
CHAPTER 5

SUMMARY AND CONCLUSION

This chapter can be compared to a capstone, as it brings together the threads of the research journey and shows the insights obtained from the thorough investigation of the research questions, objectives, and hypotheses. The chapter contributes significantly to the existing body of knowledge and paves the way for the next research. In addition, the chapter acts as a theoretical and practical guide to the professionals, policymakers, and researchers, thus, providing them the necessary tools and knowledge for the implementation of the findings. The main recommendations of the study become the link between the theoretical framework of the research and its practical application, thus, giving the audience further power to create a real change in their respective fields.

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5.1 Introduction

Each development initiative must behave as its core sustainable growth. The effects of sustainable banking are a major driver for the overall implementation of the Sustainable Development Goals.

The performance of financial institutions in the field of sustainable banking is what essentially determines their ranking and classification. On the one hand, as a result of corporate integration, sustainability has become an unstoppable force in the business sector. Globally, it has become the imperative for companies to develop sustainable business models that successfully integrate environmental and social aspects of the business, along with financial accomplishments, harmoniously.

Banks will be instrumental in bringing innovations into banking practices, thus, making banking more accessible to the poor and unbanked, which will be one of the outcomes of the increased utilisation of banking services. Every government must encourage environmentally friendly expenditures and promote economic development by enacting policies and legislation that mandate financial sustainability by implementing regulations and behavioural patterns that improve enterprises, economic activity, and, ultimately, the standard of living for citizens. The banking industry has an opportunity to set the standard for transparency in revealing a consistent growth perspective due to the global desire for environmentally conscious revenue growth.

The current study, therefore, aims to comprehend the adoption of Sustainability in the Indian banking sector. It further seeks to accomplish the following research objectives:

- To identify the sustainable practices adopted by the select Indian commercial banks
- To assess customers' awareness and usage of sustainable banking practices.
- To analyse the factors influencing the customer's behavioural intention to use and actual use of sustainable banking practices.
- To examine the benefits of adopting sustainable banking practices for banks and customers.

- To understand the challenges banks and customers face in adopting sustainable banking practices.

5.2 Summary of key findings

5.2.1 The Socio-demographic profile of the respondents

- Concerning the Socio-demographic profile of the respondents from Banks, the majority of those surveyed (27.65%) held senior-level jobs, indicating that employment status is the most significant factor affecting respondents' desire to participate in Sustainable banking. Of the participants, 69.18 percent are connected to Public Sector Banks, with a noticeable representation from The State Bank of India (24.23%).
- Regarding the Socio-demographic Profile of the customers, Gender distribution among responders is about equal, with 51.39 percent men and 48.61 percent women. Respondents range in age from 31 to 40, with the majority (27.13%) falling into this range. With 50.18 percent of the population having postgraduate degrees, the educational background varies. A sizeable percentage (26.17%) of the customers are employed in the private sector, with the State Bank of India having the highest representation of any bank (34.26%). Provinces from which the responders are from include Andhra Pradesh and Uttar Pradesh (3.59%) with significant numbers. 80.35 per cent of them have ties to public-sector banking institutions.

5.2.2 The sustainable practices adopted by the select Indian commercial banks

- Concerning Indian Banks' drive to Sustainability, it was found that several practices were implemented like encouraging Schemes to promote women/girls' education, Net Banking/Mobile Banking, providing Cash/Cheque Deposit Machines/Solar Powered ATMs/Passbook Printing Kiosks, and promoting digital wallets and payment gateways. Other practices followed by both public and private banks included online bank account opening facility, green building/project loans, and green home loans with lower processing fees.
- The analysis to examine the difference between the sustainable practices adopted by Public and private sector banks depicted that the practices of "Encouraging Net Banking/Mobile Banking", "Providing Cash/Cheque Deposit Machines/Solar

Powered ATMs/Passbook Printing Kiosks", and "Promoting Digital Wallets, Payment Gateways" exhibit empirically significant variations characterised by lower p-values, indicating variations in acceptance between public and private sector banks. However, p-values greater than 0.05 are found for practices such as "Online bank account opening facility", "Green building/project loans", and "Green home loans with lower processing fees", which suggest that there are no appreciable differences between the private and public banking sectors in these areas. Similarly, as observed in the literature review, Green banking products and sustainable banking activities by public and private sector banks were studied by Vadrane and Katti (2016). Both public and private banks are attempting to raise public and staff understanding of environmental issues. Instead of pushing digital banking, they are now implementing sustainable practices, such as reuse, water treatment, rainwater collection, solar technology, and the construction of green buildings.

