An analysis of St. Vincent and the Grenadines Banking Sector for Sustainable Banking

By

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Abstract

This study examines the integration of sustainable banking strategies and Environmental, Social and Governance (ESG) principles within the commercial banking sector of St. Vincent and the Grenadines (SVG). Given the increasing global emphasis on sustainable finance, this research aims to assess the extent to which banks in SVG incorporate sustainability into their operations, identify the barriers hindering sustainable banking adoption, and propose regulatory and financial instruments to strengthen green finance initiatives. Employing a qualitative research approach, this study triangulates data from semi-structured interviews and document analysis of annual banking reports. The findings reveal that while there is a growing awareness of sustainable banking, implementation remains inconsistent across financial institutions. Notably, one bank has demonstrated a more structured ESG framework, incorporating climate financing and sustainability-linked investments. However, other institutions primarily focus on digital transformation and financial inclusion, with sustainability remaining a secondary concern. The research further highlights several barriers to sustainable banking, including limited financial literacy on green finance, low consumer demand for sustainability-linked banking products and a lack of regulatory incentives. These findings suggest that a disconnect exists between sustainability discourse at the institutional level and actual implementation with banking operations. Consequently, this study underscores the necessity for targeted regulatory interventions such as mandatory ESG reporting and strengthened public-private collaboration to encourage green investments. By addressing a significant gap in the literature on sustainable banking in Small Island Developing States (SIDS), this study provides empirical insights into the unique challenges and opportunities within the SVG banking sector. It offers practical recommendations for policymakers and financial institutions to enhance adoption of green finance while contributing to the broader

global discourse on sustainable banking practices. Future research should explore consumer perceptions of green finance, conduct comparative studies across Caribbean countries, and assess the long-term impact of emerging sustainability regulations on banking practices.

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Abbreviations

ABM – Automated Banking Machine

ATM – Automated Teller Machine

B1 – Bank 1 (Commercial Bank in St. Vincent and the Grenadines)

B2 – Bank 2 (Commercial Bank in St. Vincent and the Grenadines)

B3 – Bank 3 (Commercial Bank in St. Vincent and the Grenadines)

CSR – Corporate Social Responsibility

ECCB – Eastern Caribbean Central Bank

ECCU – Eastern Caribbean Currency Union

E&S – Environmental and Social

EPL – Equator Principles Limited

EPA – Equator Principles Association

EPFIs – Equator Principles Financial Institutions

EP4 – Equator Principles, 4th Edition

ESG – Environmental, Social, and Governance

ESIA – Environmental and Social Impact Assessment

FSA – Financial Services Authority

G20 – Group of 20 (International Forum of Governments and Central Banks)

GHG – Greenhouse Gas

IFC – International Finance Corporation

KPI – Key Performance Indicator

MDGs – Millennium Development Goals

MPB – MPB Bank Limited (International Bank in SVG)

NBC – National Commercial Bank (former bank in SVG)

NGO – Non-Governmental Organization

NVivo – Qualitative Data Analysis Software

OECS – Organisation of Eastern Caribbean States

P01, P02, P03… – Participants in the Study

PRB – Principles for Responsible Banking

RBC – Royal Bank of Canada (International Bank)

RQ1 – Research Question 1

RQ2 – Research Question 2

RQ3 – Research Question 3

SDGs – Sustainable Development Goals

SIDS – Small Island Developing States

SVG – St. Vincent and the Grenadines

TCFD – Taskforce on Climate-Related Financial Disclosures

TNFD – Taskforce on Nature-Related Financial Disclosures

UN – United Nations

UNEP FI – United Nations Environment Programme Finance Initiative

WTO – World Trade Organization

Chapter 1: Introduction

1.1 Background

1.1.1 From Corporate Social Responsibility to Sustainable Banking: A Shift in Financial Responsibility

Financial institutions such as banks handle borrowing and lending in mounting volumes and may directly or indirectly ignore environmental and social consequences produced by the projects of individuals or businesses that they fund. However, banks tend to view themselves as a more environmentally friendly sector, specifically regarding emissions and pollution, compared to the other sectors such as the oil and gas and energy sectors. As such, banks have not demonstrated a great concern in proactive strategies regarding the environment and sustainability (Oyegunle & Weber, 2015).

