative data (Timans, Wouters, and Heilbron 2019). Quantitative data is information that can be counted, measured, and presented in numerical values. One advantage of quantitative data in research is that its analysis is done using standard methods, leading to reliable results (Chalmers and Cowdell 2021). Quantitative data refers to information that can be counted, measured, and represented numerically, enabling the use of standardized analytical methods that produce reliable and replicable results (Chalmers and Cowdell 2021). One strength of qualitative data is its ability to provide a deeper meaning of the phenomena under study (Strijker, Bosworth, and Bouter 2020). In this research, qualitative data was collected through interviews.

Therefore, the mixed method combined the specific insights of qualitative data with the generalizable insights of quantitative data. The collaboration of the results provided a complete understanding of the research problem (Schoonenboom and Johnson 2017). The mixed method in this study was driven by the nature of the research objectives, which called for both descriptive and explorative information.

Research Design and Approach

The research adopted an explanatory sequential design to undertake the mixed approach. According to Subedi (2016), an explanatory sequential design using mixed methods is executed in two phases. First, quantitative research is conducted, and the data is analyzed for findings. Next, a qualitative study follows, and the data collected is used to explain the quantitative findings. A key strength of explanatory sequential design is straightforwardness (Bowen, Rose, and Pilkington 2017). For this study, the researcher began with online surveys and later conducted online interviews. Additionally, the design is useful for the exploration of quantitative outcomes for detailed understanding.

In terms of approach, the abductive research approach was deemed most appropriate for this study. According to Mitchell (2018), an abductive approach is anchored on the principle of pragmatism, which allows the use of mixed methods to address the research problem. The abductive approach for this study presented the opportunity to incorporate both quantitative and qualitative methods.

Sampling

The study targeted company managers in the US who have knowledge of sustainable finance and investment.

- The criteria for inclusion in the study was that one had to occupy a management position in a company that practices sustainable finance.
- The goal was to recruit individuals with at least three years of experience in sustainable finance and investment.

To obtain a representative population, convenience sampling was used. According to Emerson (2015), the principle of convenience sampling is to select participants

on the premise of availability and accessibility to the study. The reason for using the sampling technique was to prevent bias. First, companies with known records of sustainable finance were identified and sampled through an intensive online search. Requests for participation were sent via social media and emails to the respective managers. From the responses, 37 participants were recruited for the research. Convenience sampling can introduce bias because participants are selected based on ease of access rather than random selection, which may result in a sample that does not accurately represent the target population. Consequently, this can distort findings and limit the generalizability of the results. A total of 30 participants were included in the online survey exercise, and seven were sampled for online interviews.

Data Collection

The research gathered quantitative and qualitative data that was in line with the mixed method. A survey was used as the instrument for data collection for the quantitative data. According to Igwenagu (2016), surveys collect information using questionnaires from numerous participants. The questionnaire design is closed-ended, which generates the desired numerical results. For this study, online surveys were conducted. The advantage of online-based surveys is convenience in terms of cost and efficiency (Nayak and Narayan 2019). First, the questionnaires for the research were prepared using the Survey Monkey online platform. The questionnaire used for this research is indicated in Appendix 1. Next, the participants were contacted to access the surveys and input responses. The researcher then downloaded the data from the website at the end of the exercise. On the other hand, online interviews were used to collect qualitative data. The interview questions are indicated in Appendix 2. According to Roulston and Choi (2018), interviews utilize conversation concepts to gather subjective data from participants. For this study, a semi-structured conversation was used, whereby the set of questions adopted an open-ended format and aligned with the quantitative results. The participants were contacted to set appointments for the interview, which was conducted on the Zoom application. During the interviews, the researcher asked the questions, and the participants provided responses, which were recorded in session for analysis. Each interview session lasted an average of 40 minutes. The interviews allowed the researcher to gather data on sustainable finance practices in the US.



