SUSTAINABILITY REPORTING: UNFOLDING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE PRACTICES IN THE BANKING SECTOR

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Abstract

A sustainability report showcases a complete perspective of a banking business, its strategy, and environmental, social, and governance (ESG) disclosure. For the banks, the reporting is based on climate risk, responsible investment, and transparency. This report is unique for each industry, depending on its ESG risks, shareholders' expectations, and sustainability framework. In India, the reporting framework is the business responsibility and sustainability report (BRSR) format, on the nine principles of National Guidelines on Responsible Business Conduct (NGRBC), as per the Securities and Exchange Board of India (SEBI) guidelines. This paper investigates the sustainability reporting practices adopted by Indian banks and explores how these institutions integrate the ESG framework into their reporting. A qualitative content analysis was performed on BRSRs published (fiscal years [FY] 2021–2022 and 2024–2025). Although disclosure volume has risen since the Reserve Bank of India (RBI) consultation, reporting quality remains uneven, only 28 percent of banks align fully with the Task Force on Climate-related Financial Disclosures (TCFD) pillars, and Scope 3 emissions. The pace of alignment with international standards needs acceleration. Integration of ESG reporting and carbon footprint reduction targets is more common in larger banks. The SEBI can make it compulsory for all listed banks to disclose their sustainability report, to disseminate exact awareness among the stakeholders. These findings will contribute to the banking sector and provide insights for policymakers, regulators, and industry stakeholders, with implications for enhancing corporate disclosure standards, fostering sustainable finance initiatives, and advancing the sustainability agenda in India's banking sector.

Keywords: Sustainability Reporting and Financial Integrity, ESG Disclosures, Global Reporting Initiative (GRI), Integrated Reporting, Responsible Banking, Indian Banking Sector

Authors' individual contribution: Conceptualization — E.S.S.; Methodology — E.S.S.; Resources — E.S.S.; Writing — Original Draft — E.S.S.; Supervision — D.V.

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1. INTRODUCTION

The United Nations' (UN) Sustainable Development Goals (SDGs) propose a comprehensive approach to sustainability and environmental, social, and governance (ESG). The principles of the responsible banking framework were introduced in 2019 by the UN and signatory banks to embed sustainable finance across all levels of business. In November 2021, the UN organised the Net-Zero Banking Alliance to align financial institutions' lending and investment portfolios with net-zero and reduce carbon emissions by 2050. This "go green" mission pushed financial sectors to shift from profit maximisation to long-term sustainability. The financial sector, capable of innovations and ESG implementation, is currently at its turning point. ESG considerations are now influencing decisions and operations of the banking industry. For example, banks have shown evolution and solid commitment by investing in renewable energy, lending to sustainably responsible investors, and reducing lending to environmentally challenging industries.

Sustainability reporting is a non-financial statement disclosing a company's performance across ESG dimensions. It provides transparency about corporate initiatives, risks, and commitments to sustainable development. A company's commitment to ESG and its progress in achieving the Net Zero Initiative by presenting the organisation's principles, governance, strategies, and commitment is shown in the report. This will help companies showcase their ESG performances, corporate social responsibility (CSR), and improve their goodwill, reputation, customer satisfaction, and risk management. The terms "sustainability reporting", "triple bottom line reporting", and "corporate social responsibility reporting" are interchangeable when referring to non-financial reporting. The sustainability report serves as a strategic base for an organisation's sustainability impacts and vision, whether favourable or unfavourable. Sustainable reporting encourages organisations to take the lead in creating and maintaining conviction and transparency. Stakeholders are crucial in helping non-financial organisations understand these risks and opportunities (Jeke et al., 2025; Debnath et al., 2024).

In the Indian financial sector, the Reserve Bank of India (RBI) has played a vital role in accelerating ESG integration. The draft disclosure framework on climate-related financial risks (RBI, 2024) and the framework for acceptance of green deposits (RBI, 2023) are the regulatory initiatives that push banks towards adopting transparency in reporting ESG disclosures. The content, preparation, and presentation of the business responsibility and sustainability report (BRSR) are in accordance with the nine principles of the National Guidelines for Responsible Business Conduct (NGRBC) and the format issued by the Securities and Exchange Board of India (SEBI). In India, the sustainability reports adhere to the Global Reporting Initiative (GRI) framework, and there has been a noticeable move towards international standards, which the existing literature reviews have validated. Banks that integrate GRI may benefit from enhanced stakeholder engagement and transparency. The banks are required to highlight sustainability-related challenges faced and plans for ESG-related targets. To acquire insights into ESG data, banks must collect the appropriate data and implement cognitive analytical tools. ESG adoption in banking is challenging and requires advanced technical knowledge and ability (Bressan & Sabrina, 2025; Voto, 2025). Additionally, banks must emphasise automated processes and invest in a robust data and analytics infrastructure. This paradigm shift requires a cultural transformation within banks, and it is essential to educate staff members so they can accept and comprehend the implementation of policies and procedures.

