

## Green Practices of Indian and UK Banks: A Comparative Study

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### Abstract

The concern for ecological balancing by the banking industry has given birth to a new notion of Green Banking or Sustainable banking. This paper seeks to establish Green Banking as an important tool with respect to the promotion of environmental conservation as well as the encouragement of sustainable development. It also means that the 'green' applies to behaviours that benefit the environment as well as provided for the society. To a significant extent, banking becomes environmentally sustainable, developing and supporting such environmentally friendly and biodegradable features when conducting its operations while aiming to reduce carbon dioxide emissions. Green Banking given importance on technology in executing conventional banking services on an efficiency model that encourages environmentally conscious clients. As a typical bank it has environmentally sensitive measures that it takes and works to minimize emission of greenhouse gases thus fitting the environmental and economic sustainability standards. This two-pronged approach ensures that standard banking operations are carried out with regard to environmental and social issues. The objective of this study is therefore to identify the factors that compel the identified banks in India to go green in their operations and establish the impact of green banking on ecological responsibility with reference to the green practices adopted by the banks in the United Kingdom. This research paper analyses the research findings obtained from the data collected through different sources. For this research study, the survey technique is chosen. Primary information is collected through a questionnaire and secondary information is through documentation review. Statistical formulization is employed in the research for various adopting factors of sustainable banking and its effects on ecological sustainability. Presently, the notion of sustainable banking is developing, and the banks are cordially searching for ideas to represent themselves as sustainable banks.

**Keywords:** Green Banking, Environmental Sustainability, Management Support and Control, Adoption of Green Banking Practices (GBPs), Sustainable Development

### Introduction

In today's era, industrialization across the world has started working towards accommodating the needs and wants of society and has become a symbol of abundance and economic growth. Instead, it has made exploitation of the natural resources and disturbing the ecological balance. The ecological balancing disturbance has adversely affected humans, nature, and the environment. Recently, natural tragedies that have happened in the last thirty years were directly connected to uneven industrialization. Environmental sustainability has recently emerged as one of the most pressing questions at the global level, with the emphasis made on the economic growth and development alongside the relationship with the environment. Environmental conservation is critical for realizing long-run sustainable development goals. As the world becomes more conscious of environmental conservation it has assumed strategic importance as a significant component of management plans particularly in the industrialized nations. Firms in these countries are increasingly implementing green campaigns through developing environmentally-friendly products and services meant to help consumers make correct choices on environmentalism.

Corporate governance is a wider notion than simply bearing the product development responsibilities; there has been a shift in business organizations towards adopting green policies to reduce carbon emission, to conserve resources and to meet the sustainable development goals set at the international level. These measures also fit the corporate social responsibility (CSR) agenda and target an increasingly conscious base of clientele. Business and especially manufacturing, retail and energy sectors are gradually shifting focus to renewable power sources and decreasing amount of waste products as they continue to seek to create a sustainable environment.

By providing financial services which are at the core of most people's economic operations, banking industry contributes to enhancing sustainability. Sustainability in banking products and policies and innovations in the consideration of green loan standards and environmental investments are changing the financial sector for low-carbon stewardship. Currently, banks have been issuing green bonds and offering green loans to renewable energy projects and sustainable agriculture, as well as, 'green' efficient infrastructure, which demonstrate their commitment to economic development and sustainability.

The mainstreaming of sustainability in industries, businesses, governmental, and private organizations have given impetus to new ideas, motivations towards sustainable initiatives by involving various sector stake holders for policy change necessary for global sustainability. Thus, the awareness of ecological sustainability as one of the critical components of the modern economic and social development processes is becoming more profound owing to the growing number of enterprises and governments adopting the principles of sustainable development. It is an accompanying technique that ensures that the future growth is credible and the sound management of the environment.

### **Green Banking Initiatives of Indian and UK Banks**

There is an urgency to emphasize on green banking operations to preserve the environment from natural calamity. Indian banks also commenced sustainable banking operations like e-banking, green mortgages, e-statements, sustainable loans, green savings accounts, green vehicle loans, etc. The Sustainable Banking initiative undertaken by RBI aims to explore necessary measures to protect the environment and reduce carbon footprints while serving customers and through the most fruitful use of resources across all branches and headquarters of banks to improve domestic environmental management. UK Bank is well aware of the situation of environmental degression and has already given directions to all scheduled banks from time to time. Commercial banks must ensure necessary security measures while financing a new project. Banks have been instructed to provide financing facilities to their customers with utmost caution for the installation of ETP in industrial units solar energy, biogas, and Hybrid Hoffman in the banking sector of the UK under the refinance program.

