



Green awareness, sustainability knowledge, and perception of corporate environmental responsibility impacting sustainable investment preference

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Received Date: February 12, 2026

Revised Date: April 20, 2026

Accepted Date: April 28, 2026

ABSTRACT

Background: This study aims to analyze the influence of green awareness (GA), sustainability knowledge (SK), and perception of corporate environmental responsibility (PCER) on sustainable investment preferences in pawnshops, with perceived value as a mediating variable. The research background is based on the increasing public interest in green investment and Pegadaian's commitment to strengthening its sustainable product portfolio. This research was conducted on the people of Palembang City and Bandar Lampung as a representation of urban communities who are starting to be responsive to sustainability issues. **Methods:** The method used is a quantitative approach with the partial least square–structural equation modeling (PLS-SEM) technique. Data was obtained through questionnaires with public respondents who knew or used pawnshops services. The analysis was conducted to evaluate the direct and indirect relationships between variables, including testing the mediating effect of perceived value. **Findings:** The results of the study show that GA and SK have a positive but relatively small influence on sustainable investment preferences. PCER has a stronger influence than other variables, emphasizing the importance of public perception of corporate environmental responsibility in determining investment preferences. In addition, perceived value has proven to be a significant mediator, reinforcing the influence of GA, SK, and PCER on investment preferences. **Conclusion:** These findings confirm that perceived value perceptions play a central role in encouraging people to choose sustainability-oriented pawnshops investment products. This research provides strategic implications for Pegadaian to strengthen education, sustainability transparency, and product value communication in order to increase people's interest in green investment. **Novelty/Originality of this article:** The originality of this study lies in its expansion of the research on sustainable investment to the non-bank financial sector, specifically focusing on the product portfolio of pawnshops in Indonesia.

KEYWORDS: green awareness; sustainability knowledge; the company's sense of environmental responsibility.

1. Introduction

The development of sustainability issues in the last decade has become a major concern in various sectors, including the financial sector. Various countries are competing to apply sustainability principles so that economic activities remain productive and environmentally friendly. Indonesia as a developing country also shows a stronger commitment to the implementation of sustainable finance, as reflected in the issuance of various regulations such as Financial Services Authority Regulation (*Peraturan Otoritas Jasa Keuangan/POJK*)

Cite This Article:

Hermawan, M. D. A. (2026). Green awareness, sustainability knowledge, and perception of corporate environmental responsibility impacting sustainable investment preference. *EcoProfit: Sustainable and Environment Business*, 4(1), 83-103. <https://doi.org/10.61511/ecoprofit.v4i1.2026.3539>

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No. 51/POJK.03/2017 on Sustainable Finance and a national roadmap that encourages financial institutions to integrate environmental, social, and governance (ESG) aspects in their business. It is in this context that people's preference for sustainable investment becomes increasingly important to study in greater depth. In an effort to accelerate the green economy, Pegadaian (*pawnshop*), as one of the financial services SOEs (State-Owned Enterprises/*Badan Usaha Milik Negara* (BUMN)), also participates by offering sustainability-based investment products, such as gold savings, which are claimed to be environmentally friendly because they reduce physical waste and several environmentally oriented financing programs. However, the implementation of sustainable finance does not only depend on the products offered, but also on the awareness and knowledge of the public as potential investors. Without a positive understanding and perception of the public regarding sustainability, green investment is difficult to develop optimally (Aisa et al., 2023).

Green awareness or environmental awareness is an important variable in understanding how people view sustainable investment. High environmental awareness is often associated with financial behaviors that are more responsible for ecological impacts. People who have a high level of green awareness tend to consider environmental aspects before making consumption or investment decisions (Aliedan et al., 2023). However, research in Indonesia shows that the level of public awareness of environmental issues still varies between regions, especially in developing cities such as Palembang and Bandar Lampung. In addition to awareness, sustainability knowledge or knowledge about sustainability greatly influences sustainable investment preferences. A person who understands the concepts of ESG, green finance, and the long-term economic benefits of green investment tends to have a stronger preference for sustainable investment products (Ajzen, 1991). However, a number of national surveys show that the ESG literacy of the Indonesian people is still low, especially among retail investors who are not familiar with sustainability terminology in depth (Amel-Zadeh & Serafeim, 2018). This is also seen in several major cities in Sumatra, including Palembang and Bandar Lampung, which have not been the focus of national ESG literacy research.

On the other hand, the perception of corporate environmental responsibility (CER) is also a factor that greatly influences investment decisions. Retail investors tend to choose companies that are considered environmentally responsible. A positive perception of CER increases public trust in the company's reputation, thereby encouraging interest in investing in products that are associated with green products (Aristei et al., 2024). However, some studies have found that the public is often skeptical of corporate environmental claims due to the rampant practice of greenwashing, prompting the need for more in-depth research into public perception of CERs, especially in the financial services sector such as Pegadaian. In understanding the relationship between these various variables, perceived value or perceived value emerges as an important mediator. Perceived value is an individual's overall evaluation of the benefits they feel from a product compared to the costs or risks that must be incurred. In the context of sustainable investment, perceived value can reflect the extent to which people feel they are benefiting economically, environmentally, and emotionally from green investments. People may have adequate awareness and knowledge, but without a strong perception of value, they will not be interested in sustainable investment in real life (Auriellia & Gunarsih, 2025). Therefore, the position of perceived value as a mediating variable is indispensable to explain the psychological processes that drive sustainable investment preferences.

Pegadaian as a financial institution with a wide customer base needs to understand how green awareness, sustainability knowledge, and CER perception of people in the two major cities of Sumatra, Palembang and Bandar Lampung affect their preferences for sustainable investment. These two cities are centers of regional economic activity, but their socio-economic characteristics are different, so people's preferences for sustainable investment are also likely to differ. Until now, research on retail investor behavior in the context of sustainable finance in the two cities is still very limited, even though the potential for investment market growth in the Sumatra region is quite large. To delve into this

phenomenon, empirical data is needed that describes the development of environmental awareness, sustainability literacy, corporate environmental responsibility perception, and trends in public investment interest over the past five years. However, public data at the regional level is still very minimal, which is a strong reason for the need for special research. Based on a review of the literature and national data, the following is a summary of the development of indicators related to the 2021–2025 period in the form of a table.

Table 1. Trends in sustainability indicators, 2021–2025

Year	Community green awareness (National index)	Sustainability knowledge (ESG literacy)	CER's perception of financial institutions	Sustainable investment preference (%)
2021	52%	41%	48%	12%
2022	55%	45%	50%	15%
2023	58%	48%	52%	18%
2024	61%	53%	56%	22%
2025	63%	55%	58%	25%

(Authors' compilation based on SKBI-GFLEC, 2022; Wahyu & Rokhim, 2023; Lestari & Wiryono, 2024; Sim & Son, 2024; Setyorini & Hakam, 2025)

The table shows that green awareness, sustainability literacy, CER perception, and preferences for sustainable investment among Indonesians have increased during the 2021–2025 period. The increase in green awareness from 52% (2021) to 63% (estimated 2025) shows that people are increasingly concerned about environmental issues. But the increase in sustainability literacy has been slower, rising only from 41% to 55% over five years. This gap shows that, despite growing awareness of the importance of the environment, people's understanding of sustainable financial practices and instruments remains low. The perception of CER is increasing, but not as fast as the increase in green awareness. This indicates public doubt about the company's environmental commitment, particularly among financial institutions. Greenwashing is one of the factors that affect this perception (Bauer et al., 2021). The 25% increase in sustainable investment preferences in 2025 is still relatively small compared to the market's large potential. This means that there are psychological and informational barriers that prevent people from making green investment decisions.

