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Abstract

Catastrophic news of floods, wildfires, record temperatures and rising sea levels highlight the urgent need to support and fund sustainable business practices. However, despite high profile climate action initiatives (e.g., those from COP 28), capital allocation towards positive environmental, social and governance (ESG) practices still represents less than a third of global funds under management. The barriers to making the necessary shift towards environmental and social progress include a lack of trust in investment professionals and products. In particular, our aversion to betrayal holds us back from trusting and engaging in sustainable investments. This aversion is understandable given the risk of greenwashing and corporate failure in accurate reporting on ESG metrics. This research article develops an innovative adaptation of the behavioural trust game to the context of sustainable investing. We measure the extent of trust and trustworthiness in association with sustainable investing amongst the professional investment community—including institutional portfolio managers, investment advisors, and ESG rating agencies. We conduct a trust experiment and test the responses directly and through regression analysis. The results show trust is higher in the context of sustainable investment decision making than normally occurs in trust experiments. Our results also indicate that trust and trustworthiness influence sustainable investment preferences. While trust was not directly reflected in participants' own sustainable allocations, it was a strong predictor of the allocations they made for others. Trustworthiness also had a positive effect on sustainable investing choices. Although preliminary, we believe this study may contribute to our understanding of trust issues in association with sustainable investing. In particular, these findings lay a foundation for future empirical research to enhance trust in investment decision-making. We hope this research will lead to the creation of genuine trust. However, we also note that this will require change in the industry—e.g., ethical conduct, transparency, and a demonstrated commitment to responsible investing.

Introduction

Global efforts to combat climate change and promote sustainability have been underpinned by a series of transformative international initiatives. The United Nations Framework Convention on Climate Change Paris Agreement remains key to international climate action, uniting nations in their commitment to limiting global temperature rise and achieving net-zero emissions. Building on this foundation, the annual Conferences of the Parties continue to refine climate strategies and enhance international collaboration. The Race to Zero Campaign promotes collective responsibility among governments, businesses, and institutions in achieving net-zero emissions by 2050. Legislative initiatives further emphasise such momentum. The

United States' Inflation Reduction Act marks a historic level of investment in clean energy, climate resilience, and environmental justice initiatives. Similarly, the European Union's Fit for 55 Package sets a target of reducing greenhouse gas emissions by 55% by 2030, providing a clear path toward a greener economy.

Amid these global efforts, sustainable investing has emerged as a critical driver for addressing environmental challenges. As a value-maximisation approach, it seeks to create long-term wealth while promoting sustainable business practices. With its essential role in resource allocation and risk management, sustainable investing significantly influences the shift towards a sustainable economy.

Investments that prioritise renewable energy generation can significantly reduce reliance on fossil fuels. Such investments support the adoption of lower carbon-intensive activities, which are crucial for minimising industrial emissions. These efforts also promote the development of a circular economy which maximises resource efficiency and reduces environmental harm.

Furthermore, sustainable investing directs critical funding towards initiatives such as sustainable forestry practices and effective water management. Such efforts are crucial for preserving ecosystems, protecting biodiversity, and ensuring the sustainability of vital natural resources. These financing activities are fundamental for a sustainable economy that integrates economic growth with environmental stewardship. Thus, a substantial reallocation of global capital – from conventional finance to sustainable finance – is needed to achieve a sustainable economic transition.

Despite the growing importance of sustainable investing, there have been some significant negative reactions to sustainable investing. According to the Global Sustainable Investment Alliance 2020's review, the proportion of sustainable investments relative to total funds under management has experienced a reversal of the original momentum, and raises concerns about the future for sustainable investing.

One of the important barriers to making the necessary shift towards environmental and social progress is the lack of trust in investment professionals and products. Specifically, an aversion to perceived betrayal inhibits the establishment of trust and active participation in sustainable investments (Fehr, 2009). Due to a deficit in trust, sustainable investing is marked by several challenges, including increasing concerns about greenwashing (Bowen & Aragon-Correa, 2014), inconsistencies in sustainability reporting (Higgins et al., 2020), and a lack of uniform standards for measuring and evaluating ESG factors (Kotsantonis & Serafeim, 2019). In particular, greenwashing remains the top concern for global institutional investors. According to a study by Schroders, 60% of respondents identified greenwashing as a primary obstacle when assessing sustainable investment options. The literature on betrayal aversion implies that sustainable investing will be constrained until trust issues are

effectively addressed. This raises a critical question: how important is trust for advancing sustainable investing?

