



International Climate Protocols and the Indian Banking Sector: A Systematic Review of Adoption, Implementation, and Policy Alignment

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Abstract: The banking sector is a leader in ensuring climate-resilient and sustainable development, as climate change has become one of the most serious systemic risks to global financial systems. This study examines the alignment of the Indian banking sector with primary international climate policies, including the Paris Agreement, the UN Principles for Responsible Banking (UN PRB), the AICPR Principles (EP), the Task Force on Climate-related Financial Disclosures (TCFD), and the Green Bond Principles (GBP). The fundamental aims are to determine the relevance between international and national models, evaluate the degree of adoption by Indian banks, and assess regulatory readiness and operational issues. The literature review underlying the analysis was conducted following the PRISMA 2020 approach, considering both the existing literature on the topic, regulatory circulars, and sustainability reports of all listed companies available during the period from 2015 to 2025. Data from peer-reviewed journals, RBI and SEBI documents, ESG reports of the central banks of India, and official documents related to the climate framework were used to develop a protocol compliance matrix. The results indicate inconsistent and incomplete compliance: on the one hand, standardised foreign banks, including DFC Bank and Axis Bank, reveal proactive behaviour towards various protocols and standards, such as the TCFD and UN PRB; on the other hand, the compliance of change towards advancing them. The main limitations are associated with the lack of a national-level green tax establishment and standardised ESG disclosure requirements, as well as the insufficient capacity of institutions in terms of climate risk management. The research suggests implementing compulsory reporting of the financial impacts of climate change, advancing the green taxonomy in India, expanding the use of the Equator Principles, and establishing climate risk training hubs. As a consequence, they need to address these aspects to fulfil the global sustainability goals, prevent jeopardising the ecosystem, and maintain it for a prolonged period, both globally and in India.

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Introduction

Climate-related positions pose a systemic risk to any global financial system, such as the banking industry, since they jeopardize assets, expose more credit defaults, and create economic imbalances due to physical and transition risks. In the sense that these banks finance both the high-

emission industry and the new green economy, they are particularly well positioned to act as absorbers and promoters of climate action. As a result, climate change has become more than an environmental and developmental issue, but a financial requirement (Sarraf, 2021; Milkau, 2022). "The Indian banking sector is particularly vulnerable, as the country faces significant exposure to extreme weather events—such as heatwaves, floods, and water stress—which threaten the economy and heighten the risk of loan defaults (Exposed Infrastructure, 2023)." Moreover, the high reliance on fossil sources and increased infrastructure demands make banks central to initiating a low-carbon transition, specifically in the region (Sengupta, 2024). Most Indian banks are in the initial stage of incorporating climate risks into their governance and risk management structures, despite growing pressure from stakeholders (Rawat, 2024). This paper aims to define the structure of implementing international protocols on climate-related financial risks (namely, the Equator Principles, Task Force on Climate-Related Financial Disclosures (TCFD), and Basel Committee on Banking Supervision (BCBS) recommendations) in the Indian banking system through the preparation of a systematic review paper. This research provides an answer to the following two questions:

- To what extent have Indian banks aligned with global climate finance protocols?
- Which banks are leading or lagging in protocol adoption, and what institutional or policy gaps persist?

A combination of literature review, matrix mapping, and case analysis is used to operationalize institutional adoption patterns and regulatory alignment. India's net-zero ambitions and the readiness of Indian banks to manage climate-related financial risks can be evaluated by this method.

Methodology

The authors employ a Systematic Literature Review (SLR) to establish the syncretism of national financial climate-oriented practices among Indian banks. The SLR approach was selected to deliver a clear, acceptable, and unmoved summary of scholastic and institutional research. It was done following the PRISMA 2020 (Page et al., 2021) as it helps promote the transparency of the research and reduce the likelihood of bias when selecting and reporting the sources.

Review Protocol and Objectives

The SLR was designed to achieve the following objectives.

