



# Investor trust in sustainability data

## INDIA PERSPECTIVES

*Joint research conducted by Deloitte and  
The Fletcher School at Tufts University*

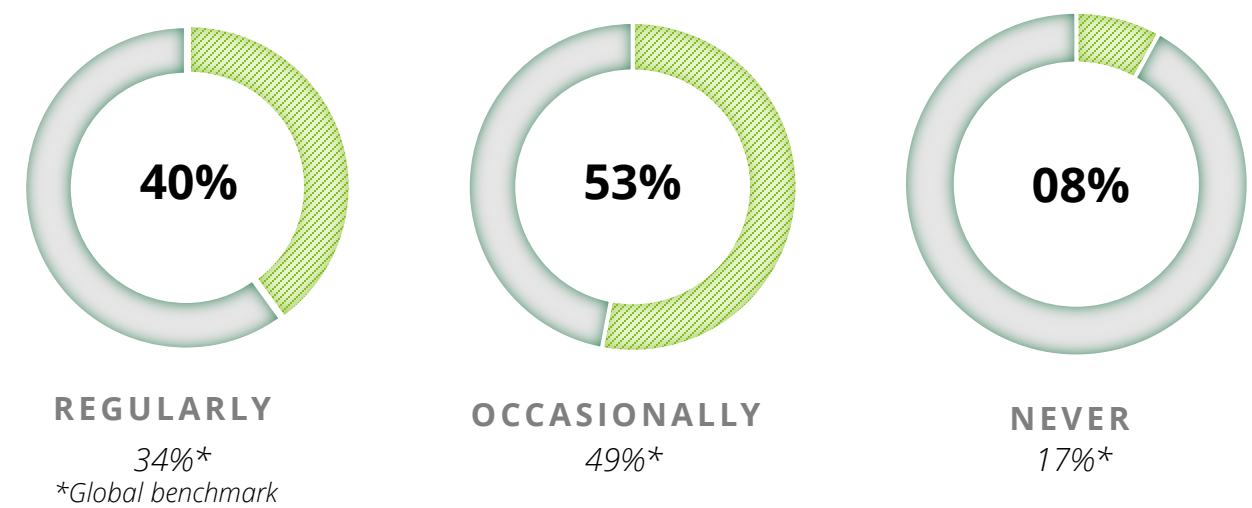


**ABOUT THE RESEARCH** | Deloitte and The Fletcher School at Tufts University conducted a survey of 1,000+ investors, including asset owners, asset managers, and investment advisers in North America, Europe, and Asia from January to December 2023. The quantitative data is supplemented by 10 interviews with sustainability investors. The Indian portion of the sample size included 78 respondents across investor categories.



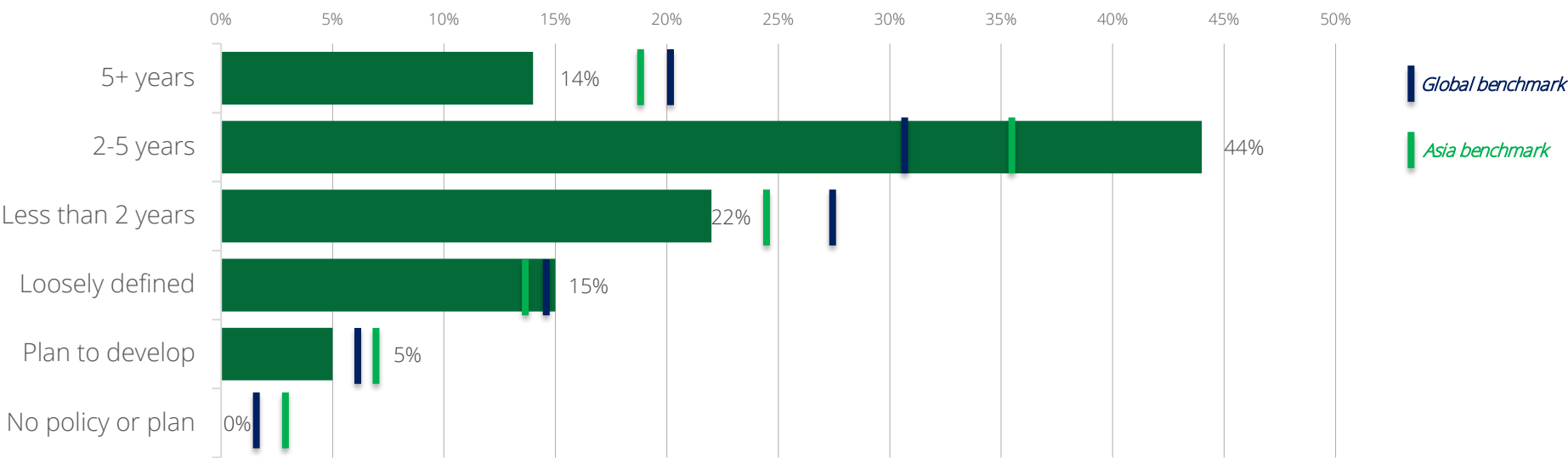
**Sustainability investing matters** to Indian institutional investors  
**80% have sustainability policies in place** and more than **90%** of Indian investors are **seeking sustainability information** as a part of their due diligence process

