



CERTIFICATE NO : **ICRESMH /2025/C0425455**

Impact of Institutional Investors on The Growth and Effectiveness of Socially Responsible Investing (SRI) Practices

Akshatha R

Research Scholar, Department of Commerce, Mansarovar Global University, Sehore, M.P., India.

ABSTRACT

Institutional investors play a significant role in promoting the growth and effectiveness of Socially Responsible Investing (SRI) practices across global financial markets. These investors, including pension funds, mutual funds, insurance companies, banks, and asset management firms, control large amounts of capital and have the power to influence corporate behavior and investment trends. By incorporating environmental, social, and governance (ESG) criteria into their investment decisions, institutional investors encourage companies to adopt more sustainable and ethical business practices. The involvement of institutional investors has greatly contributed to the expansion of SRI practices. When large investors prioritize socially responsible investments, companies are motivated to improve their environmental policies, social responsibility initiatives, and governance structures to attract capital. This creates a positive cycle where responsible corporate behavior leads to increased investment opportunities and long-term sustainability. Institutional investors also promote transparency and accountability by demanding better disclosure of ESG-related information from companies. Furthermore, institutional investors help in developing innovative financial products such as green bonds, sustainability funds, and ESG-focused portfolios, which support the growth of SRI in financial markets. Their long-term investment perspective encourages companies to focus on sustainable development rather than short-term profits. Overall, the participation of institutional investors strengthens the effectiveness of socially responsible investing by integrating ethical values with financial decision-making and contributing to sustainable economic development.