- To determine peer-reviewed and institutional sources of literature on the integration of climate risk frameworks (e.g., TCFD, UN PRB, Equator Principles) in the practice of Indian banks.
- To trace the level of Indian banks' compliance with international climate disclosure standards.
- To identify institutional, regulatory, and technical obstacles to practical implementation.

Search Strategy

An organized search was conducted between January and June 2025 in academic and institutional databases. Only peer-reviewed publications and official documents of the organizations of the scientific community written in English and published between 2015 and 2025 were considered. Search queries were set in a mixture of Boolean operators and keywords, for example, ("Green banking" OR "climate finance") AND ("India" OR "Indian banks") AND ("TCFD" OR "UN PRB" OR "Equator Principles" OR "climate risk disclosure" OR "sustainable finance")

Data Sources

- To ensure breadth and credibility, sources were drawn from the following repositories:
- To ensure comprehensive and reliable data, sources were compiled from the following repositories:
 - Web of Science
 - Scopus
 - EBSCO Business Source Premier
 - Official publications from the Sustainability/ESG reports of the top 25 Indian banks
 - International framework documents from TCFD, UN PRB, Equator Principles, ICMA, and NGFS

All sources were downloaded and stored in a reference management system (Zotero), and duplicates were removed.

Inclusion and Exclusion Criteria

- **Inclusion Criteria**
 - Articles and reports released from 2015 to 2025
 - Regulatory reports, international frameworks and peer-reviewed journals
 - Development in the area of Indian banking and financial institutions
 - A stress on climate disclosure or sustainability reporting or ESG integration
- **Exclusion Criteria**
 - Non-English sources
 - Studies focused on non-financial sectors
 - Editorials, blogs, or unverifiable data sources
 - Duplicates and conceptually redundant studies

Screening and Selection Process

The review process followed the four-stage PRISMA flow:

- **Identification:** Total 170 records were identified (122 academic + 48 institutional) A total of 170 records were identified, comprising 122 academic and 48 institutional sources.
- **Screening:** 140 records were screened by title and abstract post-duplicate removal
- Following the removal of duplicates, 140 records underwent screening based on their titles and abstracts.
- **Eligibility:** 60 full-text articles were read according to the relevance and quality
- **Inclusion:** The number of covered articles within the riparian qualitative synthesis comprised 35 articles

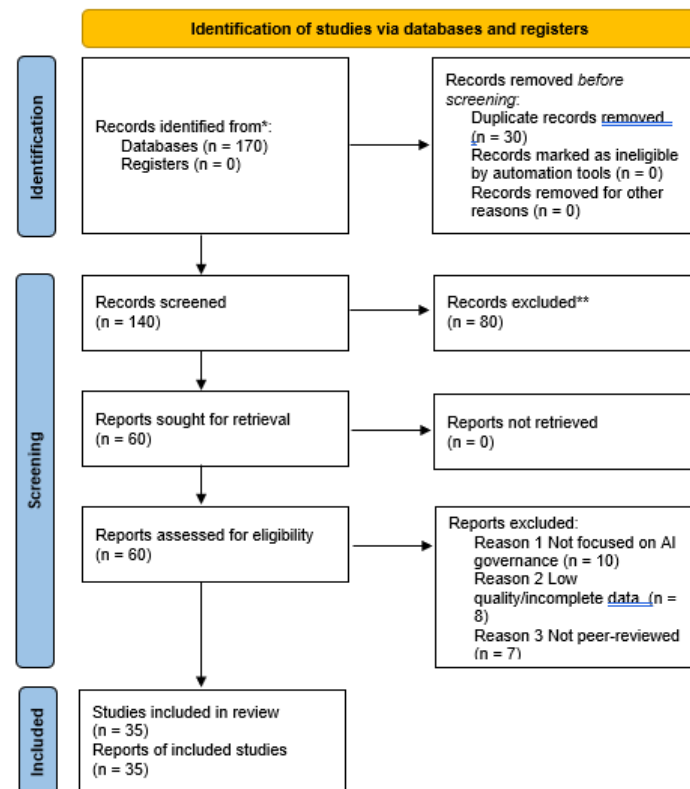


Figure 1: PRISMA 2020 Flow Diagram

Data Extraction and Synthesis

A customized extraction template was used to code eligible study individually, which included the following:

- Discussion regarding international protocol
- Adoption scope (disclosure, risk governance, and policy)
- Sectoral focus (public, private, and foreign institutions)
- Analytical methodology (quantitative, qualitative, case-based)
- Institutional and regulatory perspectives

A qualitative thematic synthesis was used to arrange results into five major dimensions:

Levels of awareness and adoption rates Awareness levels of protocols Adoption levels of protocols

- Compliance and obstacles
- Practices of governance and disclosure
- Leadership and gaps at the level of sector
- Suggested ways of climate integration

The synthesis was also enhanced by developing a Protocol Compliance Matrix which was used to gauge the level of homogeneity between central Indian banks and international protocols.

International Climate Protocols: Frameworks Applicable to Banks

The growing financial importance of air pollution has resulted in the creation of multiple international systems aimed at steering the banking industry through a shift to sustainable finance. The functional scope covered by these protocols consists of a disclosure of risk, integration of ESG, tools to raise money, and governance, as well as the measurement of climate impact. The second part goes into the most impactful frameworks identified immediately after this systematic review was concluded.

- **Paris Agreement (2015)**

The Paris Agreement, adopted in 2015 under the UNFCCC, commits nations to limit global temperature rise to well below 2°C, aiming for 1.5°C. While primarily a sovereign treaty, **Article 2.1(c)** is directed at the financial sector, calling for the alignment of finance flows with climate-resilient development. Banks are indirectly obligated to restructure their credit allocation, investment portfolios, and financing decisions to support decarbonization targets (UNFCCC, 2015).

- **United Nations SDG 13 & 17**

Sustainable Development Goals (SDGs) are an international framework for solving social and environmental challenges. Sustainable Development Goals 13 and 17 focus on the need to act immediately on climate change and the necessity of international collaboration. Banks can contribute through investments in clean energy power, green infrastructure, and multi-stakeholder partnerships towards climate-aligned finance (United Nations, 2015).

- **Global Reporting Initiative (GRI)**

The GRI is a leading global standard for sustainability reporting. Sector-specific indicators guide banks in disclosing material environmental impacts, energy consumption, emissions, and financing for sustainable sectors. The GRI 201 and 302 series are particularly relevant to financial institutions (GRI, 2021).

- **Network for Greening the Financial System (NGFS)**

The NGFS is a network of central banks and supervisors that aims to enhance climate risk management within the financial sector. It offers scenario analysis, convergence in preparation of climate-related prudential regulation, and supervisory tools, which affect compliance and resilience planning at the bank level (NGFS, 2022).

- **Science-Based Targets Initiative (SBTi)**

SBTi assists financial institutions in establishing GHG reduction targets at a portfolio level that is consistent with climate science. Banks will be in a position to verify the targets set in compliance with the 1.5 °C pathways, which will assist in meeting sectoral decarbonization (SBTi, 2022).

- **ISO 14001: Environmental Management Systems**

ISO 14001 provides a standardised structure that banks can use to control their environmental performance. Although it is not finance-oriented, it supports the internal ecological audit, does not contravene the law, and continually enhances sustainability practices (ISO, 2015).

Table 2: International Protocols vs. Key Requirements for Banks

Framework	Risk Disclosure	ESG Due Diligence	Climate Strategy	Target Setting	Portfolio Alignment	Reporting Standards
Paris Agreement	✓		✓	✓	✓	
SDG 13 & 17		✓	✓			✓
UN PRB	✓	✓	✓		✓	✓
Equator Principles		✓	✓			✓
TCFD	✓		✓	✓	✓	✓
Green Bond Principles		✓				✓
UN PRI	✓	✓	✓	✓	✓	
GRI		✓				✓
NGFS	✓		✓		✓	
SBTi			✓	✓	✓	
ISO 14001		✓				✓

Indian Regulatory and Policy Context

India is gradually adopting international sustainable financing practices in its financial regulations. Owing to this systematic plight that climate change is causing on the economic system, the integration of the ESG factor and climatic risk models in independent reviews and the process of financial evaluation and activity of Indian institutions are observed in, for example, the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and the Ministry of Finance (MoF). The points and issues made in this section are that there are shifts in policy instruments and the way such institutions utilise their strategies.