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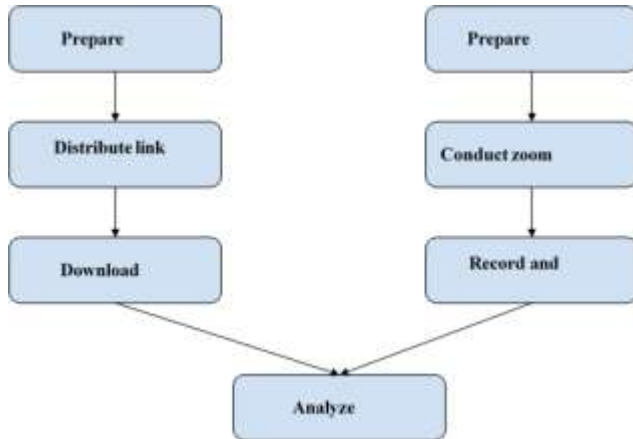


Figure 2: Data collection flowchart

Data Analysis

The data collected was analyzed using statistical and thematic analysis techniques. Specifically, the statistical approach was adopted to analyze quantitative data from the survey due to its ability to reveal patterns in numerical data. According to Ali and Bhaskar (2016), statistical analysis is crucial in improving the generalization of findings by revealing crucial patterns in a dataset. For this research, the SPSS analysis tool was employed to accomplish the statistical analysis process. Using SPSS, the quantitative data was analyzed to identify patterns in the dataset. The outcome of statistical analysis was presented in tables and graphs.

In the meantime, a thematic analysis technique was adopted for the synthesis of interview data. According to Castleberry and Nolen (2018), thematic analysis entails examining patterns in large textual datasets to identify repetitive ideas and allow the development of themes. The process involved coding the interview responses to identify and mark similar expressions and messages relayed by the respondents on the various aspects of sustainable finance and investment. From the codes, themes were generated and named. Later, themes were described and explained as part of the research findings. Specifically, the researcher utilized inductive thematic analysis whereby themes are extracted directly from the data rather than confirming pre-determined themes.

Ethical Considerations

The ethical considerations for the research included informed consent, confidentiality, anonymity, and data security and privacy. According to Bos (2020), following ethical principles in research ensures that participation by targeted individuals is informed, voluntary, and safe, thereby improving the reliability of data gathered. For informed consent, the participants signed consent forms before taking part in the surveys and interviews, indicating voluntary willingness to share information. Confidentiality was also applied in this research, and it entailed hiding participants' information from third parties (Bos, 2020). Moreover, the participants, especially interviewees, were kept anonymous during the data presentation. Lastly, all the

collected data collected were stored in password-protected drives.

Methodological Limitations

One limitation noticed in this research was a small sample of only 37 participants. The small sample was influenced by the constraint of time, which hindered the inclusion of many participants. Additionally, the participants were only sampled from the US. The limitations meant limited generalization of the results. The limitation was overcome by gathering detailed data through interviews to ensure all crucial aspects of research are considered. The other limitation of this research involved resource constraints, which meant that data was collected using online platforms involving a small number of participants. In this respect, the findings of this research serve as a foundation upon which future researchers can explore the research topic in more detail. A key limitation of this

research was the reliance on online platforms for data collection, which restricted the diversity of participants and potentially reduced response rates. Online surveys and interviews often exclude individuals with limited internet access or technical skills, leading to a sample that may not fully represent the target population. Additionally, the lack of control over participants' environments during online data collection can affect the quality and accuracy of responses. The limitation was overcome by sampling participants with extensive experience in sustainable financing and investment to ensure accurate and reliable findings.

Chapter Summary

A mixed research method was used for the study, which combined the benefits of quantitative and qualitative methods. The quantitative approach was executed using online surveys to gather quantitative data and semi-structured interviews to collect qualitative data. All 37 participants were sampled using a convenience sampling technique from a population of company managers in the US. The research considered ethical principles, including informed consent, confidentiality, anonymity, and data security and privacy.

IV. FINDINGS

This chapter presents the findings from research surveys and interviews. The survey findings are summarized in graphs to show key trends in sustainable finance and the investments that have been noticed. Meanwhile, the interview findings reveal the main themes from participants' views regarding sustainable finance and investment.

Survey Results

Demographic Information

The participants' distribution based on gender was indicated in Figure 3.