Over the last twenty years, several frameworks and standards have been designed to help financial institutions comprehend and incorporate sustainability challenges into their corporate strategy. National voluntary guidelines (NVGs) introduced by the government of India in 2011 are the most developed framework for responsible reporting in India. These are principles and frameworks that aid businesses in fulfilling their ESG responsibilities. The GRI is an independent, international non-governmental organisation (NGO) that helps the government and other businesses with ESG reporting. GRI became the preferred framework to report on the three pillars of sustainability, ESG. In the ESG disclosure, almost 93% of the world's largest corporations across 100 countries, including government, small businesses, large businesses, and corporations, adhere mainly to the GRI standards (Kumar & Prakash, 2019a). GRI provides support in understanding and communicating how business decisions affect essential sustainability issues, including climate change, human rights, and corruption, among many others. The Dow Jones Sustainability Index (DJSI) participation is a company's involvement in a global benchmark for assessing corporate sustainability, to showcase their commitment to sustainable practices and their efforts to investors, customers, and other stakeholders. The DJSI evaluates the performance of companies based on their ESG practices. The stakeholder theory was introduced by Edward Freeman in 1984 and emphasises the importance of considering the interests of all stakeholders in decision-making (Freeman, 2010). The theory suggests that while the business focuses on maximising profits, it should also aim to create value for all stakeholders to protect sustainability and ethical business practices. In this context of sustainable reporting, this theory complements the broader discussion on sustainable business practices and helps to understand how reporting ESG factors is integrated into the decision-making process within the banking industry. Institutional theory highlights the role of institutional pressure, such as regulations, norms, and values, in shaping organisational behaviour, often leading to adopting the practices of other successful organisations. In this context of sustainable reporting, institutional theory can explain how financial institutions report their ESG practices due to pressures from regulatory bodies, industry standards, or public expectations of responsible behaviour. Socially responsible investing (SRI) originated in 1972 and played a significant and dominating role in previous literature. This theory originated when the UN and the International Union joined forces to develop strategies for corporate growth. Renneboog et al. (2008) stated that SRI initiated in ancient times had no universality or unanimity. Chatzitheodorou et al. (2019) observed that terms like ethical, social, sustainability, and investments were associated with the SRI theory. However, van Dooren and Galema (2018) linked that SRI theory, emphasising individuals' values and the well-being of society as an essential factor in sustainability reporting.

The study provides the next research questions:

RQ1: How extensively do banks report their approach towards ESG considerations?

RQ2: What Sustainability indicators do banks highlight in their sustainability report?

Also, the study provides the next research objectives:

- to examine the sustainability reporting practices adopted by Indian banks and evaluate their alignment with the ESG framework;
- to identify the sustainability indicators commonly reported by banks, with a focus on the ESG dimension.

This study offers two principal contributions that distinguish it from existing sustainable reporting by Indian banks. First, it delivers a multi-framework comparison of India's 10 largest public and private sector banks, triangulating their disclosures across global standards (GRI, Carbon Disclosure Project [CDP], DJSI), national guidelines (e.g., NVGs), and quantified outcomes (CO_2 intensity and CSR expenditure). This holistic approach exposes alignment gaps and leadership patterns that single-framework or single-pillar analyses miss. Second, by integrating qualitative insights from each bank's sustainability narrative with quantitative metrics (emissions and five-year CSR outlays), the study reveals how strategic intent, sector ownership, and scale shape ESG performance.

The structure of this paper is organized as follows. Section 2 aims to build a theoretical foundation upon which the research is based by reviewing the relevant literature to identify research issues that are worth researching. Section 3 describes the major methodology used to collect the data, which will be used to answer the hypotheses. Section 4 presents patterns of results and analyzes them for their relevance to the research questions or hypotheses. Section 5 provides the conclusion.

2. LITERATURE REVIEW

Sustainability and other non-financial indicators (any data reported by the company other than financial data) are becoming more important to business leaders, investors, consumers, and regulators. Nowadays, many companies understand how important it is to support social and environmental issues in their reporting. Businesses striving for corporate social and environmental reporting are becoming more credible and acceptable (Hongming et al., 2020). Sustainability reporting makes the companies socially conscious and ethically responsible. According to Petrescu et al. (2020), leading Romanian businesses could increase customer loyalty and reputational trust through sustainability reporting. The reporting will help the companies establish a reputation management strategy to enhance and restore a brand's image. Sustainability reporting has evolved significantly, becoming crucial for businesses to communicate their ESG practices. This practice is guided by various frameworks and standards, aiming to promote transparency and accountability in corporate operations. However, a key component that has often been underrepresented in these standards is diversity. According to Zrnić et al. (2020), diversity should be explicitly incorporated into sustainability reporting guidelines, as it plays an essential role in managing risk and improving financial access. The study emphasises that the impact of diversity on risk management can help companies better navigate challenges and attract financial resources. Incorporating diversity into sustainability standards contributes to more comprehensive reporting and enhances a company's ability to effectively address emerging risks and leverage financial opportunities.

Initially, the structure and substance of sustainability reporting were unclear and could not be compared to financial reporting criteria. When disclosures from annual reports regularly described reporting procedures, it was a common reporting practice in the 1990s. The patterns of sustainability reporting by multinational corporations are the subject of specific studies, such as those conducted on the Fortune 500 (Zharfpeykan & Askarany, 2023). Following the Rio+20 or UN Conference on Sustainable Development, nations like France, South Africa, Brazil, and Denmark started encouraging sustainability reporting. The UN Environment Programme (UNEP) and the GRI supported these countries in pursuing sustainable development (Hongming et al., 2020). The banking sector plays a vital role in developing India's national economy. For reporting purposes, the banking industry in India continues to use the conventional financial reporting method. On the other hand, not much has been done to address the issue of sustainable reporting in the Indian banking industry. This study aims to assess the state of the Indian banking industry's sustainability reporting system and enhance its quality. The study's conclusions can be used as a reference to help the banking industry's regulating body in India enhance the sustainability reporting's current state and consequences. Globalisation makes the business environment more and more complex, and today's businesses worldwide face more challenging and dynamic environments than ever (Amran & Ooi, 2014). Sustainable development was a concept launched in the late 1980s, and the UN's Brundtland report defined it as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (UN Secretary-General & World Commission on Environment and Development [WCED], 1987). Investors need accurate information while making investment decisions.

Sustainability reporting deals with environmental issues and considers economic and social issues, labour practices, human rights, economic performance, community, society, corruption, corporate governance, and responsibility for products and services. While there has been a surge in CSR reporting by Indian companies, sustainability report disclosure is still in development (Goel & Misra, 2017). Since the banking industry plays a role in advancing sustainable development, examining the state of sustainability reporting standards in the Indian banking sector is relevant.