- The contrast of public and private sector banks' implementation of sustainable banking practices was depicted. Both sectors have given varying replies; some initiatives have received the same "Yes" and "No" responses. Both sectors offer the same phase in the practice of Schemes to promote women/girls' education. However, Public Sector Banks are leading in Switching to energy-efficient and green buildings that support renewable energy (energy-efficient buildings). In contrast, Private Sector Banks are more involved in waiving the processing fee of auto loans on car models that use alternate energy sources. The comparison findings illustrate clear patterns in adopting sustainable practices across the banking sectors.
- On the other hand, the gender diversity related activities, move to energy efficient and green buildings, and IP systems for exchanging/sending notes/sanctions had lower mean ratings, signifying a lower degree of implementation or comprehension. This list reflects the level of participants' understanding of the different sustainable banking projects' acceptance and efficiency.
- There is a comparison of sustainable banking performance ratings between public and private sector banks made based on group data. With a median score of 1.57, private sector banks performed better than public sector banks (average score of 1.48) across various categories. Public sector banks scored higher (average 1.54)

than private sector banks (average 1.53) for greenhouse loans, one area of significant difference. However, regarding programmes like digital wallets, paperless transactions, and paper savings, financial institutions in the private sector routinely outperform public sector banks, with an average score of 1.57. Vadrane and Katti (2016) revealed that public and private banks are trying to raise knowledge of environmental issues among their staff, clients, and the general public. Instead of pushing online banking, they are now implementing environmentally friendly methods, such as reuse, water treatment,

- The findings showed that there are scientifically significant differences between banks in the public and private sectors in the practices of "Encouraging Net Banking/Mobile Banking," "Providing Cash/Cheque Deposit Machines/Solar Powered ATMs/Passbook Printing Kiosks," and "Promoting Digital Wallets, Payment Gateways." These differences are indicated by lower p-values. However, practices like "Online bank account opening facility," "Green building/project loans," and "Green home loans with lower processing fees" have p-values in excess of 0.05, indicating that the private and public banking industries do not differ significantly in these fields.

5.2.3 Customers' Awareness and Usage of Sustainable banking Practices

- While analysing the reach of sustainable banking to the public, it was found that the majority of the bank's customers are aware of sustainable policies and services and education qualification, occupation, and age do play a significant role in the awareness level of customers on the sustainable banking practices.
- According to the research, most of the bank's clientele is aware of sustainable policies and offerings. In particular, the statement about awareness was strongly agreed with by 85.1 percent of respondents and decided by 6.8 percent of respondents overall. Just 0.5 percent of respondents strongly disagreed, suggesting that very few of those surveyed were ignorant. As a result, it can be concluded from the evidence given that most bank clients see and acknowledge sustainable business practices and services favourably rather than being unaware of them. The study outcomes were identical to those of Sahi and Pahuja (2017), who state that many individuals are aware of green banking, with the most popular green

- products being debit and credit cards. Remarkably, the adoption of green banking services was not influenced by education.
- According to the results, a significant percentage of participants (69.2%) expressed neither strong agreement nor disagreement with the statement regarding "Usage". Even though 17.0 percent agreed and 10.6 percent disagreed, just 2.4 percent strongly disagreed, and even fewer (0.7%) strongly agreed. Similarly, Narayanan and Chandrasekaran (2022) evaluated sustainable banking efforts in Tamil Nadu's public sector banks. The research aimed to assess consumers' knowledge and adoption of sustainable banking activities. The study results were similar to the present research results, as it was found that most respondents were aware of and preferred to use Sustainable practices and services.
 - When determining if the variances of two groups are statistically similar, one can apply Levene's Test for Equality of Variances. Regarding "Awareness", the test findings show a Levene's F value of 1.996. To investigate the factor above, researchers ran a three-way ANOVA. It is brought about from the data that the consciousness of environmentally friendly banking practices among customers is noticeably (p value < 0.05) impacted by their age, occupation, and educational background. Therefore, the researchers are allowed to discard the Null hypothesis that states, "There is no significant difference between gender, age, educational qualification, and occupation among customers with awareness".
 - The majority of the bank's customers are aware of sustainable policies and services, according to the study. Specifically, 85.1 percent of respondents strongly agreed with the statement on awareness, and 6.8 percent of respondents decided overall. Few people were found to be uneducated, since only 0.5 percent of respondents strongly disagreed. Therefore, rather than being ignorant about sustainable business practices and services, it can be inferred from the findings that the majority of bank customers see and recognise them favourably.
 - The hypothesis testing results reveal that out of 22 sustainable banking practices examined, 16 show a statistically significant difference between private and public sector banks, while 6 do not. This indicates that although both types of banks engage in sustainable practices, the extent and nature of adoption differ across specific areas. For 16 sustainable banking practices, there is a significant difference between the practices adopted by the private and public sector banks. (Reject