Trust, defined as a justified belief in the honesty and reliability of others, especially regarding their commitment to truth and fulfilling promises (Hardin, 2002), is foundational in the financial market. Post-Global Financial Crisis, the importance of trust in the financial market has been recognised as playing a pivotal role in sustaining the health of both financial systems and the broader economy. Stout (2002) emphasises that investors are predominantly “trusting investors” rather than “rational expectations investors”. Rational expectations investing requires significant time, effort, and resources, making it impractical for most market participants. In contrast, trust enables investors to participate in markets with confidence, fostering the vibrancy and growth of financial systems. To ensure a robust and sustainable financial ecosystem, it is critical to address the needs of trusting investors. Through the implementation of a trust game in the financial industry, we highlight the role of trust and its implications for sustainable investing.

Literature Review

A growing body of research suggests that trust is a critical enabler of sustainable investing, yet empirical exploration—especially involving professional investment managers—remains limited. This literature review aims to synthesise existing behavioural finance research with a focus on how trust and optimism influence sustainable investment decisions. The review is structured around five main themes: behavioural finance and trust foundations, experimental trust methodologies, betrayal aversion in ESG investing, professional behaviour in sustainability contexts, and measurement approaches for trust in investment decisions. Together, these threads underscore the research gap this study addresses: the need for validated, context-specific trust experiments involving investment professionals making sustainable investment choices.

Behavioural finance has long recognised trust as central to investor behaviour. Building on a rich history of psychological explanations for investor decisions, behavioural finance identifies trust as a fundamental mechanism influencing investment choices. Early work, such as Kahneman et al. (1982), core texts by Ackert & Deaves (2010), and recent developments (e.g. Gupta & Goswami, 2024), illustrate how cognitive biases—overconfidence, herding, loss aversion—interact with social trust to shape financial decision-making. Model portfolios, widely used by modern funds management firms to combat bias (Holland, 2016), do not entirely eliminate the psychological distance between professional investors and sustainable investment goals (Millar, 2021). Despite widespread behavioural insight, trust has only recently been applied to the sustainable finance context.

There is growing empirical evidence linking trust to sustainable investment willingness. Empirical studies show that lack of trust in sustainable products, advisors, and ESG metrics is a key barrier to greater capital allocation toward

sustainable practices. Despite initiatives like COP summits, sustainable funds still attract less than a third of global assets under management (Sherwood & Pollard, 2023). This can be attributed to deficiencies in trust. Wins & Zwergel (2015) found that sustainable investors often distrust fund managers, preferring external evaluation bodies to assess ESG credentials. Similarly, Gutsche, Wetzel, & Ziegler (2023) showed that motivations such as warm glow and trust significantly affect willingness to invest sustainably.

Experimental trust games offer promising methodologies for ESG contexts. Behavioural trust games provide useful frameworks for measuring trust and trustworthiness in investment contexts. Berg, Dickhaut, & McCabe's (1995) trust game paradigm has been widely adopted in behavioural economics and has since been adapted to investment settings (Germann, Loos, & Weber, 2025). In these setups, trust is quantified by the proportion of capital passed between players, while trustworthiness is measured by the proportion returned. McCannon, Asaad, & Wilson (2016) added further nuance, finding that overconfidence and risk-seeking behaviour influenced how much participants were willing to invest based on perceived trustworthiness. However, few such experiments have directly focused on ESG choices or professional investors.

Betrayal aversion amplifies the trust gap in sustainable investment decisions. To distinguish betrayal aversion, in light of the more general area of trust, it is important to appreciate it is a heightened fear of being deceived (Bohnet & Zeckhauser, 2004). It is not just an aversion to losses, but particularly averse to losses caused by betrayal (Bohnet et al. 2008). Betrayal aversion: Evidence from Brazil, China, Oman, Switzerland, Turkey, and the United States. American Economic Review, 98(1), 294–310. This aversion emerges as a key psychological barrier to adopting sustainable investment strategies. Translating standard risk-return logic into ESG decisions is complicated by perceived greenwashing and inconsistent ESG disclosures which create emotional resistance beyond rational risk evaluation. Investors may tolerate poor returns, but not betrayal. Literature suggests this betrayal aversion particularly undermines trust in ESG products that lack verification (Strauß, Krakow, & Chesney, 2023).

Professional investors are not immune to trust-driven investment behaviour. Professional investment managers' behaviour is also shaped by trust-related dynamics, especially during periods of market stress. Huber, Huber, & Kirchler (2021) found that professionals decreased allocations by 12% during the COVID-19 crisis, attributing the drop to heightened risk and diminished trust in the market environment. Burke & Hung (2021) showed that, even after controlling for financial literacy and demographics, trust predicted whether individuals sought professional financial advice. However, specific experiments with professional managers in ESG contexts remain rare.