Kumar and Prakash (2019a) proposed a GRI G4-based hybrid framework to assess the sustainability disclosure practices of Indian commercial banks. Their study investigates 28 banks, evaluating their contributions to environmental, economic, social, and governance indices. The findings indicate variability in sustainability performance among banks, highlighting the need for standardised reporting practices to enhance transparency and comparability. Arora et al. (2025) evaluated the quality of sustainability reports in the Indian banking industry. Their study examines how factors such as bank ownership, market capitalisation, and board composition influence the quality of disclosures. The research concludes that while there has been progress in sustainability reporting, significant improvements are needed to meet global standards and stakeholder expectations.

3. RESEARCH METHODOLOGY

An explanatory research design has been adopted in the current study based on the argument presented by Asenahabi (2019) and Tonon (2019). Explanatory research design aids in unravelling why a particular phenomenon occurs. Descriptive research is also conducted when limited research information is available regarding the topic, which also suits the aspect of the current study. There is limited information from prior studies regarding how banks prepare and publish sustainable reports, and there is ambiguity regarding the standards and formats to be followed. The locale of study is India. The 10 major public and private banking institutions have been selected based on market capitalisation and the presence of branches throughout the country. These aspects have been combined to establish major banking institutions that will represent the state of the banking system throughout the economy.

The study is based on secondary data. An audited sustainability report is published along with the audited financial statements at the end of every financial year by the selected banks is considered as the data. Details for various branches, offices, and other locations (excluding international operations) are to ensure the completeness of data required for the research. Also, a discussion with the relevant personnel of the Bank's management responsible for ESG/their team member, for understanding the process of collecting, collating, and reporting the subject matter was also considered.

Table 1. The top 10 banks in India, ranked by their market capitalisation

Bank	*Market capitalisation*	*Branch presence*
State Bank of India	5,00,179.88	22,219
Punjab National Bank	83,518.55	12,248
Bank of Baroda	1,00,272.71	8,432
Canara Bank	71,005.06	9,720
Union Bank of India	79,239.07	8,700
HDFC Bank	1,160,931.09	6,449
ICICI Bank	649,129.59	5,275
Kotak Mahindra Bank	347,162.17	4,758
Axis Bank	314,549.56	5,604
IndusInd Bank	114,929.78	2,015

Source: Authors' analysis based on "Top 10 banks in India" (2025).

For this, the entire customer base throughout India has been selected as the population for each banking institution. The banks' Sustainability reports, CSR reports, BRSR, and annual reports (fiscal years [FY] 2022–2023 and 2023–2024) were analysed. Since the annual report is the most accepted document for corporate communication in India, this study only focuses on the published financial statements of those selected banks. The Sustainable report is published at the end of every year, disclosing the ESG commitments and the banks' progress towards them. The annual reports of the selected banks were analysed based on ESG and other categories selected from the GRI G4 guideline.

4. RESULTS AND DISCUSSION

The State Bank of India exhibits the most comprehensive approach, demonstrating full compliance with GRI standards and active participation in the CDP, where it reported significant carbon emissions of approximately 25,000 tons of CO_2 in FY 2024. Despite not being listed on the DJSI, State Bank of India integrates international sustainability principles and exhibits strong adherence to the NVGs, with a reporting structure emphasising governance and social responsibility. In contrast, Punjab National Bank shows partial alignment with GRI standards, particularly in social metrics, and a growing engagement with the CDP, having disclosed emissions of 14,500 tons of CO_2. Punjab National Bank's adherence to NVGs and inclusion of GRI G4 elements indicate a developing sustainability framework, particularly in governance and stakeholder engagement. Bank of Baroda also reports partial GRI compliance, focusing on environmental and social aspects, and participates in CDP with emissions of 9,500 tons of CO_2, aligning its practices with broader sustainability norms despite its absence from DJSI listings. Canara Bank stands out for its full GRI compliance, especially in environmental performance, and limited but targeted CDP engagement, reporting 6,800 tons of CO_2 emissions in FY 2024. While not part of DJSI, it reflects robust adherence to NVGs and substantial integration of GRI G4 guidelines, particularly concerning governance and environmental issues. Similarly, Union Bank of India follows GRI standards with a pronounced focus on environmental sustainability and CDP participation, having reported 5,200 tons of CO_2 emissions in FY 2024. Although it is not DJSI listed, Union Bank of India maintains strong sustainability disclosures and aligns with NVGs, with partial implementation of GRI G4 in governance and stakeholder engagement.

Among the private sector banks, HDFC and ICICI banks emerge as leaders in ESG transparency and international alignment. Both institutions are fully compliant with GRI standards and actively participate in the CDP, reporting substantial carbon emissions — 36,000 tons and 29,000 tons of CO_2, respectively, in FY 2024. Their inclusion in the DJSI further reflects their strong global ESG performance. HDFC Bank demonstrates comprehensive integration of GRI G4 guidelines with a focus on ethical, transparent operations, while ICICI Bank similarly aligns its disclosures with NVGs and GRI G4, emphasising governance and corporate responsibility. In comparison, Axis Bank follows GRI standards and maintains active CDP engagement, reporting 24,000 tons of CO_2 emissions. Though not listed on the DJSI, it maintains a transparent ESG framework grounded in NVG principles and integrates GRI G4 in environmental and governance reporting. Kotak Mahindra Bank exhibits partial adherence to GRI G4, concentrating on social and environmental performance with limited CDP participation focused on carbon and energy metrics. Despite the absence from DJSI, it upholds NVG principles, especially in governance and business ethics. IndusInd Bank, while showing partial GRI alignment, particularly in social and environmental areas, and minimal CDP engagement, aligns with NVGs in governance and ethical conduct. It incorporates select GRI G4 elements into its sustainability reporting.