NULL hypotheses), and for 6 practices, there is no significant difference. (Accept NULL hypotheses).

- Private sector banks appear to be ahead in practices that involve digitalisation, renewable energy adoption, and innovative green financial products (e.g., paperless transactions, digital wallets, bio-fuel financing, and green bonds). This may be due to their greater operational flexibility, stronger technological orientation, and competitive drive to attract environmentally conscious customers. On the other hand, practices such as basic digital facilities (e.g., online account opening), green domestic loans, and schemes promoting women's empowerment show no significant difference between private and public sector banks. These areas are likely influenced by regulatory mandates and government policies, which ensure that both public and private banks adopt them uniformly.
- Customers' awareness of sustainable banking practices is significantly (p -value < 0.05) influenced by age, occupation, and educational background. Since educational qualification showed a statistically significant difference ($p < 0.05$), H_{02a} is partially rejected. This means that while gender, age, and occupation do not influence awareness, education level does play a significant role. Gender (t-test): Since gender has only two categories, a t-test was conducted instead of ANOVA. Gender ($t = 0.469$, $p = 0$. → Not significant): Awareness of sustainable banking practices is nearly the same among male and female customers, as both groups are exposed to similar information through banks and media. Age ($F = 1.166$, $p = 0.310$ → Not significant): Awareness levels do not differ significantly across age groups, suggesting that bank outreach and awareness campaigns have reached all age categories fairly equally. Educational Qualification ($F = 3.175$, $p = 0.000$ → Significant): Customers with higher educational backgrounds are more aware of sustainable banking practices, as they are better able to understand concepts such as green loans, digitalisation, and eco-friendly initiatives. Occupation ($F = 1.320$, $p = 0.214$ → Not significant): Awareness is consistent across different occupations, indicating that professional background does not strongly influence awareness of sustainable banking. As a result, researchers can reject the Null hypothesis,
- The analysis of the usage of sustainable banking practices by the customers is significant. The of mean scores revealed that “Green Channel Counters (GCCs)”

($M = 4.74$, $SD = 0.63$) recorded the highest usage among customers, followed closely by “Online account opening and e-KYC” ($M = 4.73$, $SD = 0.83$), “Digital wallets and UPI-based apps” ($M = 4.73$, $SD = 0.83$), and “Payment automation, biodegradable/contactless cards” ($M = 4.73$, $SD = 0.83$). The high ratings for these services suggest that customers frequently rely on digital transaction modes and paperless alternatives, reflecting the convenience, accessibility, and efficiency associated with such services.

- On the other hand, “Green domestic loans” ($M = 4.71$, $SD = 0.87$) and “Mobile & Net banking” ($M = 4.71$, $SD = 0.86$) were comparatively lower, though still rated highly. The slightly lower usage of green loan products may be attributed to their niche applicability and limited demand in comparison to day-to-day digital services. Similarly, despite being widely available, mobile and net banking may reflect variations in adoption due to differences in digital literacy, demographic factors, or customer preference for newer, app-based platforms such as UPI.
- To investigate the hypothesis, whether there is a significant difference between the socio-demographic profile of customers and their usage of sustainable banking practices, independent t test and ANOVA were used. Educational Qualification ($F = 3.175$, $p = 0.000 \rightarrow$ Significant): Customers with higher educational backgrounds are more aware of sustainable banking practices, as they are better able to understand concepts such as green loans, digitalisation, and eco-friendly initiatives. Since educational qualification showed a statistically significant difference ($p < 0.05$), H02a is partially rejected. This means that while gender, age, and occupation do not influence awareness, education level does play a significant role.
- Since gender has only two categories, a t-test was conducted instead of ANOVA. Gender ($t = 0.469$, $p = 0. \rightarrow$ Not significant): Awareness of sustainable banking practices is nearly the same among male and female customers, as both groups are exposed to similar information through banks and media. Age ($F = 1.166$, $p = 0.310 \rightarrow$ Not significant): Awareness levels do not differ significantly across age groups, suggesting that bank outreach and awareness campaigns have reached all age categories fairly equally. Occupation ($F = 1.320$, $p = 0.214 \rightarrow$ Not significant): Awareness is consistent across different occupations, indicating that professional background does not strongly influence awareness of sustainable banking.