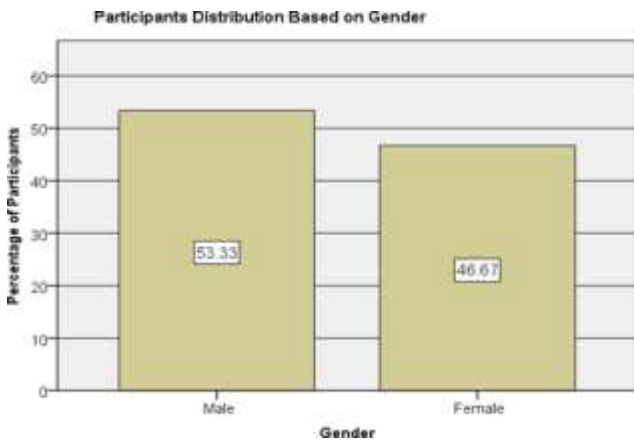


Figure 3 : Participants distributed based on gender (Author 2024)

The result in Figure 3 indicates that there was a slightly higher proportion of male (53.33) than female (46.67) participants. However, the inclusion of many participants from both genders helps to reduce gender bias and improve results generalizability. The participants' distribution based on work experience is indicated in Figure 4.

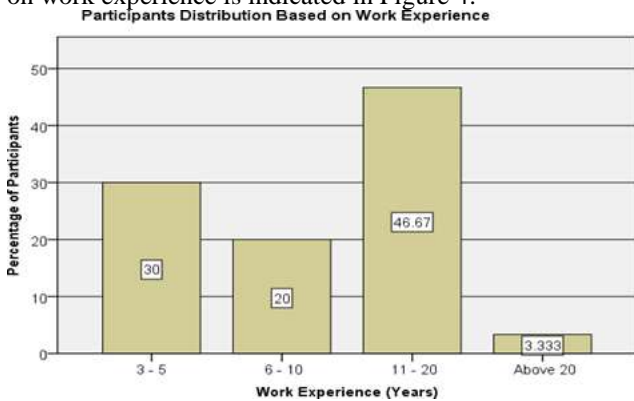


Figure 4 : Participant distribution based on work experience (Author 2024)

A crucial trend in Figure 4 is that most participants (70%) included in the survey had over five years of experience in sustainable investment. As such, the result indicates that data gathered from the survey was highly reliable because the participants selected had extensive experience on the topic.

Sustainable Finance Practices and Benefits

The participants were asked about the extent to which they perceive sustainable financing and investment to be beneficial, and the result is summarized in Figure 5

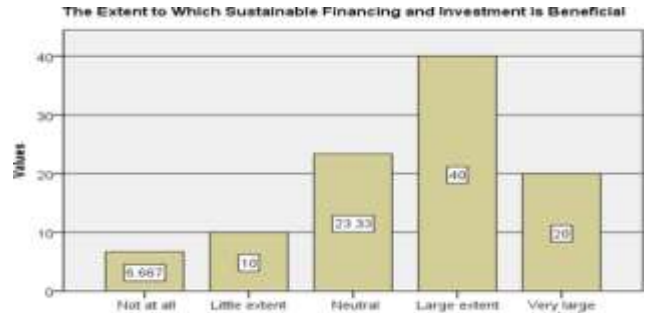


Figure 5: The extent to which sustainable investment and financing is beneficial (Author 2024)

The finding in Figure 5 indicates that most participants (60%) perceived sustainable financing and investment to be beneficial to organizations. The result indicates that sustainable financing should be encouraged among investors. This majority perception suggests strong investor recognition of the value of sustainable practices, thereby justifying the encouragement of sustainable financing among investors. To understand the specific sustainable practices and benefits, further survey was conducted, and the findings are indicated in Figure 6.

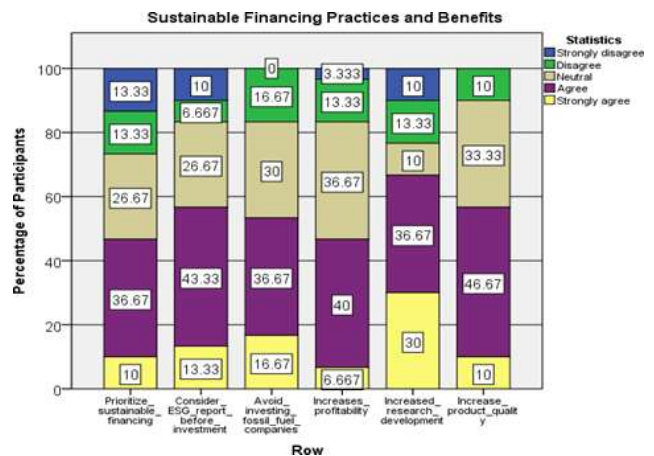


Figure 6 : Sustainable financing practices and benefits (Author 2024)

A key result from Figure 6 is that the main practices considered in sustainable financing include considering ESG reports of companies before making an investment (56.66%) and avoiding investment in fossil fuel companies (53.34%). The result indicates that sustainable financing practices are mainly inclined towards considering the carbon footprint of companies before investing in them.

