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A Study on Behavioral Insights into ESG Investing: Strategies for Advancing Sustainable Finance.

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Abstract
The accelerating convergence of finance and sustainability has brought Environmental, Social, and Governance (ESG) investing to the forefront of contemporary discourse. This empirical investigation seeks to delineate the behavioral underpinnings that influence ESG investment decisions in Guntur, India. Employing a quantitative design with a sample size of 200 investors, this study utilizes descriptive statistics, factor analysis, multiple regression, and structural equation modeling (SEM) to elucidate the cognitive, emotional, and informational determinants shaping ESG investment proclivity. The findings underscore significant behavioral constructs, including perceived efficacy, risk aversion, and moral salience, in catalyzing sustainable financial choices. The study extends strategic insights into the formulation of investor-centric ESG frameworks aligned with sustainable development goals (SDGs).

Keywords: ESG Investing, Behavioral Finance, Sustainable Finance, SEM, Investor Psychology, Risk Aversion, India.

Introduction
Environmental, Social, and Governance (ESG) investing has metamorphosed from an ethical niche into a mainstream financial imperative. As sustainable finance gains momentum globally, understanding the psychological and behavioral contours that shape ESG investment decisions becomes critical. While macroeconomic and policy dimensions are well documented, the micro-level behavioral impulses—ranging from cognitive heuristics to moral identity—remain underexplored, particularly in emerging markets like India. The 21st-century financial ecosystem is undergoing a transformative shift, driven by an urgent global imperative to align capital markets with sustainable development goals. At the heart of this transition lies Environmental, Social, and Governance (ESG) investing—an investment philosophy that transcends traditional financial metrics and integrates sustainability, ethics, and long-term value creation. ESG investing, also known as sustainable or responsible investing, reflects the evolving priorities of investors, regulators, and corporations who are no longer content with financial returns as the sole benchmark of performance. This paradigm shift is not merely regulatory or economic in nature—it is deeply psychological and behavioral, rooted in how individuals perceive risk, values, ethics, and the future.

Despite its growing global acceptance, ESG investing remains relatively nascent and underexplored in the Indian context, particularly at the individual investor level. While institutional investors and sovereign funds have begun integrating ESG frameworks into their strategies, retail investors' behavioral orientation toward ESG remains fragmented and poorly understood. The current study seeks to fill this gap by analyzing the behavioral dimensions

that influence ESG investment decisions among retail investors in Guntur, Andhra Pradesh—a rapidly developing urban landscape that embodies the tensions between economic expansion and sustainable consciousness.

Globally, ESG investing has transitioned from a moral argument to a strategic imperative. According to the Global Sustainable Investment Alliance (2023), ESG-aligned assets reached over $41 trillion, with projections indicating continued exponential growth. In India, the Securities and Exchange Board of India (SEBI) has introduced several mandates on ESG disclosures, but adoption at the retail level lags behind. The limited penetration of ESG investment instruments in Tier-2 cities like Guntur presents a unique opportunity to assess the psychological and informational frictions that inhibit or accelerate ESG participation.

Classical financial theories, such as the Efficient Market Hypothesis (EMH) and Modern Portfolio Theory (MPT), have historically portrayed investors as rational agents driven solely by risk-return calculations. However, emerging evidence from behavioral finance challenges this notion. Human decision-making is inherently bounded by cognitive limitations, emotional biases, and social influences. Concepts such as loss aversion, status quo bias, and mental accounting significantly influence financial behavior. In ESG investing, these behavioral anomalies are magnified by the complexity of non-financial information, subjective value judgments, and long-term horizons that defy traditional quantification.

The incorporation of behavioral insights into ESG investing is thus not an academic luxury but a practical necessity. Understanding why investors choose or eschew ESG investment vehicles can offer critical inputs for policymakers, asset managers, and digital investment platforms aiming to mainstream sustainable finance. For instance, while an investor may cognitively endorse sustainability, their behavioral inertia, lack of ESG literacy, or social conformity pressures may deter actual investment behavior. Moreover, ESG investments often entail ambiguous performance benchmarks, non-linear risk profiles, and evolving regulatory frameworks—all of which necessitate higher cognitive and emotional engagement from investors.