Frequency of seeking sustainability information



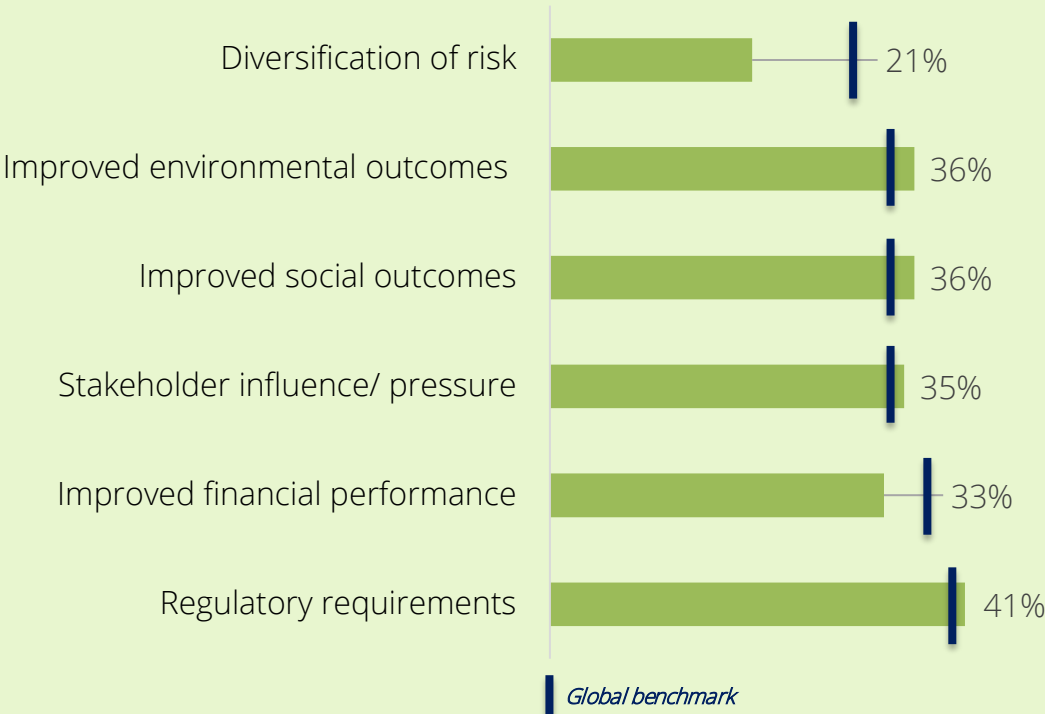
Duration of Environmental, Social, Governance (ESG) policy in place

**14%** of investors in India have had a sustainability policy in place for more than 5 years, and **58%** have had a policy for over 2 years. Indian investors showcase a more recently established sustainability policy in comparison to Asian and global counterparts.



As defined in our study, sustainability investing means including ESG factors in investment analysis and decisions to better manage risks and improve returns. Learn more about sustainable investing and our research in the [global report](#)

**Over the last 12 months, what were the specific drivers behind your organization's approach to ESG investment?**



**Regulatory requirements and improved social and environmental outcomes** are among the top benefits Indian investors expect when incorporating sustainability factors into investment decisions. Although India's sustainability investment preferences closely align with global benchmarks, global investors focus more on improved financial performance and risk diversification than Indian investors do.