By implementing these policies, the banks of India and the UK both wish to achieve the following objectives:

- To enhance goodwill or by showing your commitment to saving and preserving the ecological environment.
- Reduce lending to some environmentally hazardous projects.
- Examine necessary environmental due diligence factors before granting loans/investments.
- Create awareness among stakeholders about the environment and social responsibility so that they can adopt environment-friendly business practices.

### **GBPs in Sustainable Development**

Sustainable banking may help banks attain a competitive advantage in the industry by making an effective strategy-making process. Sustainable banking is a proactive approach to preserving energy and shielding the environment. The major advantage of this approach is that it preserves the environment for the next generations.

In today's scenario, natural disasters like earthquakes, cyclones, floods, and abnormal changes in weather conditions, experienced by all the countries, have forced every country to think about climate change and steps taken to solve the problem of global warming. Governments, business corporations, and banks are vital in stopping climate change and

creating a healthy environment. The people have to cope with banks and play a significant role in developing a strong, low-carbon economy and in sustainable development. Banks should make use of all information when providing loans. This project will improve the environmental performance and market value of banks. Business projects with high carbon production may be considered very risky for environmental sustainability. Therefore, sustainable banking is the need of the hour and will benefit the environment, society, businesses, and banks at large.

### **Literature review**

Literature review contains a summary of prior writings conducted on related topics. It helps in filling the research gap and preparing a research framework for a particular research topic. The reviews done for the study are as follows.

Yusoff et al, (2013) analyzed the level of adoption of environmental practices by three banks each in Malaysia and Indonesia. He conducted research on banks during the last 4 years. They concluded that Indonesian banks have made a greater number of innovations in environmental disclosure and green banking than their Malaysian counterparts.

Hossain et al., (2016) conducted a research study of different banks in Bangladesh regarding the nature of disclosures made on green banking. They found that due to a lack of standardized reporting guidelines, the nature of disclosures is different across banks which creates barriers.

Bimha and Nhamo (2017) analyzed the progress of banks in adopting green models. They check on different banks in different countries. The authors used the 'Environmental Management Performance Scoring Index' and studied banks for 3 years (2011–14). The researchers revealed that “environmental management policies may not lead to better environmental governance policies of banks”.

Julia and Kassim (2019) conducted a comparative study of the environment impact of five conventional banks and five Islamic banks. As shown in their studies, the Islamic banks outcompeted conventional banks in severely needed features of sustainable development including trust, intelligence, and circulation system of money. It also showed that Islamic banking operating on principles that include ethical finance and prohibited negative investments are better aligned to sustainability goals. As the sharia norms are followed in Islamic banks, more insistence was maintained in preserving environmental and social responsible values in parallel with the cleanliness of money and its circulation in the economy. This has been made possible through the Islamic banking which, if tapped, would spur the growth of a sustainable economic model. Singh (2013) assessed the perspectives of 100 investors on environmental control management and disclosure practices. The researcher revealed that investors need information about environmental concerns risk and liability for investment purposes, and to satisfy their non-financial needs such as the need to associate with organizations with appropriate social norms of environmental ethics.

### **Methodology**

The research approach used for this study was empirical and the study design was to investigate and compare the adoption of green or ethical banking practices concerning sustainability from the perspective of managers of Indian and UK banks. After reviewing the literature, methodology deals with the problem statement, selection of statistical techniques to analyze along with evaluation of the problem, procedure and course of action to be adopted in the research.

### **Objectives of the Study**

The present research proposal seeks to explore and assess numerous dimensions of sustainable banking in India and the UK. First, it examines the processes of sustainable banking work of banks in both countries, focusing on their efforts to integrate environmental sustainability into banking activities. Secondly, it explains how color of green banking contributes to the sustainable development identifying the species that green banking plays in enhancing the environment and the economy. The research evaluates and compares sustainable banking by Indian and the UK banks, including major similarities, differences and factors influencing their environmental footprint. Finally, it assesses the challenges faced by Indian banks while adopting sustainable banking practices such as lack of sensitization on sustainable banking, absence of appropriate operational challenges. The purpose of this research is to provide understanding of the concept of sustainable banking and how it can help in enhancing sustainability of the world and the challenges that surround its

application.