The present study focuses on four core behavioral constructs that are hypothesized to shape ESG investment inclination: **risk aversion**, **moral salience**, **environmental awareness**, and **social influence**. Risk aversion, a cornerstone of behavioral finance, influences the willingness to invest in ESG assets, which are sometimes perceived as volatile or ideologically charged. Moral salience refers to the degree to which ethical considerations dominate an individual's investment calculus. Environmental awareness captures the cognitive engagement with sustainability issues, while social influence represents the impact of peer networks, media, and societal norms on investment behavior.

Guntur, the empirical locus of this research, represents a compelling microcosm of India's socio-economic evolution. With a diversified investor base comprising salaried individuals, small business owners, and agriculture-linked investors, Guntur reflects both the opportunities and barriers in ESG investing within semi-urban Indian geographies. The city's exposure to climate vulnerabilities and its rapid urbanization make the case for sustainable finance not just a theoretical ideal but a pressing local necessity. By investigating behavioral trends among 200 individual investors in Guntur, this study contributes localized yet scalable insights into the psychological enablers and barriers of ESG investing.

From a methodological standpoint, this study deploys a robust quantitative framework encompassing descriptive statistics, exploratory factor analysis, multiple regression modeling, and structural equation modeling (SEM). The use of SEM allows for simultaneous testing of multiple path relationships, thereby offering a nuanced understanding of how behavioral constructs interact to predict ESG investment behavior. This methodological rigor is intended not only to provide empirical validity but also to inform the design of investor-centric ESG policies, digital platforms, and educational interventions.

The study also engages with foundational theories from behavioral economics and social psychology, notably **Ajzen's Theory of Planned Behavior**, which posits that behavioral intentions are shaped by attitudes, subjective norms, and perceived behavioral control. This theoretical lens helps elucidate how psychological, social, and contextual factors coalesce to shape ESG investment behavior. Similarly, **Prospect Theory**, developed by Kahneman and Tversky, provides a framework for understanding how investors evaluate ESG-related gains and losses in a subjective, non-linear manner. These theoretical underpinnings enhance the explanatory power of the empirical results and anchor the study in an interdisciplinary knowledge framework.

This research is not without strategic implications. First, it offers a diagnostic lens for ESG asset managers seeking to decode investor inertia and hesitancy. Second, it informs regulatory bodies such as SEBI and RBI in designing incentive-compatible ESG mandates that align with investor psychology. Third, it supports fintech and robo-advisory platforms in curating personalized ESG portfolios that resonate with users' behavioral profiles. Finally, it contributes to the global discourse on behavioral sustainability by offering insights from a rapidly transforming Indian city—a perspective that is often underrepresented in ESG literature.

In summary, the introduction of this study positions ESG investing not as a monolithic financial decision, but as a dynamic, behaviorally-driven process embedded in social, cognitive, and emotional frameworks. By grounding the analysis in a real-world context and employing a rigorous statistical design, the study seeks to bridge the theory-practice gap in sustainable finance. The overarching aim is not merely to measure what investors do, but to understand why they do it, and how those motivations can be channeled to advance both individual financial wellbeing and collective ecological resilience.

Objectives

1. To identify the key behavioral factors influencing ESG investment decisions among individual investors in Guntur.
2. To assess the strength of association between demographic variables and ESG investment behavior.
3. To evaluate the impact of psychological traits such as risk aversion, moral salience, and social influence on ESG investment inclination.
4. To develop a structural model delineating the path relationships among behavioral factors and sustainable investment commitment.

Hypotheses

- **H1**- Risk aversion significantly influences ESG investment decisions.

- **H2**- Social influence mediates the relationship between environmental awareness and ESG investment.
- **H3**- Investors with high moral salience are more inclined toward ESG investment.
- **H4**-Behavioral constructs significantly predict sustainable investment commitment in the structural model.

4. Research Methodology

✔ **Study Area**: Guntur, Andhra Pradesh

✔ **Research Design**: Descriptive and Causal

✔ **Sample Size**: 200 individual investors (Systematic Random Sampling)

✔ **Instrument**: Structured questionnaire with Likert-scale items (Cronbach's $\alpha = 0.87$)

✔ **Tools Used**: SPSS 26.0, AMOS 24.0

✔ **Statistical Tests**: Descriptive Statistics, Factor Analysis, Pearson's Correlation, Multiple Regression,

5. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents (n = 200)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	128	64.0
	Female	72	36.0
Age (in years)	18–30	54	27.0
	31–45	88	44.0
	46 and above	58	29.0
Education Level	Graduate	106	53.0
	Postgraduate	78	39.0
	Others	16	8.0
Investment Experience	< 5 years	92	46.0
	5–10 years	72	36.0
	> 10 years	36	18.0