Meanwhile, sustainable financing's main benefits were noted to include increased research and development (66.67%) and increased product quality (56.67%). The findings reveal that sustainable financing encourages the competitiveness of companies as they seek environmentally friendly materials and processes to create products, thereby improving research and development as well as the quality of products.

Challenges of Sustainable Financing and Strategies to Promote the Practice



The survey also assessed participants based on the challenges they face in implementing sustainable practices and potential strategies to promote the practice. The finding is indicated in Figure 7.

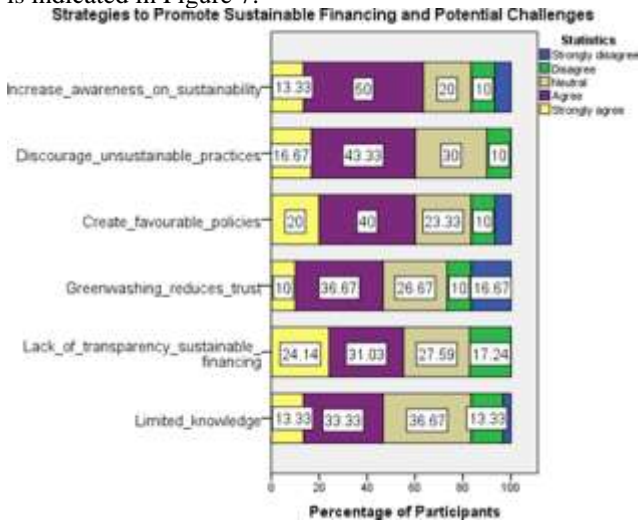


Figure 7: Potential challenges and strategies to promote sustainable financing (Author 2024)

A crucial finding from Figure 7 is that the main challenge associated with sustainable financing is a lack of transparency (55.17%). The result indicates that there is a risk of companies claiming to engage in sustainable financing and investment when, in reality, they do not invest their funds to promote sustainable operations.

Meanwhile, the result in Figure 7 also indicates that sustainable findings and investment can be promoted by increasing awareness of the practice (63.33%), discouraging unsustainable practices (60.00%), and creating favorable policies to encourage sustainable practices (60%). The results indicate that diverse approaches can be used to promote sustainable financing and investment, including making attractive policies and punitive regulations.

Interview Results

Potential Benefits of Sustainable Finance and Investment

The participants shared their opinions on the benefits of sustainable finance and investment. The first benefit highlighted was increased returns for companies that have embraced sustainable finance. The participants shared their opinions on the benefits of sustainable finance and investment, highlighting three key areas. First, increased returns were reported as a significant benefit, with several participants noting that companies adopting sustainable finance practices experienced higher sales and profitability. On this point, participant 6 explained that firms that have declared ESG commitments witnessed high sales volumes, translating to higher profitability. Participant 6 stated, "Ever since the decision to adopt green production and distribution methods, our sales have gone up, leading to higher profitability."

The observation suggests that firms stand a chance of realizing record revenues through implementing sustainable finance and investment because consumers are increasingly environmentally conscious. The second benefit noted was increased green innovation. Specifically, Participant 3 explained that sustainable finance contributes to increased investment in research and development programs for advanced technology with sustainable benefits. On that note, Participant 3 posited, "Thanks to sustainable finance, firms are shifting research and development efforts towards green innovation programs to secure funding. Also, the innovation is sparked by competition for green market share."

The finding implies that firms utilize innovative practices to remain relevant under sustainable finance and investment, both to financial institutions and the market. The third potential benefit pointed out by the participants was increased environmental responsibility among the firms. In this regard, Participant 1 indicated that the requirement for sustainable projects for funding pushed the firms to consider the elements of environmental conservation. Particularly, Participant 1 explained, "The concept of sustainable finance has inspired firms to abandon traditional ways and embrace ESG-conscious operations, leading to increased environmental responsibility by the corporate sector."

The quote indicates that the desire to attract green funding and substantial market share through the lens of sustainable finance and investment has shifted the focus of management to more sustainable activities. In that respect, sustainable finance and investment bear potential benefits for the firm and the population.