**Hypotheses:**

Ho: There are no obstacles to the implementation of GBPs in India.

H1: The introduction of protocols and frameworks does not impede GBPs in India.

H2: The rationale for acquiring green banking services is to facilitate, not obstruct, the introduction of GBPs in India.

H3: The offerings of the Bank do not obstruct the adoption of GBPs in India.

H4: Insufficient customer awareness does not impede the execution of GBPs in India.

H5: The challenges encountered by the bank in implementing a GBPs do not impede the execution of green banking initiatives in India.

H6: Factors influencing GBPs do not impede the execution of green banking initiatives in India.

H7: The challenges encountered by senior workers in adopting a GBPs do not impede the execution of green banking activities in India.

H8: The limited client base of GBPs does not impede the execution of green banking operations in India.

**Reliability Testing**

This study uses Cronbach's alpha to examine inter-object consistency among selected items. Cronbach's coefficient alpha reports the inter-item consistency reliability for multi-point items. According to Cronbach's alpha, the higher the coefficient, better the measurement. In the reliability analysis of this study the overall, Cronbach's alpha coefficient for all variables was 0.81, which is in a good acceptable range for the final analysis. Also, all selected items in the study were around 0.81 which has good inter-object relationship and is useful for analysis. Cronbach's alpha values are presented in table 1.1.

**Table 1.1 Cronbach’s alpha values**

<b>Selected Variables</b>	<b>Alpha Coefficient</b>
Protocols/frameworks	0.802
Reasons to adopt green banking services	0.821
Products and services provided by bank	0.840
customer awareness	0.790
Problems faced by bank while adopting the green banking system	0.751
Factors affecting green banking in India	0.769
Challenges faced by old employees while adopting green banking system	0.707
Reason for less number of customers using green banking	0.799

**Source: Primary Data**

**Data Collection**

The data has been collected through primary and secondary sources. Secondary data was collected through various internet portals of financial data and primary data collection included data collected through structured questionnaires, which were pre-tested through Cronbach's alpha.

**Population and Sample**

According to Sekaran (2006), “determination of the population and sample sizes are also entailed in the sampling process”. The sample population for this study was Delhi NCR, in which a total of 105 samples from top Indian public and private sector banks were selected for the study. In the study, the judgmental technique was used as a sampling technique to collect data from managers.

### **Statistical techniques used for the analysis**

The comparison between Indian and UK green banking practices has been accomplished through pre-existing data from various internet portals. Primary data analysis used one-way ANOVA and linear regression models to assess and explain the barriers to green banking implementation. Reliability has been checked with appropriate statistical tools for inter-item consistency.

### **Results/findings of the study**

#### **Green Banking practices of Indian and UK banks**

The Bank of England published a report in June 2020, and imparting the climate-related financial risks across all its operations, accompanying how it was managing by them. It was the first time that a bank had exposed the climate risks related with its monetary policy portfolio. This is probable to prove significant for both the BoE's central banking peers and the broader financial industry. Triodos was the first bank to generate a green fund for environmental projects. The bank also publishes their investment report every year. Triodos Bank won "Best Ethical Financial Provider British Bank Awards" 2023. Many famous and senior economic policy-makers now agree that greening the global economy requires understanding how specific economic activities relate to climate change. They argue that the information provided by disclosures gives governments, investors and consumers the ability to make choices that will affect carbon emissions. The UK central bank's disclosure was a stab to put those principles into practice.