Measuring trust in sustainable investing requires new context-specific tools. Current trust measurement tools lack the specificity needed to evaluate trust in the

sustainable investment decisions made by professionals. Most trust experiments involve lay participants and general financial scenarios, leaving a gap in understanding how trust operates among trained professionals making ESG portfolio decisions (Germann et al., 2025; Burke & Hung, 2016). Standardised instruments tailored for sustainable investing—such as those accounting for greenwashing perception—are still under development (Strauß et al., 2023).

The literature clearly positions trust as a decisive factor in both retail and professional sustainable investment choices. However, empirical research using direct experimental methods—especially among investment professionals—remains underdeveloped. Addressing this gap with validated trust measures and targeted experiments can deepen our understanding of how to foster greater sustainable capital allocation and overcome investor scepticism rooted in betrayal aversion and informational asymmetries.

From a theoretical stance, both social trust and behavioural economics theoretical frameworks provide insight and guidance on the relationship between trust and sustainable investing. As detailed above, trust is a critical factor in sustainable investing; this concern is highlighted by the need to overcome betrayal aversion, a significant barrier due to concerns about greenwashing and inaccurate. The reduction of betrayal aversion can enhance trust as it decreases the perceived uncertainty in social interactions, fostering a climate conducive to sustainable investments (Corcos et al., 2012). In addition, behavioural economics illustrates the way cognitive biases and psychological factors, such as present bias and loss aversion, impact investment decisions. These biases can be mitigated through nudges like optimistic framing, which guide decisions towards sustainability (Pant & Mishra, 2024; Daugaard et al., 2024). Recognising these underlying frameworks can help inform the design of trust experiments to measure how reducing betrayal aversion can promote trust in sustainable investment products. Finaly, behavioural portfolio theory also provides design structure in that accepted sustainable investment principles (through ESG risk management per Daugaard et al., 2024) can reduce risk and therefore impliedly loss aversion. Specifically, if sustainable investing is perceived as mitigating risks and thereby maintaining investments above a safety threshold, the reduced perceived risks can enhance trust in sustainable investment options (Poddar et al., 2024). This risk mitigation can therefore potentially encourage higher allocations to sustainable investments.

Method

We adapt the well-established trust game design of Berg, Dickhaut, and McCabe (1995) to an investment portfolio context in order to elicit professional attitudes and behaviours towards sustainable investing. In our survey-experiment, participants are randomly assigned to one of two information conditions: a control condition or an optimism-priming treatment condition. Each participant is informed that they will be matched anonymously with another participant to perform a portfolio allocation

decision task in two roles: first as a “Sender” (trustor) and then as a “Receiver” (trustee).

Throughout the experiment “model” portfolios are used to alleviate any concern that the results can be attributed to the risk aversion attitudes of the participants. Model portfolios are used to construct, implement, and distribute institutional views on asset allocation and stock selection to their respective wealth management and advisory channels (Basu et al., 2019; Scherer, 2022; Johnson, 2018; Fisher & Statman, 1997). In the experiment, this results in the professional investment managers just being concerned with the embedded trust issue and the choice between sustainable and conventional model portfolios.

As a Sender, the participant decides how much of an initial $100 endowment to send to their matched Receiver. Any amount sent is then eligible for investment allocation between two model portfolios:

Model Portfolio A (Sustainable) – investment amounts are doubled, reflecting the integration of sustainability criteria such as greenhouse gas emission reduction, exclusion of harmful industries, and other ESG-focused screens.

Model Portfolio B (Conventional) – investment amounts are tripled, reflecting a conventional growth and income strategy without sustainability exclusions.

The Sender recommends an allocation across the two portfolios, but the Receiver ultimately decides how the sent amount is allocated and how much (if any) is returned to the Sender. This allocation decision allows Receivers to follow the Sender’s recommendation or deviate from it.

As a Receiver, each participant makes contingent allocation and return decisions for every possible amount the Sender might send. The Receiver’s choices determine both the investment mix (sustainable vs conventional) and the proportion of funds returned to the Sender. To incorporate a pro-social dimension, for every dollar allocated to Model Portfolio A by paid Senders, the researchers donate 10 cents to Greenpeace, with donation receipts provided to participants selected for payment.

The experiment uses real monetary incentives. At the end of the study, 10 Senders and their matched 10 Receivers are randomly selected for payment (20 participants total). Payments are based on actual decisions made in the relevant role (Sender or Receiver) and are transferred via bank payment after the experiment. Only participants who complete the entire survey are eligible for selection.