Although various previous studies have examined the influence of green awareness, sustainability knowledge, and perceptions of corporate environmental responsibility (CER) on sustainable investment decisions or preferences, most of these studies have focused on capital markets or green investment instruments such as green bonds, green sukuk, and ESG portfolios in the banking sector. Very few studies have specifically examined the context of non-bank financial institutions such as Pegadaian, particularly their transformation towards a sustainable business model through ESG-based investment services. Another gap can be seen in the lack of use of perceived value as a mediation variable. Previous studies have generally examined these variables in the context of marketing or general consumer behavior, rather than investor behavior at pawnshops. In addition, most previous studies have only assessed the direct relationship between variables without integrating psychological constructs that explain people's cognitive processes in evaluating the sustainability value of an investment product. Therefore, the relationship between green awareness, sustainability knowledge, and CER's perception of sustainable investment preferences, mediated by perceived value, remains a theoretical gap that has not been discussed in depth.

In addition, there has been no study that comparatively examines the behavior of people in two big cities, namely Palembang and Bandar Lampung, which have relatively different economic characteristics, financial literacy levels, and exposure to Pegadaian's sustainability programs. Most previous studies have focused on homogeneous populations such as students, capital market investors, or banking customers, so the results have not been able to represent the behavior of urban communities more broadly. This methodological gap reinforces the need for more contextual and geographic research to

describe the dynamics of sustainable investment preferences in pluralistic societies. Furthermore, research on Pegadaian's CER is still limited to the implementation of environmental programs such as Green Office, gold recycling, or renewable energy development, but has not yet measured how public perception of these programs affects people's investment decisions.

The urgency of this research is getting stronger because Pegadaian is currently modernizing its products and targeting the expansion of sustainability-based investment instruments, including digital gold, environmentally friendly gold savings, and sharia investment products that support the green transition. However, the adoption rate of sustainable investment in Indonesia still tends to be low, due to the lack of sustainability literacy and low value perception of green investment products. Therefore, an empirical study is needed that can explain the psychological and perceptual factors that encourage people to choose sustainable investment instruments. This research has practical urgency because it can help Pawnshops design green financial literacy strategies, increase the transparency of the CER program, and strengthen the perception of the value of investment products so that people's preference for sustainable instruments can increase.

The urgency of the research also stems from the dynamics of national regulations, such as Indonesia's commitment to Net Zero Emissions 2060, the implementation of the Green Taxonomy, and the obligation of financial institutions to improve ESG reporting. However, there has been no study linking the policy change with people's behavior in choosing investment instruments in non-bank financial institutions. This gap is what we want to bridge through this research by looking at how green awareness, sustainability knowledge, and CER perception can shape the value that people perceive for Pegadaian's green investment. Thus, this research not only fills theoretical and empirical gaps, but also makes a strategic contribution to strengthening sustainable investment in Indonesia.

This study aims to analyze in depth how green awareness, sustainability knowledge, and perception of corporate environmental responsibility (CER) affect people's preferences for sustainable investment in Pegadaian with perceived value as a mediation variable. In particular, this study seeks to understand the extent to which public awareness of environmental issues can encourage the tendency to choose environmentally friendly investment instruments. This study also aims to measure the contribution of sustainable knowledge as a cognitive factor that shapes an individual's understanding and belief in the benefits of Pegadaian's green investment. In addition, this study wants to evaluate how public perception of Pegadaian's commitment to carrying out the company's environmental responsibility can increase trust and preference for sustainable investment products. Furthermore, this study also aims to examine the role of perceived value as a psychological mechanism that mediates the relationship between these variables, so that it can describe the process of how people assess, compare, and finally decide to invest in sustainable investment instruments. Thus, this study is designed to provide a comprehensive understanding of the factors that drive sustainable investment preferences at Pegadaian, as well as provide an empirical basis for product development strategies and more effective green financial literacy.

Green awareness refers to the level of individual concern for environmental issues as well as the understanding that human activities contribute to environmental degradation (Hauff & Nilsson, 2023). In the context of economic behaviour, green awareness is considered an important determinant of a person's tendency to choose environmentally friendly products, including in the context of sustainable investment. This awareness includes understanding the importance of conserving natural resources, reducing carbon emissions, and using clean energy in every aspect of life (Chan et al., 2022).

A number of studies show that individuals with high levels of green awareness tend to be more responsive to product offers that positively impact the environment (Chen et al., 2021). Environmental awareness has also been shown to increase people's preferences for products and services perceived to support the preservation of the earth. In the context of investment, green awareness affects the mindset of modern investors, with decision-

making considering not only financial benefits but also environmental sustainability (D'hondt et al., 2022).

In the financial sector, especially in the non-bank financial institution industry such as Pegadaian, green awareness is an important factor determining the level of public acceptance of green investment products, such as sustainable gold savings, environmentally friendly Islamic products, and ESG (Environmental, Social, and Governance)-based investment instruments. According to Filippini et al. (2024), the environmental awareness of Indonesia's urban community began to increase after the nationwide campaign on energy transition and carbon emissions reduction. However, the increase in awareness is not always directly proportional to real actions, especially in choosing green financial products.

1.1 Sustainability knowledge

Sustainability knowledge can be understood as a person's understanding of sustainability, the impact of economic activities on the environment, and the benefits of choosing sustainable products or services (Guerreiro & Pacheco, 2021). This knowledge is an important foundation in determining sustainability attitudes and behaviors. The higher an individual's level of understanding of sustainability issues, the more likely they are to exhibit pro-environmental behaviors, including making sustainable investments (Guiao et al., 2022).

Previous research has shown that sustainability knowledge has a significant role in increasing people's interest in buying and using eco-friendly products (Hair & Alamer, 2022). In the financial sector, understanding of ESG concepts has been shown to increase investor confidence and interest in choosing sustainable investment instruments, as investors feel better able to evaluate the environmental impact and risks of investments (Hamzah & Tanwir, 2021). In the context of Indonesian society, sustainability literacy remains relatively low compared to that in developed countries, particularly regarding green investments and ESG-based instruments (Financial Services Authority, 2023). This is one of the obstacles in increasing public participation in environmentally friendly investment instruments. At Pegadaian, the sustainable financial literacy strategy has not fully aimed to achieve a comprehensive understanding of ESG, but still focuses on general product education.

As a consequence, although some people have concerns about the environment, they do not yet have sufficient knowledge to assess whether an investment product truly supports sustainability. Thus, sustainability knowledge acts as a cognitive factor that encourages individuals to objectively assess the benefits and risks of green investment. This variable is important to research within the framework of sustainable investment preference analysis to provide an empirical picture of the extent to which sustainability education can increase the adoption of environmentally friendly financial products at Pegadaian.