#### **Green Banking Products in the United Kingdom: Promoting Sustainability**

Green finance in the UK has proved useful in acting as a tool to address challenges of climate change and the rise of sustainability. The banking sector is today offering a cross section of green financial products and services that suit clients with a special conscience to take care of the environment. Such steps show that banking industry has been committed to implement sustainable value and encourage green economy practice among consumers and enterprises. Presented below are notable instances of green banking products and their effects:

- **Green Current Accounts:** The above accounts give environmentally-conscious consumers, a competitive edge that includes, carbon offset credits, and discounts on renewable energy products. Thus, choosing these accounts, customers can become real partners in reducing their carbon footprint and promoting sustainable initiatives.
- **Green Mortgages:** Green loans or mortgages have as their intended audience clients who wish to purchase sustainable homes with the environment in mind. Such loans are often accompanied by preferential interest rates for the object, satisfying certain environmental parameters.
- **Sustainable Pension Plans:** There are ecological benefits and equally promising financial returns on pensions that invest in ecological projects. These enterprises all show that business can always go hand in hand with sustainability if adequate resources are invested in renewable energy, efficient infrastructure, and socially sensitive companies.
- **Renewable Energy Financing:** Banks borrow to finance renewable electricity projects such as solar power farms and windmills. These loans are crucial in the lowering of the consumption of fossil fuels, and the speeding up the process of green economy.
- **Savings Accounts with a Sustainability Focus:** Another area that financial institutions are supporting sustainable investment includes offering saving accounts through which people deposit money towards funding ecological friendly projects. This will enable clients to coordinate their monies with their environmental credits.
- **Green Credit Cards:** Credit cards that promote purchases which are environmentally friendly make individuals change their habits by emulating the environmentally friendly habits of the society. Points or rebates are at times offered for buying green goods or for supporting moral businesses and organizations.

#### **Full Impact of Green Banking in the United Kingdom**

Integrated within the portfolios of financial products offered by UK banks, green banking also focuses on changing the citizens' behaviours. Consumers see their banks engaging in environmental causes and feel compelled to pick

environmentally friendly practices in their day to day activities. This ripple effect may lead to significant changes to behaviour improving the positive environmental footprint.

The primary focus on green finance has been taken by the Bank of England (BoE), which is the central bank of the United Kingdom. The Bank of England issues an annual report on climate risk showing its firm commitment to the cause as well as helping set a benchmark for other central banks in environment disclosures within the financial sector. This report helps to achieve the objective of clear disclosure of the BoE's approach to it at the same time as encouraging introspection and improvement within the organisation. Through signing of each segment of the report having made recommendations, directors take full liability of environmental risks that occur within their areas of operation.

Green finance in the UK is changing the way organisations in the financial sector approach their sustainability plans. Current accounts, mortgages, and credit cards are some of the products that banks are using to allow consumers to act sustainably. Furthermore, organisations like the BoE are effectively leading by practicing good examples on climate risk transparency thereby encouraging positive change across the sector. Altogether, these activities are encouraging the more sustainable model of the economy and forcing people and companies to focus on sustainability.

According to the Indian Banks Association (IBA, 2014), "Green Bank is like a normal bank, which considers all the social and environmental/ecological factors intending to protect the environment and conserve natural resources. It is also known as the ethical bank or sustainable bank. Green banking can benefit the environment either by reducing the carbon footprint of consumers or banks. Online banking is an example of an initiative of Green Banking."

India has been growing steadily over the past decades, and industries play a vital role in India's growth story. However, the environmental impact of enterprises is a major challenge that India faces, especially bringing pollution and consumer emissions under control. Today's world is facing many environmental issues, they include extensive industrialization, modernization and unplanned urbanization. Global warming and climate change are now threatening biodiversity, agriculture, forests, dry lands, water supplies and human health (Hussain et al., 2016). In comparison, the government has attempted to solve the problem by enacting environmental legislation and convincing companies to implement ecological technologies and practices; Poor enforcement records, public awareness, and lack of competitive advantage from environmentally friendly products are not enough.

#### **Use of Green Banking Products in the Indian Banking Sector**

- E-banking includes internet banking, online banking, tab banking, mobile banking, cyberbanking, E-passbook and NEFT transactions.
- Banks have launched a range of card-based transactions by initiating green channel counters (GCC).
- The bank should invest in eco-friendly projects and sustainable products such as solar equipment, finance in low carbon emissions vehicles, green buildings finance, recycled furniture etc., and give some concessions in processing fees and charge low interest rates.
- Ecological infrastructure includes IT infrastructure, environment-friendly buildings with natural lighting and air, and recycling of waste plants.
- Use of solar energy UPS, LED bulbs, water harvesting and management by banks, set up solar-powered ATMs etc.