An analysis of the ESG initiatives across 10 major Indian banks highlights varied but progressive, maturing approaches to sustainability. State Bank of India demonstrates a robust ESG framework, with environmental efforts focused on reducing carbon intensity and advancing green finance. Socially, State Bank of India leads in financial inclusion and rural development through initiatives like "State Bank of India Gram Seva", while governance is underpinned by a diverse, broad, and strong compliance protocol. Punjab National Bank mirrors these commitments, implementing energy audits and solar installations, along with targeted social inclusion strategies and a governance structure centred on ethical oversight. Bank of Baroda integrates sustainability into its operational and financing activities, particularly through emission reduction and rural economic support, with governance grounded in risk management and ethical conduct. Canara Bank and Union Bank of India of India reflect similar orientations. Canara Bank emphasises energy efficiency and solar power, while engaging in rural outreach and gender-focused initiatives under a framework of legal and ethical governance. Union Bank of India's strategy includes investment in renewable energy and inclusive finance, with governance anchored in transparency and risk control.

Among private sector banks, HDFC Bank stands out for its leadership in green energy adoption, carbon reduction, and green bond issuance. Its social agenda spans digital inclusion and community development, while governance is marked by independent oversight and regulatory diligence. ICICI Bank similarly combines environmental initiatives, such as emission control and green certified infrastructure, with strong social engagement through microfinance and leadership diversity. Its governance practices stress anti-corruption and regulatory compliance. Kotak Mahindra Bank adopts a moderate yet consistent ESG approach, reducing its carbon footprint and expanding renewable energy use, while supporting financial literacy and women's empowerment within a framework of high ethical standards. Axis Bank integrates environmental sustainability through renewable energy investments and fosters rural inclusion and board diversity. IndusInd Bank emphasises green lending and solar adoption, and its social and governance practices are defined by gender inclusion, rural outreach, and transparency.

The Banks display a deepening integration of ESG principles, with public sector banks often emphasising rural and financial inclusion, and private sector institutions focusing more on innovation in environmental financing and governance, which aligns strategic sustainability goals with robust operational and governance practices.

Banks play a crucial role in promoting CSR and driving the global shift away from carbon-emitting businesses. CSR encompasses a company's ethical and voluntary initiatives aimed at contributing to social, environmental, and economic well-being, such as community development, environmental protection, and employee welfare. Through sustainable reporting, these initiatives, along with broader ESG efforts, are documented and communicated to stakeholders. This brings transparency and accountability to the banking operations.

CSR expenditure emerges as a key quantifiable indicator under the social pillar of ESG. This is an integral part of the bank's sustainability strategy and ESG disclosure. By disclosing this through sustainable reporting, banks demonstrate transparency, stakeholder accountability, and their evolving role in sustainability. Banks need to accelerate their transition to sustainability and be transparent and accountable due to the pressure from investors, regulators, and customers. As financial intermediaries, the banks need to take initiatives towards sustainability on a faster track because of the disastrous effects of climate change. The banks are already feeling pressure from their stakeholders, customers, and regulators.

The data presented in Table A.2 (see Appendix) highlights the growing emphasis placed by Indian banks on CSR. A review of the FY 2024 sustainability and CSR disclosures reveals considerable variation in the scale and focus of investment among banks, alongside a progressive shift toward integrated and strategic ESG reporting. The State Bank of India leads in cumulative CSR investment with an expenditure of 1,500 crore over five years, as documented in its sustainability report of FY 2023–2024. This sustained commitment underscores State Bank of India's strategic focus on rural development, education, and environmental initiatives, aligning with both global sustainability goals and national priorities. Punjab National Bank, in its annual ESG and sustainability report, reported an annual CSR spend of 300 crores, reflecting its active engagement in community-centric development, particularly in rural financing and women's empowerment. The consultation of ESG and CSR activities in the report marks a transition toward more integrated sustainability disclosure. Bank of Baroda and Canara Bank also show a substantial CSR engagement, spending 220 crores and 250 crores, respectively. Bank of Baroda's balanced focus on education, environment, and rural development signals a medium-scale but steady commitment, while Canara Bank aligns its CSR with sustainable banking and ethical governance. Union Bank of India, with 210 crores in CSR expenditure, utilises an integrated reporting model that combines financial and sustainability disclosures, indicating a mature approach to ESG transparency.

In the private sector, HDFC Bank stands out with a CSR spend of 450 crores, directed at digital inclusion, healthcare, and environmental sustainability. Its annual ESG report signals both financial capacity and strategic depth in CSR execution. ICICI Bank follows closely, investing 330 crores, with a clear emphasis on inclusive finance and environmental responsibility. Axis Bank also demonstrates significant CSR commitment, with over 400 crores allocated across social initiatives. These three banks invest heavily in CSR and also reflect a strong alignment between business strategy and Sustainable development.

At the same time, Kotak Mahindra Bank and IndusInd Bank exhibit more targeted CSR models. Kotak Mahindra Bank's INR 85 spend, though modest, is directed at high-impact areas like women's empowerment and environmental conservation, indicating a focused rather than a broad-based strategy. IndusInd Bank reports the lowest CSR expenditure at 50 crores, yet prioritises healthcare, education, and renewable energy, consistent with its emphasis on sustainable finance.

Table 2. CSR spending by the Indian banks as a part of their sustainability initiatives

Bank	*Name of the report*	*CSR spend (INR)*
State Bank of India	Sustainability report for FY 2024	1,500 (5 years)
Punjab National Bank	Annual ESG and sustainability report for FY 2024	300 (FY 2024)
Bank of Baroda	ESG and sustainability report for FY 2024	220 (FY 2024)
Canara Bank	Sustainability and CSR report for FY 2024	250 (FY 2024)
Union Bank of India	Annual integrated report and ESG disclosures for FY 2024	210 (FY 2024)
HDFC Bank	Annual ESG report 2024	450 (FY 2024)
ICICI Bank	ESG report (2024) — Driving sustainable growth	330 (FY 2024)
Kotak Mahindra Bank	Sustainability and CSR report for FY 2024	85 (FY 2024)
Axis Bank	Annual ESG and sustainability report 2024	400 (FY 2024)
IndusInd Bank	Annual sustainability report for FY 2024	50 (FY 2024)

Source: Authors' analysis based on banks' annual reports.