Reserve Bank of India (RBI)

As the country's central bank and financial regulator, the Reserve Bank of India has played a proactive role in integrating climate risk into monetary and supervisory policies. Significant developments include the following:

- **Discussion Paper on Climate Risk and Sustainable Finance (2022):** The RBI released its first policy discussion document acknowledging climate change as a systemic financial risk. The document emphasises the need for climate risk disclosures, scenario analysis, and the integration of ESG risks into prudential norms (RBI, 2022).
- **Green Finance as a Policy Priority:** Green Finance is a priority in the other developmental responsibilities advocated by the RBI, in which it is believed that credit should be shifted to renewable energy and sustainable infrastructure initiatives.
- **Cooperation with the NGFS:** Suggestively, India is a member of the Network for Greening the Financial System (NGFS), a sustainable step toward harmonising local supervisory policies with foreign climate stress testing and prudential systems.

Securities and Exchange Board of India (SEBI)

- One of the most significant positions in India in terms of developing ESG reporting in a structured format is occupied by SEBI, the regulator of capital markets.
- **Business responsibility and sustainability reporting (BRSR):** SEBI has announced the required BRSR compliance for the top 1,000 listed companies in terms of market capitalisation, effective from FY2023.
- Among the disclosures under ESG, as per the framework, ESG disclosures are made in accordance with international reporting standards, namely, the GRI and SASB, with partial alignment with the TCFD. This alignment brings the country closer to international ESG disclosure requirements (SEBI, 2021).

- **Stewardship codes and ESG ratings:** Ingesting ESG accountability in equity markets, SEBI has also encouraged the establishment of ESG rating providers and the development of stewardship codes for mutual funds and institutional investors.

Ministry of Finance & Other Agencies

- The Ministry of Finance (MoF) and associated bodies are undertaking calculated measures to come up with climate finance structures in India:
- **Sovereign Green Bond Framework (2023):** This was unveiled as the pioneer form of green bonds with the unveiling of green bonds in the shape of a sovereign green bond issued by India, the sovereign having been instituted under the wing of green bond principles (ICMA). The framework determines the sector that can be involved, criteria that affect impact reporting, and procedures that shall involve the use of proceeds (MoF, 2023).
- **Green Taxonomy (In Development):** India is working to finalise a national green taxonomy, modelled after the EU taxonomy, to standardise definitions and criteria for green economic activities—an essential step for unlocking climate-aligned investments and aligning regulations with frameworks such as SBTi and NGFS.
- Other bodies, such as NABARD, IREDA, and the International Financial Services Centres Authority (IFSCA), are expanding green credit, bonds, and ESG guidelines to support the scaling of sustainable finance initiatives across the banking, capital markets, and insurance sectors.

Table 3: Indian Institutions vs. Protocol Responsibilities

Institution	Risk Disclosure (TCFD, BRSR)	Green Finance Mobilisation	ESG Supervision & Rating	Climate Stress Testing (NGFS)	Alignment with Global Protocols
RBI	✓ (Discussion Paper, 2022)	✓	✓ (prudential guidance)	✓ (via NGFS membership)	✓ (TCFD, NGFS)
SEBI	✓ (BRSR mandated)	✓ (via ESG investment norms)	✓ (rating & stewardship codes)	Partial	✓ (GRI, TCFD-aligned)
Ministry of Finance	✓ (Green Bond Framework)	✓ (Sovereign green bonds)	Partial	In Progress	✓ (ICMA, SBTi, GBPs)
IFSCA / NABARD / IREDA	Partial	✓	Partial	Partial	✓ (PRI, GRI)

Indian Banks' Alignment with Climate Protocols

As climate-related financial frameworks are gaining momentum worldwide, Indian banks are gradually and steadily integrating their activities, disclosures, and financing policies and practices with global sustainability principles. The section involves synthesising the evidence of ESG disclosures, sustainability reports, and secondary databases to gauge alignment with diverse categories of banks, including those in the public sector (PSBs), those in the privately owned sector, and foreign banks present in India.

