

An exploratory study on the Socially Responsible Investment (SRI) awareness among Chinese retail investors

Abstract: Using survey data from 655 Chinese retail investors, this article provides descriptive analyses of SRI awareness among investors and how it influences their SRI strategy decisions. A univariate analysis reveals that pro-social attitude and trade-off attitude on financial performance for social performance are two significant aspects to different investors with and without SRI screening strategies. Investors with more consequence-based ethical thinking and are more concerned about CSR issues are more likely to be socially responsible (SR) investors adopting screening strategies. SR investors are also more likely to sacrifice financial performance than conventional investors. Within the SR investors group, investors' different level of mastery in SRI knowledge influences their strategy decisions in choosing negative or positive-screening.

Keywords: socially responsible investment, investment strategy, human behaviour, SRI awareness

1. Introduction

Explaining human behaviour is difficult, especially in the context of socially responsible investment (SRI), where the investment involves a great deal of complexity in terms of concepts, terminology and legitimacy in traditional financial logic. The investment behaviour of SRI in the retail market is studied mainly by seeking answers on why investors are drawn to consider social, ethical, or environmental (SEE) criteria in investment decision-making. Previous literature provides answers to this question by profiling socially responsible investors according to their demographical features (Rosen et al., 1991, McLachlan and Gardner, 2004, Canal-Fernandez and Caso-Pardo, 2014, Bauer and Smeets, 2015, Rossi et al., 2019), describing their attitude of the trade-off between financial performance and social values (Lewis and Mackenzie, 2000, Rosen et al., 1991, McLachlan and Gardner, 2004, Valor et al., 2009, Derwall et al., 2005, Derwall et al., 2011, Berry and Yeung, 2013, Nilsson, 2009) and evaluating their ethical preferences for doing SRI (Nilsson, 2008, Sandberg and Nilsson, 2015)

Besides discussions on investors' attitudes and motivations related to SRI, researchers are

approaching from a psychological perspective to explain why investors conduct SRI. (Glac, 2009, Glac, 2012, Adam and Shauki, 2014, Busch et al., 2016). Glac (2009) discussed how decision frames influence investors' decision-making process by using manipulated experiments. Investors' engagement with SRI and willingness to sacrifice return for ethical value is different under different decision frames. By interviewing High Net Worth Individuals, Busch developed a theoretical framework based on the Theory of Planned Behaviour (TPB) (Ajzen 1991)¹ However, most of the research focused on predicting if investors are investing in SRI or not. Until now, no studies have discussed why investors choose to adopt or intend to use different strategies regarding SRI. Also, most of the papers regarding retail investors' decision-making processes are based on a developed SRI market. Limited research has been conducted in emerging markets, especially in the Chinese market. Therefore, this paper aims to firstly provide a descriptive analysis of Chinese retail investors regarding their SRI awareness, which includes five aspects, and secondly address the mechanism behind their SRI strategy decisions. A self-administrative online survey was conducted throughout different provinces in China among retail investors, and by using survey data from 655 of these investors, a univariant analysis was conducted to profile Chinese retail investors regarding their SRI awareness. In addition, a multinomial logistic regression was conducted to evaluate the significant factors that influence investors' strategy decisions.

The critical contribution of this paper is threefold. First, through our explorative survey, we provide a descriptive profile of Chinese retail investors and their understanding of SRI. We have constructed SRI awareness which includes five aspects related to SRI to provide a comprehensive understanding of SRI in the Chinese market. Second, we empirically analyse three investors' strategy intentions regarding SRI. This paper aims to reveal heterogenous influencers behind exclusionary(negative-screening), inclusionary(positive-screening) and non-inclusion approaches (traditional strategy). Thirdly, a theoretical framework has been built based on SRI awareness and existing literature to better understand Chinese retail investors and their behaviours related to SRI. In terms of SRI awareness, both financial materiality and social impact are the drives of incorporating socially

¹ The Theory of Planned Behaviour is a psychological theory linking beliefs to behaviours. Three attributes influence a human's intention of a specific behaviour: attitude, subjective norms and perceived behaviour control.

responsible (SR) information in their investment decisions. They are more willing to sacrifice financial return and reject corporations performing poorly in corporate social aspects. However, their SRI literacy is limited. The top concern of corporate social responsibility (CSR) is operation-related, such as production and corporate compliance of conduct. They rely more on government releases and research reports to gain SR information for decision-making. A multinomial logistic regression reveals that investors with a negative-screening strategy are more driven by social considerations than positive-screening investors and traditional investors. They are also generally more concerned about CSR than the other two groups of investors. Investors with higher literacy in SRI are more likely to adopt the positive-screening strategy. Traditional investors are less likely to sacrifice financial return for social value than the other two groups, and they are also less driven by social motives to do SRI.

The rest of the paper is organised as follows: section 2 provides a literature review of the current research on SRI investors' behaviours; Section 3 offers description regarding methodology. Section 4 reports findings of univariate analysis of SRI awareness followed by section 5 reports analyses on how different factors explain investors' strategy decisions. Section 6 provide discussion about results and section 7 concludes.

2. Literature Review

2.1 Literature on socially responsible investing behaviours regarding retail investors

Retail investors' SRI behaviour often evolved by answering a question: why do some investors do it and others do not? This question is being answered by firstly profiling these investors regarding their demographical differences (McLachlan and Gardner, 2004, Canal-Fernandez and Caso-Pardo, 2014), their attitude toward financial considerations of SRI (McLachlan and Gardner, 2004, Valor et al., 2009, Derwall et al., 2005), as well as their perceptions on SRI (Nilsson, 2008, Sandberg and Nilsson, 2015). Research to date has provided a picture of current individual investors who are engaged in SRI as young females with higher education and a certain degree of tolerance to returns when considering the social value of the investment. They are also more persistent in their SRI holdings and less sensitive to returns (Benson and Humphrey, 2008, Peifer, 2011, Marzuki and Worthington, 2015).

Due to the non-financial attributes of SRI, investors' behaviour towards SRI is also discussed from a pro-social perspective. (Beal et al., 2005, Nilsson, 2008). Several studies approach ethical consumerism and the symbolic consumption literature. A series of studies claim that investors consider SRI as more than an activity to manage wealth but also an expression of identity (Allen et al., 2000, Nilsson, 2007, Glac, 2009). Nilsson (2007) was one of the early works that addressed investors' behaviour from a consumer investment perspective. The paper built a theoretical framework that considered the non-financial part of SRI behaviour. The authors divided the influencing factors into pro-social and profit-oriented. The former includes attitudes regarding the issues addressed in SRI, trust in SRI, and perceived consumer effectiveness of SRI. The paper found that investors are not only interested in maximising their returns, but they are also concerned about environmental and social issues. Also, investors who believe their investments are making a difference in social, environmental and ethical problems invest more in SRI. Glac (2009) developed a theory of SRI decision-making by adopting cognitive literature. Her article developed two mental frames, respectively known as 'financial' and 'expressive' frames. Investors organise information and make judgements according to different frames they are holding. In her paper, the decision frames were manipulated through designed experiments rather than measured in real life. By separating respondents into financial and expressive frames, she found that they have a varied likelihood of engaging in SRI. The participants holding financial frames are less likely to choose the SRI and tolerate smaller returns for social value.

2.2 SRI Screening strategies

The screening approach, both inclusionary and exclusionary, indicates that investors would regard socially responsible information as another criterion in making investment decisions instead of only considering the risk-return profile of an investment.