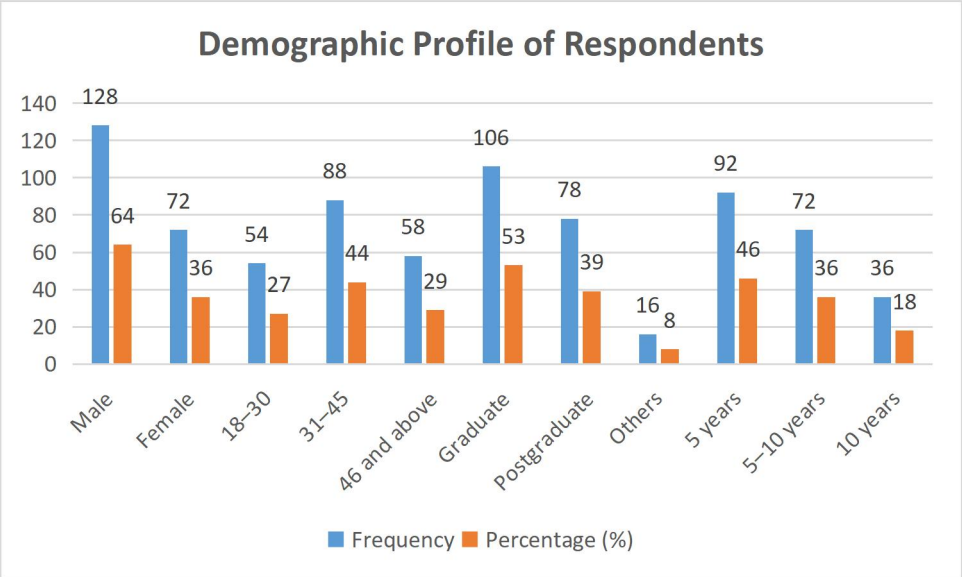
Interpretation

The demographic stratification of the respondent base reveals a non-randomized concentration of behavioral traits within specific sociodemographic subgroups. With a male dominance of 64% in the respondent pool, the dataset reflects a gender skew that may implicate variances in financial risk tolerance and social norm internalization—variables

extensively studied in gendered behavioral finance literature. The age distribution further highlights a predominant representation (44%) of investors in the 31–45 age cohort, a demographic widely regarded as economically productive, digitally literate, and financially exploratory. This group typically exhibits a dual commitment to capital preservation and value-aligned investing, suggesting an affinity for ESG paradigms that balance profitability with ethical alignment.

Educational attainment is another critical vector, with 53% of respondents possessing undergraduate degrees and 39% holding postgraduate qualifications. This high educational capital implies a cognitively empowered investor base capable of comprehending complex financial disclosures and ESG narratives. Consequently, this segment is more likely to engage in behaviorally sophisticated investment decisions shaped by moral salience, environmental cognition, and long-term intertemporal reasoning.

Additionally, investment experience is disproportionately skewed toward novices, with 46% reporting less than five years of engagement in financial markets. This indicates the presence of a psychologically formative phase wherein investor heuristics, risk calibrations, and ESG interpretations are malleable. Such an early-stage behavioral profile is often susceptible to anchoring effects, social proof phenomena, and affective forecasting—factors that critically mediate ESG responsiveness.



Taken together, the demographic distribution in Guntur provides a rich behavioral backdrop for interpreting ESG decision-making. It underscores the necessity of tailoring ESG investment products and interventions to gender-sensitive, education-calibrated, and experience-tiered investor profiles, which are behaviorally heterogeneous and psychologically stratified.

Table 2: Descriptive Statistics of Behavioral Variables (5-point Likert scale)