Comparative Protocol Adoption

- The voluntary enthusiasm of banks in tackling climate protocols is likely to be initiated by banks in the private sector, which is prompted by global investor pressure, the availability of international capital, and reputation-related motivations. Banking institutions like Yes Bank, Axis Bank, and HDFC Bank have been leading the way in issuing ESGs and green bonds.
- Engagement with pilot frameworks like the UN PRB or TCFD has been relatively slow in public sector banks, which are instead taking an interest in other state-led green projects, such as sovereign green bonds. A prominent example is the State Bank of India (SBI), which served as the anchor issuer of India's international sovereign green bond in 2023.

- Worldwide norms, such as the Equator Principles, TCFD, and SBTi, are typically followed by foreign banks like Standard Chartered and HSBC operating in India, as mandates at the parent level require such solutions.

ESG Reporting and Green Finance Activities

- YES Bank:** First Indian signatory to the **UN PRB**, also adopted the **Equator Principles**, and issued India's first green bond in 2015 in line with the **Green Bond Principles (GBP)**.
- SBI:** While not a signatory to voluntary protocols like UN PRB or EP, SBI made significant strides by issuing **Sovereign Green Bonds** under the Ministry of Finance's framework and integrating green lending into its credit strategy.
- Axis Bank:** Aligned with **GBP** and **GRI** standards in its sustainability reports. It has issued multiple green bonds and discloses environmental risk strategies in its annual ESG report.
- HDFC and ICICI Bank** have adopted voluntary ESG disclosure practices. They provide annual sustainability disclosures that are partly aligned with the **TCFD** and **BRSR**, although they have not formally signed on to the global protocols.

Table 4: Protocol Adoption Matrix – Indian Banks vs. International Frameworks

Bank	UN PRB	Equator Principles (EP)	TCFD	GBP (ICMA)	GRI Reporting	SBTi	Sovereign Green Bonds
YES Bank	✓	✓	Partial	✓	✓	✓	✗
SBI	✗	✗	Partial	✓	Partial	✗	✓
Axis Bank	✓	✗	Partial	✓	✓	✗	✗
HDFC Bank	✓	✗	Partial	✓	✓	✗	✗
ICICI Bank	✗	✗	Minimal	✓	✓	✗	✗
IDFC First	✗	✗	✗	✗	Partial	✗	✗
Standard Chartered (India)	✓	✓	✓	✓	✓	✓	✗

Green Finance and Sustainability Practices

Financial sector plays a crucial role in India since the nation is transforming to a low-carbon economy by channeling the capital to green fields. Though Indian banks have yet to reach their maximum when it comes to their international counterparts, there is an increasing trend in interests in going green in terms of finance such as a single lending, investment products and a green approach to the overall operations of the bank.

Green Lending Initiatives

Banks in India are gradually expanding their loan books to finance green sectors, notably:

- Renewable energy works (solar parks, wind farms, roof-top solar, biomass)
- Electric mobility infrastructure, such as electric vehicle (EV) loans, as well as EV charging infrastructure
- Environmentally friendly agriculture, up to providing funds toward the conservation of water and organic farming

Besides SBI, other promoters of special green line of credit besides SBI are also represented through YES Bank, SIDBI, and IREDA, which will also be significant players in terms of refinancing of green MSMEs and renewable energy developers.

Green Bonds and ESG Investment Instruments

Green bonds have emerged as a prominent financing instrument:

- YES Bank** was the first Indian bank to issue green bonds (INR 1,000 Cr) in 2015, aligned with **ICMA's Green Bond Principles (GBP)**.
- Axis Bank**, **HDFC**, and **SBI** have since issued green bonds to finance renewable energy and mass transit infrastructure.