1.2 Perception of corporate environmental responsibility (CER)

Corporate environmental responsibility (CER) is part of corporate social responsibility (CSR), which focuses on a company's commitment to protecting the environment through its policies, programs, and operational activities (Harasheh et al., 2024). CSR plays an important role in building a positive image of the company and increasing public trust in its products and services. According to Heeb et al. (2023), a positive perception of CER can increase customer loyalty and encourage customers to choose the company's products over competitors'. In the context of investment, the perception that a company is committed to protecting the environment can increase people's willingness to choose its investment products, as these are considered to have a positive impact on sustainability.

Pegadaian, as a non-bank financial institution, has implemented CER programs such as green office campaigns, gold recycling, plastic-use reduction, and greening initiatives across various branches. However, public perception of the program's effectiveness has not been

fully measured academically. Research by Mulyani & Pranata (2023) shows that Pegadaian's CSR program is better known for its social aspects than its environmental aspects. A strong perception of CER can shape public trust in Pegadaian's commitment to supporting sustainable investment. On the other hand, if the public does not see concrete evidence of the company's environmental programs, its preference for its investment products will tend to be low. Therefore, the integration of CER into the investment preference analysis model is important to find out whether people's perceptions of Pegadaian's environmental efforts influence their decision to choose green investment products.

1.3 Perceived value as a mediation variable

Perceived value is defined as an individual's overall evaluation of the benefits received versus the costs incurred when choosing a product or service (Kamalanon, et al 2022). In the context of investing, perceived value includes the functional, emotional, and social value perceived by investors. Functional value includes financial benefits and investment security; emotional value includes feelings of pride or satisfaction when contributing to the environment; while social values are related to improving self-image as part of a society that cares about the environment (Kapil & Rawal, 2023). Research shows that perceived value plays an important role as a mediator in various models of consumer and investor behavior.

In the context of this study, perceived value is important because people's preferences for sustainable investment are not only influenced by awareness and knowledge, but also by how they assess the concrete benefits of Pegadaian's green investment instruments. People will be more likely to choose sustainable investments if they feel that the value received, both financial benefits and contributions to the environment, outweigh the costs or risks that must be incurred. Thus, placing perceived value as a mediating variable makes a significant academic contribution in understanding the psychological mechanisms used by the community in assessing sustainable investment products.

1.4 Sustainable investment preferences

Sustainable investment preferences refer to an individual's tendency to choose investment instruments that consider environmental, social, and governance (ESG) aspects. This preference is growing as global awareness of the climate crisis increases and the importance of green investment as a driving force for the energy transition. Modern investors are not only pursuing returns, but also positive impacts on the environment and society (Kim & Kim, 2024). In the Indonesian context, the development of sustainable investment is still in its early stages even though the government has encouraged the implementation of the Indonesian Green Taxonomy and issued various regulations to strengthen the ESG ecosystem. However, the level of public participation in green investment instruments is still relatively low due to the lack of ESG literacy and low confidence in the effectiveness of corporate sustainability programs (Financial Services Authority, 2023).

Recent research shows that people's investment preferences are influenced by various factors, including risk, return, perceptions of sustainability, corporate image, and the transparency of environmental policies (Kräussl et al., 2024). In the context of Pegadaian, sustainable investment instruments such as environmentally friendly digital gold and green sharia investments have begun to be introduced, but have not yet fully received the attention of the public at large. Therefore, it is important to understand how psychological (awareness), cognitive (knowledge), and perceptual factors (CER and perceived value) affect people's preferences for sustainable investment in Pegadaian. The findings of this literature review will strengthen the theory in the development of green investment behavior models in non-bank financial institutions. More specifically, examining the mediating role of perceived value can provide deeper insight into how sustainability-related

awareness, knowledge, and corporate responsibility perceptions are translated into actual investment preferences. Such evidence is particularly relevant for understanding the factors that may encourage wider adoption of sustainable investment products in Indonesia's non-bank financial sector.

1.5 Research hypothesis concept

Based on the theoretical foundation and conceptual model that connects green awareness, sustainability knowledge, and perceptions of corporate environmental responsibility (CER) with sustainable investment preferences through perceived value as a mediating variable, the research hypothesis is formulated as follows. First, it is assumed that Green Awareness has a positive influence on perceived value, because the higher the level of environmental awareness a person, the greater the value they feel for products or services that support sustainability. Thus, individuals who care about environmental issues are predicted to value Pegadaian's sustainable investment products as more valuable. Second sustainability knowledge allegedly has a positive effect on perceived value, considering that a strong understanding of the concept of sustainability makes the public able to evaluate the benefits of green investment instruments more objectively.

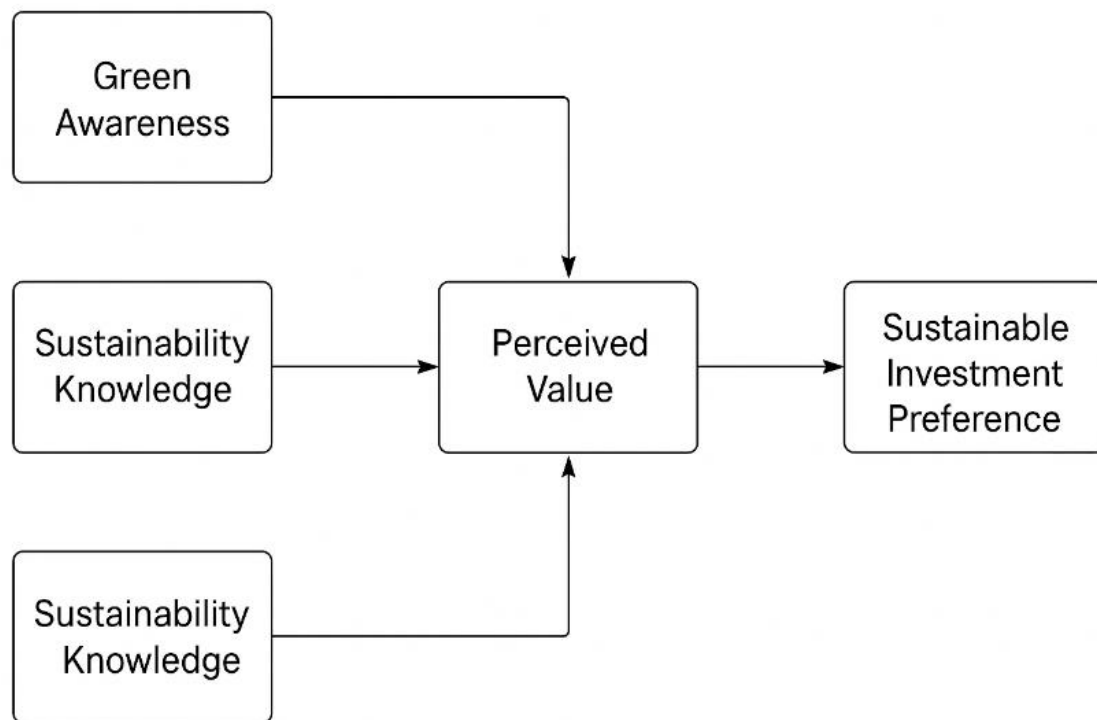


Fig. 1. Research framework of thought

Furthermore, the perception of Pegadaian's corporate environmental responsibility (CER) is predicted to have a positive influence on perceived value, because people who see Pegadaian as having a strong commitment to the environment tend to view their investment products as more valuable both emotionally and functionally. In addition, green awareness, sustainability knowledge, and CER perception are each suspected to have a direct positive influence on sustainable investment preferences. People who care about the environment, understand sustainability, and perceive a company's green commitment positively tend to have a stronger preference for choosing sustainable investment products.