On the other hand, India shows **more emphasis** on improved outcomes, likely due to the **Corporate Social Responsibility (CSR) Act of 2014** which serves as a model by which businesses can enhance the ecosystems in which they operate. This indicates a **well-rounded approach** by Indian investors, balancing various sustainability factors with international trends.





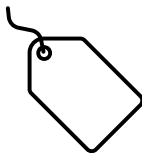
What is the level of regulatory influence to employing ESG strategies in investment decisions?

Investors are seeking information on sustainability-related risks that affect their portfolios. Over 55% of investors cite legal or regulatory influence to execute ESG strategies in investment decisions. This number is expected to increase given the evolving nature of such frameworks.



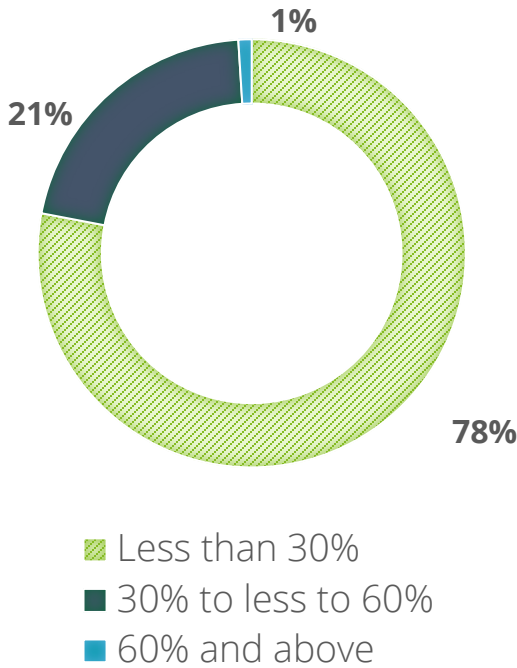
What is the level of pressure from clients to employ ESG strategies in investment decisions?

The rising awareness of climate change, social issues, and corporate governance standards is driving investors. Currently, almost 40% of investors feel some pressure from clients and asset managers to integrate ESG strategies in investment decisions, and close to 15% feel extensive pressure from client and asset managers to integrate ESG strategies.



What percent of your organization's funds are ESG-labeled?