- SBI led India's **sovereign green bond** issuance in 2023 under the Ministry of Finance's framework, financing sectors such as solar energy, clean transportation, and water efficiency.
- Environmental, Social, and Governance (ESG) mutual funds and sustainability-linked loans (SLLs) are emerging gradually. Blue and social bonds are some of the other instruments that the same private banks are deliberating over in the future.

Operational Sustainability and Digital Transformation

Apart from green finance products, banks are also adopting **operational sustainability practices**, including:

- Online banking reduces the use of paper, travelling to banks, and emissions.
- **Green Branches:** Several banks, such as IndusInd and YES Bank, have introduced solar-powered or LEED-certified branches.
- **Carbon footprint monitoring:** ICICI, HDFC banks have started monitoring and reporting (ESG) scope 1 and 2 emissions.

These initiatives align with the **UN SDG 12 (Responsible Consumption)** and the **Paris Agreement's net-zero targets**.

Table 5: Summary of Green Financial Products in Indian Banks

Bank	Green Loans	Green Bonds	Sustainability-Linked Loans (SLLs)	ESG Mutual Funds	Operational Sustainability
YES Bank	✓ (RE, EV)	✓ (2015, 2016)	✓ (pilot stage)	✗	✓ (green branches)
SBI	✓ (RE, SME)	✓ (Sovereign GB)	✓ (pilot stage)	✓	✓ (digital push)
Axis Bank	✓	✓ (USD, INR)	✓ (linked to CSR metrics)	✓	✓ (carbon audits)
HDFC Bank	✓	✓	✗	✓	✓ (scope emissions)
ICICI Bank	✓	✓	✗	✓	✓ (digital + energy savings)
IDFC First	Partial	✗	✗	✗	Partial
IndusInd Bank	✓	✗	✗	✗	✓ (LEED-certified branches)

Imports and Effect Actuation Deficit

Although there is an increase in the level of engagement on climate finance and sustainability among banks in India, the deployment of international climate protocols has been limited by several regulatory, institutional, and market-based obstacles. This part categorises these predicaments and provides empirical support by drawing on recent peer-reviewed literature.

Gap in Regulations

Among the fundamental impediments is the voluntary climate-related financial disclosures. The lack of legally binding mandates has prevented many Indian banks from formally adopting TCFD or UN PRB recommendations until now. Some strides have been made by regulatory agencies such as the Reserve Bank of India (RBI) and SEBI, yet it cannot be stressed enough that enovering a cohesive national framework is long overdue (Bi & Lian, 2024); (Rout & Sahoo, 2021).

The other bottleneck is the lack of a national green taxonomy, which leads to different definitions of green finance across various institutions. It becomes hard to evaluate green lending or investment performance in different banks when no standardised classifications are monitoring this performance, as well as comparisons of such green lending/investment (Anand & Pandey, 2024);(Rajput et al., 2014).

Institutional Hole

The scarcity of technical knowledge in climate risk assessment is a significant impediment, especially in PSBs. This reduces the capacity of the banks to incorporate ESG risks into the lending and investment decision-making (Beriwala & Asha, 2025; Sarkar & Latta, 2022).

Greenwashing is also a growing concern, as institutions have increasingly reported ESG compliance on a superficial level without making substantive changes to their fundamental practices. The absence of third-party verification also undermines transparency (Sule et al., 2024).

Moreover, non-standardised ESG reporting also affects effective decision-making because of data asymmetry. The data that borrowers report to banks is usually self-reported, which can be incomplete or misleading (Durani, 2023).

Gaps in Markets

Rural population does not demand much of green banking products because of the ignorance and its unaffordability. The rural and semi-urban banks are also in poor shape when it comes to employing special financial instruments, whether it be green bonds or sustainability-linked loans (Jadaun, 2018).