We use this trust-game-based portfolio allocation design for two reasons. First, it enables measurement of trust (amount sent) and trustworthiness (amount returned) in a sustainability investment context, using real financial professionals as subjects (Evans & Mathur, 2018). Second, the monetary stakes and matching mechanism ensure incentive-compatible decisions, linking behaviour in the experiment to potential real-world portfolio choices.

Participants are drawn from attendees of the Institute of Managed Account Professionals (IMAP) Portfolio Management Conference in Sydney (March 2024). IMAP represents advisors, managers, providers, and other businesses engaged in

Managed Accounts across Australia. Recruitment involves randomising the full list of conference registrants into the two experimental conditions using Excel's rand() function, with Qualtrics survey links sent by the conference organisers.

The online survey, administered via Qualtrics, proceeds in the following order:

Treatment information – Participants read a timed (60-second) information screen on climate risk and trust in financial markets. The control version emphasises the risks of stranded assets and the need for trust; the optimism version frames stranded-asset divestment as a source of long-term returns in addition to the trust narrative.

Decision tasks – Participants complete the $100 allocation task as Sender and then as Receiver.

Follow-up survey – Participants respond to questions on sustainable investing attitudes, demographic information, and experience.

The survey is self-administered and takes approximately 20 minutes. Informed consent is obtained in line with National Health and Medical Research Council guidelines. Participation is voluntary, and participants may withdraw or alter responses at any point before final submission.

Findings

The descriptive statistics for the trust game are presented in Table 1. Across 55 participants, the average amount sent in the allocation task was $74.58 (with a standard deviation of 27.48), with a corresponding average of $25.42 kept, reflecting a tendency toward relatively high trust in the paired receiver. On average, senders allocated $43.52 to the sustainable portfolio (Portfolio A) and $31.06 to the conventional portfolio (Portfolio B), while receivers' allocation decisions showed greater dispersion: 17.55% of funds were not invested at all, 32.18% were placed in the sustainable portfolio, and 24.82% in the conventional portfolio. Receivers returned, on average, 54.82% of funds to senders. Participants had a mean age of 49.26 years and an average of 23.08 years of finance experience, demonstrating the sample was composed of seasoned financial professionals.

Table 1 Descriptive statistics of trust game responses

Variable	N	Mean	Median	Std Dev	Min	Max
How much sent	55	72.58	80.00	27.48	0.00	100.0
How much kept	55	25.42	20.00	27.48	0.00	100.0
Send invest in sustainable portfolio A	55	43.52	40.00	31.73	0.00	100.0
Send invest in conventional portfolio B	55	31.06	25.00	27.96	0.00	100.0

Receiver - Not invest at all	55	17.55	0.00	25.62	0.00	100.0
Receiver - Sustainable Portfolio	55	32.18	25.00	35.02	0.00	100.0
Receiver - Conventional Portfolio	55	24.82	10.00	30.31	0.00	100.0
Receiver returns	54	54.32	50.00	33.56	0.00	100.0
Age	53	49.26	51.00	12.84	24.0	76.0
Years of finance experience	53	23.08	25.00	10.92	2.00	42.0

The average levels of trust and trustworthiness of participants is shown in Figure 1. These results show that the average trust level among financial professionals in the context of sustainable investing is 73%. This is significantly higher than the 50% average trust level reported by Johnson and Mislin (2011) across conventional trust experiments (i.e., significant in one-tailed t-test with p-value <1%). Further, the average level of trustworthiness among financial professionals in connection with sustainable investing is 54%, whereas conventional trust experiments generate a trustworthiness level of 37% (also significant with p-value <1%). These results suggest that financial professionals in the context of sustainable investing exhibit higher levels of trust and trustworthiness, in contrast to ordinary contexts. These higher trust and trustworthiness levels indicate important potential for the role of financial professionals in sustainability investment initiatives.

Consistent with existing literature, our findings align with the established observation that trustworthiness often lags behind trust. This suggests that while professionals may express willingness to trust, their behaviours or underlying norms may not fully support reciprocation. A possible explanation for this discrepancy is the prioritisation of individual or organisational goals over the reciprocation of trust, which may act as a continuing barrier to advancing the sustainable investing movement.