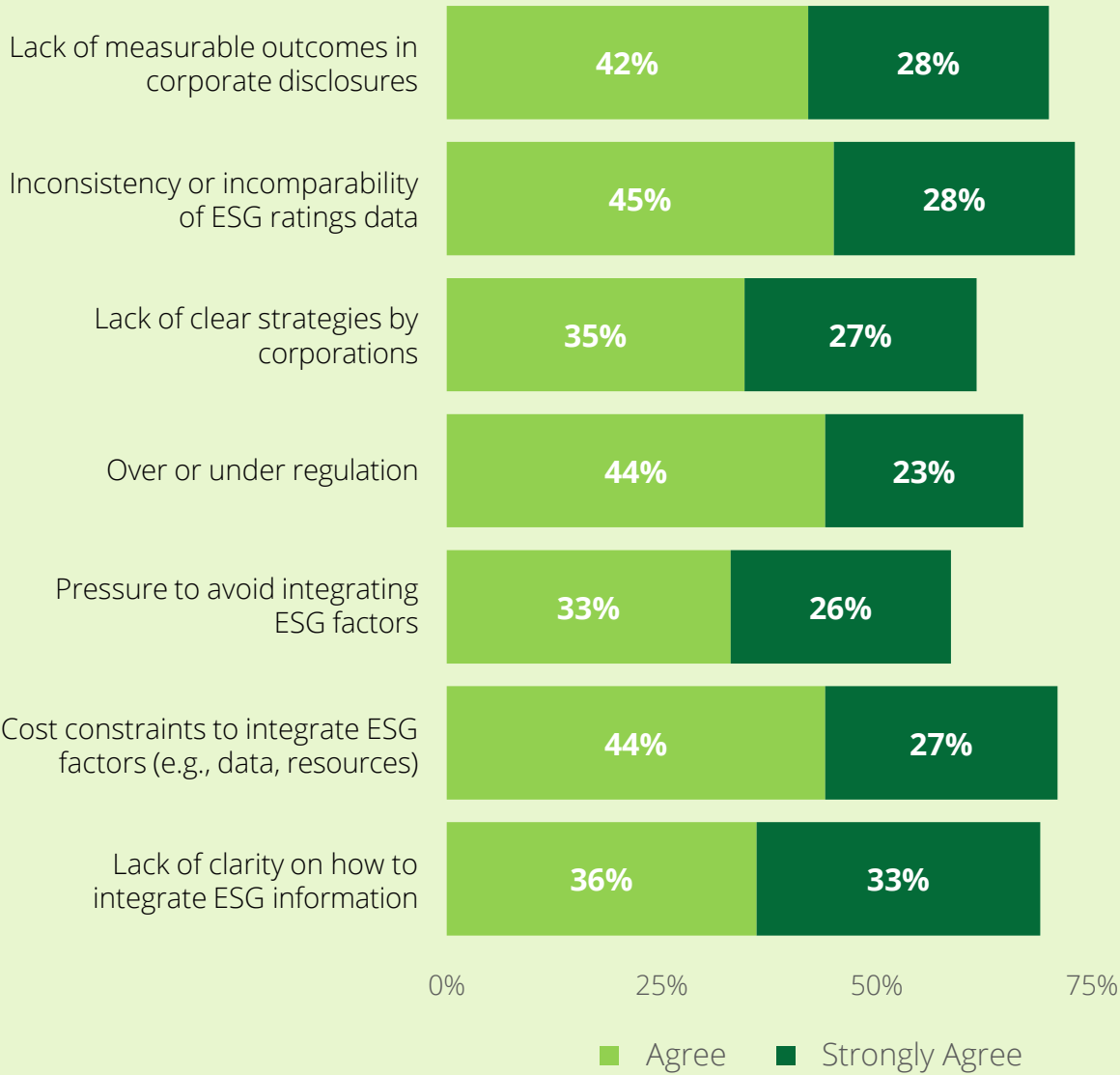
78% of institutional investors spend up to 30% of their funds to finance organizations that aim to achieve specific and measurable ESG objectives. About 1% spend more than 60% of their funds to invest in organizations that meet definitive ESG objectives. This is expected to increase due to increasing regulations and awareness of climate change issues.



Despite a growing focus on incorporating sustainability factors into investment decisions, Indian investors face multiple challenges with accessing trustworthy data.

Which of the following inhibits your organization's ability to effectively implement ESG investment strategies?

The inconsistency or incomparability of ESG rating data, cost constraints on integrating ESG data into investment decision models, and lack of measurable outcomes in corporate disclosures lower the trust factor of available sustainability data.