- The adoption of sustainable practices by Indian Bank customers is significantly influenced by age and educational background (p -value < 0.05). The alternative hypothesis, "There is a significant difference between gender, age, educational qualification, and occupation of customers with the usage," was thus accepted by the researchers in light of the majority's conclusion that gender and occupation are irrelevant. It can be inferred that age and educational background have a substantial (p -value < 0.05) impact on Indian Bank consumers' adoption of sustainable practices. Researchers consequently rejected the Null hypothesis, "There is a significant difference between gender, age, educational qualification, and occupation of customers with the usage," considering the majority finding that gender and occupation are unimportant.
- Additionally, the investigation contrasts the assertions' rank scores for usage and awareness of sustainable banking practices to accomplish the second research objective. Consumers value sustainability above everything else, and they especially like Green Channel Counters since they make transactions simple. The results show the ideal levels of client awareness and utilisation. Although private sector banks emphasise lending money for energy-efficient initiatives, public sector banks exhibit a higher level of understanding regarding sustainable practices. Green Channel Counters are frequently used in both industries. The results generally point to a high level of awareness and regular application of sustainable banking practices; however, there are differences between public and private sector banks in several domains of understanding and application. As observed in the present literature review chapter, Gayathry (2015) conducted a study to assess ICICI Bank's green activities. The study results were similar to the present study as they found that to promote sustainability and customers' practice more sustainably, ICICI Bank Limited has put in place eco-friendly programmes. The actions include providing incentives for eco-friendly conduct, educating consumers about environmental issues, and spreading understanding of the value of sustainability. Contrastingly, Ahsan and Uddin (2015) revealed that financing for sustainable projects has been made available by just a small number of private and international commercial institutions that have adopted green banking policies.

On the other hand, state-owned commercial and specialist development banks have not yet made any significant moves.

5.2.4 The factors influencing the customer's Behavioural Intention to use and Actual Use of Sustainable banking practices

- Regarding the factors that encourage customers to adopt Sustainability in their banking services that the customers' intention to use sustainable banking practices is significantly associated with perceived usefulness. Also, the customers' intention to use sustainable banking practices has a significant relationship with the perceived ease of use. Finally, Perceived Eco-friendly practices significantly influence customers' intention to use Sustainable banking practices.
- The relevance level of the regression analysis is illustrated by the "ANOVA" test. Clearly, the significance level is below the 0.05 level (.000). Therefore, the researcher takes the alternate hypothesis and discloses that the customers' intention to use sustainable banking practices is significantly influenced by the perceived usefulness. The degree of relevance of the regression analysis is displayed in the "ANOVA" test. The significance level is less than 0.05 (.000). Therefore, the researcher decides to reject the Null hypothesis and reveals that the customers' intention to use sustainable banking practices is significantly associated with perceived usefulness. In their research, Rifat et al. (2016) found and confirmed strong correlations between various factors such as performance and effort expectations, social competition, environmental concerns, central bank rules, and perception and perceived use of green banking by Bangladeshi bankers. The findings made it clear that bankers are positive in adopting green banking as a part of their routine work.
- The ANOVA test shows significance level less than 0.05 level (.000) very clearly. Hence, the Null hypothesis is rejected, and it can be inferred that the customers' behavioural intention to use sustainable banking practices is significantly related to the Perceived Ease of Use.
- The ANOVA results indicate a strong regression model that predicts "Intention" with such predictors as "Less paperwork", "Quick, convenient, and easy to use anytime, anywhere", and "Customer centric". The Null hypothesis is rejected,

which means that at least one predictor significantly influences the dependent variable.