As they stand, Indian banks have been found to be significantly lagging behind their counterparts in developed industrialised countries on green banking initiatives. While there has been a proliferation in sustainable finance across the world, the Indian banks does not fully embraced environmental initiative and integrated them within their operations. One of the causes for such gap is the lack of knowledge about green banking products and services that hinders the population from accessing the goods and services. Thus, Indian banks need to open up and engage consumers as well as adopt rigorous green banking strategies to fill this gap. The foremost challenge that hinders green banking in India is the low level of awareness with regards to these services . Most of the populace does not possess any knowledge of green banking products such as green loans, green investment solutions or even a green saving account. Furthermore, there has been scanty advance communication by the banks on the advantages of sourcing green practices which has remained a

firm constraint. In comparison to the industrialized nations, where banks now have green financing as part of their CSR initiatives, this field is relatively unexplored for Indian banks. Just another challenge lies with the lack of legal requirements and incentives that would compel banks to go green. While India has been scaling up efforts towards renewable energy and sustainability goals, financial industry needs more targeted measures that would align with the country goals.

Thus, using the analysis conducted, it is possible to state that in order to develop green banking practices in India, a range of measures have to be utilised. First, they should embark on creating public awareness to encourage people about green banking and its impact to the environment. Hence, concrete activities like awareness through workshops, TV commercials, developing cooperation with community organisations can be informative as to the subject of the climate-friendly banking products and their benefits. Second, due to green banking, operating procedures are to be made more efficient by banks to ensure the services for all groups of consumers. This may include open access platforms for sustainable financial services; clear guidelines and tutorials on how to use these services; and low interests or bonuses for environmentally friendly activities.

Third, the measures, to which Indian banks have to accustom to, in order to introduce sustainability into the process, have to be strict. This includes providing financial support to renewable energy projects, reducing carbon footprint in products they offer and also incorporating sustainable policies and standards in products such as lending and investments. Engaging with foreign banks who have experience with green banking can help Indian banks to better acquire and implement proper strategies. Sustainability ought to be incorporated at the base of Indian banks' strategies to meet green banking standards practiced across the world. By offering information, presence of clear procedures, and working on eco-friendly policies, they can spread wide utilization of those among customers. Furthermore, the authorities have to support such endeavors, including the creation of legal conditions and appealing stimuli to improve the situation with green finance in the nation. It has been seen that the Indian banks can play an active role in protecting the environment and supporting the concept of sustainable development goals: jointly. They can support the process towards a more environmentally friendly future by benchmarking their operations to international best practice and engaging customers.

**Analysis of implementation barriers of Green Banking in India**

Through the multiple regression relationship model, the effect of various implementation barriers on the adoption of sustainable banking operations has been examined. Where the dependent variable was 'Implementation barriers for green banking practices'

**Table 1.2 Summary of green banking practices regression model**

Model	R (Value of R)	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896 <sup>a</sup>	.803	.787	.510

a. Predictors: (Constant), Reason for less number of consumers using sustainable banking services provided by bank, Protocols/frameworks, Factors affecting green banking in India, Reasons to adopt green banking services, customer awareness, Challenges faced by old employees while adopting green banking system, Problems faced by the bank while adopting the green banking system.

**Source: Primary Data**

In Table 1.2, column R describes the R-value. Here R is observed as a measure of prediction of the response variable and R value (.896) indicates a good prediction level. Here R squares show the percentage of variance in the response variable and is described by the input variables. The above table displays that the value of R square for the independent variables explains 80.30% of the variability of the response variable. But, also requires explicating "Adjusted R Square" to report the data precisely.

**Table 1.3 ANOVA results for green banking practices regression model**

Models	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	101.954	8	12.744	49.015	.000 <sup>b</sup>
	Residual	24.960	96	.260		
	Total	126.914	104			
a. Dependent Variable: Implementation barriers for green banking practices						

**Source: Primary Data**

In the ANOVA table, the F-ratio examines whether the regression model is a good fit and also shows the input variables remarkably predict the response variable,  $F(8, 96) = 49.015, p < .000$ . Thus, the regression model is a good fit of the data.