There are many who would like businesses including financial institutions such as banks to push beyond "simple transparency, ethical behaviours, and stakeholder engagement" and adopt a more responsible approach in creating innovative, sustainable business models (Camilleri, 2017). Thus, corporate social responsibility (CSR) emerged and is utilized by most companies because it is perceived to increase profitability and firm value, which is frequently described as "doing well by doing good" (Liang & Renneboog, 2017). Moreover, it is widely believed that the CSR debate is comprised by an emphasis on profit, performance, and sheer economic principles (Aslaksen, et al., 2021). However, CSR is deemed an unsatisfactory approach for a sustainable future because its realms are limited to include commercial, ethical, and social responsibility (Singh, 2008) but no mention of environmentally sustainable responsibility. Within the scope of CSR there is no hint of assuming responsibility for a more sustainable future rather there is only responsibility towards ensuring high quality products, fulfilling their contracts to stakeholders, and ensuring funds are allocated to some extent toward charities including sports and culture and religion etc (Camilleri, 2017). Consequently, as the

world moves forward, financial leaders within the financial industry are seeking an integrated, global strategy to mitigate the longing climate, environment, and pollution crisis (United Nations Environment Programme Finance Initiative, 2024).

Recently, banks are becoming more instrumental in fostering sustainable development by incorporating the interconnected concepts of sustainable banking, green finance and ethical banking practices into their business operations by promoting initiatives and projects that help to build climate change resilience, financial inclusion to marginalised populations and responsible investment (Jeucken, 2001). This global inclination was initiated by international organizations such as Group 20 (G20), International Finance Corporation-IFC as a member of the World Bank, World Trade Organization-WTO, and United Nations-UN. Non-governmental groups also have a special role in the implementation of this form of responsible financing. Moreover, the United Nations' Sustainable Development Goals (SDGs) offer a strategic agenda for aligning financial activities with sustainability objectives and targets, warranting that banks operate and function in ways that support economic, social, and environmental well-being (United Nations, 2015).

However, these principles and codes of conduct for project finance to manage environmental and social risks in their businesses are voluntarily, such as the Equator Principles and the UN Principles for Responsible Banking (Weber and Acheta 2014). Key performance indicators of banks are not conventionally designed to monitor Environmental, Social and Governance (ESG) issues connected with financial products and services, but rather the economic performance and the financial risks without concern for the cost to the environment. Nonetheless, contemporary banks are embracing sustainability by implementing eco-friendly banking products and services. As sustainable banking fosters sustainable growth for financial institutions and the broader economy.

As a result, sustainable banking has emerged as a crucial and necessary component within the global financial landscape, positioning financial practices with Environmental, Social and Governance (ESG) concerns to encourage economic stability and sustainable development. ESG practices constitute a framework for evaluating an organisation's commitment to sustainable and ethical operations. In the banking sector, ESG encompasses environmental stewardship, social responsibility, as well as robust governance structures. By implementing ESG principles, banks can enhance risk management, ensure compliance with evolving sustainability regulation and draw in ESG-focused investors (Capgemini, 2025).

1.1.2 Sustainable Banking Products and Services

Sustainable banking products and services incorporate ESG considerations into financial operations, promoting sustainability with the aim to reduce the carbon footprint of banking activities. In developing countries like SVG, the adoption of environmentally friendly banking products and services

Sustainable banking products are designed to support environmental sustainability by reducing energy consumption, promoting renewable energy and encouraging sustainable investments. Thus, the following are some key sustainable banking products and services that have been adopted globally as highlighted by Sarath, et al., 2023.

- Online Banking- Digital banking services utilize the internet to reduce paper consumption and any environmental impact of traditional banking operations. As such, customers can access a wide range of banking services, transfer funds and manage their accounts without the need for physical in-branch visits.

- Mobile Banking- This encourages a paperless banking system by offering financial services through a mobile device and mobile banking applications, thereby

reducing the use of printed bank statements and forms etc. This service is convenient for customers that are always on the go with their busy schedules.

- Solar ATM/ABM- These are automated teller machines or automated banking machines are powered by renewable energy sources such as solar power. These aim to reduce dependency on non-renewable energy and therefore minimize carbon emissions.

- Green Cards- Customers' debit cards and credit cards are made from recycled materials or biodegradable resources, thus, reducing the amount of plastic waste that goes back into the environment.