Negative-screening strategy

Negative screening also known as avoidance or exclusionary strategy has an ethical origin. Religious investors bring avoidance doctrine into investment behaviours. Companies evolved with unethical conduct such as companies related to alcohol, gaming and tobacco industries are screened

out of portfolios. This avoidance prioritises SR criteria over the traditional return-risk dimension and contradicts the classical investment theory of the optimal portfolio with only systematic risks. The screening also makes investors avoid high-performance industries that do not meet the ethical principles of investors and thus weaken the overall portfolio's performance. Although this strategy seems contradictory to economic logic, investors' motivation for applying this strategy is viable by explaining investor behaviour as consumers' behaviour toward investment products. SR investments are viewed as an extension of identity (Glac, 2009, 2012). The avoidance is an expression of investors' moral integrity to keep the consistency of investors' ethical preferences within their investment activity. Investors seek moral purity by giving up a specific industry that is against their moral requirements (Sandberg and Nilsson, 2015).

Positive-screening strategy

Another screening method is actively choosing a target that performs better in socially responsible investment than does its peer groups. It is also known as inclusionary approach or supportive method. The SR information is applied actively with investors believing they are 'making differences'. It is a more challenging approach due to its requirement to evaluate who is more socially responsible and thus involves a higher degree of subjectivity (Berry and Junkus, 2013). According to classical portfolio theories (Markowitz, 1991), additional filtering procedures will incur more transaction costs and managerial fees, which make the portfolio underperformed compared to those without social screenings. However, it is a strategy aligned with stakeholder theory (Freeman, 2010). The theory argues that firms involved in positive social activities form competitive advantages compared to those who do not and thus generate profit in the long term. The instrumental illustration argues that SRI is viable in the traditional investment sense. Companies can obtain long-term benefits by improving environmental, social and governance aspects and maximising shareholder value (Goodpaster, 1991). The motivation of investors to apply this strategy can imply investors' pursuit of long-term profit or seek moral efficiency by actively investing in making the world a better place (Sandberg and Nilsson, 2015). Therefore, this strategy withholds possible long-term return-seeking goals and moral requirements for ethical efficiency.

Sandberg and Nilsson (2015) link SRI strategies with investors' ethical preferences. The paper found

that ethical choices can be separated into seeking moral purity or moral effectiveness. At the same time, investors have difficulty choosing one from the other. Investors' ethical preferences have been added to evaluate how they make SRI decisions. This paper provides theoretical support in decomposing each SRI strategy and linking them with investors' forms of thinking from a psychological perspective. It offers insightful segregation among ethical investors by their perceptions of ethical goals they would like to achieve from SRI. It clarifies how ethical investors are heterogeneous with each other according to their differentiated ethical preferences linked with varied strategies. When focused on each perspective separately, the paper found considerable support for the moral purity perspective in SRI. Their motivations to adopt the avoidance strategy is a mixture of seeking both moral purity and effectiveness, yet purity appeared to be their priority choice. Most investors believed that ethical funds could make the world a better place by influencing the investee firms. Investors agreed on some but not drastic return sacrifices for the pursuit of moral effectiveness, and the supportive strategy was surveyed as the most effective. When combining those survey answers, the paper concluded that investors faced dilemmas when choosing different strategies indicating their foggy stance between purity and effectiveness. Sandberg and Nilsson (2015) provide insights into how investors' ethical preferences influence SRI strategies.

Besides the exclusionary and inclusionary approach, the literature also discusses engagement strategy where investors use their ownership rights to influence corporate behaviour and steer it to a more socially responsible direction (Sparkes and Cowton, 2004). The strategy is also known as shareholder activism, where investors engage actively with firms to promote socially responsible conduct. However, this paper only discusses exclusionary and inclusionary strategies when analysing Chinese retail investors. Because these two are the most accessible strategy at the retail level, retail investors in China are relatively less active in shareholder activities.

3. Methodology

3.1 Survey design

This study focuses on firstly developing an understanding of Chinese retail investors and their awareness of SRI and secondly examining the factors that influence Chinese retail investors' SRI strategy intentions. An online- survey was designed and distributed around mainland China targeting

retail investors in different regions of China. In order to serve the above two purposes, the survey was designed to contain three parts. First, we used several questions to gain information on respondents' demographical characteristics and investment features. Then several questions are designed to gain a good understanding of the awareness of SRI including five aspects: investors' attitudes on the importance of socially responsible information, their willingness to sacrifice financial performance over non-financial attributions, their concerned issues regarding corporate social responsibility, their attitude on the reliability of different SRI information channels, and their familiarity of SRI related knowledge. Third, we designed a virtue question for respondents to reveal their decisions on different SRI strategies.

The starting point for our questionnaire is the survey from the Chinese sustainable forum. Our survey was developed based on the findings of the CIF survey and additionally designed with items focusing on explaining investors' intentions from a cognitive perspective. The final version of the survey consisted of 21 questions divided into two primary sections. Section one was about investors' basic information, including demographics and investment features. Section two was about investors' SRI awareness and SRI strategy. An internet-based survey instrument (Qualtrics) was used to improve the design of the format of the questions for more respondents friendly in order to increase the reply rate. The survey is reviewed by the ethical committee of the University of Strathclyde and all the respondents need to sign a consent form in order to participate in the survey.

3.2 Delivery and responses

Our survey was delivered by online platform which the University of Strathclyde authorises. A QR code or anonymous link was shared through the following two sources: a famous Chinese investment forum Xueqiu (<https://xueqiu.com/people>) and a Chinese social networking app (Wechat); there will be no payments, expenses, or other incentives. The survey aimed at distributing across all the provinces in mainland China to gain an overview of Chinese retail investors and their behaviours related to SRI. We distributed around 900 surveys in total. 871 responses were returned. After omitting those who did not sign the consent forms and those who answered less than 30% (6) of the total questions, there were 655 in the sample.

3.3 Sample characteristics and data issues

Fig.2 presents a summary information of the sample. The respondents consisted of fewer men (42.9%) than women (57.1%) (see Fig.2A). More than 2/3 of the respondents belonged to the age group of 31-50. The sample was well-educated with more than 80% of respondents holding an undergraduate degree or above. 15.2 percent of respondents were working in financial industry and 23.4 percent of the sample had oversea working or studying experience over a year (see Fig 2D and 2E). Majority of the respondents worked in state-owned enterprises (21.9%), government or related institutions (28.3%) and private-owned enterprises (20.9%) (see Fig 2F). The demographical information of respondents was associated with investors' different SRI strategy decisions in later analysis.