The table 1.4 shows that coefficients derived from multiple linear regression that examines relationships between several independent variables and outcome variable ‘Implementation barriers to green banking’. As indicated by the results shown, most of the selected independent variables have values lower than 0.05, confirming that they have a positive impact on the probability of a bank adopting GBPs. In addition, these associations are affirmative, illustration that the individual factors post significantly in aggravating the issues concerning the GBPs in the Indian banking sector. These results are supported by the results from the statistical hypothesis testing where the null hypothesis is overall rejected for the alternative hypothesis. This indicates that the independent variables; protocols and frameworks, motivation towards GBPs and the product and services offered by the banks are key determinants to the execution of sustainable banking practices. Therefore, it is imperative to sufficiently address these challenges to enhance the progress of green banks in India with the help of a favourable relationship.

**Table 1.4 Coefficients of green banking practices regression model**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig. (value)
	B	Std. Error	Beta		
1 (Constant)	.151	.293		.515	.608
Protocols/frameworks	.183	.063	.090	1.303	.006
Reasons to Adopt GBPs	.150	.066	.051	.757	.071
GBPs provided by the bank	.055	.089	.053	.618	.008
customer awareness	.105	.081	.005	.065	.108
Problems faced by banks while adopting the GBPs	.073	.091	.068	.796	.028
Factors affecting green banking in India	.497	.080	.463	6.228	.000
Challenges faced by old employees while adopting GBPs	.695	.095	.628	7.314	.000
Reason for less number of customers using GBPs	.177	.099	.139	1.780	.048

a. Dependent Variable: Implementation barriers for GBPs

**Source: Primary Data**

One of the challenges mentioned is the lack of definite protocols, and procedures. They also indicated that in the absence of wider guidelines, and set practices, banks are likely to face challenges while implementing sustainable practices. However, inadequate client awareness of the benefits and processes relating to green banking aggravates the issue further. Many a time, consumers are even unaware of the available financial products that are eco – friendly and its benefits and hence there is a significant difference in the usage of such products. An important hindrance is problems to be faced by

banks, particularly with certain hierarchy levels, who may experience a problem in adapting to the new measures and innovative practices associated with green banking. This is evidenced by resistance change and inadequate training, as causes the organization to fail in the implementation of sustainable practices. Similarly, factors like the low advertising of greener product offers and services, various operational challenges, and low consumer interactions slow the transition to green banking.

Specifically, the regression study reveals noticeable factors that prevent clients from adopting GBS [green banking services]; they suffered from a lack of understanding and distrust in these systems. These have to be addressed by advocating for sustainable form of banking benefits, supporting the availability of green products and ensuring that the banking companies practice openness. However, the studies mentioned that addressing challenges of the variables affecting green banking, such as Technology barriers and Policy inadequacies, would be crucial to overcome these barriers. The findings of the regression equation results show that there are several challenges in relation to the adoption of green banking practices in India. This comprises of lack of clear guidelines, poor client understanding, challenges many banks face when in operation, and employee conservatism. If these concerns are addressed in advance, it will be easier for the India banking sector to enhance the implementation of sustainable banking practices – which in turn will help in conserving environment and ensuring long-term economic sustainability.

**The various statements related to the above barriers were also examined with the help of one-way ANOVA. Here level of significance was set at 5% (alpha).**

**Table 1.5 F test value for items considered for green banking practices regression model**

	Sum of Squares	df	Mean Square	F	Sig.
High operating cost	56.002	4	14.001	48.425	.000
Startup pace	45.292	4	11.323	14.386	.003
Diversification problem	29.925	4	7.481	7.888	.010
Credit risk	62.530	4	15.633	20.724	.030
Reputational risk	49.189	4	12.297	12.095	.004
Traditional barriers	40.602	4	10.151	11.531	.000
Image barriers	27.372	4	6.843	7.162	.006
Lack of knowledge about updated software	33.752	4	8.438	12.071	.000
Lack of confidence in handling automated transactions	18.075	4	4.519	8.144	.004
Customers' grievances become a little bit tough	38.762	4	9.691	13.825	.003
The grasping process becomes slow	31.378	4	7.845	12.204	.000
Fear of fraud	56.480	4	14.120	15.406	.001
Doubt of security mechanism	34.997	4	8.749	6.182	.003
Lack of awareness	36.257	4	9.064	7.639	.000
Fees involved in transactions	18.576	4	4.644	4.840	.001
Technical upgradation is required	30.158	4	7.539	11.643	.000
Face to face transactions is preferred	39.965	4	9.991	9.705	.005

**Source: Primary Data**

Almost all the statements in the above analysis table show that the p-value is less than the value of alpha (0.05). Thus, the test was found to be significant, and the alternative hypothesis was accepted, which means that there are various barriers (mentioned in table 1.5) on implementation of sustainable banking practices in India.