- Green Checking Account- These accounts provide financial incentives to customers who engage in sustainable practices such as electrotonic statements and paperless transactions.

- Green Mortgages and Loans- Special loan products that typically offer customers reduced interest rates for eco-friendly housing initiatives or energy-efficient renovations.

- Green Car Loans- Customers are offered reduced interest rates as an incentive for purchasing hybrid vehicles or electric vehicles, which encourage sustainable transportation solutions.

- Green Commercial Building Loans- Offered to businesses for the construction of energy-efficient commercial buildings that meet sustainable building codes and standards.

- Green Fiscal Funds- These are investment funds that are used to finance projects that have a positive environmental impact. For example, clean energy and sustainable agriculture.

1.1.3 St. Vincent and the Grenadines' Financial Sector

The financial sector of St, Vincent and the Grenadines (SVG) operates under the supervision of the Eastern Caribbean Central Bank (ECCB) and the Financial Services Authority (FSA), which ensures financial stability and regulatory compliance of banks. The ECCB role is fundamental in establishing monetary policy and ensuring its implementation, currency issuance and financial regulation for all member states of the Eastern Caribbean Currency Union (ECCU), (Eastern Caribbean Central Bank, 2024). On-the-other-hand, the FSA is responsible for the licensing and supervision of non-bank financial institutions by ensuring adherence to international financial regulations and best practices. This dual regulatory framework enhances customer protection, promote financial stability and encourages responsible banking practices within SVG (International Monetary Fund, 2023).

Three (3) commercial banks operate in St. Vincent and the Grenadines (SVG): Bank of St. Vincent and the Grenadines Limited (BOSVG), 1st National Bank St. Lucia Limited, and Republic Bank (EC) Limited, as indicated on the ECCB's website. Two (2) licensed international banks function in SVG: RBC Royal Bank Holdings (EC) Limited and MPB Bank Limited. Moreover, the domestic non-bank financial industry in SVG has several players, including Cooperative Societies, Credit Unions, Building Societies, and Friendly Societies. Presently, there are five (5) Credit Unions, one (1) Building Society, and fourteen (14) Friendly Societies registered to conduct financial operations within SVG, as indicated by the regulatory body, the FSA (St Vincent and the Grenadines Financial Services Authority, 2025).

The shift from conventional banking to a sustainable model is relatively recent in SVG as financial institutions strive to conform to the practices of developed countries in adopting sustainable banking initiatives. In 1999, the country launched its inaugural debit card ATM/ABM service at the National Commercial Bank (NBC) in Kingstown, (Government of St. Vincent and the Grenadines, 2024). In 2015, the banking industry in SVG initiated digital

transformation efforts to enhance accessibility and implement financial inclusion measures aimed at improving banking efficiency. The digital transformation of online banking services, mobile banking applications, and electronic payment solutions for personal banking and small business and commercial banking has significantly enhanced financial transactions for these customers. The Bank of Nova Scotia, the Kingstown branch in SVG, spearheaded the digital transformation with its 'Skip the Line' campaign in 2015. An article from Searchlight newspaper reported that the bank's manager, Mr. Fitzaudy Wright, stated that:

> The changing banking habits of the modern customer are in focus, with Scotiabank making it more convenient and cost effective to use their online and mobile banking products. When it comes to use of technology, Vincentians are definitely active users, with an estimated 52 per cent rate of Internet penetration. Despite that, Scotiabank has only managed to get just over 15 per cent of our customer base using our online services, so we need to do a better job of making customers aware of our electronic banking channels.
>
> (Searchlight, 2015)

More recently, the ECCB conducted surveys to assess financial literacy and financial inclusion among its eight member countries of the Eastern Caribbean Currency Union (ECCU), including Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines, (Eastern Caribbean Central Bank, 2023). Unfortunately, little progress has been made, as indicated by the 2022/2023 report from the ECCB on financial literacy and financial inclusion, which revealed that SVG ranked the lowest in financial literacy among the eight member countries of the ECCU. The financial literacy survey assessed knowledge on financial topics such as budgeting, inflation, time value of money and attitudes toward saving, borrowing and spending.