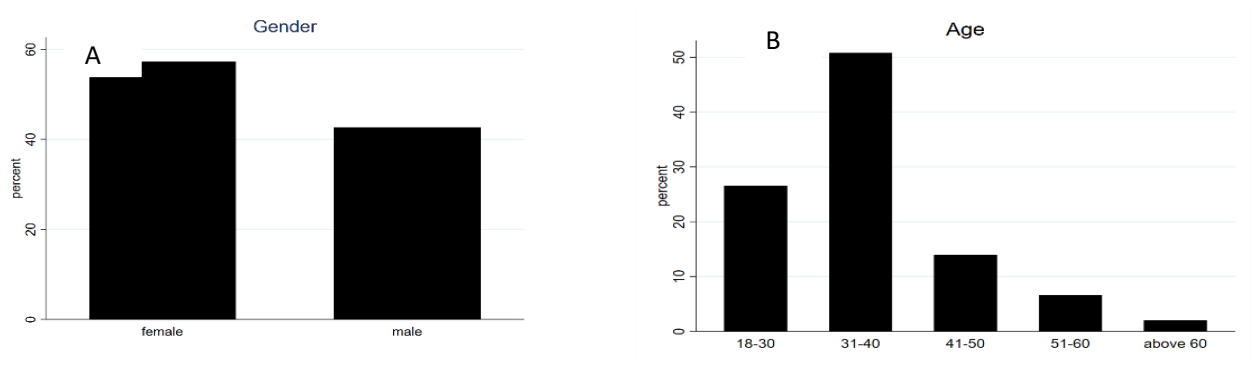
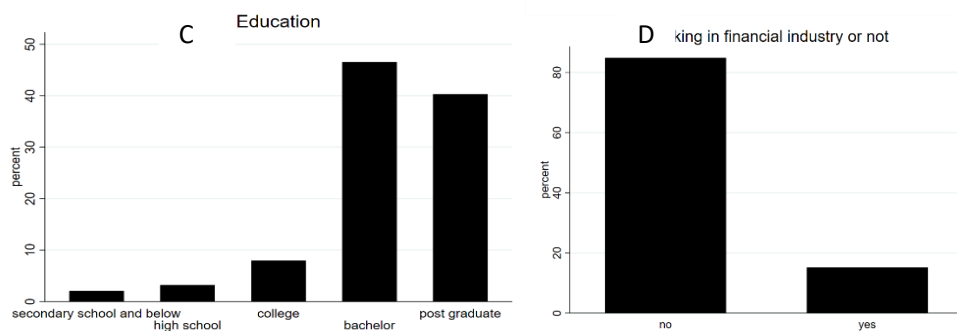


Fig.2 Sample characteristics based on the survey responses



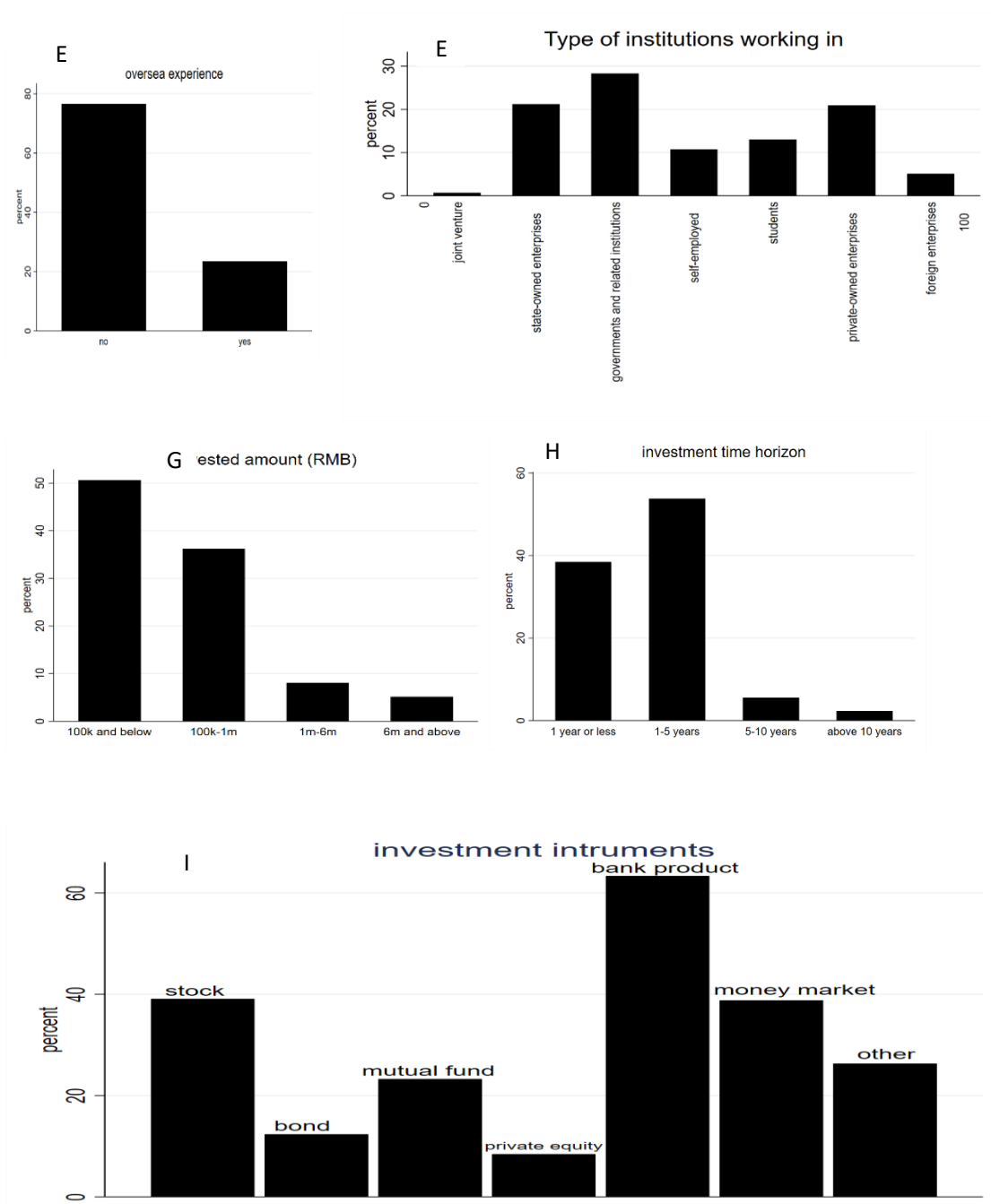


Fig.2 Sample characteristics based on the survey responses

Regarding the investment characteristics of the respondents, half of the investors had 100k RMB (roughly 12.5k in £) or below under investment. 36.1 percent of the investors invested 100k-1m RMB. 38.4% of the respondents invested within a year period and 53% invested in a 5- year horizon. In terms of the instruments investors applied, asset management products issued by banks were the instrument investors commonly used (63%, see Fig 2I), followed by stocks (39%) and money market products (38%). Below we perform univariate analyses on the survey responses regarding

five aspects of SRI awareness conditional on investors' demographical and investment features.

4. SRI awareness

The survey investigates investors' awareness regarding SRI, which includes the following five aspects, investors' attitudes on the importance of socially responsible information, their willingness to sacrifice financial performance over non-financial attributions, their concerned issues regarding corporate social responsibility, their attitude on the reliability of different SRI information channels, and their familiarity of SRI related knowledge. This section reports statistical results regarding those above aspects in order to provide a descriptive illustration of SRI awareness of different groups of Chinese retail investors. SRI awareness is linked with investors' demographical characteristics, investment features and their SRI strategy. In this section, we separate traditional investors from SR investors according to their strategies. Investors with a risk-return focused strategy is categorised as traditional investors, and investors with either a positive or negative screening strategy are categorised as SR investors. This section will provide a univariate analysis of how SRI awareness varied according to investors' demographics, investment features and their SRI strategy.

4.1 Attitude on socially responsible information

As a result, in the first part of our survey regarding SRI awareness, we asked whether investors consider socially responsible information in their investment process and their motivations behind it. Amel-Zadeh and Serafeim (2018) In their survey study of investment professionals, Amel-Zadeh and Serafeim (2018) show that socially responsible information is important in investment decision making and financial and ethical motivations are both mentioned to be important reasons to conduct SRI.