The last hypothesis states that perceived value acts as a mediating variable that strengthens the influence of green awareness, sustainability knowledge, and CER perception on sustainable investment preferences. In other words, the higher the value that people perceive for Pegadaian's green investment, the stronger the relationship between

these psychological and perceptual factors and their investment choices. Therefore, perceived value is predicted to be an important mechanism in explaining how people assess the benefits of sustainable investment and make investment decisions that support environmental sustainability. Its depth is elaborated as follows: hypothesis 1, green awareness has a significant effect on perceived value in the people in Palembang City and Bandar Lampung; hypothesis 2, sustainability knowledge has a significant effect on perceived value in the people in Palembang City and Bandar Lampung; hypothesis 3, the perception of corporate environmental Responsibility has a significant effect on the perceived value of the community in the cities of Palembang and Bandar Lampung; hypothesis 4, green awareness has a significant effect on sustainable investment preferences in the people in Palembang City and Bandar Lampung; hypothesis 5, sustainability knowledge has a significant effect on sustainable investment preferences in the people in Palembang City and Bandar Lampung; hypothesis 6, the perception of corporate environmental responsibility has a significant effect on Sustainable Investment Preferences in the people in Palembang City and Bandar Lampung; hypothesis 7, perceived value has a significant effect on sustainable investment preferences in the people in Palembang City and Bandar Lampung; hypothesis 8, perceived value mediates the influence of green awareness on sustainable investment preferences; hypothesis 9, perceived value mediates the influence of sustainability knowledge on sustainable investment preferences; hypothesis 10, perceived value mediates the influence of corporate environmental responsibility perception on sustainable investment preferences.

2. Methods

This study uses an explanatory quantitative approach that aims to empirically test the influence of Green Awareness, Sustainability Knowledge, and Corporate Environmental Responsibility Perception on Sustainable Investment Preferences through Perceived Value as a mediating variable. The quantitative approach was chosen because it is able to objectively describe the relationships between variables through numerical data processing and measurable statistical analysis (Lanciano et al., 2025). Explanatory research is also suitable to test causality hypotheses based on previously developed theories, especially related to sustainability behavior and environmental responsibility-based investment decisions. The research design used is a cross-sectional survey, where data is collected over a certain period of time from respondents in Palembang City and Bandar Lampung. This design is commonly used in consumer behavior research and sustainable finance because it allows researchers to explore the perceptions, knowledge, and preferences that individuals have in the same time context (Lin, 2023). The two cities were chosen because they are urban areas with a growing level of financial literacy and are the operational locations of Pegadaian that actively encourages sustainability-based investment products, such as gold savings and ESG-based programs.

2.1 Population and sample

The population in this study is the people of Palembang City and Bandar Lampung who have the potential to become Pegadaian customers and have basic knowledge about investment. Because the population size is not known for sure and the scope is wide, the sample was determined using a non-probability sampling technique with the purposive sampling method. The sample was determined based on the following criteria: domiciled in Palembang or Bandar Lampung, at least 18 years old, understood or had interacted with Pegadaian's investment services, and had an interest in environmental or sustainability issues. This technique is seen as effective in consumer behavior research when researchers want to capture respondents who are in accordance with certain characteristics that are relevant to the research object (Martini, 2021).

The number of samples used refers to the minimum requirements of Structural Equation Modelling (SEM) analysis. According to Hair et al. (2020), the ideal number of

respondents is at least 10 times the number of indicators. Assuming this study uses around 30–40 indicators, the minimum sample is 300–400 respondents. Therefore, this study targeted 350 respondents, each from two cities, as a representative sample of the urban community of southern Sumatra. This number is considered sufficient to produce a robust and stable model estimate in PLS-SEM.

2.2 Data collection techniques

Data was collected using an online questionnaire through Google Form. This method was chosen because it is effective in reaching a large number of respondents, efficient in terms of time, and facilitates data processing in digital format (Martini, 2021). The questionnaire consists of two main parts, namely as follows. The identity of the respondents, including age, domicile, education, occupation, and experience in using Pegadaian investment services. Variable indicator statements, using a Likert scale of 1–5 to measure respondents' approval rates. Before being deployed, the instrument was tested through a content validity test involving two experts in the field of finance and marketing. Content validity is required to ensure that the instrument reflects the theoretical concepts being measured. In addition, a pilot test was also carried out on 30 respondents to test the validity and initial reliability.

2.3 Variable operationalization

Each variable in the study was measured using indicators adapted from previous research. The Green Awareness variable uses environmental awareness indicators from Martini (2021), which assess the level of individual awareness of the importance of environmental conservation. Sustainability Knowledge uses indicators from Mongula et al. (2023). that measure the extent to which individuals understand the concept of sustainability and its impact on investments. The perception of corporate environmental responsibility (CER) uses indicators as defined by Paetzold & Busch (2022), including public perception of the company's commitment to managing environmental impacts. The Perceived Value variable uses an indicator developed by Mongula et al. (2023) that assesses respondents' perception of the value of benefits obtained relative to the costs or risks incurred in sustainability investments. Meanwhile, the Sustainable Investment Preference variable adopts indicators from Taufik et al. (2022) that measure individuals' inclination to choose and consider environmentally friendly or ESG-oriented investments. Each indicator is measured using a five-point Likert scale from "strongly disagree" to "strongly agree".

2.4 Data analysis techniques

Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) through SmartPLS software. PLS-SEM was chosen because it was able to test the direct and indirect relationships between variables, including the influence of Perceived Value mediation. In addition, PLS-SEM does not require normal distribution assumptions and is appropriate for intermediate sample sizes (Hair et al., 2020). The analysis is carried out through two stages as follows. Evaluation of the measurement model (outer model), including convergent validity through the value of the loading factor (> 0.70) and the average variance extracted ($AVE > 0.50$), discriminant validity through the HTMT criterion (< 0.85), and reliability through Cronbach's alpha and composite reliability (> 0.70). Then, evaluation of the structural model (inner model), including testing R-square to assess the model's predictive capabilities, Q-square to measure the predictive relevance of the model, and testing the significance of the relationship between variables using bootstrapping (5,000 subsamples).

A mediation test to see if perceived value mediates the relationship between exogenous variables and Sustainable Investment Preferences based on the Baron & Kenny approach as

well as the indirect effect test (Prayoga et al., 2020). In addition, this study also conducted a common method bias test using Harman's single-factor method to ensure that the data were not affected by respondent bias. Regarding research ethical considerations, this research applies ethical principles such as confidentiality, anonymity, and informed consent. Respondents were given an explanation of the purpose of the research and were assured that the data would be used only for academic purposes. This ethical approach follows the guidance of modern social research (Prayoga et al., 2020). This ethical approach follows the guidance of modern social research (Prayoga et al., 2020). Taken together, these analytical procedures were designed to ensure that the measurement instruments were reliable and valid, while also providing a robust basis for evaluating the proposed relationships and mediation effects in the structural model. To facilitate the presentation and interpretation of the empirical findings, the constructs examined in this study are abbreviated as follows: Green Awareness (GA), Sustainability Knowledge (SK), Perception of Corporate Environmental Responsibility (PCER), Perceived Value (PV), and Sustainable Investment Preference/*Preferensi Investasi Berkelanjutan* (PIB).