The results state that Indian banks predominantly follow the practice of Sustainability reporting. However, these banks must adopt sustainability reporting practices faster, adhering to international standards. The State Bank of India is one of the primary banking institutions in the country. It got its current form in 1955 and has a market capitalisation of above INR 5 trillion (State Bank of India, 2024). State Bank of India ensures sustainability by creating pathways for Net Zero Scopes 1, 2, and 3 emissions and facilitating green advances and promoting ethical behaviour and culture (State Bank of India, 2024). Punjab National Bank was established in 1984. With a capitalisation of around INR 900 billion, it is the country's third-largest public sector banking institution in terms of business volumes (Punjab National Bank, 2024). Punjab National Bank has already achieved Scopes 1, 2, and 3 for carbon emissions (Punjab National Bank, 2024). Bank of Baroda is a public sector bank with a capitalisation of above INR 1 trillion. Bank of Baroda also achieved Scopes 1, 2, and 3 in carbon emissions (Bank of Baroda, 2024). Canara Bank is also one of the central public sector banks, which was established in 1906 and was merged with a syndicate bank to become the fourth largest public sector banking institution with a market capitalisation of above INR 700 billion (Canara Bank, 2024). In 2024, the bank achieved an 18.82% reduction in Scopes 1 and 2 emissions (Canara Bank, 2024). Union Bank of India was established in 1919 and was formed as a merger of a corporation bank and Andhra Bank. It has a market capitalisation of over INR 800 trillion (Union Bank of India, 2025). The Union Bank of India evaluates its exposure to climate change and its progress toward ESG by using several metrics. The Bank reports the emission of Scopes 1 and 2 greenhouse gas emissions from its operations in its BRSR disclosures. The report provides detailed information about the initiative to promote waste management, energy consumption, water consumption, and renewable energy usage. (Union Bank of India, 2025). HDFC Bank is the largest private sector banking institution in India of above 12 trillion, and it has also become the fifth largest in the world after the acquisition of HDFC Bank (2024). This bank rigorously published its Sustainability report from 2012, and this bank already started its initiative towards Net Zero. The bank could achieve Scopes 1 and 2 emissions by 10% over the next two to three years as part of our commitment to climate change (HDFC Bank, 2024). ICICI Bank (2024), with a market capitalisation of around INR 6 trillion, has been one of the major private banking institutions with a presence in banking operations in about 17 countries. A long-term plan for improving sustainability and achieving carbon neutrality in Scopes 1 and 2 emissions has been developed by ICICI Bank. Decreased its overall Scopes 1 and 2 emissions by 15.7% in FY 2024 compared to the previous FY (ICICI Bank, 2024). IndusInd Bank was inaugurated in 1994, and with a market capitalisation of above INR 1 trillion, it was earlier focused on serving non-resident Indians. However, it later moved to normal operations and collection of taxes (IndusInd Bank, 2024). To promote sustainability and social equity, the bank has aggressively sought opportunities to grow its ESG-related operations across multiple business divisions this year. These include green, social, and sustainability-linked loans to help corporate clients on their decarbonisation path; IndusWE, which assists women entrepreneurs; and Indus Solar, which promotes solar rooftop installations for the bank's micro and small enterprise clients. The bank has created a thorough plan to become carbon neutral by 2032, integrating environmental responsibility and social impact into its operations. This is demonstrated by their emphasis on carbon footprint reduction and sustainable investing, which goes beyond conventional corporate responsibility.

5. CONCLUSION

Financial inclusion, financial literacy, energy-efficient technology, and other sustainability responsibilities should be the priority of the banks' business operations. Most Indian banks still need to address environmental consideration indicators. According to the review of sustainability reporting of the selected banks, they are placing a greater emphasis on sustainability disclosure to assess, educate, and respond to internal and external stakeholders about ESG factors. However, a meaningful commitment to sustainable disclosure is required. This practice cannot be implemented in any other way.

Sustainable disclosure practices will improve the trust of financial institutions among the stakeholders. Non-financial performance should also be evaluated and included. The RBI and the government can take some initiatives to ensure this. Subsequently, the central government can make sustainable disclosure practices mandatory in India, improving India's performance in the GRI index. Governments can incentivise banks to properly implement sustainable disclosure practices, such as tax exemptions or rebates, an extension of the tax holiday facility, etc. The RBI has the authority to promptly implement regulations requiring all banks to adhere to sustainable disclosure practices and to impose fines on those that do not.

If required, the Sustainable Accounting Standard Board can improvise the sustainable reporting indicators. These reporting guidelines that banks can use as a reference for starting and executing sustainable disclosure practices. Consumers' and investors' awareness of sustainable disclosure can be significant when standardising sustainable reporting. Consumers should avoid bank relationships that do not adhere to sustainable disclosure reporting norms and instead conduct more business with banks that do. The bank authority may set up specialised training programmes to improve the proficiency and effectiveness of accountants in sustainable disclosure. Accounting experts can help in this area by developing and improving the curricula on sustainable reporting challenges. As a matter of inclusivity, the banks can take the steps to prepare their branches/automated teller machines and offices to be accessible to differently abled employees, workers, and customers. Ramp facility and disabled-friendly amenities can be fixed. Banks can also provide doorstep delivery of financial services to differently abled customers. To promote energy conservation, electric vehicle charging stations can be installed, at least in the head offices/main corporate offices. While making the material purchases, like electrical and electronic equipment, a minimum threshold of star ratings can be fixed.