Table 1 reports our results regarding investors' rate of the importance of SR information and the reason why they think it is important. Respondents were asked to rate how important they think of socially responsible information when making investment decisions on a scale of 1 to 4 (1 meaning irrelevant, 2 meaning not important, 3 meaning important, 4 meaning very important). Respondents choose 3 and 4 were further asked about the reasons they think SR information is important. Respondents could choose one or more alternatives among the reasons. They also had the option to

provide free-text answering for other reasons not appearing in the answer list. The responses are shown in rank order by the percentage of respondents who chose each reason. Table 1 reveals that the majority of the investors (95.08%) consider SR information as important or very important in investment decision-making. A significantly smaller percentage of investors who adopt traditional risk-return investment strategy consider socially responsible information important. The

Table 1

Response	All (N=691)	Gender		Age		Education ¹		Fin ²	
		Female	Male	40 or below	above 40	High	Low	Yes	no
important and very important, because...	95.08%	95.2	94.92	94.95	95.51	95	95	91.43	95.72
1. It is influential to the credibility of the firm or investment	69.01	71.81	65.23*	69.23	68.24	71.35	53.49***	72.92	68.28
2. It has impact on the development of sustainability	58.17	60.64	54.84	58.58	56.76	51.16	59.23	68.75	56.27**
3. It is influential to the level of risk	53.28	53.19	53.4	53.25	53.38	54.66	44.19*	53.13	53.22
4. It is influential to financial return	40.78	38.56	43.72	39.05	46.62	41.48	36.05	38.54	41.22
5. It has been often mentioned by governments and policy makers	19.69	19.41	20.07	19.13	21.62	19.33	22.09	17.71	20.07
6. It has been often procasted through media	14.57	15.47	13.36	15.61	10.96	14.11	17.65	17.89	14.03
		Investment period		Investment amount between 100k-1m ³		Stock		SRI strategy ⁴	
		1 year or below	1 year above	yes	no	yes	no	Screening	Not screening
important and very important, because...		95.45	94.82	94.74	95.17	96.28	94.72	96.77	91.75*
1. It is influential to the credibility of the firm or investment		66.27	70.9	75.64	65.62***	72.2	66.75	67.9	79.78***
2. It has impact on the development of sustainability		52.78	61.44**	64.53	54.48***	62.93	54.82	60.48	49.44**
3. It is influential to the level of risk		47.62	56.97**	54.7	53.03	55.6	51.52	53.62	56.18
4. It is influential to financial return		41.67	40.3	41.45	40.92	45.17	38.07*	41.74	40.45
5. It has been often mentioned by governments and policy makers		20.63	19.15	18.38	20.82	20.46	19.29	19.48	20.22
6. It has been often procasted through media		13.94	15	14.16	14.81	15.89	13.78	13.99	17.97

This table reports survey responses to the question, Do you consider socially responsible information as 1= 'irrelevant' 2= 'unimportant', 3='important' and 4= 'very important' in investment decision-making.

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level

1. Respondents education status, high='bachelor degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

4. Respondents adopting different SR strategy, screening="postive or negative screening strategy", not screening="traditional strategy"

significance is marginally at 10%.

Key findings in Table 1 lie in the reasons investors chose. The majority of investors think socially responsible information important in investment decisions is because the information is financially material for investment performance. They think this information has an impact on the credibility of the investee firms (69.01%), is influential on the level of risk of the investment (53.28%), and has an impact on the financial return of the investment (40.78%). A higher proportion of individuals with a higher level of education (bachelor's degree and above) responded for the above three reasons considering the materiality of SR information. Significant evidence is found for reasons such as influential for credibility (71.35% versus 53.49%, significant at 1%) and influential for the level of risk (54.66% versus 41.49%, significant at 10%). Besides investors with higher education levels, investors with 100 k to 1 million RMB invested capital and Investors with longer time horizons (one year above) also response higher for the financial materiality of SR information. A significantly

higher percentage of investors with 100 k to 1 million RMB invested capital to support the reason claiming SR information influences on credibility (75.64% versus 65.62%, significant at 1%). A significant proportion of investors with longer time horizon support the reason that SR information is influential to the investment risk. Investors with stock in their investment portfolio are more driven by the reason of SR information impact on returns when considering this information in their decisions.

Distinct clusters are also apparent for another response choice which claims importance of SR information in investment decisions can help the sustainable development in society. A significantly higher percentage of investors with financial industry working experience confirm the social impact of socially responsible information in investment decision-making (68.75% versus 52.67%, significant at 5%). Significantly higher percentage of responses is also found for the group of investors with 100 k to 1 million RMB invested capital and of investors with a longer time horizon for this reason.

Overall, the evidence from our sample suggests that most of Chinese retail investors consider socially responsible information as an important element in investment decisions. Both its financial and social motives are mentioned but motives vary in terms of investors' education level. The financial materiality of SR information seems to play a larger role for investors with higher education. Investors with longer investment horizon and possibly from middle class families (investment amount between 10k to 1 million) seemed to be driven by both motives. One interesting finding is how investors separated in their opinion of the importance of SR information when they adopted different investment strategy of SRI. A significantly higher percentage (60.48% versus 49.44%, significant at 5 %) of investors adopting screening strategy (either positive or negative) response to the non-financial contribution of SR information in investment decisions. For the credibility reason, the percentage is significantly higher (79.78 versus 67.9, significant at 1%) for investors adopting the traditional approach than investors adopting the screening approach indicating investors with traditional strategy are more concerned on the fundamental aspect of socially responsible information. In later regression analysis, we regard the non-financial motivation response as a proxy of investors' pro-social attitude on SRI.

4.2 Willingness to sacrifice financial performance for socially responsible value

In our survey, we designed two scenario questions to investigate investors' attitudes on the willingness to sacrifice financial performance to ethical preferences. In both scenarios, respondents were asked to choose between an alternative investment and a benchmark investment, "Good CSR with average financial performance". In scenario 1, the alternative investment is "Average CSR with good financial performance", and in scenario 2, the alternative investment is "Poor CSR with good financial performance".

Table 2

Response	All (N=681-682)	Gender		Age		Education ¹		Fin ²	
		Female	Male	40 or below	above 40	High	Low	Yes	no
Scenario 1									
Good CSR with average financial performance	80.91	84.4	76.21***	79.4	85.9**	79.6	89.77***	73.79	82.15*
Average CSR with good financial performance	19.09	15.6	23.8***	20.6	14.1**	20.4	10.22***	26.21	17.85*
Scenario 2									
Good CSR with average financial performance	88.71	90.33	86.51	88.07	90.9	87.88	94.32**	84.62	89.43
Poor CSR with good financial performance	11.29	9.7	13.5	11.93	9.1	12.12	5.68**	15.38	10.57
		Investment period		Investment amount between 100k-1m ³		Stock		SRI strategy ⁴	
		1 year or below	1 year above	yes	no	yes	no	Screening	Not screening
Scenario 1									
Good CSR with average financial performance		82.76	79.71	79.84	81.16	77.07	83.94**	87.55	48.96***
Average CSR with good financial performance		17.24	20.29	20.16	18.84	22.93	16.06**	12.45	51.04***
Scenario 2									
Good CSR with average financial performance		87.74	89.29	91.02	87.18	86.94	89.78	92.07	72.16***
Poor CSR with good financial performance		12.26	19.71	8.98	12.82	13.06	10.22	7.93	27.84***

note: This table reports responses for two scenario questions, Scenario 1/2 Please choose the following two investments with different CSR performance and financial performance

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level from the average in the pr column, using a standard differences of means test.