- Moreover, Jayabal and Soundarya (2016) also found that the Green Bank Programme is a combination of the several initiatives, such as the installation of windmills all over rural India, the implementation of the Automated Teller Machines (ATMs), and the provision of paperless banking options for customers.
- The primary goals of green banking are to guarantee resource and energy efficiency while cutting carbon dioxide emissions and to encourage and finance environmentally beneficial investments. The ideas of sustainable resource administration and environmentally friendly credit distribution are the main focuses of this financial strategy.
- From the regression analysis's degree of significance, as displayed in the "ANOVA" table, it is evident that the significance level is less than the 0.05 level (.000). Thus, the Null hypothesis is rejected. It is revealed that eco-friendly practices are significantly associated with the customers' behavioural intention to use sustainable banking practices. Similarly, Giramkar (2018) explored eco-friendly practices and innovations in India's banking industry while highlighting global achievements. It emphasised how banks can be involved in environmentally friendly projects that can help create a more environmentally friendly world, like carbon credit businesses, green financial products, and integrated technology solutions

5.2.5 Benefits of Sustainable banking for banks and customers

- For the opportunities regarding Sustainable banking within customers and banks, it was found that sustainable banking have led to reduced carbon footprint and eco-friendly practices. Consumers claim that eco-friendly procedures are the primary advantage of sustainable banking methods. Adoption of Sustainable practices has no advantage for the customers has been rejected, and it has been stated that according to customers, the main benefit of sustainable banking practices is reduced carbon footprint (eco-friendly practices).
- In the analysis, the statement "It helps to increase the Bank's return on investments" under the benefits section gets the highest average score (3.28). According to banks, the primary advantage of sustainable banking procedures is

higher investment returns for the financial institution. This study result is like the study findings of Zhixia, et al. (2018), who suggested that to support economic development in underdeveloped nations, financial institutions need to take the initiative and give environmental concerns a priority in every aspect of their business dealings. Banks may guarantee a return on investment in the constantly shifting and complex environmental landscape by including environmental principles in their lending operations. This will encourage companies that pollute the environment to adopt eco-friendly measures.

- The statement "Reduced carbon footprint" under "eco-friendly practices" gets the greatest mean value (3.17). Consumers claim that eco-friendly procedures are the primary advantage of sustainable banking methods. As a result, it has been stated that, according to customers, the main benefit of sustainable banking practices is reduced carbon footprint (eco-friendly practices). Along similar lines, Ahuja (2015), in his study, analysed the customers' perspectives and revealed that the goal of sustainable banking is to lessen both internal and external carbon footprints by encouraging eco-friendly practices in the financial sector. It involves making the application of green standards a lending tenet.

5.2.6 Challenges of banks and customers in adopting Sustainable banking

- The challenges faced by bank is that it brings competitive pressure from other banks that offer Sustainable Finance. Further, financial institutions for sustainable banking is getting the banks to embrace environmentally friendly finance, however, banks face challenges in adopting sustainable practices. This is due to time constraints and the competitive pressure from other banks that offer Sustainable Finance.
- In the analysis, with an average rating of 3.12, the assertion "It brings competitive pressure from other banks that offer Sustainable Finance" has s highest mean score (50.0). The primary obstacle stated by financial institutions for sustainable banking is getting banks to embrace environmentally friendly finance. Consequently, the statement, "Banks face challenges in adopting sustainable practices", can be accepted. Most bankers' comments indicate that "Time constraints" and "It generates competitive pressure from other banks that offer Sustainable Finance" are the primary issues bankers encounter in the public domain. Bank managers in

the private sector deal with each of the difficulties above. Contrastingly, Zhang et al. (2022) assert that a lack of client knowledge, technological challenges, expensive investment expenses, and requiring more skilled personnel are some significant problems.

- In the analysis of the responses from customers regarding the challenges, , and the phrases "Lack of understanding of the benefits" and "Lack of timely customer support" have the most excellent mean values (3.48). Consumers of sustainable banking say that the two biggest problems they have are a need for more time for customer service and a lack of knowledge about the advantages of sustainable practices. Consequently, the statement "Customers do face challenges in adopting sustainable practices" can be accepted.