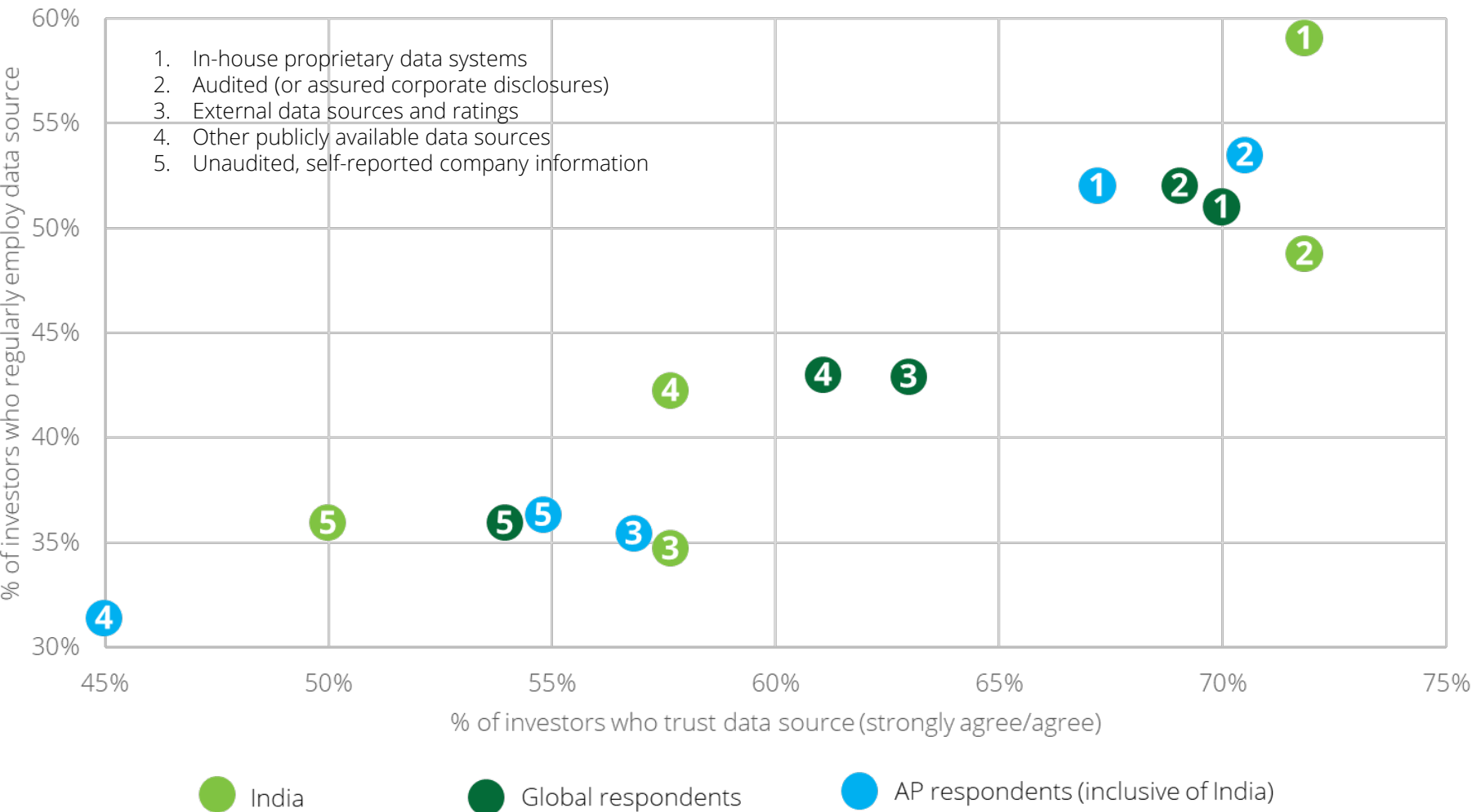


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How often does your organization seek out or employ the following sources of ESG information?

Like global investors, Indian investors trust in-house proprietary data systems and audited (or assured) corporate disclosures when it comes to sustainability analysis. However, compared to global investors, Indian investors are less likely to trust unaudited, self-reported company information and less frequently rely on external data sources and ratings

- Investing in better ESG data systems will soon be vital for decision-making, driven by regulations such as Business Responsibility and Sustainability Reporting (BRSR), Corporate Social Responsibility (CSR) and Extended Producer’s Responsibility (EPR).
- The introduction of international frameworks such as the Corporate Sustainability Reporting Directive (CSRD), Global Reporting Index (GRI) and Non-Financial Reporting Directive (NFRD) likely further explains investors’ preference for reliable data sources as demonstrated in the analysis.
- Organizations are turning to stronger data sources as investors prioritize credible ESG disclosures to more carefully gauge risk and avoid greenwashing



Evolving Indian and international regulations aim to provide greater access to standardized sustainability data, but they will take time to come into effect

- Organizations can take proactive steps to earn investors' trust in their sustainability commitments and progress
- Strengthen sustainable governance capabilities through greater coordination across the C-suite
  - Invest in sustainability measurement, reporting systems, and compliance solutions to enable more robust, higher-quality disclosures.
  - Corroborate sustainability disclosures with third-party assurance. Investors trust assured disclosures almost as much as their own proprietary data
  - Lead with investor engagement to tell your sustainability story. Engagement provides opportunity to address the issues and foster transparency and accountability.

Let's get started

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