1. Respondents education status, high=bachelor degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

4. Respondents adopting different SR strategy, screening="postive or negative screening strategy", not screening="traditional strategy"

Table 2 contains some interesting findings. Most respondents would choose the investment with good CSR regardless of the variation of the financial performance. In scenario 1, 80.91% of investors choose to have average financial performance with good CSR performance to invest rather than investing in firms that with good financial performance but average CSR. The percentage became even bigger to 88.71% versus 11.29% when firms perform poorly in CSR. More investors choose firms with good CSR but average financial performance rather than firms with good financial performance but poor CSR, which implies that investors are sensitive to firms with poor CSR performance. They are more willing to sacrifice financial returns rather than having to invest in firms with poor CSR performance. When CSR deteriorated from good to poor, they are more willing to choose better CSR performance for ethical and social values.

Distinctive clusters appeared when taking investors' gender, education level and working experience into consideration. Surprisingly, investors with higher education (bachelor's degree and above) are more likely to choose the investment with better financial performance in both scenarios. The results are significantly different among investors with higher level education compared with those do not (scenario 1:20.4% versus 10.22, p-value <0.01; scenario 2:12.12% versus 5.68%, p-value <0.05). Female investors are more willing to sacrifice financial performance. For scenario 1 in particular, female investors are more likely to sacrifice financial return for non-financial value (84.4 versus 76.21%, p-value<0.01). The percentage of preferring better financial performance over social and ethical performance is higher among investors with financial working experience (26.21 versus 17.85%, p-value <0.1). Investors who have stocks in their portfolio are more likely to focus on financial performance and less willing to sacrifice it for the enhancement of social performance.

Investors who adopted traditional investment strategy are more likely to choose the investment with better financial performance in both scenarios, especially in scenario 1 where CSR performance changed from Good to average. More than half (51.04%) of traditional investors choose to have better financial performance rather than better CSR performance, indicating their less willingness to sacrifice financial performance for social and ethical values. The percentage decreases to 27.84% in scenario 2 but is still significantly higher than investors adopting screening strategies. This result is consistent with results in table 1 where investors incorporating SR information are more driven by ethical or social motives when doing SRI.

In later regression analysis, we constructed a variable to describe investors' willingness to sacrifice financial performance for social value by combining those two scenarios. Investors who choose CSR performance over financial performance in both scenarios are most willing to sacrifice financial performance. Investors choosing both financial performance in both scenarios are the least willing to sacrifice financial performance. Investors choose financial performance in scenario 1 and CSR performance in scenario 2 is in between. This proxy variable is later applied in regression analysis to see if investors' willingness to sacrifice financial performance influence SRI decisions.

4.3 Investors' CSR concerns

Besides investigating investors' attitudes on the importance of SR information in the investment decision process, the survey also tried to answer if investors have different concerns on varied environmental, social and governance issues. We asked investors to rate their concerns on different CSR aspects on a scale of 1 to 5 (1 means not important, 5 means very important). The results are displayed in Table 3.

Table3

Responses	N=(666-686)		Gender		Age		Education ¹		Fin ²	
	% important and very important	mean	Female	Male	40 or below	40 or above	High	Low	Yes	No
Production quality and safety	85.59	4.31	4.29	4.34	4.28	4.43*	4.32	4.25	4.28	4.32
Firm conduct compliance with law and regulation	85.33	4.36	4.4	4.31	4.32	4.5**	4.36	4.36	4.3	4.37
Supply Chain safety and sustainability	75.15	3.99	3.96	4.02	3.96	4.09	4	3.92	3.94	3.99
Management socially responsibility conduct	73.91	3.85	4.02	3.85**	3.91	4.08*	3.93	4.06	3.83	3.97
Employee wellbeing	65.09	3.74	3.68	3.81*	3.69	3.91**	3.71	3.9*	3.58	3.77**
Environment protection	62.54	3.66	3.59	3.76**	3.58	3.96***	3.66	3.66	3.57	3.68
Charity activities	53.45	3.53	3.6	3.43**	3.49	3.67**	3.51	3.65	3.37	3.56*

Responses	Investment period		Investment amount between 100k-1m ³		Stock		SRI strategy ⁴	
	1 year or below	1 year above	yes	no	yes	no	Screening	Not screening
Production quality and safety	4.2	4.38**	4.42	4.25***	4.38	4.27	4.42	4.03***
Firm conduct compliance with law and regulation	4.23	4.45***	4.51	4.28***	4.38	4.36	4.48	4.08***
Supply Chain safety and sustainability	3.85	4.07***	4.09	3.93**	4.03	3.97	4.09	3.73***
Management socially responsibility conduct	3.91	3.97	4.01	3.91	3.91	3.99	4.08	3.43***
Employee wellbeing	3.71	3.75	3.66	3.78	3.68	3.78	3.89	3.23***
Environment protection	3.6	3.7	3.63	3.67	3.7	3.64	3.81	3.08***
Charity activities	3.56	3.51	3.45	3.56	3.44	3.59*	3.68	2.97***

note: This table reports responses to the question, please rate the importance of the following issue when making investment decisions a 5-point Likert scale (1='unimportant'... 5='very important')

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level from the average in the preceeding column, using a standard differences of means test.

1. Respondents education status, high='bacholar degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

4. Respondents adopting different SR strategy, screening="postive or negative screening strategy", not screening="traditional strategy"

The majority of the investors are concerned with the provided choices of aspects regarding corporate social responsibility as important and very important issues. The issue regarding production quality and safety is the most concerning issue among investors (85.59%), followed by firms conduct compliance with law and regulation (85.33%) and issue regarding supply chain safety and sustainability (75.15%). When taken investors' demographical characteristics into account, distinctive clusters appeared regarding different issues. Female investors are significantly more concerned with management social responsibility conduct (mean: 4.02 versus 3.85 at 5% significant level) and firms' charity activities (mean: 3.6 versus 3.43 at 5% significant level). Older investors are more concerned with corporate social responsibility issues overall compared with younger investors. Investors with financial industry working experience have generally lower mean compared with investors without this working experience, yet these differences are only statistically

significant in issues regarding employment wellbeing and charity activities.

Distinctive clusters appeared when considering the investment features of respondents. Investors with longer time horizons are more concerned about corporate social responsibility regarding corporate operations, such as production, supply chain and compliance in conduct. These issues are also prominent concerns for investors with invested capital between 100k to 1 million RMB. Investors with screening strategy (either positive or negative screening) are significantly more concerned about corporate social responsibility than investors adopting the traditional strategy.

4.4 SR information access

This part focused on discussing investors' choices of access to SR information. Investors are asked to rate the reliability of a series of information access on a scale of 1 to 5 (1 meaning not reliable, 5 meaning the most reliable). The results are displayed in Table 4.

Table4

	N=(669-688)		Gender		Age		Education ¹		Fin ²	
	%The most reliable and very reliable	mean	Female	Male	40 or below	above 40	High	Low	Yes	No
Government release	77.91	4.07	4.11	4.03	4.11	3.96*	4.09	3.98	4	4.08
research reports	65.32	3.72	3.84	3.56***	3.73	3.67	3.74	3.56*	3.75	3.71
information from oneself	56.35	3.61	3.54	3.69***	3.57	3.74***	3.63	3.48*	3.65	3.6
information from family and friends	40.39	3.3	3.29	3.31	3.25	3.45***	3.3	3.31	3.22	3.31
firm disclosure	36.87	3.26	3.26	3.26	3.27	3.22	3.26	3.3	3.2	3.27
media reports	35.32	3.19	3.25	3.13*	3.21	3.13	3.22	3*	3.21	3.19
			Investment period		Investment amount between 100k-1m ³		Stock		SRI strategy ⁴	
			1 year or below	1 year above	yes	no	yes	no	Screening	Not screening
Government release			4.04	4.09	4.08	4.09	4.12	4.05	4.14	3.92**
research reports			3.67	3.75	3.8	3.68*	3.75	3.7	3.77	3.55**
information from oneself			3.58	3.62	3.66	3.57	3.69	3.55**	3.66	3.46***
information from family and friends			3.33	3.28	3.31	3.29	3.32	3.28	3.34	3.18*
firm disclosure			3.28	3.25	3.26	3.27	3.4	3.17***	3.29	3.22
media reports			3.15	3.22	3.32	3.13***	3.31	3.12***	3.23	3.13

Notes: This table reports responses to the question, please rate the level of knowledge you have for the following concepts on a 5-point Likert scale (1= 'very poor'... 5='very good')

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level from the average in the preceeding column, using a standard differences of means test.