5.3 Suggestions

5.3.1 To the Regulators

- The Reserve Bank of India (RBI) may develop a detailed strategic framework that would require the banks to implement eco friendly practices, which in turn, would increase their environmental commitment. The RBI must also initiate various workshops and certification programs for banking professionals on a regular basis so that the staff is well acquainted with sustainable finance, ESG disclosure, and responsible banking. This will help to improve institutional preparedness, ensure consistency in assessing and managing climate related financial risks.
- The RBI along with the central government can introduce a mandate for standardized sustainability reporting and facilitate its implementation by providing incentives like tax relaxing, longer tax holidays, and regulatory support. A system of strict enforcement, including fines for violations, can put adherence beyond doubt. The Sustainable Accounting Standards Board (SASB) could also refine and localise reporting indicators, providing banks with robust frameworks to initiate and execute sustainable disclosure effectively. RBI can suggest a better, consistent and comparable disclosure framework for the banks, as inadequate information about climate-related financial risks can lead to mispricing of assets and misallocation of capital by them.
- There is a need to incorporate climate-related risk criteria and the systemic risk arising out of climate change into banks' decision-making process and risk

modelling. A methodology for assessing and reducing these risks can be developed. The RBI can ask the banks to have a committee/sub-committee at the board level comprising experts from the sustainability and climate risk domain with the following responsibilities: To identify and manage environmental and climate-related financial risks and opportunities. To guide and manage the sustainability-related policies, strategies, objective-setting, and performance monitoring. To monitor the timely and regular updating of the internal risk reports, the mitigation measures and their effectiveness thereof. To monitor and oversee the progress on relevant goals and targets, and guide external disclosures. The RBI can make sure that the board and senior management have a sufficient understanding of climate-related financial risks and are equipped with the suitable capabilities and experience to deal with these risks. They can take steps for capacity building and upskilling of the board and senior management on climate-related issues through internal workshops and training, or external collaboration. It is also imperative to implement robust financial risk management policies and processes to effectively counter the impact of other risks associated with sustainable lending.

- RRI can make sure that financial institutions ensure transparency and support long-term financial stability. While making a lending or investment, it is mandated to make ESG-related financial disclosures and climate-related financial risk and collect the requisite information from the borrowers. This brings across the financial system for a seamless flow of data and information. The Securities and Exchange Commission of India shall make it compulsory for all listed banks to disclose their Sustainability report in their final report, to disseminate exact awareness of such practices to the stakeholders. Practical, implementable solutions, curated to specific issues. Tools like guarantees, sustainability-linked loans, and climate-resilient bonds could be explored to further enhance private sector involvement. Going forward, the banks also need to arm the respective organisations with skilled manpower and technical expertise to spearhead the transformation in addressing the challenges of climate change. With this end in view, the Reserve Bank has been conducting extensive capacity-building programmes for the REs. The focus has been on bringing international experts to

share their experience on green and sustainable financing, stress testing and scenario analysis, credit risk assessment, transition planning, physical risk assessment, and global best practices for governance, strategy and risk management.

5.3.2 To the Government

- The Central Government may explore providing fiscal incentives such as tax rebates, exemptions, or an extension of the tax holiday facility for banks that actively comply with sustainability disclosure norms. The government should include sustainable banking practices for financial institutions in corporate governance codes as a clause. It will substantiate banks' practices of Sustainable banking and will contribute to their environmental performance. The central government and the regulators can develop a national-level green and sustainable finance taxonomy to classify sustainable economic activities and align regulatory frameworks accordingly. This helps to enhance transparency through mandatory disclosures and innovative green financial products supported by policy incentives.
- A consistent and harmonised regulatory approach towards the assessment of climate change risks and fostering of related financing can be developed among the concerned regulators and authorities. This helps to fine-tune their respective actions/measures to achieve the net zero target announced by the Hon'ble PM at COP26 in 2021 is to be achieved by 2070. Development of a robust assurance and verification of sustainable finance will assure the utilisation of funds. This brings credibility, confidence to the investors, which would then operate as a key enabler for increased flow of credit to the relevant sectors while addressing concerns around risks of greenwashing.

5.3.3 To the Banks

- Despite the growing emphasis on sustainability in the banking sector, sustainable banking practices have yet to reach the general public effectively. It was a lack of understanding that led to the limited awareness of information and the non availability of customer engagement strategies, which in turn, has been the reason for the gap. Even though financial institutions take significant steps in green financing and ethical investments, these measures are not so widely known to the general public and tend to stay within the boundaries of the industry. The only way

that banks can close this gap is by putting transparency, education, and communication at the top of their agendas with the public.