Issues Affecting Sustainable Finance and Investment

The participants identified some of the main issues affecting the success of sustainable finance and investment. The first issue raised was corporate dishonesty in the form of greenwashing practices. On this point, Participant 2 explained that some firms engaged in deceptive practices to convince the market that they were pro-sustainability. Specifically, Participant 2 posited, "One major challenge in sustainable finance is firms fabricating green names and logos to attract funding and customers when in actual sense they are anti-sustainability."

The finding implies that it is difficult to quantify the green impact of sustainability finance and investment across industries due to the problem of greenwashing. The second issue identified was the lack of investor commitment. In this respect, Participant 4 acknowledged that most private investors were reluctant to commit finances to long-term green initiatives due to the uncertainty of returns. In particular, Participant 4 stated, "Only the state shows a willingness to finance sustainable projects for a long time through things like green bonds. However, private investors are skeptical of the returns, and hence, they often decline."



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The result suggests a one-sided contribution to sustainable finance and investment, creating an imbalance in the corporate commitment to sustainable development goals between the public and private sectors. The third issue highlighted was low returns and slow profit compounding. Specifically, Participant 7 explained that investment in sustainable projects earned little in the short term, with reasonable profitability only after many years. According to Participant 7, “Sustainable projects take time to mature and start giving returns to the investor because sustainable finance is a long-term initiative. The trend scares away investors, especially from the private sector.” The observation implies that sustainable finance and investment are reserved by long-term investors, which limits the funding base for related projects. Essentially, the issue highlighted touches on the investor position to promote sustainable finance. The findings on challenges revealed several common themes identified by multiple participants, not limited to individual responses. For example, while Participant 2 highlighted the issue of greenwashing, Participant 4 raised concerns about the lack of investor commitment, and Participant 7 emphasized the problem of low returns and slow profit compounding.

Measures to Promote Sustainable Finance and Investment

The participants shared their views on strategies for promoting sustainable finance and investment. The first point indicated was the development of regulatory measures to encourage firms and investors to embrace sustainable finance. In particular, Participant 5 explained that existing policies on green production have influenced the industry to switch to sustainable practices. Participant 5 stated, “I believe regulations are effective in promoting sustainable finance practices because people like following set rules and guidelines. The current sustainability practices are based on available policies.”

The finding implies that suitable regulations help organizations and the public to refocus priority toward the benefits of sustainability, hence the choice of sustainable finance and investment. The second strategy noted was the establishment of policy enforcement measures for maximum adherence. On this point, Participant 2 pointed out that inspecting the operations of firms for sustainability was key to mitigating greenwashing. Specifically, Participant 2 posited, “The presence of sustainability policies for firms should be accompanied by enforcement measures such as supervision to ascertain that green labels and adverts are true.”

The quote suggests that firms tend to ignore directives on sustainability unless the government assumes the responsibility of ensuring compliance. The third strategy proposed by the participants was awareness creation. Specifically, Participant 4 indicated that educating the public about sustainable production drove the companies toward green market fulfillment. Essentially, Participant 4 explained:

Sustainable finance and investment practices for a firm can be promoted by educating customers about the centrality of sustainable operations in their well-being and the coming generation. Companies always strive to satisfy consumer preferences (Participant 4).

The finding suggests that consumer awareness is the formidable force that triggers voluntary compliance to sustainability measures in companies. Once the companies embrace green initiatives, the investors will follow suit due to a shortage of investment options.

Chapter Summary

A key result regarding the benefit of sustainable financing from the interviews and surveys is that it encouraged research and development, promoted profitability, and improved environmental protection efforts by companies. However, some of the challenges linked to sustainable financing included deceptive practices due to a lack of transparency. The findings from both interviews and surveys highlighted three major benefits of sustainable financing. First, it was found to encourage research and development (R&D), as companies seek innovative, eco-friendly technologies to remain competitive and attract sustainable investments.

Second, sustainable financing was observed to promote profitability, with several participants noting improved financial performance among firms that integrate ESG practices into their operations. Third, it enhanced environmental protection efforts by motivating companies to adopt greener production processes and reduce their carbon footprint. On the other hand, the study revealed key challenges, including deceptive practices such as greenwashing, largely due to a lack of transparency in reporting and monitoring ESG commitments

V. DISCUSSION

The current chapter indicates a discussion of key research findings. The discussion entails analyzing the implications of the results as well as comparing them with existing literature. The three subtopics covered include the benefits of sustainable finance, the challenges of sustainable finance, and strategies for promoting sustainable finance.