1. Respondents education status, high='bacholar degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

4. Respondents adopting different SR strategy, screening="positive or negative screening strategy", not screening="traditional strategy"

Among all the information access provided, investors consider government release as the most reliable information source for socially responsible information. Almost two third of the investors (77.91%) choose very reliable and the most reliable for this option. Research reports and information gained from investors themselves are ranked second and third, with respectively 65.32%

and 56.45% of investors considering these two accesses as very reliable and the most reliable. On the contrary, only one-third of investors choose firm disclosure and media reports as very reliable information sources for socially responsible information.

Female investors consider research reports as more reliable than male investors and the differences are statistically significant at 1 percent level (mean: 3.84 versus 3.56). Male investors are more confident on their own information sources than female (mean: 3.69 versus 3.54). Older investors rely more on information obtained from family and friends as well as information obtain by themselves, while younger investors (age below 40) hold the opinion that public and official information is more reliable to obtain SR information. Investors with higher education consider research reports (mean: 3.74 versus 3.56) and their own information access (mean 3.63 versus 3.48) as more reliable compared with investors with lower education level, yet the significance is only marginal at 10%.

Stock investors are more likely to consider firm disclosure (mean 3.4 versus 3.17) and media (mean 3.31 versus 3.12) when obtaining SR information at 1% significant level. Investors with screening strategies are more relied on public and official sources to obtain SR compared with investors who adopt the traditional strategy.

4.5 SRI knowledge

In this part, we concentrate on investigating Chinese retail investors' knowledge on socially responsible investing. The survey asked respondents to rate their familiarity of a series of SRI concepts. The results show how different investors varied in their mastery of SRI literacy.

Table 5

	ALL(N=671-688)		Gender		Age		Education ¹		Fin ²			
	% good and very good (scale 5 and 4)		Female	Male	40 or above		High	Low	Yes	No		
	mean				below	40						
Sustainable investing	22.67	2.54	2.47	2.63*	2.53	2.58	2.56	2.41	3.29	2.41***		
Green finance	15.51	2.15	2.11	2.23	2.18	2.1	2.2	1.9**	3.22	1.97***		
SRI	13.81	2.12	2.02	2.23**	2.13	2.06	2.12	2.04	2.7	2***		
Impact investing	12.26	2.21	2.16	2.33**	2.23	2.25	2.2	2.24	2.53	2.18***		
ESG investing	8.79	1.76	1.69	1.83*	1.89	1.56***	1.78	1.56*	2.67	1.59***		
					Investment Investment period amount between 100k-1m ³		Stock		SRI strategy ⁴			
					1 year or below	1 year above	yes	no	yes	no	Screening	Not screening
Sustainable investing					1.99	2.28***	2.66	2.46**	2.77	2.38	2.58	2.47
Green finance					1.9	2.28***	2.22	2.13	2.33	2.04***	2.18	2.21
SRI					2	2.19**	2.15	2.08	2.29	2***	2.14	2.03
Impact investing					2.11	2.31**	2.23	2.23	2.35	2.15**	2.29	2.03**
ESG investing					1.62	1.83***	1.81	1.72	1.87	1.66***	1.67	1.77

Notes: This table reports responses to the question, please rate the level of knowledge you have for the following concepts on a 5-point Likert scale (1='very poor'... 5='very good')

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level from the average in the preceding column, using a standard differences of means test.

1. Respondents education status, high='bacholar degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

4. Respondents adopting different SR strategy, screening='postive or negative screening strategy', not screening='traditional

Table 5 reports respondents' ratings of their knowledge on different SRI concepts. In general, the percentage of respondents rating they have good and very good knowledge of different SRI concepts are not high. The most well-known concept is sustainable finance with 22.7% of respondents claimed to have good or very good knowledge of it with green finance (15.51%) and SRI (13.81%) ranked second and third respectively. This finding is in accordance with findings conducted by China SIF(China sustainable investment forum) and Sina Finance conducted a survey in October 2021.

There are significantly distinct demographical clusters of investors' SRI knowledge. The responses reveal that male investors have significantly higher knowledge in sustainable finance (rating mean of 2.63 versus 2.47, p-value <0.1), SRI (2.23 versus 2.02, p-value <0.05), impact investing (2.33 versus 2.16, p-value <0.05) and ESG investing (1.83 versus 1.69, p-value <0.1). Investors with financial industry working experience are significantly more knowledgeable in SRI probably due to the increasing popularity of SRI among institutional investors and the enhancing regulatory requirements. In unreported analysis, investors with oversea experiences also have significantly higher level of ratings for SRI concepts probably due to the higher possibility of exposure to socially responsible concepts or SRI during their oversea experience. This of advanced development of SRI in the oversea market compared with domestic market. Investors with longer investment horizon

and equity investors are significantly more knowledgeable in SRI. The investors with higher average mean of SRI knowledge are more likely to choose screening strategy with is also supported by SIF survey results. According to this survey of SIF, the more knowledgeable a person is about sustainable investment, the higher the level of investors would incorporate SR information in investment decisions.

Our results suggested that the general knowledge of SRI among Chinese retail investors is still low. More than 2/3 of the respondents do not have enough knowledge of related concepts in SRI. Investors who have financial industry working experience or oversea experience have higher knowledge of socially responsible investing, which implies there is information gap of SRI to infuse into broader base of investors in China.

In general, the majority of Chinese retail investors has a realisation of the importance of socially responsible information on their investment decision-making. The incorporation of SR information in investment decision-making is driven by both material and ethical reasons. They pay special attention to corporate social responsibility related to corporate operations such as the production and compliance of firm conducts. Government release and research reports are their major information access for socially responsible information when making investing decisions. Although investors claim the importance of SR information and also show concerns for different aspects of CSR, their level of knowledge regarding SRI is still limited. Most of the investors do not have enough knowledge of SRI. This may hinder their actual investing activities in SRI.

In this section, we divided investors strategy decisions into two groups: investors with the incorporation of SR information and those without. There are distinctions between those two groups of investors: investors with screening approaches are more driven by non-financial motivation and believing in the change SRI can make socially. They are also more willing to sacrifice a certain degree of financial return. They are overall more concerned about different CSR issues and have more trust on different access for SR information. However, what differences existed between positive-screening and negative-screening strategies are not being discussed. The following parts investigate deeper in regarding investors SRI strategy decisions.

5. SRI strategy decisions

This section focused on how investors' behaviour regarding SRI varied in account to investors' demographics. Based on previous analysis, in considering the limited SRI knowledge of Chinese retail investors, we designed a survey virtual survey item to separate investors with their different strategy decisions. Respondents were asked to imagine how they would choose to invest in high-pollutant energy-consuming industry. Three options were provided of which each represents a strategy that this paper aims to discuss on: give up the industry altogether (negative screening); invest actively in improving energy usage or reducing pollutants (positive-screening); investing those that generate higher returns (return-focused regardless of SR information). Previous findings showed that investors incorporating SR information (either negative or positive screening) are different from investors without considering information (traditional risk-return-focused investors) in terms of their SRI awareness. In this section, we deepen our investigation by separately analysis those three options.