This low financial literacy ranking of SVG within the ECCU underscores the country's urgent need for enhanced financial education and the integration of sustainable banking practices. A well-informed population is crucial to fostering responsible financial decision-

making, improving savings and investments habits, and promoting economic resilience. The banking sector must take on a proactive role and approach in addressing such gaps. This can be facilitated by way of implementing targeted financial literacy programs and encouraging responsible banking behaviours. Furthermore, by integrating sustainable banking practices such as ESG-focused lending along with sustainable banking products and services as previously described will help to ensure long-term economic stability while addressing pressing environmental and social challenges. The banking sector of SVG can empower individuals, strengthen the local economy and align with global financial best practices for a more resilient and inclusive financial future by prioritizing financial literacy and sustainability banking practices.

1.2 Purpose of the Study

The purpose of this study is to analyse the banking sector in St. Vincent and the Grenadines for sustainability banking practices. The following research questions guide the study:

RQ1: To what extent do banking institutions in St. Vincent and the Grenadines integrate sustainable banking strategies and ESG principles into their financial operations?

RQ2: What are the main barriers hindering the adoption and expansion of sustainable banking and green finance initiatives in St. Vincent and the Grenadines?

RQ3: What policies, financial instruments, and regulatory frameworks are needed to strengthen sustainable banking and green finance in St. Vincent and the Grenadines?

Objectives:

To achieve the stated aim, this research is guided by the following objectives:

- To assess the current state of sustainable banking practices within the banking sector St. Vincent and the Grenadines.

- To evaluate the role of regulatory policies and financial banking institutions in facilitating or hindering the adoption of sustainable banking practices.

- To identify the key challenges and opportunities associated with sustainable banking and Environmental, Social and Governance (ESG) integration in St. Vincent and the Grenadines.

- To analyse the extent to which banking institutions in St. Vincent and the Grenadines align themselves with international sustainability frameworks such as the Equator Principles and the Principles for Responsible Banking.

- To provide policy recommendations for improving sustainable banking practices and promoting financial inclusion, financial literacy and green financing strategies in St. Vincent and the Grenadines.

By fulfilling these objectives, this research paper ought to contribute to shaping a more sustainable and resilient banking sector, fostering economic growth and ensuring environmental responsibility within SVG's banking landscape.

1.3 Contribution to Knowledge

Sustainable banking has been extensively studied in larger and developed countries with more developed financial markets where Environmental, Social and Governance principles are notably embedded in banking strategies and operations. However, there remains a significant research gap with regards to the adoption and implementation of sustainable banking in Small

Island Developing States (SIDS), particularly within the Caribbean region. This study aims to address this gap by providing a comprehensive analysis of how St. Vincent and the Grenadines (SVG) banking sector is transitioning towards sustainable and responsible banking, challenges encountered and the regulatory framework influencing this transition.

This research will contribute to the body of knowledge in the following ways:

I. ***Contextualizing Sustainable Banking in Small Island Developing States (SIDS):*** Unlike larger and developing countries, SIDS such as SVG face unique challenges and vulnerabilities, including climate change risks, economic instability and limited access to large-scale green finance (United Nations Development Programme, 2019). This study will provide insights into how these challenges shape the sustainability efforts of the banking sector.

II. ***Evaluating Regulatory Frameworks:*** This study will look at the effectiveness of existing financial regulations in promoting sustainable banking, analysing how SVG's regulatory landscape compares or lends itself to international best practices.

III. ***Highlighting Challenges and Opportunities:*** By identifying barriers and opportunities related to sustainable banking and ESG integration this research paper will provide data that can guide future academic studies and policy reforms.

IV. ***Providing Actionable Recommendations***: The findings from this research paper will offer concrete recommendations for banks and policymakers with regards to improving sustainable banking in SVG and thereby contributing to regional and international sustainable discussions.

By addressing these areas as mentioned above, this research paper will serve as a reference point for future studies on sustainable banking in the Caribbean, particular consideration to St.

Vincent and the Grenadines by offering valuable perspectives on the intersection between banking, sustainability and resilience.

1.4 Significance of the Study

The significance of this study lies in its potential impact on banking institutions, policymakers and sustainability advocates in SVG and beyond. Sustainable banking is no longer a niche concept or notion but rather a fundamental pillar for responsible banking and economic development for current and future generations. As worldwide banking and financial markets are prioritizing ESG compliance, it is crucial to small island developing states like SVG to adapt such to remain competitive, attract international investors and contribute to the global sustainability development goals.