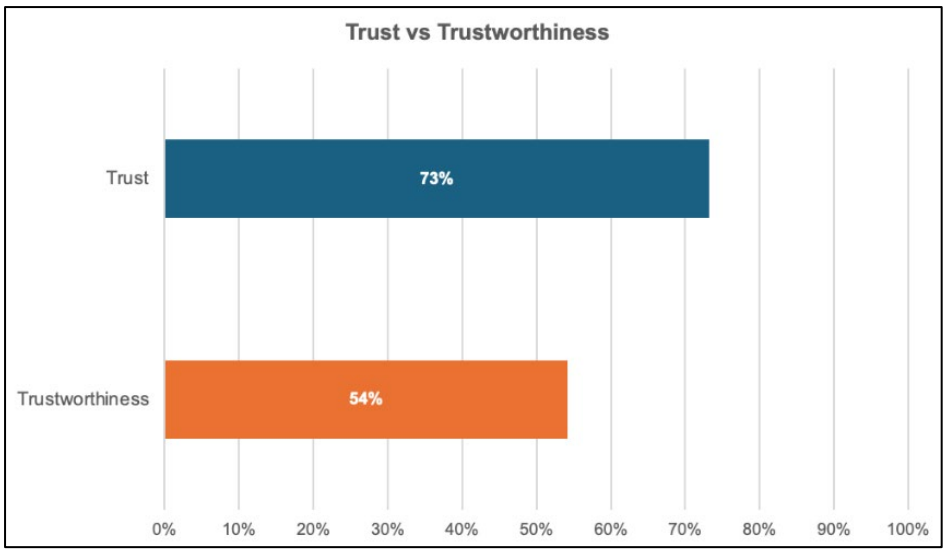

Figure 1 Average levels of trust and trustworthiness of participants

Our analysis also explored the trust levels of two subgroups of financial professionals and their investment preferences. Among financial professionals with higher trust levels, 58% chose to invest in sustainable investments, compared to 50% in the lower trust group. These results suggest an obvious relationship between trust levels and investment decisions. Higher trust levels appear to be associated with a stronger inclination toward sustainable investments, potentially reflecting confidence in the long-term value and collaborative advantages of these investments. In contrast, lower trust levels are correlated with a greater preference for conventional investments. This may be due to their perceived lower risks and more immediate financial returns. However, these lower sustainability allocations may also potentially reflect a concern for greenwashing and betrayal of trust in the sustainable investment choices.

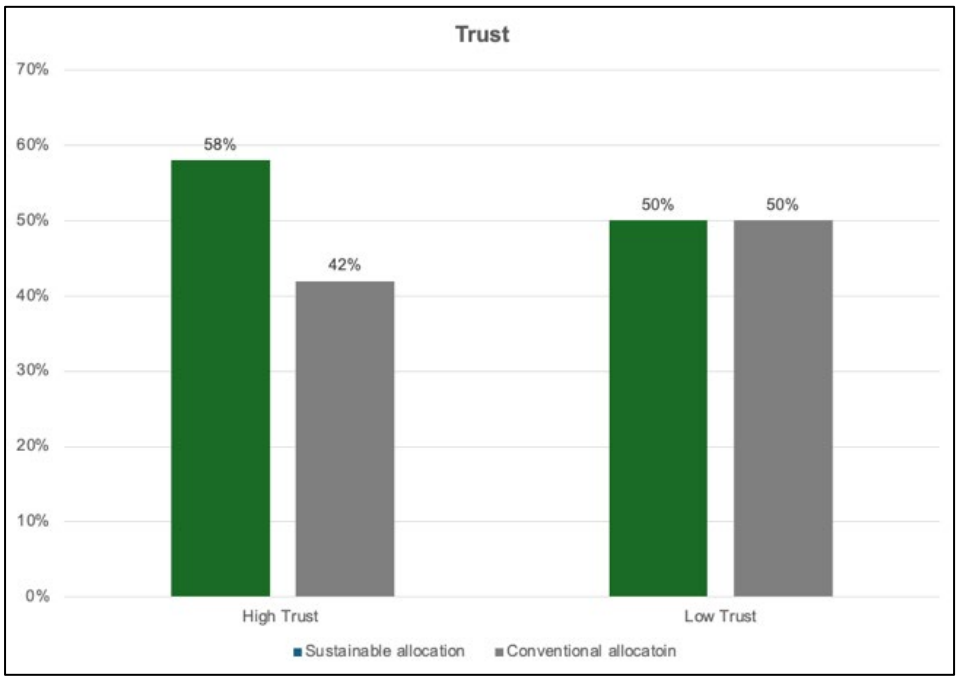

Figure 2 Sustainable and conventional allocations for high trust and low trust senders

We conducted a further analysis of investment allocations among financial professionals. The results indicate that 58% of the financial professionals allocated investments to sustainable options, while 42% allocated funds to conventional investments. These findings suggest a notable preference for sustainable investments, suggesting that investment managers prioritise sustainability over conventional investments. This could be driven by factors such as promoting environmental objectives, addressing stakeholder demands, or ensuring alignment with broader organisational values and priorities. In any case, the strong preference for sustainable investing in the experiment is both surprising and encouraging. The participants read a script provides an underlying supportive case for sustainable investing but this positive influence contrasts with the higher return generated by choosing conventional investments (i.e. 3 times the invested amount) versus the sustainable choice (i.e. 2 times the invested amount). Hence, we suggest this is an encouraging insight into professional investment managers' perspectives on sustainable investment choices.