Table 6

	All (N=655)	Gender		Age		Education ¹		Fin ²	
		Female	Male	40 or below	above 40	High	Low	Yes	no
Give up investing in this industry	44.12%	39.83***	49.82***	40.12	57.72***	43.38	49.38	32	46.39***
Invest in those perform better in cutting the energyconsumption and reducing pollution	41.07	47.32***	32.74***	44.07	30.87***	40.77	43.21	50	39.35**
Invest thoses that generate good returns	14.81	12.83	17.44	15.81	11.41	15.85	7.41***	18	14.26
				Investment period		Investment amount between 100k-1m ³		Stock	
				1 year or	1 year above	yes	no	yes	no
Give up investing in this industry				47.54	41.95	39.57	46.25*	34.6	50.12***
Invest in those perform better in cutting the energy consumption and reducing pollution				37.7	43.17	45.96	38.74*	46.8	37.11***
Invest thoses that generate good returns				14.75	14.88	14.47	15.01	18.6	12.37**

Note: this table reports responses to the question, You most possible investment strategy for the high-pollutant , high energy-consuming industry?

*significant at the 0.1 level; ** significant at the 0.05 level; ***significant at the 0.01 level from the average in the preceeding column, using a standard differences of means test.

1. Respondents education status, high='bacholar degree and above'

2. Respondents working experience in financial industry

3. Respondents investment amount is between 100000 to 1 million RMB

Table 6 reports how investors integrate SR information into their investing processes. The table reveals that investors have a strong intention to integrate SR information into their investment decision-making. 44.12% of investors adopt negative screening strategy and 41.07% chose positive screening. Distinctive clusters are found when considering the demographical characteristics of investors. Positive screens SR information is more prominent with female investors (47.32% versus 32.74%, p-value <0.01). Male investors are more likely to adopt negative screening (49.82% versus 39.83%, p-value <0.01). Younger investors are more positive when use SR information (44.07%

versus 30.87%, p-value <0.01). Investors with higher education level are more preferred in choosing return-risk focused strategy (15.85% versus 7.41%, p-value <0.01). Investors with financial industry working experience are more likely to integrate SR information positively (50% versus 39.35%, p-value <0.01) and less likely to adopt negative screening (32% versus 46.39%, p-value <0.01). There is no significant evidence showing that investment time horizon is associated with investors' strategy decisions. Investors with invested capital between 10K to 1 million are more active in processing SR information. Equity investors are also more likely to adopt positive-screening strategy (46.8% versus 37.11%, p-value <0.01) than investors without equity in their portfolio.

Based on descriptive analysis of SRI awareness in terms of investors with or without screening SR information, we can find that investors with screening process are more concerned of CSR issues, have more trust on SR information access and have higher level of SRI knowledge. These three aspects consist of a series of questions measured on a 5-point Likert scale. Investors with screening strategies rated higher in every individual item compared with investors without screening. Based on these results, we made several constructs based on these three aspects by generating the mean values of the Likert scale. They are investors' knowledge regarding SRI (KNOW), their concerns on CSR issues (CSR), and their trust in SR information access (TRUST), Table 7 displays the results of the constructs linked with investors' strategies decisions.

Table 7

		No screening (n=97)	Positive- screening (n=269)	Negative screening (n=289)	Total (n=655)	Cronbach 's alpha
SRI knowledge ¹	Mean	2.43	2.66	2.5	2.52	0.938
	StD	0.87	0.88	0.91	0.91	
Concern of corporate social responsibility ²	Mean	3.51	3.98	4.16	3.98	0.751
	StD	0.82	0.63	0.77	0.75	
Trust in SRI information channel ³	Mean	3.41	3.54	3.61	3.55	0.917
	StD	0.49	0.49	0.57	0.53	

note: 1. SRI knowledge construct is the average mean of a series SRI related concepts respondents' rated from 1 to 5 (a higher score means a higher level of familiarity)

2. Concern of corporate social responsibility is the average mean of the level of concern (1 to 5) regarding CSR aspects

3. The trust in different information channels rating is from 1 to 5 (a higher score means a higher level of dependence on that information channel)

It is evident that investors who intend to adopt conventional risk-return criteria for investment have the lowest average values among these three investor groups across those three aspects of SRI awareness. Regarding the level of SRI knowledge, investors' intents to adopt positive-screening strategy have the highest average value of the three investor groups (on a 5-point Likert scale presents 1 = "very poor" and 5 = "very good"). When looking at the results for the concerns of CSR and trust

in SR information, values for all three constructs tend to increase with the investors more emphasising on ethical preferences in their strategies.

6. Discussion:

This explorative study constructs SRI awareness into five aspects including (investors' attitudes on the importance of socially responsible information, their willingness to sacrifice financial performance over non-financial attributions, their concerned issues regarding corporate social responsibility, their attitude on the reliability of different SRI information channels, and their familiarity of SRI related knowledge) in order to examine how SRI awareness influence investors' SRI decision-making. From this study, the following major findings can be drawn. First, SRI awareness varied among investors with different demographical and investment features. Second investors adopt SRI screening strategy (positive/negative screening) and investors adopt traditional strategies that have varied among those five aspects of SRI awareness., Below are the results discussed in detail.

6.1 SRI awareness

Among the five aspects constructing SRI awareness, we documented that the vast majority of investors have motivated by both financial and non-financial attributes of socially responsible information. Investors with higher education are more focused on the financial attribute of SR information and are less likely to sacrifice financial return for social value. In regarding of the degree of concerns about corporate social responsibility (CSR), older investors are more concerned about different issues related to CSR. In terms of SRI knowledge, equity investors, investors with longer time horizon and investors with financial industry working experience are more likely to have advanced knowledge regarding SRI.

6.2 SRI strategy

Previous studies have provided similar evidence indicating the emphasis on social, environmental and ethical issues in SRI do increase investors' holdings in SRI funds (Nilsson, 2007, Diouf et al., 2016). In this study, investors with higher concerns on CSR issues are more likely to adopt screening strategies compared with traditional strategy, indicating that SR investors pay more attention to CSR

issues than conventional investors. Therefore, in our study, we also examine whether consequence-based ethical thinking is embedded in investors' choices of strategies. The results shows that the belief of SRI can make a social change is indeed supported by more SR screening investors. And traditional investors regard that information more instrumentally, thinking SR information is important due to its impact on firms' credibility and return (see table 1).

This study also applied two scenario questions for investors to choose between different CSR performance and financial performance in order to see their willingness to sacrifice financial performance to social values. Most of the respondents prefer investments with better CSR performance. There are more investors willing to sacrifice financial return, especially when they are facing the choice of poor CSR performance with good financial performance. There are more investors choosing the alternative choice of better CSR performance but average financial performance. This result indicates the possibility that negative CSR issues could trigger investors to be more socially responsible when making investment decisions. In regarding to strategy choices, traditional investors are more likely to choose financial performance over social value in both scenarios.

Within SR investors, our finding suggested that investors with a higher level of knowledge regarding SRI are more likely to adopt a positive-screening strategy compared with other strategies. As for investors' trust in SR information access, SR investors have more trust in different channels to obtain SR information compared with conventional investors. Among SR investors, negative-screening investors have more trust in the reliability of SR information channels. However, this variable is not statistically significant when controlling other SRI awareness aspects. In terms of demographical and investment features, female, younger and equity investors are more likely to adopt positive-screening strategy.