Therefore, this study is significant because it offers a comprehensive analysis of the state of sustainable banking in SVG by addressing regulatory, financial and society aspects. The study identifies key challenges and opportunities, it aims to facilitate the transition toward a more responsible and sustainable financial system. The following chapters will further explore the theoretical foundations, methodology and empirical findings that will guide the formulation of strategic recommendations and discussion for promoting sustainable banking in St. Vincent and the Grenadines.

Chapter 2: The Role of Banks in Achieving Sustainability- A Literature Review

2.1 Foundational Concepts: Sustainability and Sustainable Development

The quest for sustainable development is predicated on a fundamental comprehension of the idea of sustainability. These two notions, although frequently used synonymously, signify separate yet interrelated concepts that form the theoretical foundation for tackling global issues. This section analyses the intricate link between sustainability and sustainable development, highlighting their essential characteristics and illustrating their direct significance to the examination of sustainable practices across many industries, specifically the banking industry.

While the seeds of these concepts existed earlier, the Brundtland Commission report of 1987 marked a turning point in their global recognition and understanding. The report acted as a pivotal factor in the worldwide acknowledgement of sustainability and sustainable development concepts. As such, it provided a widely accepted definition of sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (The Brundtland Commission Report, 1987).

In 1992, the United Nations Conference on Environment and Development in Rio de Janeiro provided an additional notable recognition of the concept of sustainability. This conference marked the initial approval of an international framework, which served as the catalyst for numerous initiatives. Consequently, both public and private sector leaders have called for sustainable development as a solution to an array of challenges that require an elevated degree of prioritisation (Elkington, 1997, S. 20).

Sustainability has emerged as a fundamental principle in today's twenty-first century with many authors drawing on the above definition provided by the 1987 Brundtland Commission report. According to Elkington (1997, p. 20), sustainability is the idea that guarantees our present actions refrain from limiting the economic, social, and environmental capabilities for subsequent generations. This idea of sustainability offers the potential for societal progress in recognising the importance of equitable management of our environment, which is essential for generations to come (Dyllick & Hockerts, 2002, p. 131).

It is crucial to note that the central focus of the sustainability debate revolves around the utilisation of both finite and infinite resources, which are being drained and exhausted due to the world's economic progress witnessed in the past few decades. To safeguard and preserve these natural resources and the environment, it is necessary to implement procedures that generate a bio-economic equilibrium and regulate human interference to ensure the preservation of the natural balance (Neumann, 1994, pp. 77-87). Therefore, sustainability refers to the management of these non-renewable resources, which should only be used up to the point when renewable alternatives can replenish them (Daly, 1990, p. 47).

However, the literature regarding sustainability includes multiple objective dimensions—commonly the environmental, social, and economic aspects—alongside a temporal component that addresses intergenerational equity, a spatial dimension that evaluates equity among different regions, and additional factors (Koch & Belmann, 2019, S. 5).

Norton (2005) noted that the terms sustainability and sustainable development are often used interchangeably. Axelsson et al. (2011) argued that sustainability and sustainable development are separate concepts. According to Olawumi and Chan (2018), Axelsson et al. (2011) defined sustainability as a policy vision aimed at preventing the depletion of natural resources. As such, sustainable development represents a collective societal endeavour that

involves numerous stakeholders, each possessing distinct levels of significance and influence (Axelsson, et al., 2011).

Moreover, the use of sustainability and sustainable development concepts have become more prominent in business over the past decade (Nájera-Sánchez, 2020, p. 1). This is due to an increasing worldwide recognition of the environmental, social, and financial dimensions of sustainability (Glavič & Lukman, 2007, p. 1875; Paiva et al., 2021, p. 2). Sartori et al. (2014) further added to this conversation by recognising that the approach to sustainability varies according to the specific sector of application, including engineering, economics, management, and ecology, among others. Sartori et al. (2014) acknowledged that sustainable development is a deliberate process of adaptation and improvement that preserves or enhances characteristics within a system's sector while fulfilling human needs. Thus, sustainable development serves as a means of achieving long-term sustainability, which is the ultimate goal.