Benefits of Sustainable Finance and Investment on Organizational Performance

The first research objective was concerned with the benefits of sustainable finance and investment in the performance of organizations. From the survey, most participants agreed that sustainable finance and development are beneficial to organizational performance to a large and very large extent. The interview findings also showed increased sales volume following the sustainability practices. The finding implies that the implementation of sustainable finance and development is associated with substantial operational and managerial gains for the respective organizations. The finding is consistent with that of Pisani and Russo (2021), who noted higher financial performance for European firms



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with higher ESG ratings. The findings suggest that prioritizing sustainable finance and related practices aligns with many environmental and market goals, prompting public support in terms of customer loyalty. The findings are also consistent with those of Zhou, Liu, and Luo (2022), who illustrated that commitment to sustainable finance transmits a sense of environmental responsibility, which attracts customers, resulting in higher sales and improved financial performance. The findings imply that firms dedicated to sustainability attract green funding from lending institutions, leading to a stronger capital base, economies of scale, and, thus, higher profitability.

The other benefit reported in the survey findings was increased research and development practices in firms.

The interview results also revealed that increased investment in research and development was linked to sustainable finance, which enables acceptable standards of green operations. The findings imply that sustainable finance and investment practices have become the drivers of green innovations, which preserve the ecological system and increase the efficiency of organizations. The findings resonate with those of Nayal et al. (2022), who noted that sustainable finance hastened the move towards net-zero goals by more companies pumping capital into environmentally friendly products and services. Further, the findings aligned with those of Maradin, Malnar, and Kaštelan (2022), who reported an increase in the number of car companies researching and developing electric cars to compete with Tesla models.

The outcome is customer variety and fair prices. Notably, the product of innovation practices aligns with the current findings of increased product quality. Similarly, the interviewees explained that sustainable finance and investment have promoted environmental responsibility among organizations. According to Dyllick and Muff (2016), firms strive to adhere to sustainability requirements because of global and regional listings, which affect their performance. The results imply that managers have inclined business goals towards taking care of their surroundings, which is linked to good public relationships and long-term success in business. However, contrasting studies such as Friedman (2020) argue that prioritizing sustainability may divert resources from core business objectives, potentially affecting short-term profitability. Comparing these perspectives, the current findings suggest that while sustainability initiatives may present short-term cost implications, they offer substantial long-term benefits that outweigh initial trade-offs.

Challenges Affecting Successful Implementation of Sustainable Finance and Investment

The second objective of this research was to identify the challenges experienced by organizations when implementing sustainable finance and investment. From the findings, one issue affecting the successful implementation of sustainable finance and investment is the lack of transparency, which led to greenwashing. The implication is deception in sustainable investment, which creates a state

of imbalance in market representations and actual sustainability achievements. The findings are consistent with those of De Vries et al. (2015), who pointed out the prevalence of greenwashing practices expressed as misrepresentation, overstatement, and publishing disinformation about ESG scores for public attraction. However, the finding contrasts Schütze and Stede (2024), who showed that currently, the Sustainable Finance Disclosure Regulation 2019/2088 in the EU is used to regulate sustainable financing, thereby improving transparency. The trend suggests that enforcing existing regulations is crucial to improving ethical practices during sustainable financing and investment.

The other challenge highlighted in the findings is limited knowledge of sustainable finance and investment. On this point, the interviewees agreed that failure to understand the repayment terms of sustainable finance and investment kept away many investors from funding-related initiatives. The findings imply that the concept of sustainable finance and investment is not common among investors, organizations, and the public, creating unwillingness to participate in ventures. The findings are consistent with those of Aggarwal and Elembilassery (2018), who noted that the private sector avoided sustainable finance and investment due to limited acknowledgment of the long-term gains. However, the current observations emphasized long-term profitability was a serious issue hindering the successful implementation of sustainable finance and investment. The findings strongly align with Aggarwal and Elembilassery (2018), who observed that the private sector often hesitates to engage in sustainable finance and investment due to a lack of recognition of its long-term benefits. This research further reinforces and amplifies this concern, emphasizing that the perception of delayed or uncertain returns remains one of the most critical barriers to the successful implementation of sustainable finance initiatives.

