

Understanding Generation Z's Perspective on ESG (Sustainable Stocks)

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Abstract- *This study was conducted during an industry intern-ship to understand Generation Z's perspective on ESG (Sustainable Stocks) in India. The research focuses on the awareness, investment behaviour, and key factors influencing Gen Z's intention to invest in ESG stocks. Primary data were collected from 107 respondents aged 18–25 using a structured questionnaire. The study uses descriptive statistics, cross-tabulation, and inferential analysis techniques. The results show that Gen Z has a positive attitude towards sustainable in-vesting, but there is a clear gap between intention and actual investment. Personal values and financial knowledge influence decisions more than social pres-sure. The study highlights the need for better financial awareness and transparent ESG reporting.*

Keywords: *ESG, Generation Z, Sustainable Stocks, Sustainable Investing, India*

I. INTRODUCTION

This report documents a research project conducted alongside the On-the-Job Training (OJT) and The study investigates the investment attitudes and behaviours of Generation Z (Gen Z) in India towards Environmental, Social, and Governance (ESG) stocks.

Globally, Millennials and Gen Z are recognized as key drivers of sustainable investing, as they prefer investments that match their values. However, the Indian context is different because of its growing economy, young population, and emerging ESG ecosystem. While younger investors are believed to be more inclined toward sustainable investing, there is limited empirical evidence on Indian Gen Z investors.

This research aims to fill that gap by studying the behavioural factors behind Gen Z's perspective on ESG stocks.

The objectives of the study are:

1. To assess awareness and investment in ESG stocks among Gen Z.
2. To identify key factors influencing ESG investment intention.
3. To understand the importance of Environmental, Social, and Governance factors.
4. To provide insights for financial institutions and policymakers.

II. REVIEW OF LITERATURE

Younger investors are reshaping the investment landscape with their focus on sustainability and digital platforms. Studies show that Gen Z and Millennials share similar attitudes, and gender does not significantly influence sustainable investment behaviour.

There is a clear gap between interest in sustainable investing and actual participation. Many young investors support ESG values but hesitate to invest due to practical barriers such as lack of knowledge and perceived risks.

Research indicates that personal attitude and perceived behavioural control influence investment decisions more than social pressure. Financial literacy plays a major role in determining whether individuals invest in ESG stocks.

Gen Z also questions the authenticity of company sustainability reports, making transparency and trust important factors.

Hypotheses

- H1: Positive attitude towards ESG increases intention to invest.
- H2: Perceived control strengthens ESG investment

intention.

H3: Social pressure has less influence than personal values.

H4: Gen Z prioritizes the Social dimension over Environmental and Governance.

III. RESEARCH METHODOLOGY

The study uses a quantitative research design with a survey method.

Sample: 107 Gen Z respondents (18–25 years).

Data Collection: A 5-point Likert scale questionnaire measuring:

1. Demographics
2. Current investment behaviour
3. ESG investment intention
4. Attitude, perceived control, and social influence
5. Risk perception, financial knowledge, and media influence

Analysis Techniques:

1. Descriptive statistics
2. Cross-tabulation (Chi-square)
3. Correlation and regression analysis

IV. DATA ANALYSIS

Descriptive Analysis

1. 58.9% of respondents are currently investing.
2. 41.1% are not investing.
3. 40.2% invest in sustainable stocks.
4. 42.1% are moderately involved.
5. 17.8% do not invest in ESG stocks.

Key Drivers

Variable	Concept	Mean	Std. Dev.	Interpretation
V5	Willingness to Invest	3.51	1.07	Leaning towards agreement
V13	Caring for ESG	3.44	1.06	Neutral to positive
V9	Accept Lower Returns	3.36	1.06	Neutral
V15	Recommend ESG	3.85	1.09	Strong agreement

Cross-Tabulation

- Age vs Media Influence: Significant ($p = 0.025$).
- Age vs ESG Investment: Older Gen Z invest more.
- Gender vs ESG Investment: Not significant ($p = 0.986$).

Hypothesis Summary

1. H1: Supported
2. H2: Supported
3. H3: Not supported
4. H4: Inconclusive

V. FINDINGS & CONCLUSION

Findings

1. Gen Z is aware of ESG but invests less.
2. Values influence decisions more than trends.
3. Balanced concern across E, S, and G.
4. Age matters, gender does not.

Conclusion

Indian Gen Z shows strong interest in ESG investing but remains cautious. Financial education and

transparent reporting are needed to convert intention into action.

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