7. Conclusions and future research

This study shows that for Chinese retail investors, pro-social attitude and trade-off attitude on financial performance and social performance are two major aspects to different investors with and without SRI screening strategies. Investors with more consequence-based ethical thinking and more

concerned for CSR issues are more likely to be SR investors adopting screening strategies. SR investors are also more likely to sacrifice financial performance than conventional investors. However, SR investors adopt positive and negative- screening are not significantly different from each other in regarding these two attitudinal variables. Within SR investors group, investors' different level of mastery in SRI knowledge influences their strategy choices in negative or positives-screening.

For practitioners in the SRI industry the results of this study provide a number of implications. Probably the most important implication is that Chinese retail investors seem to have considerations for both social and financial aspects of investments and these considerations influence their investment behaviours. It is beneficial to design different products for different investors. Young and female investors can be the major power in SRI market. Investors in China still have limited knowledge regarding SRI and the mastery of knowledge influence whether they would use SR information inclusionary or exclusionary. So, the enhancement of SRI knowledge education for investors can offer more diversified perspective for investors and thus enrich their understanding of SRI.

This explorative research provides a starting point in further studying the investment behaviours in the Chinese SRI market. The study indicates that pro-social attitude, financial trade-off attitude and SRI knowledge are major influencers of SRI strategy choices in China. However, the results also show that the factors discussed are only part of the explanations for investors' different choices of strategies. Future research should search for more factors that influence SR investment behaviour. Due to the nature of survey-based research and the topic of our study, this research is affected by possible “words-deeds” inconsistency (e.g., Wong et al., 1996). The intentions of certain actions may be inflated due to social desirability. Future research could approach from trading data to study SRI behaviours in the Chinese market.

References:

- ADAM, A. A. & SHAUKI, E. R. 2014. Socially responsible investment in Malaysia: behavioral framework in evaluating investors' decision making process. *Journal of Cleaner Production*, 80, 224-240.
- AJZEN, I. 1991. The theory of planned behavior. *Organizational behavior and human decision processes*, 50, 179-211.
- ALLEN, D. E., MCGOUN, E. G. & KESTER, G. W. 2000. A sociological explanation of financial market growth. *International review of financial analysis*, 9, 421-432.
- AMEL-ZADEH, A. & SERAFEIM, G. 2018. Why and How Investors Use ESG Information: Evidence from a Global Survey. *Financial Analysts Journal*, 74, 87-103.
- BAUER, R. & SMEETS, P. 2015. Social identification and investment decisions. *Journal of Economic Behavior & Organization*, 117, 121-134.
- BEAL, D. J., GOYEN, M. & PHILLIPS, P. 2005. Why Do We Invest Ethically? *Journal of Investing*, 14, 66-78.
- BENSON, K. L. & HUMPHREY, J. E. 2008. Socially responsible investment funds: Investor reaction to current and past returns. *Journal of Banking & Finance*, 32, 1850-1859.
- BERRY, R. H. & YEUNG, F. 2013. Are Investors Willing to Sacrifice Cash for Morality? *Journal of Business Ethics*, 117, 477-492.
- BERRY, T. C. & JUNKUS, J. C. 2013. Socially Responsible Investing: An Investor Perspective. *J Bus Ethics*, 112, 707-720.
- BUSCH, T., BAUER, R. & ORLITZKY, M. 2016. Sustainable Development and Financial Markets: Old Paths and New Avenues. *Business & Society*, 55, 303-329.
- CANAL-FERNANDEZ, V. & CASO-PARDO, C. 2014. Spanish investors' characterization: the influence of socially responsible investment. *Spanish Journal of Finance and Accounting-Revista Espanola De Financiacion Y Contabilida*, 43, 69-90.
- DERWALL, J., GUENSTER, N., BAUER, R. & KOEDIJK, K. 2005. The eco-efficiency premium puzzle. *Financial Analysts Journal*, 61, 51-63.
- DERWALL, J., KOEDIJK, K. & TER HORST, J. 2011. A tale of values-driven and profit-seeking social investors. *Journal of Banking & Finance*, 35, 2137-2147.
- DIOUF, D., HEBB, T. & TOURE, E. H. 2016. Exploring Factors that Influence Social Retail Investors' Decisions: Evidence from Desjardins Fund. *Journal of Business Ethics*, 134, 45-67.
- FREEMAN, R. E. 2010. *Strategic management : a stakeholder approach / [internet resource]*, Cambridge : Cambridge University Press.
- GLAC, K. 2009. Understanding Socially Responsible Investing: The Effect of Decision Frames and Trade-off Options. *Journal of Business Ethics*, 87, 41-55.
- GLAC, K. 2012. The Impact and Source of Mental Frames in Socially Responsible Investing. *Journal of Behavioral Finance*, 13, 184-198.
- GOODPASTER, K. E. 1991. Business Ethics and Stakeholder Analysis. *Business ethics quarterly*, 1, 53-73.
- LEWIS, A. & MACKENZIE, C. 2000. Morals, money, ethical investing and economic psychology. *Human Relations*, 53, 179-191.
- MARKOWITZ, H. 1991. *Portfolio selection : efficient diversification of investments*, Cambridge, Mass., Cambridge, Mass. : B. Blackwell.
- MARZUKI, A. & WORTHINGTON, A. 2015. Comparative performance-related fund flows for

- Malaysian Islamic and conventional equity funds. *International Journal of Islamic and Middle Eastern Finance and Management*, 8, 380-394.
- MCLACHLAN, J. & GARDNER, J. 2004. A comparison of socially responsible and conventional investors. *Journal of Business Ethics*, 52, 11-25.
- NILSSON, J. 2007. Investment with a Conscience: Examining the Impact of Pro-Social Attitudes and Perceived Financial Performance on Socially Responsible Investment Behavior. *Journal of Business Ethics*, 83, 307-325.
- NILSSON, J. 2008. Investment with a Conscience: Examining the Impact of Pro-Social Attitudes and Perceived Financial Performance on Socially Responsible Investment Behavior. *Journal of Business Ethics*, 83, 307-325.
- NILSSON, J. 2009. Segmenting socially responsible mutual fund investors: The influence of financial return and social responsibility. *International journal of bank marketing*, 27, 5-31.
- PEIFER, J. L. 2011. Morality in the financial market? A look at religiously affiliated mutual funds in the USA. *Socio-Economic Review*, 9, 235-259.
- ROSEN, B. N., SANDLER, D. M. & SHANI, D. 1991. SOCIAL-ISSUES AND SOCIALLY RESPONSIBLE INVESTMENT BEHAVIOR - A PRELIMINARY EMPIRICAL-INVESTIGATION. *Journal of Consumer Affairs*, 25, 221-234.
- ROSSI, M., SANSONE, D., VAN SOEST, A. & TORRICELLI, C. 2019. Household preferences for socially responsible investments. *Journal of Banking & Finance*, 105, 107-120.
- SANDBERG, J. & NILSSON, J. 2015. Do ethical investors want purity or effectiveness? An exploratory study on the ethical preferences of mutual fund investors. *Journal of Financial Services Marketing*, 20, 34-45.
- SPARKES, R. & COWTON, C. J. 2004. The Maturing of Socially Responsible Investment: A Review of the Developing Link with Corporate Social Responsibility. *Journal of business ethics*, 52, 45-57.
- VALOR, C., DE LA CUESTA, M. & FERNANDEZ, B. 2009. Understanding Demand for Retail Socially Responsible Investments: A Survey of Individual Investors and Financial Consultants. *Corporate Social Responsibility and Environmental Management*, 16, 1-14.