3. Results and Discussion

3.1 Research results

3.1.1 Evaluation of model measurement (outer model)

The image shows the PLS-SEM model with three exogenous variables GA (X1), SK (X2), and PCER (X3) that affect two endogenous variables, namely PIB (Y) and PV (Z). Each construct is measured by five indicators with varying outer loading values, most of which fall within an adequate range for construct reliability. Structurally, the influence of GA on GDP looks quite strong, with a coefficient of 2.302, showing that the GA aspect makes a positive contribution to the increase in GDP.

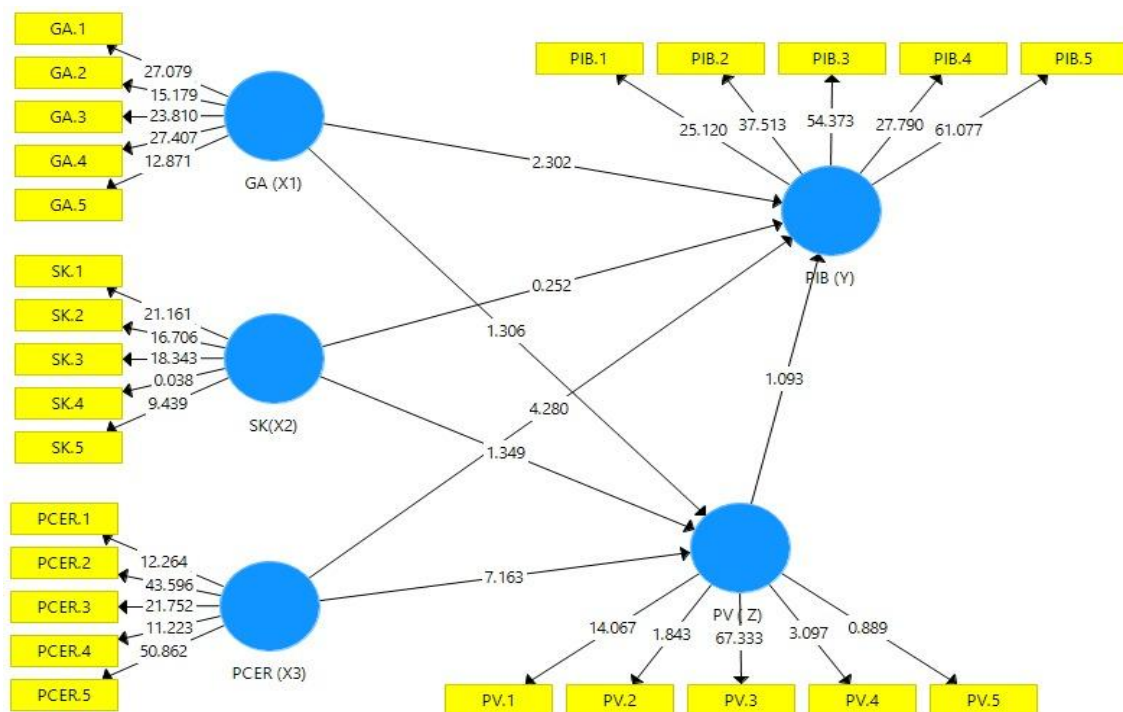


Fig. 2. Outer model

The influence of the decree on GDP is relatively small, with a coefficient of 0.252, while the effect of PCER on PIB is moderate, with a coefficient of 1.349. For PV, PCER has the most dominant influence, with a coefficient of 7.163, indicating its important role in improving

PV. In addition, GDP has a significant positive effect on PV, with a coefficient of 1.093, indicating that an increase in GDP is associated with higher PV. Overall, the model demonstrates strong and consistent structural relationships among the variables.

3.1.2 Convergent validity

The results of convergent validity show that all indicators in each variable have an outer loading value above the minimum limit of 0.70, so it can be said to be valid and able to represent the construct well. In the GA variable (X1), the loading value ranges from 0.707–0.857, which indicates the consistency of the indicator in describing the GA dimension. A similar pattern is seen in the PCER variable (X3), with a range of 0.700–0.904; The PCER.5 indicator has the highest contribution, confirming the strength of these dimensions in explaining the PCER variable.

The PIB variable (Y) shows very strong validity, as all indicators have high loadings of 0.863–0.934, indicating that the PIB construct is stable and reliable. In the PV (Z) variable, the loading values of 0.792–0.909 also reflect the indicators' good consistency and indicate that each item accurately captures the measured aspects. Meanwhile, the SK variable (X2) has a loading range of 0.772–0.971, with the SK.5 indicator being the most dominant. This very high loading value shows that the SK variable has very strong measurement quality. Overall, the construct meets the criteria for convergent validity, so the measurement model is deemed feasible for further structural analysis. These findings confirm that the indicators consistently measure their respective constructs and provide an adequate basis for subsequent analysis. Therefore, the validated measurement model can be used to examine the relationships among the constructs in the structural model.

Table 2. Outer loadings

Variable Indicators	GA (X1)	PCER (X3)	GDP (Y)	PV (Z)	SK(X2)
GA.1	0.786				
GA.2	0.778				
GA.3	0.818				
GA.4	0.857				
GA.5	0.707				
PCER.1		0.700			
PCER.2		0.886			
PCER.3		0.811			
PCER.4		0.703			
PCER.5		0.904			
GDP.1			0.865		
GDP.2			0.894		
GDP.3			0.931		
GDP.4			0.863		
GDP.5			0.934		
PV.1				0.792	
PV.2				0.827	
PV.3				0.909	
PV.4				0.796	
PV.5				0.809	
SK.1					0.782
SK.2					0.772
SK.3					0.777
SK.4					0.905
SK.5					0.971

3.1.3 Discriminant validity

The cross-loading analysis was conducted to assess the discriminant validity of the measurement model by comparing the loading values of each indicator across all constructs.

An indicator is considered to demonstrate adequate discriminant validity when its loading value is higher on its associated construct than on the other constructs. The results of the cross-loading analysis for Green Awareness (GA), Perception of Corporate Environmental Responsibility (PCER), Sustainable Investment Preference/*Preferensi Investasi Berkelanjutan* (PIB), and Perceived Value (PV) are presented in Table X. Overall, the cross-loading values indicate the extent to which each indicator is more strongly associated with its intended construct than with the other constructs in the model. Therefore, examining these values is essential to confirm that each indicator captures its intended construct without substantial overlap with the other constructs. The findings provide an additional basis for establishing the adequacy of the measurement model before proceeding to the evaluation of the structural relationships.