The intrinsic connection between sustainable development as a process and long-term sustainability as its intended result offers essential context for comprehending the function of specific sectors. Jeuken & Bouma (1999) emphasised that the relationship between sustainable development and the banking sector has been acknowledged since the 1990s, due to banks' significant role as economic intermediaries. This acknowledgement of the banking sector's capacity to promote sustainable development highlights the necessity of analysing its implementation within this industry. Consequently, based on the established connection between sustainable development and its aim of long-term sustainability, the subsequent sections will examine the notion of sustainable banking, investigating how this sector might aid in achieving broader sustainability goals.

2.2 The Evolving Concept of Sustainable Banking

The changing landscape of sustainable banking highlights the growing recognition of the connection between financial activities and overall societal and environmental well-being. A critical review of the literature is essential to establish a comprehensive understanding of the concept due to the lack of a universally accepted definition. This section aims to evaluate the evolution of the concept of sustainable banking by analysing various definitions and related ideas presented in academic journals, while also emphasising the overlaps and distinctions among these definitions.

The definitions of sustainable banking have evolved over time, reflecting changes in global financial and environmental priorities. As Riegler (2023) outlines, sustainable banking has transitioned from a broad ethical and environmental concept to a structural framework incorporating ESG principles and financial strategies. These definitions span from 1999 to 2021 is consolidated and presented in Appendix 2 taken from Riegler's study, illustrating the dynamic nature of sustainability in the banking sector. The literature review critically analyses the definitions provided by Riegler's (2023) study to identify key similarities and differences, highlighting the progressive refinement of sustainable banking concepts over the years.

Initial definitions, such as those by Jeucken & Bouma (1999) and Bouma, et al., (2001), emphasised the incorporation of social and environmental factors into fundamental banking practices. Jeucken and Bouma (1999) pointed out the dual facets of responsible initiatives and their incorporation into strategies and product design, whereas Bouma et al., (2001) accentuated the necessity of financial capital and risk management to foster economic prosperity, social equity, and environmental sustainability. These initial criteria established the foundation for understanding sustainable banking as a holistic approach that extends beyond simply avoiding detrimental investments.

Additionally, the concept of 'ethical banking' has surfaced, aligning closely with the principles of sustainable banking. Alsina (2002) defines ethical banks as those banks that prioritise not only profitable investments but also those that contribute favourably to society. However, the definition provided by Sasia & De la Cruz (2008) on ethical banks offers greater context concerning the various societal groups that should be positively affected by these financial investments and projects. Sasia and De la Cruz (2008) echoed that ethical banks are those banks that focus on financially assisting people who experience discrimination and exclusion in society and businesses that prioritize social and environmental goals including not-for-profit associations. This emphasis on social impact emerges as a consistent element in subsequent definitions of sustainable banking, underscoring the significance of financial inclusion and community development.

Another interrelated concept that is found throughout the literature is that of ‘green banking’ and gained prominence by Singh & Singh (2012) and Bose, et al., (2018). The idea of "green banking" emerged as knowledge of environmental problems increased. Emphasising resource economy and the lowering of carbon footprints, Bose et al. (2018) highlighted that “Green banking includes implementing, supporting and promoting environmentally friendly practices and reducing the carbon footprint in banks’ internal and external activities.” Zhixia, et al., (2018) built on this even further by stressing how green funding helps to support ecologically friendly initiatives. These definitions highlight the rising awareness of the financial industry's part in helping to facilitate the shift to a low-carbon economy and in mitigating climate change.

Many definitions of sustainable banking centre on the interaction of Environmental, Social, and Governance (ESG) elements. In 2009, Earhart et al., specifically connected sustainable banking to the application of corporate social responsibility (CSR) policies and the integration of ESG ideas into traditional banking activities. Deloitte (2017) expressed this point

of view stressing the need of including ESG into both internal operations and outside actions of conventional banking strategies. Additionally, adopting a more all-encompassing perspective, the European Commission (2022) defines sustainable finance as finance that addresses ESG issues and thus promoting economic development. This all-encompassing approach recognises the strong interaction of social, political, and environmental aspects that shapes ongoing sustainability. Furthermore, many definitions emphasised the importance of stakeholders in sustainable banking. Jeucken (2001) highlighted the assessment of sustainable banks by stakeholders based on economic and social performance. Accordingly, Rebai (2014) characterized sustainable banking as a dependable mechanism that blends both internal and external stakeholders' objectives. In 2014, Stankeviciene & Nikonorova, conceptualised sustainable banking as a framework of principles that ensures banks' activities are beneficial not only to their personnel and investors but additionally to customers and the wider society. Consequently, these principles reinforce the need of stakeholder participation in sustainable banking, fostering openness, responsible behaviour, and participatory environmental and social responsibility.