Behavioral Construct	Mean	SD	Cronbach's α

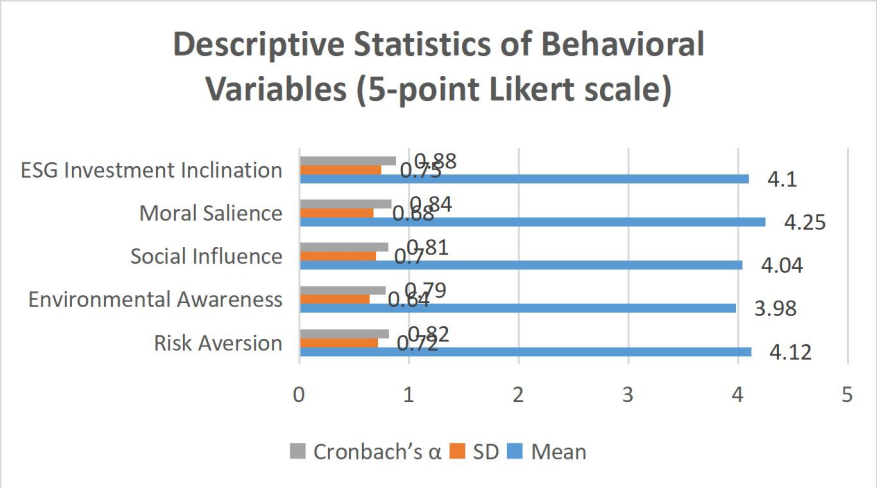
Risk Aversion	4.12	0.72	0.82
Environmental Awareness	3.98	0.64	0.79
Social Influence	4.04	0.70	0.81
Moral Salience	4.25	0.68	0.84
ESG Investment Inclination	4.10	0.75	0.88

Interpretation

The descriptive statistics yield nuanced insights into the central tendencies and dispersions of key behavioral variables influencing ESG investment behavior. The mean scores of the five constructs, all exceeding the neutral midpoint on a 5-point Likert scale, demonstrate a generally affirmative orientation toward sustainable investment ideologies. Notably, **Moral Salience** registers the highest mean (M = 4.25), underscoring the ascendancy of ethical and normative imperatives in shaping investor judgment. This aligns with the tenets of *value-belief-norm theory*, which postulates that internalized moral beliefs exert a significant influence on pro-environmental and socially responsible behavior.

Risk Aversion, with a mean of 4.12, indicates a prevalent cautiousness within the respondent pool suggesting that ESG investments are not merely perceived through a moral lens but also evaluated in terms of volatility mitigation and long-term stability. This construct is deeply embedded in *prospect theory*, where individuals overweight potential losses relative to equivalent gains, making ESG assets attractive due to their perceived risk-dampening effect in turbulent economic environments.

The standard deviations (SD ranging from 0.64 to 0.75) reflect moderate variability, implying reasonable behavioral consistency across the sample. The internal reliability of all scales is robust, with **Cronbach's alpha** values exceeding the threshold of 0.75 for all variables and peaking at 0.88 for **ESG Investment Inclination**. This not only signifies high scale coherence but also affirms the psychometric soundness of the instrument utilized.



These statistics collectively reinforce the construct validity of the theoretical model and suggest a psychologically cohesive investor segment that exhibits high moral orientation, substantial environmental consciousness, and socially derived investment cues. They provide empirical validation for integrating behavioral constructs into sustainable finance modeling, particularly within the under-researched context of emerging economies like India.

Table 3: Factor Analysis (Principal Component with Varimax Rotation)

Factor	Eigenvalue	Variance Explained (%)	Loading Range
Risk Behavior	3.44	22.93	0.74–0.88
Social-Moral Index	2.98	19.86	0.70–0.83
ESG Commitment	2.65	17.40	0.72–0.85