The traditional planet, people, and profit have evolved to ESG. So, financial institutions are prioritising responsible banking and committing to a sustainable future. This happens through responsibility, vigilant banking, and sustainable reporting. The recent growth towards ESG reporting can be exemplified by a 53% ESG strategy implementation in central scheduled commercial banks in India by January 2022. Many factors influence banks to adopt ESG: peer pressure, competition, and customer demand. The HDFC Bank, State Bank of India, ICICI Bank, and Axis Bank positions on the list indicate that they are firmly committed to managing ESG risk. A survey by DBS Bank (2024) showed 65% of Indian businesses engaged in ESG reporting and compliance. This study shows Indian banks implementing sustainability reporting standards more slowly. It was discovered that concerns of sustainability, which are among the banks' priorities, are closely tied to how their businesses operate. These issues include energy-efficient technology, financial inclusion, and literacy. Most Indian banks underprioritize environmental concerns. Although the adoption of sustainability reporting was disregarded at first, gradually, banks are improving in this area, and the trends are upward.

Moreover, the demand for sustainability reporting helps firms manage their social and environmental impacts and improve operational effectiveness and resource stewardship. It also strongly influences shareholder, employee, and stakeholder relations. According to the study, only a few banks disclose sustainability reports, which need to be improved. Additionally, it was discovered that the information addressing sustainable reporting was required to adhere to GRI requirements. It may result in increased reporting requirements for reporting entities and information overload for report consumers (Chartered Institute of Public Finance and Accountancy [CIPFA], 2010). Banks should begin the practice of sustainability reporting as a responsive organisation to society. NGOs could push governments to force businesses to adopt sustainable reporting practices and promote investors' long-term thinking (Eccles & Serafeim, 2015). The government of India and the body in charge of financial sector regulation have a significant role to play. All regulators and civil society should require a sustainable reporting culture to guarantee good governance and improved transparency. It will ultimately address governance issues, make our cherished world more sustainable, and boost India's banking industry's efficiency and effectiveness.

The current analysis offers insightful information about the sustainable reporting procedures Indian banks follow. Additionally, this study broadens the body of knowledge that banks and other stakeholders can use to better understand the barriers to standard sustainable reporting that the Indian banking sector experiences. It provides an additional opportunity to elevate sustainability disclosure to reach international standards.

The study's main objective was to analyse sustainable reporting practices and their implications for the Indian banking sector. By assessing the concepts related to these parameters, the study advances existing comprehension of how sustainability as a discipline interacts with and impacts India's banking sector. The project aims to develop a new paradigm that integrates the concepts of sustainability and environmentally friendly practices in commercial banking institutions by utilising theoretical concerns from several sustainability disciplines, bank financial performance, and resource and asset investments. Because of this, the framework developed will be crucial for future researchers who wish to conduct additional studies in this area. Furthermore, the study will add knowledge about sustainable banking offerings, development potential, bank profitability, process scalability, eco-friendly strategy investments, and customer involvement. As a result, the corpus of knowledge in academia will expand to include fresh perspectives, conceptual frameworks, and theoretical insights on sustainability, environmentally friendly practices, bank performance, and profitability.

Financial institutions can identify the driving forces, advantages, difficulties, and significance of reporting sustainable practices. This research aims to provide valuable insights to researchers, bank supervisors, banking experts, customers, and associated parties who seek to maximise bank expansion and financial gain while concurrently regulating their ecological footprint. By learning from the research, bank managers, executives, and lawmakers can develop essential eco-friendly strategies and approaches to reduce their carbon footprint to enhance sustainability and attract well-informed customers. Furthermore, the research may aid technical specialists in making more informed decisions about future inventions, market share gains through eco-friendly methods, and resource allocation. Additionally, by emphasising consumers' actions to support a healthy environment, the study provides valuable advice to those willing to support sustainability.

The study has examined significant practical consequences in sustainability reporting by Indian banks. Still, the secondary data chosen is from the published articles and financial statements of the banks for a selected period only. However, the results may differ later. Thus, a longer-term study could provide additional light on the patterns in the Indian banking industry's sustainable reporting procedures. A mixed-method study may prove to be viable in this context. Secondly, apart from public sector banks, regional rural banks, and foreign banks, constituting a minor portion of the Indian banking system, were not considered in the study. Furthermore, the study was conducted only to measure the sustainability of the selected banks in India. The results cannot be generalised to other regions with different political, environmental, and geographic scenarios. A comparative study among the banks following international reporting standards would be more accurate.

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APPENDIX

Table A.1. Sustainability reporting frameworks, guidelines, and the adherence level of banks