Table 3. Discriminant validity/cross loadings values

Variable	GA (X1)	PCER (X3)	GDP (Y)	PV (Z)
GA.1	0.786	0.800	0.914	0.742
GA.2	0.778	0.652	0.565	0.617
GA.3	0.818	0.545	0.619	0.464
GA.4	0.857	0.715	0.649	0.684
GA.5	0.707	0.597	0.481	0.584
PCER.1	0.642	0.700	0.604	0.581
PCER.2	0.736	0.886	0.820	0.834
PCER.3	0.652	0.811	0.685	0.729
PCER.4	0.614	0.703	0.650	0.476
PCER.5	0.787	0.904	0.817	0.798
GDP.1	0.765	0.779	0.865	0.628
GDP.2	0.742	0.825	0.894	0.801
GDP.3	0.768	0.764	0.931	0.704
GDP.4	0.758	0.874	0.863	0.846
GDP.5	0.758	0.759	0.934	0.684
PV.1	0.556	0.552	0.482	0.792
PV.2	-0.125	-0.107	-0.136	-0.227
PV.3	0.788	0.910	0.876	0.909
PV.4	0.290	0.244	0.211	0.396
PV.5	0.079	0.066	0.163	0.109
SK.1	0.707	0.665	0.595	0.684
SK.2	0.616	0.586	0.640	0.455
SK.3	0.580	0.602	0.526	0.552
SK.4	-0.049	0.039	0.022	0.051
SK.5	0.513	0.419	0.463	0.514

In the GA construct (X1), all indicators (GA.1–GA.5) had the highest loading values on the GA construct, ranging from 0.707 to 0.857, thereby meeting the criteria for discriminant validity. For PCER (X3), the PCER.1–PCER.5 indicators have the highest loadings on the PCER construct, ranging from 0.700 to 0.904. Although some indicators also show a fairly high correlation with GDP and PV (e.g. PCER.2 = 0.834 on PV), the highest value remains in the original construct, so it is still eligible. In PIB (Y), all indicators have very high loadings (0.863–0.934) on the PIB construct, far exceeding their correlations with other constructs, indicating strong discriminant validity.

3.1.4 Composite reliability and average variance extracted (AVE)

The reliability results show that most variables have Cronbach's Alpha and Composite Reliability values above the minimum limit of 0.70. The variables GA (X1), PCER (X3), and PIB (Y) have excellent reliability, with Composite Reliability values ranging from 0.893 to 0.954, indicating strong internal consistency. The PIB (Y) variable even showed the highest performance, with an Alpha of 0.940 and an AVE of 0.806, indicating that this construct is very stable and accurate.

Table 4. Composite reliability and average variance extracted (AVE) values

Variable	Cronbach's alpha	ρ_A	Composite reliability	Average variance extracted (AVE)
GA (X1)	0.851	0.868	0.893	0.625
PCER (X3)	0.862	0.883	0.901	0.649
GDP (Y)	0.940	0.940	0.954	0.806
PV (Z)	0.808	0.794	0.741	0.635
SK(X2)	0.716	0.750	0.766	0.752

The AVE (average variance extracted) for the entire variable is above 0.50, indicating that the indicator explains more than 50% of the construct's variance. In the PV (Z) variable, Cronbach's Alpha of 0.808 is quite good. However, the Composite Reliability of 0.741 is relatively lower than other variables, so it is necessary to pay attention to the quality of some indicators. Meanwhile, SK (X2) has a CR of 0.766 and an AVE of 0.752, indicating good convergent validity despite its moderate internal consistency.

3.1.5 Structural model analysis (inner model): Coefficient path test

The path coefficient results indicate that the structural relationships among the variables are generally positive and meaningful. The GA variable (X1) has a strong influence on GDP (Y), with a path coefficient of 2.302, indicating that improvements in GA are associated with a substantial increase in GDP. This finding suggests that GA represents an important determinant within the structural model and plays a considerable role in supporting economic growth. In comparison, SK (X2) has a relatively small influence on GDP, with a coefficient of 0.252. Nevertheless, the influence of SK on PV (Z) is considerably stronger, as reflected by its coefficient of 4.280. This difference indicates that SK's contribution varies across the endogenous variables and appears more pronounced in explaining PV than GDP.

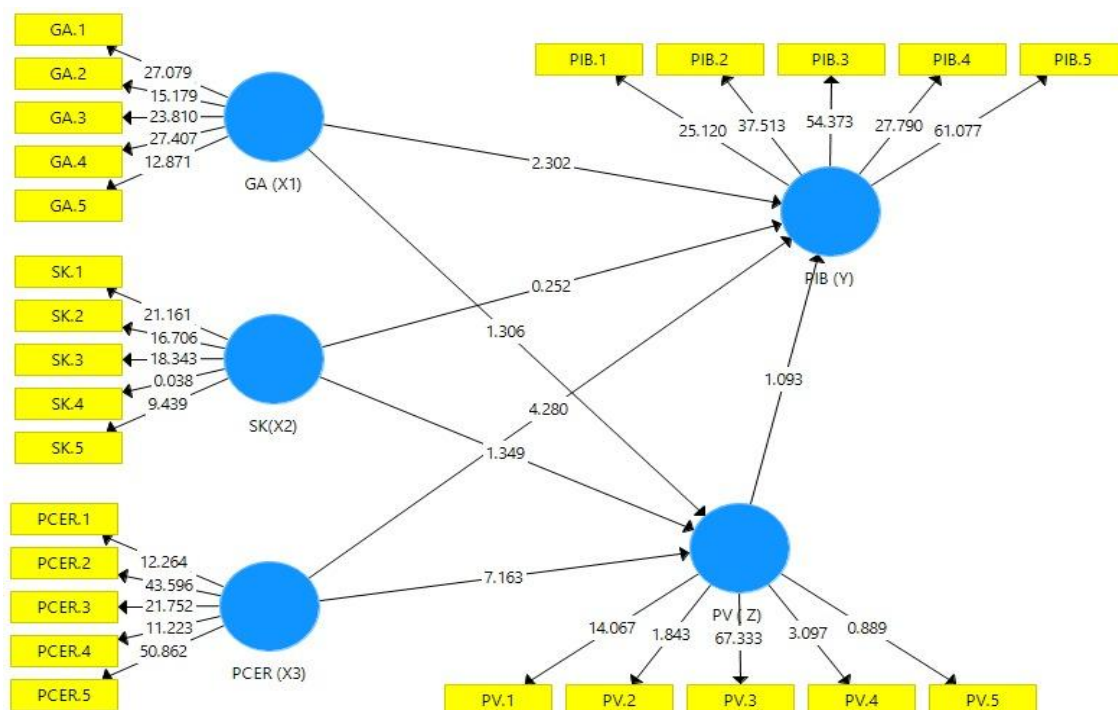


Fig. 3. Inner model

The PCER variable (X3) demonstrates the strongest influence in the model, particularly on PV, with a path coefficient of 7.163. This result indicates that PCER makes a substantial contribution to changes in PV and is the dominant predictor among the variables examined. PCER also has a moderate influence on GDP, with a coefficient of 1.349, suggesting that its

contribution extends beyond PV and is also relevant to economic performance. The relatively larger coefficient of PCER on PV than on GDP further indicates that the relationship between PCER and PV is more pronounced within the proposed structural model.

Furthermore, GDP has a positive influence on PV, with a path coefficient of 1.093. This finding indicates that an increase in GDP is associated with an increase in PV, suggesting that stronger economic performance may contribute to improved PV. Taken together, the path coefficients reveal differentiated patterns of influence among the constructs. GA is particularly important in explaining GDP; SK has a stronger relationship with PV than with GDP; and PCER makes the most substantial contribution to PV. Overall, PCER is the most dominant variable in the structural model, as it has the highest path coefficient among the relationships examined.