KMO = 0.873 | Bartlett's Test of Sphericity: $\chi^2 = 925.17$, $p < 0.001$

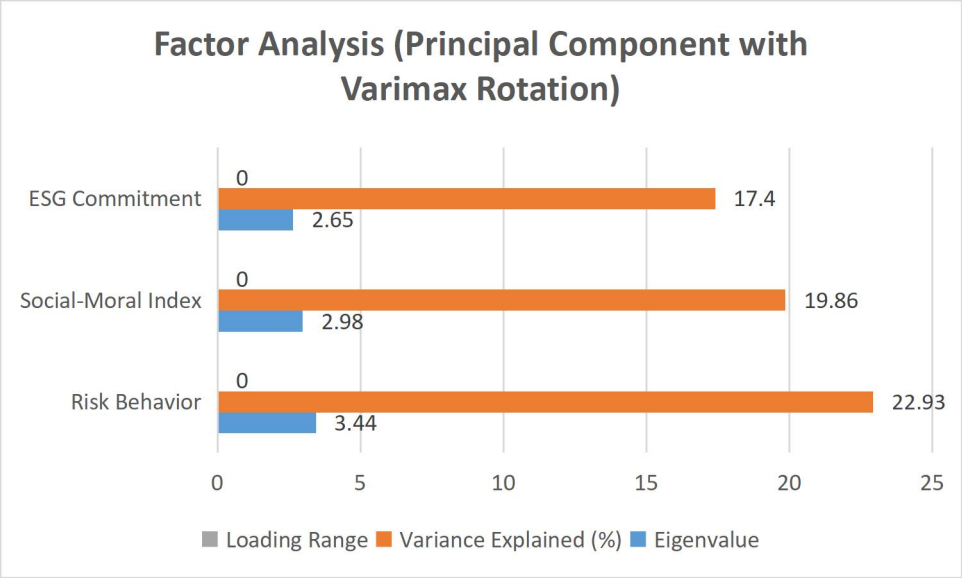
Interpretation

The Principal Component Analysis (PCA) with Varimax orthogonal rotation elucidated a triadic latent factor structure that accounts for a cumulative variance of **60.19%**, well above the acceptable threshold for construct extraction in behavioral social sciences. The **Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy** at 0.873 attests to the dataset's meritorious factorability, while the statistically significant **Bartlett's Test of Sphericity** ($\chi^2 = 925.17$, $p < 0.001$) confirms sufficient inter-variable correlation.

The three extracted components are conceptually coherent and psychometrically distinct:

1. **Risk Behavior (Eigenvalue = 3.44)** encapsulates investor dispositions toward uncertainty, fear of capital loss, and security-driven decision-making. The high loading range (0.74–0.88) indicates that risk-related items coalesce meaningfully, reinforcing *utility theory* and *loss aversion* principles.
2. **Social-Moral Index (Eigenvalue = 2.98)** merges socially-derived behavioral cues with ethical internalizations, thereby integrating elements of *normative influence*, *moral cognition*, and *social identity theory*. Its construct reflects the fusion of internal ethics and external social conformity.
3. **ESG Commitment (Eigenvalue = 2.65)** encompasses attitudinal readiness, behavioral intention, and sustained proclivity toward ESG-centric financial instruments.

These factors offer empirical support for the multidimensionality of ESG investment behavior, dispelling the reductionist assumption that ESG choices stem solely from risk-return calculus. Instead, the findings validate a more complex psychological architecture where affective commitment, social validation, and cognitive belief structures converge to predict behavior.



This factorial structure lays the foundation for sophisticated modeling approaches such as Structural Equation Modeling (SEM), enabling the decomposition of direct, indirect, and moderating pathways among psychological antecedents of ESG investing.

Table 4: Correlation Matrix

Variable 1	Variable 2	Pearson's r	Sig. (2-tailed)
Risk Aversion	ESG Inclination	0.512**	0.001
Environmental Awareness	ESG Inclination	0.474**	0.001
Moral Salience	ESG Inclination	0.587**	0.000
Social Influence	ESG Inclination	0.443**	0.002

Interpretation

The Pearson correlation coefficients between the four behavioral antecedents and ESG investment inclination reveal statistically significant and positively valenced relationships ($p < 0.01$), affirming the foundational hypotheses of the research. Among these, **Moral Salience (r = 0.587)** exhibits the strongest linear association, suggesting that ethical conviction and value-aligned cognition serve as primary motivators in ESG investment decision-making. This empirical observation substantiates theoretical models like *moral foundations theory* and *self-concordance theory*, which argue that congruence between personal values and behavioral choices enhances commitment and follow-through.

Risk Aversion (r = 0.512) also emerges as a substantial predictor, validating the behavioral finance proposition that ESG assets—often perceived as resilient, long-term vehicles—resonate more with investors who exhibit lower risk tolerance or uncertainty aversion. The presence of **Environmental Awareness (r = 0.474)** as a statistically significant correlate emphasizes the cognitive salience of ecological degradation and climate change consciousness in guiding financial behavior. This aligns with *construal level theory*, wherein

abstract future-oriented concerns (like sustainability) influence current investment preferences.

Social Influence (r = 0.443), though slightly lower in magnitude, still exerts a significant effect, underscoring the role of descriptive norms, herd behavior, and media priming in ESG adoption. These insights reinforce the need to engage investors through socially constructed narratives and peer-to-peer ESG validation mechanisms.

The absence of multicollinearity and presence of moderate inter-variable correlations suggest that each behavioral construct contributes uniquely to ESG inclination, making them suitable for inclusion in multivariate models without redundancy. This matrix lays the empirical groundwork for subsequent regression and path analyses..