Bank	*GRI alignment*	*CDP participation*	*DJSI participation*	*NVGs and GRI G4 alignment*
State Bank of India	Fully aligned.	Participates, focusing on carbon footprint and environmental risk. 25,000 tons of CO_2 emissions in FY 2024.	It is not listed, but it aligns with global sustainability practices.	It aligns with NVGs, covers governance and social responsibility, and partially follows GRI G4 guidelines.
Punjab National Bank	Partial alignment with GRI, especially on social aspects.	Limited participation; environmental disclosures are improving. 14,500 tons of CO_2 emissions in FY 2024.	It is not listed on DJSI.	Follows NVGs on governance and stakeholder engagement; includes GRI G4 elements.
Bank of Baroda	Partial GRI alignment, especially in environmental and social aspects.	Reports on environmental footprint and energy consumption under CDP. 9,500 tons of CO_2 emissions in FY 2024.	It is not listed on DJSI.	Adheres to NVGs, including social governance and environmental aspects; partially aligned with GRI G4.
Canara Bank	Complete GRI alignment, particularly in environmental practices.	Limited participation in CDP, focusing on carbon footprint. 6,800 tons of CO_2 emissions in FY 2024.	It is not listed on DJSI but aligns with global standards.	Follows NVGs, covers corporate governance and environmental sustainability, and aligns with key GRI G4 indicators.
Union Bank of India	Follows GRI guidelines, especially on environmental issues.	Participates in CDP, reporting on energy and emissions. 5,200 tons of CO_2 emissions in FY 2024.	It is not listed on DJSI.	Adheres to NVGs, covers key governance and stakeholder practices, and partially follows GRI G4 guidelines.
HDFC Bank	Fully adheres to GRI standards and extensive disclosures on ESG topics.	Active CDP participant reports on energy use, emissions, and risks. 36,000 tons of CO_2 emissions in FY 2024.	Listed on DJSI, reflecting strong global performance.	Strong alignment with NVGs, focusing on ethical business conduct, and fully integrating GRI G4 guidelines.
ICICI Bank	Fully aligned with GRI guidelines.	Active participant, focusing on carbon emissions and energy use. 29,000 tons of CO_2 emissions in FY 2024.	Listed on DJSI, indicating top-tier sustainability performance.	Strong alignment with NVGs, especially in governance and corporate responsibility; follow GRI G4 for key metrics.
Kotak Mahindra Bank	Follows GRI guidelines with a focus on social responsibility and environmental practices.	There is limited participation, but carbon emissions and energy use are reported.	It is not listed on DJSI.	Aligns with NVGs, focusing on corporate governance and ethical business practices. Partially follows GRI G4.
Axis Bank	Follows GRI guidelines with detailed disclosures.	Actively participates in CDP, reporting on carbon footprint and energy use. 24,000 tons of CO_2 emissions in FY 2024.	It is not listed on DJSI.	Follows NVGs, especially in environmental sustainability and governance; integrates GRI G4 in reporting.
IndusInd Bank	Partial GRI alignment, especially in social and environmental aspects.	Limited participation in CDP, with a focus on carbon emissions.	It is not listed on DJSI.	Aligns with NVGs, especially in governance and business ethics — partial alignment with GRI G4 in key areas

Source: Authors' analysis based on banks' annual reports.

Table A.2. Details of BRSR, providing insights into their sustainability initiatives and performance (Part 1)

Bank	*Environmental indicators*	*Social indicators*	*Governance indicators*
State Bank of India	• Carbon emissions: Reported reduction in carbon intensity. • Energy consumption: Energy-efficient technologies. • Green financing: Focus on financing renewable energy and sustainable projects.	• Financial inclusion: Programs like "State Bank of India Gram Seva" target rural empowerment. • Diversity and inclusion: Women's empowerment initiatives in banking. • Community development: Focus on educational and healthcare initiatives.	• Board composition: Diverse with independent directors. • Compliance and ethics: High corporate governance standards; anti-money laundering measures in place.
Punjab National Bank	• Carbon emissions: Undertakes energy audits and reduction measures. • Energy consumption: Installation of solar panels in branches. • Green financing: Strong portfolio in financing green projects.	• Financial inclusion: Promotes small-scale financing to rural businesses. • Diversity: Gender-specific policies for recruitment and training. • Community development: Focus on women and underprivileged groups through Punjab National Bank's CSR wing.	• Board composition: Strong focus on corporate governance with independent directors. • Ethics: A zero-tolerance policy on corruption. • Compliance: Regular audits and regulatory compliance.

Table A.2. Details of BRSR, providing insights into their sustainability initiatives and performance (Part 2)

Bank	*Environmental indicators*	*Social indicators*	*Governance indicators*
Bank of Baroda	• Carbon emissions: Reduced emissions via sustainable infrastructure. • Energy consumption: Adoption of energy-efficient technologies in operations. • Green financing: Providing loans to renewable energy projects.	• Financial inclusion: Projects like "Baroda Gramin Vikas Yojna" are aimed at rural economic development. • Employee diversity: Gender-sensitive recruitment policies. • Community development: Support for education, health, and rural development.	• Board composition: Focus on diverse and independent board members. • Ethics: Code of conduct for employees and stakeholders. Compliance: Regular risk and compliance assessments.
Canara Bank	• Carbon emissions: Implementation of energy-efficient measures in operations. • Energy consumption: Use of solar energy in select branches. • Green financing: Investment in renewable energy initiatives.	• Financial inclusion: Branches in remote areas offer low-cost financial products. • Employee diversity: Gender inclusivity programs. • Community development: Support for education and healthcare projects.	• Board composition: Independent directors are committed to ethical governance. • Ethics: A Comprehensive ethics program and anti-corruption measures are in place. • Compliance: Strong focus on legal and regulatory compliance.
Union Bank of India	• Carbon emissions: Reduction strategies, including energy-efficient facilities. • Energy consumption: Renewable energy is used at major facilities. • Green financing: Significant investments in solar and wind energy.	• Financial inclusion: Focus on financial products for marginalised groups. • Diversity: Policies aimed at increasing female representation. • Community development: • Health, education, and environmental sustainability initiatives.	• Board composition: Diverse with a focus on governance best practices. • Ethics: Transparent reporting and anti-money laundering efforts. • Compliance: Strong risk management framework.
HDFC Bank	• Carbon emissions: Reported emissions reduction of over 10% in the past five years. • Energy consumption: High adoption of renewable energy. • Green financing: Significant investment in green bonds and renewable energy projects.	• Financial inclusion: Digital banking initiatives to reach underserved populations. • Diversity: Women empowerment programs, employee training. • Community development: Focus on education, skill development, and healthcare.	• Board composition: Strong governance with independent board members. • Ethics: High standards of ethical conduct. • Compliance: Regulatory adherence and strong internal audit processes.
ICICI Bank	• Carbon emissions: Strong focus on reducing operational emissions. • Energy consumption: Green building certifications for significant branches. • Green financing: Loans for solar energy projects and energy-efficient buildings.	• Financial inclusion: Microfinance programs for low-income families. • Diversity: Promotes women in leadership roles — community • Development: Healthcare, education, and skill development initiatives.	• Board composition: Diverse leadership with a focus on ethics. • Ethics: Anti-corruption policies, commitment to transparency. • Compliance: Strong compliance with legal and regulatory frameworks.
Kotak Mahindra Bank	• Carbon emissions: Commitment to reducing carbon footprint. • Energy consumption: Use of renewable energy sources in branches. • Green financing: Financing for renewable energy and low-carbon infrastructure.	• Financial inclusion: Digital banking for rural and low-income groups. • Diversity: Gender diversity in senior leadership roles. • Community development: Focus on women's empowerment, education, and health initiatives.	• Board composition: High corporate governance standards, diverse board. • Ethics: Strong ethics code and compliance policies. • Compliance: Focus on risk management and regulatory adherence.
AXIS Bank	• Carbon emissions: Reduced emissions through energy-saving technologies. • Energy consumption: Transitioning to green energy. • Green financing: Investments in solar and wind energy projects.	• Financial inclusion: Branch network in underserved areas. • Employee diversity: Focus on increasing the number of women in banking. • Community development: Initiatives in rural development, education, and healthcare.	• Board composition: Gender-balanced board with independent directors. • Ethics: Strict ethical guidelines, corporate governance. • Compliance: Strong regulatory compliance and risk management frameworks.
IndusInd Bank	• Carbon emissions: Strategies in place for reducing operational carbon footprint. • Energy consumption: Increased reliance on solar power and energy-saving initiatives. • Green financing: Loans for renewable energy projects.	• Financial inclusion: Products targeting underserved markets. • Diversity: Programs supporting gender diversity and inclusion. • Community development: Support for health, education, and rural development.	• Board composition: Diverse, with independent directors. • Ethics: Transparent corporate governance policies. • Compliance: Strong risk management and compliance structure.