The evidence suggests that despite proven long-term profitability, many private investors prioritize short-term gains, which undermines broader sustainability goals and limits the scaling of green investments. The implication is that the ROI formula for related sustainable investment practices bears uncertainties, portraying potential high risks commonly avoided by most investors. Another challenge from the interview results is low profitability, especially during the short-run period of implementing sustainable finance and investment. For companies, this means low sales turnover and profits. For investors, the situation is interpreted as a longer wait for investment returns. The implication is that only a few organizations and financial institutions are willing to assume the risk, trusting the process of sustainable finance and development. The findings reflect the submissions of Dimmelmeier (2023) and Kashif et al. (2024), who noted that firms avoided sustainable finance and investment while citing reasons of expensiveness and low returns. The observations show that the amount of money received for the implementation of sustainable finance may be limited due to sparing investment decisions by investors and the public.



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Strategies for Promoting Sustainable Finance and Investment in Organizations

The findings contrast the submissions by Cremasco and Boni (2022), who noted that policy and enforcement encourage greenwashing because companies seek to stay out of legal trouble. Therefore, strategies of policy creation and enforcement call for close monitoring.

The third objective of this research was to identify strategies for promoting the successful implementation of sustainable finance and investment in organizations. One strategy from the findings involved increasing sustainability awareness to ensure investors consider ESG scores when financing projects. Additionally, the interview results pointed to a lack of awareness among customers. The implication is that consumers can easily become victims of misleading sustainability adverts. Therefore, increasing sustainability awareness should be conducted by organizations and the public. Educating the public is key to driving organizational responses toward sustainable finance, as the market will demand green products and services. The findings correspond to those by Siemionek-Ruskań, Lepczyński, and Fanea-Ivanovici (2022), who noted that knowledge of financial sustainability by Polish and Romanian consumers influenced their stance on demand for producer and investor compliance. Also, the findings are consistent with the observations of Gbongli, Xu, and Amedjonekou (2019), who pinpointed that increasing awareness of the perceived usefulness of a technology can increase adoption rates.

The other intervention noted is the creation of favorable policies for sustainable finance and investment. Essentially, the presence of legal guidelines encourages the public to implement environment-oriented projects. The implication is that the majority of organizations would rather seek sustainable finance in compliance with government and trade regulations than voluntarily.

The interview findings revealed that humans respond to a set of rules and regulations, making the policy baseline for sustainable finance and investment a viable and feasible promotion strategy. For instance, the European Sustainable Finance Disclosure Regulation 2019/2088 (SFDR) directed investors to finance only sustainability-compliant companies, thus driving more organizations towards sustainable finance and investment practices (Schütze and Stede 2024). Further, the findings are consistent with the observations of Oxford Institute (2024) about the Chinese situation, whereby in 2023, a new regulation directed all car manufacturing companies to ensure 18% of their cars were electric, leading to an increase in sustainable finance and investment practice in the country. In this regard, organizations require an external force to propagate the goals for sustainable finance through guidelines, monitoring, and rewards. Similarly, the interview results revealed that policy minus enforcement measures is ineffective in promoting the implementation of sustainable finance.

Chapter Summary

The discussion revealed that sustainable financing can improve the profitability of businesses because it can attract more customers who are conscious of environmental issues and lead to higher sales. Moreover, it was noted that sustainable investments motivate innovation, such as research into affordable electric cars, which ensures consumers can obtain more product options. However, one challenge of sustainable financing is greenwashing, in which companies engage in unethical practices when they report ESG scores and figures on sustainable financing. As such, one strategy for promoting sustainable financing is creating enforceable policies to improve transparency.

VI. CONCLUSION

Conclusion

This paper aimed to explore the concept of sustainable finance and how related sustainable investment decisions promote the transition toward green products. A mixed method was considered, in which 37 participants were sampled and engaged in interviews and surveys. The results obtained adequately addressed the aim and objectives of the research. The research aim on sustainable finance practices was addressed by results showing that current practices included avoiding investing in fossil fuel companies, considering ESG reports before investing, and prioritizing sustainable financing. The first objective on sustainable finance benefit was addressed by results indicating that it increased firms' profitability and innovation practices. Essentially, the decision to pursue sustainable products and services positively influences the organizational image of ESG, a global trend among governments and consumers. Notably, environmental conservation and sustainability are the primary goals of sustainable finance but are associated with substantial performance benefits for the respective organizations.