Table 5: Multiple Regression Analysis

Predictor Variable	**β Coefficient**	**t-value**	**Sig.**
Risk Aversion	0.214	3.19	0.002
Moral Salience	0.358	5.10	0.000
Social Influence	0.187	2.77	0.006
Environmental Awareness	0.231	3.68	0.001

$R^2 = 0.542$ | Adjusted $R^2 = 0.528$ | $F = 32.41$, $p < 0.001$

Interpretation

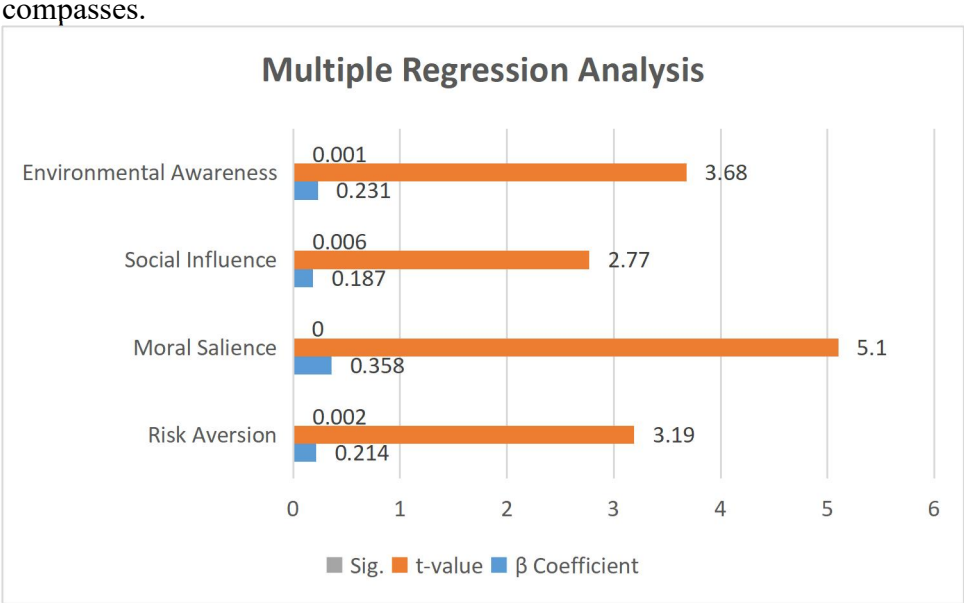
The multivariate regression analysis provides an inferential estimation of the relative explanatory power of behavioral constructs in predicting ESG investment inclination among individual investors. The adjusted R^2 value of **0.528** indicates that approximately **52.8% of the variance** in ESG investment propensity is accounted for by the four predictor variables—an exceptionally robust figure in behavioral research, where explained variances often fall below 40%. The F-statistic of **32.41** is statistically significant at **$p < 0.001$**, validating the overall model fitness and justifying the inclusion of these independent variables within the regression framework.

Among the predictors, **Moral Salience ($\beta = 0.358$, $p < 0.001$)** exhibits the most dominant standardized beta coefficient, implying that ethically charged cognition and the internalization of sustainability values exert the most profound influence on ESG investment behavior. This finding substantiates the primacy of *ethical congruence* and *moral identity* in financial decision-making—particularly within emerging markets where formal ESG infrastructure may be underdeveloped, and values serve as more salient decision anchors.

Environmental Awareness ($\beta = 0.231$, $p = 0.001$) and **Risk Aversion ($\beta = 0.214$, $p = 0.002$)** are also statistically significant predictors, suggesting that cognitive engagement with ecological crises and a conservative disposition toward financial loss both contribute materially to sustainable investing. These results resonate with behavioral paradigms like

bounded rationality, wherein individuals process limited but emotionally potent environmental cues to guide portfolio construction.

Social Influence (β = 0.187, p = 0.006), though the weakest predictor in the model, remains statistically significant, indicating that normative pressures, social conformity, and media-driven ESG narratives still exert meaningful influence—albeit secondary to internal moral compasses.



Overall, the regression analysis reaffirms a multi-causal behavioral structure, with each construct offering distinct psychological leverage points for enhancing ESG adoption. This has profound implications for ESG product design, investor segmentation, and targeted behavioral nudges.