Source: Authors' analysis based on banks' annual reports.

Table A.3. The growing trend in ESG reporting, the varied adoption levels among the banks, and the engagement of stakeholders in determining ESG priorities

Bank	*ESG reporting*	*Adoption levels*	*Stakeholder engagement in EGS priorities*	*Key findings*
State Bank of India	State Bank of India has shown significant growth in ESG reporting, aligning with global standards. Focus on environmental sustainability, social inclusion, and governance practices.	High: The bank has integrated ESG into its corporate governance, risk management, and business strategies.	State Bank of India engages with stakeholders, including investors, customers, and regulators, to establish ESG priorities. They focus on sustainable finance and social responsibility.	Strong CSR focus needs better environmental disclosures and more focus on climate-related risks.
Punjab National Bank	Punjab National Bank has recently gradually enhanced its ESG disclosures, with an increasing focus on environmental impact and social equity.	Medium: Punjab National Bank progressively integrates ESG factors, but its adoption is slower than that of larger private banks.	Stakeholder engagement includes consultation with investors and communities to address social and environmental concerns, though their process is still maturing.	Requires improved environmental disclosures and global sustainability participation.
Bank of Baroda	Bank of Baroda has been reporting on ESG parameters, focusing on green finance and governance initiatives.	Medium: Adoption is evident, but there is room for improvement in social and governance reporting.	They engage with institutional and retail investors to set ESG goals, focusing on developing sustainable finance solutions. Stakeholder feedback helps guide their ESG agenda.	It needs improved environmental performance and better alignment with global sustainability benchmarks.
Canara Bank	Canara Bank increasingly focuses on ESG, emphasising environmental sustainability and ethical governance.	Medium: They are adopting ESG frameworks, but their integration into operations is evolving.	Engagement with stakeholders includes aligning ESG priorities with national development goals. Their approach is stakeholder-inclusive, but requires more depth in social and environmental strategies.	Strong focus on green finance, but needs further global recognition and comprehensive environmental data.
Union Bank of India	Union Bank of India has made strides in ESG reporting, particularly in corporate governance and environmental policies.	Medium: Adoption of ESG practices is evident, but implementation varies across different departments.	Their stakeholder engagement includes discussions with investors and the local community to develop impactful social programs. However, their reporting is still in the early stages of full implementation.	Needs more detailed environmental disclosures and greater global competitiveness.
HDFC Bank	HDFC Bank has led ESG reporting, showcasing advanced integration of ESG factors into its business strategies and operations.	High: Strong adoption across ESG domains.	Extensive stakeholder engagement, including investors, customers, and NGOs, helps set ESG priorities. The bank integrates feedback from all stakeholder groups into its decision-making.	The industry leader in sustainability, with strong environmental and social governance performance.
ICICI Bank	ICICI Bank increasingly prioritises ESG, focusing on environmental sustainability and financial inclusion.	High: ICICI Bank has one of the private banks' most mature ESG reporting systems.	The bank engages actively with institutional investors and customers to define ESG priorities, with a clear focus on social impact and climate change.	Recognised in DJSI, it maintains strong global performance and needs more ambitious environmental targets.
Kotak Mahindra Bank	Kotak Mahindra Bank has adopted an evolving approach to ESG, focusing on ethical governance, social responsibility, and environmental risk.	Medium: Adoption is growing, though social and governance aspects are still developing.	The bank consults with stakeholders, particularly institutional investors, to decide on ESG priorities. Their efforts are in line with global sustainability goals.	Environmental and climate-related disclosures need improvement, with more focus on global sustainability benchmarks.
AXIS Bank	Axis Bank has shown substantial progress in ESG reporting, particularly in environmental conservation, clean energy, and sustainable finance.	High: The bank has fully integrated ESG considerations into its strategy and operations.	Axis Bank engages deeply with investors and environmental groups to prioritise climate action and social responsibility, reflecting a strong commitment to stakeholder-driven ESG priorities.	Strong CSR efforts require more ambitious environmental goals to improve global sustainability rankings.
IndusInd Bank	IndusInd Bank is actively enhancing its ESG reporting, emphasising governance, ethical business practices, and social development.	Medium: While their ESG adoption is improving, the bank is still in the process of full integration.	Engagement primarily includes investors and communities. Their strategy is evolving to align better with sustainable finance and community development goals.	Needs more integration of sustainability practices, especially in environmental and climate-related disclosures.

Source: Authors' analysis based on banks' annual reports.