The second research objective, which examined the challenges of sustainable finance, was addressed by findings that revealed persistent issues such as greenwashing, lack of transparency, and inconsistent ESG reporting standards. Participants noted that some organizations deliberately misrepresented their sustainability initiatives, which not only misled investors and consumers but also weakened the credibility of sustainable finance as a whole. This observation underscores the need for standardized ESG metrics and stricter regulatory frameworks to prevent deceptive practices and ensure that sustainability claims are verifiable and reliable.

The third research objective, which explored strategies to promote sustainable finance, was addressed through findings highlighting the critical role of governments and policymakers. Regulatory interventions, such as favorable tax incentives, stricter ESG disclosure requirements, and subsidies for renewable energy projects, were identified as key drivers for accelerating the transition toward green products and services. However, the findings also suggest that policy alone is insufficient without active collaboration



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among stakeholders, including private investors, financial institutions, and non- governmental organizations, to create a robust ecosystem that supports sustainable finance.

Implications

• For Firms:

The findings suggest that organizations can achieve long-term profitability and innovation by embedding sustainable finance and ESG practices into their core business strategies. Companies that invest in sustainable products and green technologies not only enhance their market image but also gain a competitive advantage by aligning with the growing consumer preference for environmentally responsible brands.

• For Investors:

The study indicates that investors play a critical role in shaping the sustainability agenda. A heightened awareness of ESG performance metrics enables investors to make informed decisions, directing funds toward organizations with genuine sustainable practices. This research highlights the need for investors to critically assess ESG disclosures and avoid being misled by inconsistent or unverified sustainability claims.

• For Policymakers and Authorities:

The results underscore the importance of developing and enforcing robust policies that incentivize sustainable investment. Policies such as tax benefits, subsidies for renewable projects, and mandatory ESG disclosures can motivate both organizations and investors to prioritize sustainability.

• For Customers:

Consumers are increasingly powerful in driving sustainable finance by favoring green products and services. The research suggests that greater public awareness campaigns can strengthen this consumer-driven demand, which, in turn, compels companies to adopt environmentally responsible practices.

• For Academia and Future Research:

This study contributes to the growing body of knowledge on sustainable finance by offering empirical insights into its benefits, challenges, and promotion strategies. The findings highlight the need for further research into causal relationships between sustainable finance initiatives and long-term financial performance, as well as sector-specific studies to better understand industry variations.

Limitations

• Sample Size

The research involved a relatively small sample, which limited the generalizability of the results. Although the study included top managers with extensive experience in sustainable finance and investment, the findings may not fully represent broader industry perspectives.

Stakeholder Action: Future researchers should involve a larger and more diverse pool of participants, including mid-

level managers, investors, and policy makers, to enhance the reliability and representativeness of results.

• Limited Scope of Analysis

The study did not explore causal relationships between variables (e.g., how specific sustainable finance strategies directly affect profitability or innovation). Instead, it provided a foundational understanding of trends and challenges in sustainable finance.

Stakeholder Action: Researchers can conduct longitudinal or experimental studies to establish causality, while companies can collaborate in data sharing to facilitate more in-depth studies.

• Reliance on Managerial Insights

The findings are based primarily on the perspectives of company managers, which may not fully capture the views of other stakeholders such as employees, customers, or investors.

Stakeholder Action: Future studies should incorporate multi-stakeholder perspectives, using surveys and focus groups with customers and investors, to gain a holistic view of sustainable finance practices.

Recommendations

Future studies should consider testing the degree to which promotional strategies and challenges influence the implementation of sustainable finance and investment in organizations. The expected outcomes will help identify areas of emphasis to encourage the global transition towards green products. Additionally, future research should test the link between environmental conservation scores, such as GHG levels, and sustainable finance and investment practices. The potential outcome will serve as a motivation for stakeholders to embrace sustainable finance and investment.

For practical application, the research recommends the development of suitable policies and guidelines for green production to encourage sustainable finance and investment. Essentially, investors should be directed to finance only sustainable projects, and organizations should be penalized for breaching the bare minimum of sustainable production and operations. Additionally, lessons on sustainability and sustainable finance are necessary to improve public awareness. The knowledge is essential for influencing consumer behavior toward green products, which drives organizations toward green practices and innovations. At the same time, educating investors and organizations on sustainable finance will increase understanding of the business model concerning profitability, returns, and other benefits for informed decision-making.

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