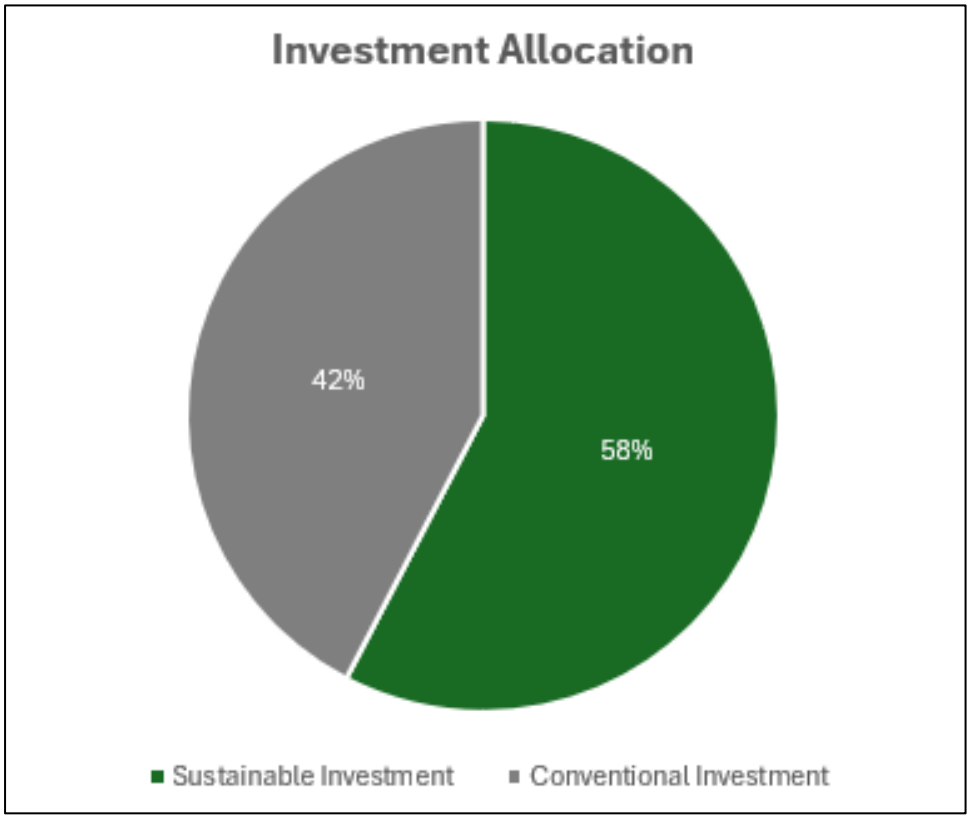

Figure 3 Investment allocations to sustainable and conventional investments

To further validate the strength of the relationship between trust and trustworthiness with sustainable investing preferences, we run three regression equations. The first examines the influence of Trust and the optimistic framing (as well as control variables for age, gender and experience) on the sustainable investment preferences of the sending participants. The next two then focuses on the receiver, looking at the

effect of the sender's trust in the receiver and then the effect of the trustworthiness of the receiver (ie the amount the receiver returns to the sender).

$$\text{SustPort}_i = \beta_0 + \beta_1 \text{Trust}_i + \beta_2 \text{Optimism}_i + \beta_3 \text{Age}_i + \beta_4 \text{Gender}_i + \beta_5 \text{Experience}_i + \varepsilon_i$$

$$\text{ReceiverSustPort}_i = \beta_0 + \beta_1 \text{Trust}_i + \beta_2 \text{Optimism}_i + \beta_3 \text{Age}_i + \beta_4 \text{Gender}_i + \beta_5 \text{Experience}_i + \varepsilon_i$$

$$\text{ReceiverSustPort}_i = \beta_0 + \beta_1 \text{ReceiverReturn}_i + \beta_2 \text{Optimism}_i + \beta_3 \text{Age}_i + \beta_4 \text{Gender}_i + \beta_5 \text{Experience}_i + \varepsilon_i$$