- By implementing different sustainable finance measures, that have been developed especially for this purpose, banks will be able to take care of the sustainability aspect of their business and at the same time enhance their loan portfolios and the local community. These measures mainly fall into groups such as sustainable finance, operational efficiencies, responsible investing, sustainable investing, or ESG investing, as well as sustainability linked loans. The banking sector must take steps to improve its loan portfolios in order to allow ESG become the major part of the sustainability plan. Open sustainable disclosure practices can, through the use of non financial performance indicators, be a powerful tool in deepening stakeholder trust and achieving complete transparency.
- In order to deepen environmentally friendly banking practices in India, banks need to embed financial inclusion, financial literacy, energy efficient technologies, and taking on wider sustainability responsibilities as the key elements of their business strategies. Even though the Indian banks are putting more and more weight on sustainability disclosure, there is still a sizeable gap when it comes to addressing the main environmental performance indicators. A genuine and uniform pledge to sustainability reporting is at the heart of the matter not an option.
- The corporate world that is looking for capital gets a clear signal from the banking sector and other financial institutions that are involved in responsible lending. A possible means of doing that would be to giving priority to loans and other financial instruments to the firms which have made sustainability and ESG their strategic concern. Now more than ever, financial institutions ought to bring their loan portfolios in line with the ever growing pool of businesses that are willing to adopt a greener business model. On the other hand, as some banks may struggle to move their investments away from carbon intensive projects towards those with low carbon emissions, it may not be as simple as it looks. Clear sustainability disclosures, that include non financial performance indicators, are the tools that would enable building of trust among stakeholders and raising the credibility of financial institutions. It would be best if banks follow internationally recognized reporting frameworks like the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB), or the Task Force on Climate related

Financial Disclosures (TCFD) and also be in line with India's ESG related policy improvements.

- To raise consumer and investor awareness, governments should initiate public awareness campaigns and stakeholder sensitisation programmes that will serve to educate consumers and investors about the importance of sustainable banking practices. Responsible consumer behavior may serve as a market based instrument for improved ESG compliance. Scheduled banks, along with the Indian Banks' Association (IBA) and the Institute of Chartered Accountants of India (ICAI), should take the lead in organising capacity building programmes on sustainability accounting and ESG reporting.
- Additionally, higher levels of consumer and investor awareness play a pivotal role in the adoption of sustainability standards by the general public, which in turn promotes the making of ethical banking choices. Banks, in order to meet the requirements, should organize specialized training courses for accountants and finance professionals to upgrade their skills in sustainability reporting. Universities and professional bodies also need to work together to improve the quality of accounting courses by including current sustainability issues and practices.
- Besides that, banks should make the first move by informing their customers about eco-friendly banking habits. In order to come up with efficient plans, banks require accurate and complete data regarding emissions, operations, and environmental effects at local, national, and corporate levels. Banks can make progress using a detailed sustainability plan, which not only highlights the bank's pledge to cut down its negative impact but also promotes the bank's activities and efficiency.
- Banks can team up with NGOs and rainforest alliances that assure standard practices of farming, good working conditions for the employees and complete traceability from the plantation to the table. It is really nice if banks persuade their staff to utilize more solar panels and lessen electricity consumption. In order to inform people of the benefits of sustainable banking, banks should carry out targeted awareness campaigns using different platforms such as social media, community outreach programs, and financial literacy workshops.
- Banks can induct customers into different social security schemes at the banks customer service points by only using the Aadhaar card number in a way that is simple and convenient. Banks may Motivate Customer deposit schemes wherein

Customers can make investments in fixed deposits that are meant for welfare activities that would have a good impact on the environment. (Even if the minimum deposit is Rs. 1000). Banks might associate each customer transaction with a tree or a plant, as plants happen to be the major carbon emissions capturers.

5.5 Implications of the study

5.5.1 Theoretical Implications

This research theoretically implies an instrumental and integrative role of the Technology Acceptance Model (TAM) and Value Belief Norm (VBN) theory in explaining the Indian banking sector's adoption of sustainability.

By the use of TAM, the study emphasizes how the perceptions of the usefulness, the ease of use, and the attractiveness of the product or service influence the adoption of sustainable banking practices by both banks and customers. At the same time, the activation of VBN theory gives a normative perspective, illustrating how values, environmental commitment, and moral responsibility affect the stakeholders' readiness to support eco friendly banking initiatives.