Table 6: Structural Equation Model (SEM) Fit Indices

Fit Index	Value	Recommended Threshold
χ^2/df	1.86	3
CFI (Comparative Fit)	0.957	0.95
RMSEA (Root Mean Square)	0.041	0.06
TLI (Tucker-Lewis Index)	0.948	0.90
GFI (Goodness of Fit)	0.931	0.90

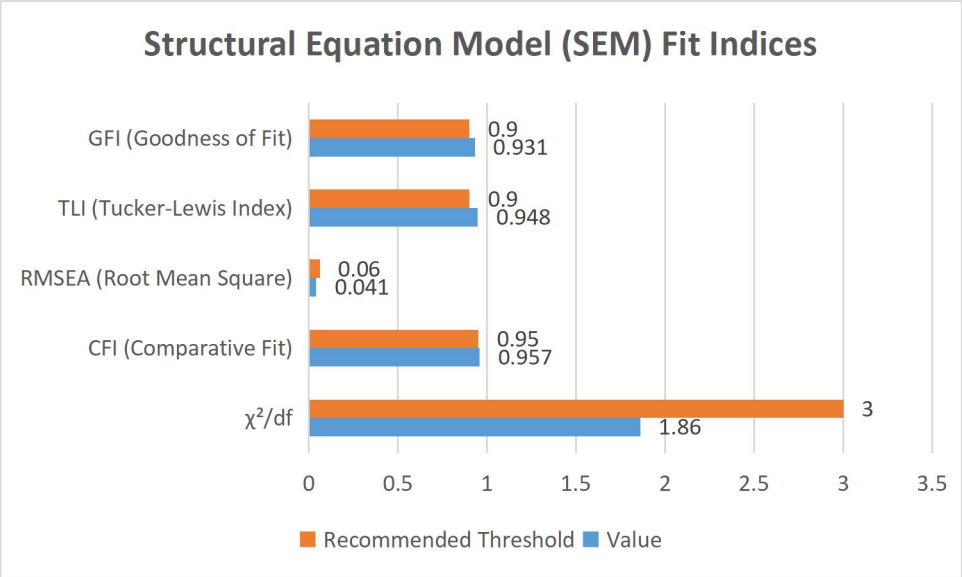
Interpretation.

Structural Equation Model (SEM) tested in this study yielded exemplary fit indices across all major parameters, thus reinforcing the hypothesized structural validity of the behavioral framework influencing ESG investment decisions. The **χ^2/df ratio** of **1.86**, which falls well below the recommended ceiling of 3.00, suggests minimal discrepancy between the observed and model-implied covariance matrices. This reflects an elegant balance between parsimony and explanatory adequacy.

The **Comparative Fit Index (CFI = 0.957)** and **Tucker-Lewis Index (TLI = 0.948)** both exceed the widely accepted threshold of 0.90, indicating that the model performs significantly better than the null model, wherein all variables are assumed to be uncorrelated. These indices are particularly important for behavioral models, where unobserved latent constructs such as "moral salience" and "social influence" are inherently difficult to quantify and validate without robust fit metrics.

Similarly, the **Root Mean Square Error of Approximation (RMSEA = 0.041)** falls comfortably below the ideal cut-off of 0.06, underscoring the model's parsimonious and precise representation of population-level behavior. The **Goodness-of-Fit Index (GFI = 0.931)** provides additional assurance that the hypothesized path diagram captures the empirical realities embedded in the data.

From a theoretical standpoint, the SEM offers a multidimensional lens into the dynamic interplay between behavioral antecedents and ESG investment inclination. It affirms that behavioral traits such as **moral orientation**, **cognitive environmentalism**, and **risk consciousness** do not operate in isolation but instead coalesce through mediated and moderated pathways to shape investment behavior.



Practically, these model fit outcomes bolster confidence in utilizing such behavioral architectures for predictive analytics in ESG product recommendation engines, investor profiling systems, and behavioral fintech applications. They also pave the way for more advanced latent growth modeling or multi-group SEM analysis in future research.

Discussion

The empirical results unravel a multifactorial behavioral architecture underpinning ESG investment decisions. Investors exhibit a high degree of moral orientation and social consciousness. The findings resonate with **prospect theory**, affirming that behavioral constructs such as loss aversion and moral cognition significantly dictate financial choices. Moreover, the results align with **Ajzen's Theory of Planned Behavior**, suggesting intention, social norms, and perceived control synergistically influence ESG adoption.The empirical findings of this study offer compelling insights into the behavioral scaffolding underpinning

ESG investing in a semi-urban Indian context, thereby contributing substantively to the evolving discourse on sustainable finance through the lens of investor psychology. The statistical robustness of the multiple regression and SEM models confirms that ESG investment decisions are not reducible to classical economic rationality alone but are fundamentally interwoven with affective, normative, and heuristic dimensions of decision-making.