Where

SustPort^i = Percentage invested in sustainable portfolio A by participant *I* as sender
ReceiverSustPort^i = Percentage invested in sustainable portfolio A by participant *i* as receiver
Trust^i = Amount sent by participant *i*
ReceiverReturn^i = Percentage of final amount returns to sender by receiver
Optimism^i = indicator variable for participants who received an optimistic framed advice
Age^i = Age of participant *i*
Gender^i = 1 if participant *i* is male, 0 if otherwise
Experience^i = Years of financial experience of participant *i*

The results from running these three regression equations is presented in Table 1. Each of the equations explores a different dimension of trust and trustworthiness with sustainable investment allocations conditioned for demographic factors. The first equation tests the Sender's preferred sustainable investment allocation. This equation examines how much senders allocated to conventional investments, regressed on trust (amount sent), optimism framing, age, gender, and financial experience. Gender is a statistically significant negative variable ($p < 5\%$), suggesting male participants allocated less to sustainable portfolios. Age has a weak negative effect ($p < 0.10$), indicating older participants may slightly prefer sustainable options. However, the key trust variable did not have a statistically significant coefficient. Optimism and financial experience were also not significant.

The second equation looks at receiver's allocation to the sustainable portfolio as explained by trustworthiness, optimism, age, gender, and experience. In this case, the trustworthiness has a positive and marginally significant predictor (coefficient of 0.28, $p < 0.10$), suggesting that more trustworthy receivers tend to invest more sustainably. Gender is again significant (coefficient of -27.18, $p < 0.05$), indicating male receivers invest less in sustainable portfolios while Optimism, Age, and Experience are not significant. The R-squared is 0.234,the third showing moderate explanatory power.

Finally, in the third regression equation the receiver's allocation to sustainable portfolio replaces the trustworthiness indicator with the trust perceived by the sender. In this case the trust displayed by the sender (through their choice of how much to send) is a strong and highly significant predictor (coefficient of 0.57, $p < 0.01$). This confirms that higher trust from senders is associated with greater sustainable investment by receivers. Gender remains significant (coefficient of -24.30, $p < 0.05$), reinforcing the gender-based differences in sustainable investment behaviour and the R-squared is 0.368, indicating the strongest explanatory power among the three equations.

However, Optimism in the third equation has a marginally significant negative effect in this case (coefficient of -15.41, $p < 0.10$), suggesting that optimistic framing may reduce sustainable allocations among receivers. This contrasts with previous research where the analysis carried out by professional investors was extensive (eg Daugaard et al., 2024) but is consistent where researchers argue that sustainable investing is potentially a "no nudge zone" (eg., Quigley, 2025). This creates a precise area for future research – ie to identify when the complexity of investment decision making creates a barrier to sustainable investing and nudges to encourage this form of investing.

Overall, the equation results provide evidence that trust and trustworthiness influence sustainable investment preferences. In particular, the significance of trust in the second equation and trustworthiness in the second equation supports the behavioural hypothesis that reciprocal and cooperative tendencies contribute to positive sustainable investment decisions. Additionally, the consistent negative effect of gender (male) across all equations suggests that male participants are less inclined toward sustainable investing, aligning with prior literature on gender differences in ESG preferences. However, the role of optimism framing appears nuanced: while not consistently significant, its negative coefficient in the third equation may potentially indicate that optimistic messaging could reduce sustainable allocations. Note that this could potentially be due to competing behavioural biases (for example overconfidence or reduced perceived risk) in the context of professional investment managers.

Table 2 Regression coefficients with standard errors

Variable	1. Sender SustPort	2. Receiver SustPort	3. Receiver SustPort
Const	48.55*	37.20	-5.76
	(26.26)	(22.88)	(24.51)
Trust	0.10		0.57***
	(0.16)		(0.15)
Receiver returned		0.28*	
		(0.14)	
Optimism	8.60	-13.10	-15.41*

	(9.81)	(10.10)	(9.15)
Age	-1.09*	0.15	0.44
	(0.65)	(0.66)	(0.60)
finance	0.73	-0.09	-0.07
experience	(0.77)	(0.80)	(0.72)
Gender	-22.37**	-27.18**	-24.30**
	(10.22)	(10.50)	(9.54)
R-squared	0.176	0.234	0.368

significance: *** p < 0.01 ** p < 0.05 p < 0.10 Number of observations: 53

The design of this trust experiment points to a unique metric for measuring trustworthiness. Given the receiver is tasked with implementing the actual allocations between sustainable and conventional portfolios, their choices reflect the degree they have actually done what the sender preferred. Therefore, the calculation of the correlation between their allocations and those of the senders represents an explicit measure of their trustworthiness in relation to sustainable investment choice. In the current experiment the Pearson's ρ between senders' preferences and the respective receivers' choices was 0.62. Although further experimentation will be necessary to validate the application of this metric, the positive number achieved here reflects the relatively high trustworthiness implied by the amounts returned by the receivers.