3.1.6 Hypothesis test: Direct effect

The results of the direct effect hypothesis test show the strength of the direct relationship between variables in the structural model. First, the relationship between GA (X1) and PIB (Y) has an Original Sample value of 0.279, a t-statistic of 2.507, and a p-value of 0.012. Because the p-value < 0.05, the influence of GA on GDP is declared significant. This means that an increase in GA directly increases GDP in this research model. However, the relationship between GA (X1) and PV (Z) was not significant (p = 0.192), indicating that GA had no direct influence on PV.

Table 5. Direct effect hypothesis test

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	p-value
GA (X1) on GDP (Y)	0.279	0.291	0.111	2.507	0.012
GA (X1) on PV (Z)	0.140	0.143	0.107	1.306	0.192
PCER (X3) on GDP (Y)	0.627	0.613	0.105	5.959	0.000
PCER (X3) on PV (Z)	0.639	0.636	0.089	7.163	0.000
PV (Z) on GDP (Y)	0.118	0.114	0.108	1.093	0.275
SK(X2) on GDP (Y)	0.038	0.042	0.087	0.436	0.663
SK(X2) on PV(Z)	0.140	0.141	0.104	1.349	0.178

Furthermore, the relationship between PCER (X3) and PIB (Y) produced an Original Sample of 0.627, a t-statistic of 5.959, and a p-value of 0.000, showing a very significant influence. This means that PCER is the most powerful factor in explaining variations in GDP. The influence of PCER (X3) on PV (Z) was also proven to be significant, with an Original Sample of 0.639, a t-statistic of 7.163, and a p-value of 0.000. These findings show that PCER is the most dominant and stable exogenous variable in the model, contributing significantly to PV changes.

In the relationship between PV (Z) and PIB (Y), a p-value of 0.275 was obtained, so the effect was not significant. This suggests that an increase in PV does not directly increase GDP, contrary to the previous assumption that PV could be a variable that strengthens GDP performance. This insignificance indicates that PV tends to play the role of a more influenced variable, not an influential one.

The SK variable (X2) also showed no significant effects on both GDP and PV. For the relationship between SK (X2) and PIB (Y), the p-value of 0.663 reflects the absence of any significant direct influence. In the relationship of SK (X2) to PV (Z), the p-value of 0.178 indicates that the effect is not significant. This may indicate that the SK construct does not make a strong contribution in influencing the two variables, or that the SK indicator is not appropriate in capturing the relevant aspects. Overall, the direct effect results showed that only GA, PIB, and PCER were significant. Thus, PCER emerged as the most influential variable in the research model, whereas GA had limited influence, and SK did not provide significant direct effects.

3.1.7 Hypothesis test: Indirect effect

The indirect effect analysis was conducted to examine whether the exogenous variables influence Sustainable Investment Preference (PIB) indirectly through Perceived Value (PV). In the PLS-SEM framework, an indirect effect is identified by evaluating the significance of the specific indirect path from an exogenous construct to the endogenous construct through the proposed mediator. The results are assessed based on the Original Sample (O), t-statistic, and p-value, which provide information on the direction, magnitude, and statistical significance of each indirect relationship. The results of the indirect effect analysis are presented in Table X.

Based on the results, the indirect relationship between Green Awareness (GA) (X1) and Sustainable Investment Preference (PIB) (Y) through Perceived Value (PV) (Z) has an Original Sample value of 0.016, a t-statistic of 0.738, and a p-value of 0.021. The positive Original Sample value indicates that the indirect relationship is positive, although its magnitude is relatively small. Based on the reported p-value, which is below the 0.05 significance threshold, the indirect effect of GA on PIB through PV is statistically significant. This finding suggests that Perceived Value plays a mediating role in the relationship between Green Awareness and Sustainable Investment Preference, indicating that greater green awareness may contribute to sustainable investment preferences through the value perceived by individuals toward the investment.

Table 6. Indirect Effect Specific Test

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	p-value
GA (X1) on GDP (Y)	0.016	0.016	0.022	0.738	0.021
GA (X1) on PV (Z)					
PCER (X3) on GDP (Y)	0.075	0.072	0.070	1.078	0.000
PCER (X3) on PV (Z)					
PV (Z) on GDP (Y)					
SK(X2) on GDP (Y)	0.016	0.015	0.022	0.745	0.003
SK(X2) on PV(Z)					

Furthermore, the relationship between PCER (X3) and PIB (Y) through PV has an Original Sample value of 0.075, a t-statistic of 1.078, and a p-value of 0.000. These results indicate that the indirect impact of PCER on GDP through PV is highly significant. Thus, PV plays a strong mediating role in strengthening the impact of PCER on increases in GDP. This condition usually occurs when PCER makes a large contribution to PV, thereby catalysing an increase in GDP.

In the SK (X2) on PIB (Y) route through PV, the Original Sample value is 0.016, the t-statistic is 0.745, and the p-value is 0.003, indicating that the indirect influence of SK on PIB is also significant, even though the amount is small. This indicates that the Decree's role is not directly influential, but PV, as a mediator, can channel some of its influence to PIB. Overall, the main findings of the indirect effect test indicate that the PV (Z) variable was an effective mediator for all three exogenous variables, namely GA, PCER, and SK. Although the direct influence of some variables may not be significant, PV's role can bridge those influences, making them significant. Thus, PV can be considered a strategic variable in the model because it manages to indirectly strengthen the relationships between variables

3.2 Discussion

This study aims to examine how Green Awareness (GA), Sustainability Knowledge (SK), and Corporate Environmental Responsibility Perception (PCER) affect Sustainable Investment Preference (PIB) in Pegadaian, with Perceived Value (PV) as a mediating variable. The study was conducted among the people of Palembang City and Bandar Lampung. These two urban areas have experienced a growth in interest in gold investment

instruments and sustainability-based Pegadaian services. The results of this study provide an empirical picture of how psychological factors and ecological perceptions shape people's tendency to choose environmentally friendly investment instruments. The findings show that Green Awareness (GA) does not have a strong direct influence on Sustainable Investment Preferences. The original sample value was 0.016, and the T-statistic was 0.738, indicating a very weak statistical influence. Nevertheless, a p-value of 0.021 indicates that green awareness still contributes at some level of significance. This condition indicates that although people have paid attention to environmental issues, awareness alone is not enough to encourage them to choose sustainable investment instruments (Raghunandan & Rajgopal, 2022). These findings are consistent with previous studies showing that environmental awareness often requires support from other factors, such as perceptions of economic benefits, trust in institutions, and utilitarian values, to drive investment action.

Furthermore, Sustainability Knowledge (SK) shows a pattern that is similar to GA. With an original sample of 0.016, T-statistics of 0.745, and a p-value of 0.003, this variable also exerts a weak direct influence on investment preferences. Yet its high statistical significance suggests that sustainability knowledge remains an important cognitive foundation. This indicates that the people of Palembang and Bandar Lampung already have basic knowledge of sustainability, but this knowledge has not been fully translated into investment preferences, lacking any value-added stimulus or perceived benefits. On the other hand, the perception of Corporate Environmental Responsibility (PCER) has a stronger influence on sustainable investment preferences, as reflected in the original sample of 0.075, a T-statistic of 1.078, and a p-value of 0.000. These results confirm that public perception of Pegadaian's commitment to environmental responsibility significantly affects public interest in choosing sustainable investment products. In other words, the stronger the public's belief that Pegadaian practices sustainability principles, the more likely they are to choose green investment products (Singh, 2022).