Firstly, these models explain how logical, technology focused decisions are combined with ethical and value based considerations to result in sustainable banking behavior. Their combined use as a dual theory model sets the stage for a new paradigm linking sustainability, financial performance, and environmental responsibility in commercial banking with fresh conceptual insights for further academic research and sector practical application.

5.5.2 Implications for the policy and practice

By illustrating how the Indian banking sector can incorporate sustainability adoption in a very effective manner, the study opens up major policy and practice implications. The results reveal that from a policy point of view, there is a need for regulatory frameworks and a system of incentives which would not only encourage banks to adopt green friendly practices but also ensure that they are in line with the national and global sustainability goals. As a source of inspiration to the practitioners, the present study makes a substantial contribution to the formulation of strategic approaches that would enable the financial performance to be combined with the environmental side of the business, thus leading to enhanced competitiveness and customer trust.

Moreover, the study points to the instrumental role of technology, innovation, resource management, and consumer participation to move forward with environmentally friendly banking practices. The research, by connecting the institutional strategies with the social values and environmental necessities, serves as a guide to policy makers, regulators and banking professionals on ways for them to be able to sustain growth in the sector further.

5.5 Limitations of the Study

- The respondents for this study were confined to the managerial-level employees in the bank and its customers only.
- Restricting the geographical area of this research to 28 states in India, not considering the Union territories. The data and the conclusions of this research apply within these boundaries; outside those boundaries, it can be questioned whether the results will apply.

5.6 Scope for further research

In future studies, other stakeholders, levels of management and public policy analysts can be included. Different regions/countries/industries can be considered. A cross-country comparison would help show how different regulations and cultural contexts affect sustainability integration. Further studies can help to develop and assess the model by adding institutional pressures, regulatory framework and stakeholders' expectations, trust or ethical motivations as moderating and controlling variables.

5.7 Conclusion:

In emerging nations such as India, the banking industry is essential to both social and economic advancement. To sum up, the integration of sustainability in the Indian banking sector is a major change in the industry's nature. It shows a deliberate move towards addressing the environmental, social, and governance challenges that come with the sector, while also taking advantage of the opportunities for responsible growth. It is consistent with the long-term goals of India that include social and economic development in addition to environmental protection that the banking sector takes the lead in sustainability. With the rising importance of sustainability, Indian banks will have the capacity to significantly contribute to the creation of a fairer, stronger, and sustainable

future for the country. This transition signifies a commitment to responsible banking and acknowledging the interconnectedness between financial success and societal well-being.

The demand for going Green has affected the financial industry and the global movement towards net zero and sustainability in business . Banks that commit to and act on internal and external sustainability projects will be more competitive in the long run. Banks are aware that not considering climate change will devastate the environment. It is time for banks to demonstrate that they can meet stringent standards when reporting climate risk, rather than just discussing green initiatives.

Banks are becoming significant in playing a role in achieving the SDGs. Customers, shareholders, employees and regulators are putting more pressure on banks to deliver results by demanding a firm commitment to ESG priorities. Banks can motivate the business sectors they serve to achieve sustainable change.

Regarding sustainability initiatives, the Banking and Financial Services sectors must walk and commit to environmental objectives. Sustainability must be considered while planning and executing banking processes and business activities. Banks are a crucial component in achieving SDGs and an ESG ecosystem. Banks and lenders encourage financial experts to invest in businesses that balance profit with integrity and commitment to the environment. The SDGs of the United Nations have significant positive gains from banks when they are involved in loans, finance offers, and investment schemes for green projects; financial organisations and banks can help achieve net zero, which in turn allows people and businesses to show the road to sustainable development. Due to climate change sentiment, investor pressure, government regulations, and other environmental factors, companies must look for possibilities and integrate ESG into their business models. To shift to a low-carbon, sustainable economy, publicly traded companies need to be able to make the necessary transition and secure the required amount of financing. On the other hand, privately held companies can increase their green portfolio and take advantage of different tax and capital incentives by using financial or debt instruments created to support eco-friendly initiatives or by utilising ESG or sustainability opportunities. As customers, it is the individual and collective responsibility to work together effectively and contribute to the global efforts to mitigate the risks associated with climate change and ensure that the Indian financial system remains resilient.