**Implications of the study**

Nowadays environment is an important issue in all types of business including banks. Due to changes occurring on the financial and environmental front, businesses are reshaping their objectives and way of operating to become more

socially responsible. Green banking requires the bank to adopt environment-friendly strategies. It helps to adopt the eco-friendly way of operating and also motivates the bank to invest in eco-friendly businesses. The concept has grown in popularity among researchers, academics, and policymakers.

This study examines the notion of green banking from two perspectives: furthermore, firstly, the common green banking strategies adopted by the Bank of India as a green initiator, and secondly, the green efficiency of UK's banks. It also, on the two banking systems, examines the challenges faced in the course of deploying sustainable banking strategies. Notably, there is a lack of comprehensive literature review on the current status of sustainable banking practices and achievement of Indian banks. With respect to this, the current paper seeks to fill this gap by discussing some of the most common green banking practices undertaken in India including electronic/digital banking; green infrastructure; efficient resource use and renewable energy. These efforts demonstrate that individual Indian banks are trying to integrate sustainability goal in their system and align them with global environmental standards. The report also stress on the fact that CSR performance has been a major research interest of the banks analyzed in terms of several indexes. CSR initiatives in the banking industry are often a case of financing renewable energy; managing operating emissions, and supporting community based environmental programmes. These measures are helping top underscore the importance of sustainability as a key feature of modern banking industry.

This study applied panel data regression to examine the moderating effect of green banking performance features on the corporate barriers experienced by the banks. Therefore, the findings suggest that the size of a bank can be used to predict a bank's global performance in green banking. The result further establishes that, in India, those banks with larger assets illustrate higher SBA sustainable banking performance compared with similar sized UK designated banks. This is because they have a better ability in terms of finance to fund any environmental friendly activities and engage in socially constructive activities such as environmentally conscious practices, conservation and promotion of renewable resources etc.

It is apparent from this result that bank asset is a particularly valuable factor in stimulating sustainable behaviours. To start with, major banks are more poised to implement complicated green technologies, provide for green funding, and implement large-scale CSR initiatives. While big banks may experience limitations due to their desire to maintain, invest and expand into other sectors, the smaller banks will however, face more severe setbacks due to their limited capacities, which are not able to achieve levels of green performance that are on par with those of the superior sized banks. This finding emphasises the need for the development of enabling frameworks and stimuli that would help junior banks overcome these challenges, and become involved in the global sustainability agenda. This paper provides valuable contribution to the future of green banking, establishing the leading Indian banks and their further experiences in going green. It also describes challenges faced in implementing green projects by small to large banks and highlights the ability of large-scale banks to drive green change. By addressing these constraints, Indian and UK banks need to enhance the impact of green banking and increase the accountability to environment. For a small bank, allocating funds to activities that are not legally mandated will be difficult. Moreover, older banks will be in an advantageous position in allocating funds for environmental activities given the experience and expertise gained over the years. Comparatively new banks will find it difficult to diversify and manage activities that are not related to their core banking activities in both India and the UK.

### **Recommendations**

The major recommendations for this study are as follows.

- This study is very helpful for the banking industry in ascertaining the scope of ethical banking practices in sustainable growth. This research paper is a major study to relate the Indian banking industry with sustainability and GBPs of banks in addition to the two UN SDGs.

- This paper outlines the sectors where the banks can take steps towards a green, sustainable economy. It has helped the banking industry to focus on major growth areas to improve social satisfaction. This research study is also helpful in understanding how important sustainable development is, especially green processes.
- This study will work as a meter for banking actions towards green nations as these are efforts towards a carbon-free world, efforts to control global warming, and efforts for a green planet. An important service. Society is the cause of a better climate and a better tomorrow.

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