Further, there are cost barriers such as the induction of compliance costs, technology investments, and human capital development that are disadvantaging smaller and regional banks in India (Ravichandran & Roy, 2022).

Table 6: Barriers Categorised by Source

Category	Barrier	Key References
Regulatory	Voluntary compliance, lack of taxonomy	Bi & Lian (2024); Rout & Sahoo (2021); Anand & Pandey (2024)
Institutional	Limited expertise, greenwashing, and data inconsistency	Beriwala & Asha (2025); Sule et al. (2024); Durani (2023); Sarkar & Latta (2022)
Market	Low rural demand, cost of compliance	Jadaun (2018); Ravichandran & Roy (2022)

Drawn Conclusion: Obstacles to the embrace of green finance and climate protocol in Indian banks are deep-seated in the structures, regulations, and inefficiencies. To overcome these challenges, policy-, mandated-disclosure-based, and financial/capacity-building-based interventions are necessary.

Discussion: India- Vs- Global Banking Climate Governance Trends

The financial system in India has already shown active interest in the sphere of sustainable finance; however, there are significant gaps in compliance with international practices in climate governance. On the one hand, India leads in sovereign green bond issuances and institutional coordination through organisations such as the RBI or SEBI. These changes mean that India will become a leader in the region in sustainable finance infrastructure (Pandey & Anand, 2024). Conversely, other major international norms, such as the TCFD (Task Force on Climate-related Financial Disclosures), climate stress testing, and taxonomy frameworks, have so far not been standardised across Indian banks (Rawat, 2024).

Externally, various ESG (Environmental, Social, Governance) disclosures and voluntary codes, such as the Equator Principles (EP) and the UN Principles for Responsible Banking (UN PRB), have been adopted, leading to consistency in sustainable banking practices (Mnasri-Romdhane, 2025). In India, the practice of ESG reporting is voluntary and partly fragmented, as there is inconsistency in its adoption by public, private, and foreign banks (Mishra & Sant, 2023).

Regulatory momentum has increased through India's membership in the NGFS (Network for Greening the Financial System) and the ongoing development of a national green taxonomy. However, stress testing tools and carbon-risk integration into credit evaluation processes lag behind global practices, such as those mandated by the European Central Bank or outlined in the EU Taxonomy (Beerbaum, 2021).

Recommendations

- **Mandate TCFD-Aligned Reporting Across Indian Banks:** The RBI should require all scheduled commercial banks to adopt TCFD-aligned disclosures to improve climate risk transparency and align with global best practices (Rawat, 2024).
- **Incentivise EP & UN PRB Adoption:** The RBI and the Ministry of Finance should offer capital cost incentives or regulatory relaxations to banks that voluntarily adopt global climate governance frameworks, such as the Equator Principles and the UN PRB (Dayal & Emani, 2015).
- **Publish India's Green Taxonomy:** The green taxonomy being defined and utilized in India will also clarify the green investments and will encourage more green funding and will create trust when it comes to foreign investment (Anand & Pandey, 2024).
- **Establish Climate Risk Training Centres:** The RBI, in partnership with the Indian Banks' Association (IBA), should establish dedicated training centres to upskill bank officers on climate risk assessment and sustainable finance instruments (Mishra & Sant, 2023).
- **Develop a Centralised ESG Data Repository:** Establishing a national ESG platform would standardise disclosures, support analytical tools for banks, and allow stakeholders to monitor green finance performance (Pant & Pathak, 2023).

Conclusion

The overview identifies this imbalanced trend of climate protocol embracement in the banking segment in India, showing the extent of dialogue with the initiative higher in the case of private and foreign banks than the official ones. In spite of the fact that India has shown important steps on the way to issue green bonds and develop regulations framework, the lack of standardization, climate-focused stress test programs and ESG-related data reporting is still an issue. To successfully incorporate climate issues into the financial system, India needs to move towards a mandatory top-down approach. Incorporating climate risk governance into fundamental regulatory and institutional frames is crucial to stability as well as sustainable long-term development.

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