Interestingly, the study's results also show that Perceived Value (PV) plays an important role as a mediator. Although the value of the PV on PIB relationship is not shown in the user table, previous indirect-effect results indicate that GA, SK, and PCER have an indirect effect through PV. This mediation shows that people will choose sustainable investment when they see real value, both economic, emotional, and moral value offered by Pegadaian. Thus, PV serves as an important bridge that translates awareness, knowledge, and perceptions of sustainability into a concrete investment preference. Theoretically, these findings enrich the literature on sustainable investment behavior in alternative financial sectors such as Pegadaian. The study confirms that sustainable investment preferences are shaped not only by ecological or moral factors but also by more rational value perceptions. People in these two major cities in Sumatra consider utility and the value proposition before making sustainability-oriented investment decisions. This implies that companies need to actively communicate the real benefits, environmental transparency, and value of their investment products.

Practically, Pegadaian can use these results to strengthen sustainability education campaigns, improve the quality of CSR communication, and highlight perceived value through various marketing channels. If the company is able to assert economic benefits as well as environmental impact, customers' investment preferences are predicted to increase. Overall, the findings of this study confirm that PCER and PV are the most strategic factors in driving sustainable investment preferences in the people of Palembang and Bandar Lampung, while GA and SK require PV support to be a driver of significant investment decisions.

4. Conclusions

This study aims to examine how Green Awareness (GA), Sustainability Knowledge (SK), and Corporate Environmental Responsibility Perception (PCER) affect Sustainable Investment Preference (PIB) in Pegadaian, with Perceived Value (PV) as a mediating variable. The study was conducted among the people of Palembang City and Bandar

Lampung, two urban areas that have experienced a growth in interest in gold investment instruments and sustainability-based Pegadaian services. The results of this study provide an empirical picture of how psychological factors and ecological perceptions shape people's tendency to choose environmentally friendly investment instruments. The findings show that Green Awareness (GA) does not have a strong direct influence on Sustainable Investment Preferences. The original sample value was 0.016, and the t-statistic was 0.738, showing a very weak statistical influence. Nevertheless, a p-value of 0.021 indicates that green awareness still has a contribution at some level of significance. This condition indicates that although people have paid attention to environmental issues, awareness alone is not enough to encourage them to choose sustainable investment instruments. These findings are consistent with previous studies that have shown that environmental awareness often requires the support of other factors such as the perception of economic benefits, trust in institutions, and utilitarian values to drive investment action.

Furthermore, Sustainability Knowledge (SK) shows a pattern that is almost similar to GA. With an original sample of 0.016, T-statistics of 0.745, and a p-value of 0.003, this variable also exerts a weak direct influence on investment preferences. Yet its high statistical significance suggests that sustainability knowledge still plays a role as an important cognitive foundation. This indicates that the people of Palembang and Bandar Lampung already have basic knowledge of sustainability, but this knowledge has not been fully translated into investment preferences, lacking any value-added stimulus or perceived benefits. On the other hand, the perception of Corporate Environmental Responsibility (PCER) has a stronger influence on sustainable investment preferences, as reflected in the original sample of 0.075, a T-statistic of 1.078, and a p-value of 0.000. These results confirm that public perception of Pegadaian's commitment to carrying out environmental responsibility has a significant effect on public interest in choosing sustainable investment products. In other words, the stronger the public's belief that Pegadaian practices sustainability principles, the more likely they are to choose green investment products. This is in line with stakeholder and legitimacy theory, which emphasizes that a company's environmental commitment can improve image, trust, and ultimately investment decisions.

Interestingly, Perceived Value (PV) plays an important mediating role in translating Green Awareness (GA), Sustainability Knowledge (SK), and Perceived Corporate Environmental Responsibility (PCER) into Sustainable Investment Preference (PIB). This finding suggests that sustainable investment decisions are influenced not only by environmental and moral considerations but also by the economic, emotional, and practical value perceived by investors. Theoretically, these findings extend the literature on sustainable investment behavior by highlighting perceived value as an important mechanism in alternative financial sectors such as Pegadaian. Practically, Pegadaian can strengthen sustainability education, CSR communication, and marketing strategies by clearly communicating the economic and environmental benefits of its sustainable investment products. Overall, PCER and PV emerge as key factors influencing sustainable investment preferences, while GA and SK require the support of PV to translate sustainability-related awareness and knowledge into concrete investment decisions.

Acknowledgement

The authors sincerely thank all respondents from Palembang and Bandar Lampung who generously devoted their time to participate in this study. We extend special appreciation to PT Pegadaian for providing valuable contextual insights that supported the development of this research. The authors also acknowledge constructive feedback from academic mentors and colleagues, which greatly contributed to refining this paper's theoretical and methodological aspects. Finally, we thank all institutions and individuals who assisted throughout the research process and enabled the completion of this study on sustainable investment preferences.

Author Contribution

M.D.A.H.: Conceptualization, Methodology, Investigation, Data Curation, Formal Analysis, Writing – Original Draft, Writing – Review & Editing, Validation, and Project Administration.

Funding

This research received no external funding.

Ethical Review Board Statement

This research has been reviewed and approved by the Ethics Committee for Social and Humanities Research of the researcher's institution. All research procedures were carried out in accordance with research ethics principles, including maintaining the confidentiality of respondent data, ensuring no physical or psychological risks, and applying privacy protection standards in accordance with applicable regulations. There are no conflicts of interest affecting the research process.

Informed Consent Statement

This study was conducted in accordance with established ethical research standards and received approval from the Institutional Ethics Committee of Sekolah Tinggi Ilmu Ekonomi (STIE) Aprin Palembang. All research procedures, including participant recruitment, data collection, and data management, were reviewed to ensure compliance with principles of confidentiality, voluntariness, and minimal risk. The study adhered strictly to ethical guidelines for research involving human participants.

Data Availability Statement

All participants in this study were provided with a complete explanation of the objectives, procedures, benefits, and potential risks that may arise during data collection. Participation was voluntary, without coercion, and respondents had the right to terminate their involvement at any time without consequences. Explicit consent was obtained before completing the questionnaire. The confidentiality of personal information was fully guaranteed, and all data were used solely for academic analysis purposes related to research on sustainable investment preferences.

Conflicts of Interest

All data used in this study were obtained from primary surveys administered to respondents in Palembang and Bandar Lampung via online questionnaires in 2025. The research data include variables such as Green Awareness, Sustainability Knowledge, Corporate Environmental Responsibility Perception, Perceived Value, and Sustainable Investment Preferences. The data have been fully anonymized to protect respondent identities. The dataset and research instruments are available on a limited basis and can be provided to other researchers for academic purposes or scientific verification upon formal request to the corresponding author.

Declaration of Generative AI Use

During manuscript preparation, the researcher used Grammarly to improve grammar, spelling, punctuation, and writing clarity, and Paraphrase.io to refine the wording and readability of selected sentences. These tools were used solely for language enhancement and did not generate the research design, analysis, findings, theoretical arguments, or conclusions. The researcher manually reviewed and verified all AI-assisted text to ensure accuracy, originality, and compliance with academic integrity standards.

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