Further questions presented to the participants explore the extent to which they support sustainable investing and feel their organisations and professional networks support sustainable investing. Table 3 summarises participants' attitudes toward sustainability and the level of support they perceive from their professional network and firm's culture in integrating sustainability and ESG considerations into investment advice. Responses to the importance of sustainability were skewed toward the higher end of the 5-point scale, with 13 participants rating it as "extremely important" (5) and another 13 rating it as "very important" (4), while only 5 participants rated it as "not at all important" (1). Similarly, perceived support for sustainability integration was generally positive: 12 participants rated support as "extremely supportive" (5) and 17 as "very supportive" (4), compared to just 4 rating it "not at all supportive" (1). These distributions suggest a strong underlying value placed on sustainability among participants, coupled with a broadly supportive professional environment for ESG-related investment practices.

Table 3 Importance and organisational support for sustainable investing

Rating	1.	2.	3.	4.	5.
how important is sustainability? (1. Not at all important to 5. Extremely important)	5	6	11	13	13

how supportive is your professional network and firm's culture for the integration of sustainability and ESG considerations in investment advice? (1. Not at all supportive to 2. Extremely supportive)	4	7	14	17	12

Discussion and Conclusion

This study provides some preliminary evidence that trust plays a role in shaping sustainable investment decisions among financial professionals. In the context of sustainability, participants demonstrated notably higher levels of trust and trustworthiness compared to benchmarks from conventional trust experiments (Johnson & Mislin, 2011). Specifically, the average trust level was 73%, and trustworthiness reached 54%, both substantially exceeding conventional norms on trust experiments. These elevated levels suggest that sustainability-oriented investment contexts may foster more cooperative and forward-looking behaviours among professionals.

Our regression analysis provides some conditional support for this observation: trust and trustworthiness (measured by the amount sent and the amount returned in the experiment) are statistically significant and positive predictors of sustainable investment allocations. This implies that professionals who exhibit greater trust are more inclined to allocate funds toward sustainable portfolios, potentially reflecting confidence in long-term value creation, ethical alignment, and collaborative investment outcomes.

Interestingly, gender emerged as a significant factor, with male participants less likely to invest in sustainable options—consistent with prior literature (e.g., Daugaard, 2020). However, age and experience did not show significant effects, suggesting that trust may be a more influential driver than demographic or professional tenure in this context.

The attitudinal data further supports these findings. A majority of participants rated sustainability as either “very important” or “extremely important” and reported strong support from their professional networks and organisational cultures for integrating ESG considerations into investment advice. This alignment between personal values and institutional support may help explain the observed preference for sustainable investments, which accounted for 58% of allocations compared to 42% for conventional options.

These findings carry important implications for institutional investors, asset managers, and policymakers. Trust-building strategies—such as transparency, accountability, and stakeholder engagement—may be critical levers for advancing sustainable investing. Promoting reciprocal trust behaviours within professional networks and firms could enhance confidence in ESG products and reduce concerns around greenwashing or misalignment with fiduciary duties. Moreover, the gender disparity in sustainable investment preferences suggests that targeted communication and education strategies may be needed to address underlying biases or perceptions, ensuring broader engagement across diverse professional groups. With specific reference to achieving increased levels of trust, it is important

to note that this is not just about impression management. To build trust requires deep change for professionals and investment firms. For investment advisors and managers, establishing trust requires transparent communication, ethical behaviour, and demonstrating a true commitment to sustainable and responsible investing.

While the results are promising, they are based on a relatively small sample of seasoned financial professionals. Further, there are potential endogeneity concerns which can be addressed in future research with the implementation of interventions with positive and negative shocks on trust levels. This can be achieved through econometric modelling using fund flows to sustainable investments as a potential proxy for trust and employing quasi-natural experiments on trust shocks. Examples could include the Madoff case and similar events of fraud (Gurun et al., 2017). This testing could also be by applying experimental interventions to increase trust such as independent advisory committees, external agencies, and performance (including deposit, guaranteed, surety, collateral, and contract) bonds. Future research is also encouraged to therefore explore the role of optimism—a psychological trait previously linked to pro-environmental behaviour—as a potential driver of sustainable investment decisions (consistent with the insights from Daugaard et al., 2024). This future research would further clarify if and how optimism interacts with trust, and thereby further support investment preferences. As such, caution should be exercised in generalising these findings. Nevertheless, they offer valuable preliminary insights into the behavioural dynamics underpinning sustainable investing.

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