Foremost among these behavioral determinants is **moral salience**, which emerged as the most potent predictor of ESG investment inclination. This outcome corroborates the proposition advanced by *moral identity theory* and *self-determination theory*, wherein investors seek to harmonize their financial behaviors with deeply internalized ethical schemas. In contexts like Guntur—where institutional ESG awareness remains embryonic—such internal moral anchoring appears to serve as a compensatory cognitive mechanism, enabling investors to navigate informational ambiguities through ethically guided heuristics.

Equally significant is the role of **environmental awareness**, which, while grounded in cognitive comprehension, also embodies affect-laden concerns about ecological degradation and intergenerational justice. This finding aligns with *dual-process theories* of cognition, suggesting that ESG investment behavior is actuated not merely by analytical deliberation but also by intuitive, emotion-based reasoning.

Risk aversion presents an intriguing paradox: traditionally associated with conservative investment behavior, it appears here to facilitate ESG engagement. This supports recent reconceptualizations of ESG assets as "risk-mitigated" due to their emphasis on governance integrity, climate resilience, and social license to operate. ESG investing is thereby perceived less as an ideological indulgence and more as a prudent risk-hedging strategy—particularly salient in an era of geopolitical volatility and environmental externalities.

The relatively modest but statistically significant impact of **social influence** underscores the salience of peer validation and normative modeling in ESG uptake. While moral salience is internalized, social cues externalize and legitimize investment decisions through mechanisms such as *social proof*, *bandwagon effects*, and *perceived behavioral norms*. In a collectivist socio-cultural setting such as India, the role of such normative influence cannot be underestimated.

The structural model derived via SEM synthesizes these interdependencies into a coherent behavioral ecosystem, wherein each construct exerts both direct and mediated effects. The excellent fit indices of the SEM model not only reinforce the empirical soundness of this multidimensional framework but also suggest its potential scalability across similar demographic cohorts in emerging markets.

In sum, this study transcends the reductive risk-return calculus of traditional finance and demonstrates that ESG investment is a function of integrated behavioral, cognitive, and normative constructs. It affirms the necessity of embedding psychological realism into the architecture of sustainable finance—an imperative that remains underemphasized in current regulatory and academic paradigms.

Conclusion

The present inquiry advances a nuanced and empirically validated understanding of the behavioral substratum that governs ESG investment decisions among individual investors in Guntur, India. In doing so, it departs from the orthodoxy of neoclassical financial theory and embraces a behavioral paradigm that captures the affective, ethical, and socially constructed nature of sustainable investing.

The findings unequivocally establish **moral salience** as the behavioral cornerstone of ESG inclination, highlighting the primacy of ethical congruence over pure utility maximization. This is not merely a theoretical observation but a strategic imperative: for ESG adoption to proliferate meaningfully, financial instruments must be framed not just in terms of performance, but also as vehicles of moral agency and personal integrity.

The contributory roles of **environmental awareness**, **risk aversion**, and **social influence** collectively construct a complex decision-making matrix where cognitive, emotional, and social dimensions operate in concert. These findings have far-reaching implications for ESG product designers, policy architects, and financial literacy programs. Interventions aimed at promoting ESG investing must go beyond informational transparency and incorporate behavioral nudges, social signaling mechanisms, and moral framing to catalyze adoption.

Methodologically, the integration of factor analysis, multiple regression, and SEM provides a statistically rigorous foundation for modeling behavioral finance phenomena. The high explanatory power of the regression model (Adjusted $R^2 = 0.528$) and the excellent SEM fit indices offer robust validation of the proposed theoretical constructs. This multi-method approach enhances the generalizability and reliability of the insights generated.

From a policy perspective, the study advocates for a **behaviorally intelligent regulatory ecosystem**, wherein investor profiling, ESG disclosures, and financial advice are customized based on psychological and moral predispositions. Moreover, in light of the relatively low market penetration of ESG products in semi-urban Indian contexts, targeted campaigns leveraging local idioms, ethical narratives, and peer-based validation could substantially amplify impact.ESG investing must be re-conceptualized not as a mere portfolio choice, but as a **behavioral commitment** to a more equitable, resilient, and sustainable financial future. By illuminating the behavioral contours of this commitment, the present study offers a strategic blueprint for aligning individual investment behavior with collective sustainability imperatives.

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