More recently, definitions have focused on how sustainable banking supports the accomplishment of the Sustainable Development Goals (SDGs) and sustainable development as a whole. Aligning with the SDGs, Bouma, et al., (2017) pointed out that sustainable banking prioritises environmental policy, openness, and collaboration between financial institutions, highlighting the involvement of governments, businesses, and global financial institutions in promoting sustainability via environmental, social, and governance criteria. Moreover, Pathak & Tewari (2017) underlined how banks may help sustainable development with creative financial solutions and positive impact funding. Pathak & Tewari (2017) pointed out that banks may consequently lower income inequality, improve savings rates, increase agricultural output, and thus help to alleviate hunger. This emphasis on sustainable development captures the rising

awareness of the financial industry's vital contribution to reach worldwide sustainability goals. However, the distinct contributions of banks to the attainment of the SDGs, as emphasised in the literature, will be examined in further detail in the subsequent section.

Ultimately, the idea of sustainable banking has changed from a focus on ethical issues and avoidance of damage to a more complete strategy that combines ESG aspects, encourages stakeholder involvement, and helps to maintain development. Although definitions vary, the converging themes indicate the increasing awareness of the financial sector's vital contribution towards creating a sustainable future. From a merely profit-driven industry to an essential part of a sustainable and inclusive economy, this history shows a basic change in the knowledge of banking.

2.3 Frameworks for Evaluating Sustainability Practices in the Banking Sector

Sustainability in banking has transitioned from a peripheral concern to a core strategic imperative. Banks worldwide are increasingly adopting sustainability frameworks and metrics to manage risks as well as to capitalize on opportunities related to environmental, social and governance (ESG) factors. Sredojević & Sredojević (2021) outlined the following as ESG factors:

> ESG factors refer to: E - environmental factors such as climate change, reduction of CO2 emission and overall pollution, protection of biodiversity, and circular economy; S - social factors related to gender and other issues of equality, labor rights, human resources development, human rights etc.; and G - the governance factors which refer to governance institutions in public and private sector, principles of management, employee relations, remuneration issues, etc.
>
> (Sredojević & Sredojević, 2021)

Consequently, the ESG amalgamation of factors integrates financial efficacy and robustness with social responsibility, environmental conservation and prudent governance. Before 2003, there was an absence of comprehensive legal framework in the banking sector to address environmental and social issues (Etsy & Sesia, 2005; Scholtens & Dam, 2007). Currently, several banks have aligned their ESG concerns with the frameworks and objectives of international organizations to promote sustainable development. This component of the literature review aims to analyse two significant frameworks: The Equator Principles and the United Nations' Principles for Responsible Banking, employed by the banking sector to assess sustainability banking activities.

2.3.1 The Equator Principles

The Equator Principles was developed based on ABN AMRO's involvement in funding a mining project in the country of Papua New Guinea, which resulted in significant contamination of the local water supplies. In response to this, the bank engaged with the International Finance Corporation (IFC) along with three prominent industry players- Barclays, Citigroup and WestLB- to explore possible solutions to these issues (Scholtens & Dam, 2007). Subsequently, in 2003 a collection of voluntary guidelines known as the Equator Principles was formulated, with an initial acceptance by eight banks. These first 'adopters' as coined by Contreras, et al. (2019) were Barclays (United Kingdom), Citigroup (United States), Credit Swisse Group (Switzerland), Credit Agricole (France), Rabobank (the Netherlands), Royal Bank of Scotland (Scotland), UniCredit Bank (Germany), and Westpac Banking Corporation (Australia). According to the Equator Principles (2025) website, the Equator Principles Association (EPA) was established on July 1st, 2010, with the aim of guaranteeing long-term sustainability and simplicity of administration of the Equator Principles Financial Institutions

(EPFIs) that are its members. However, as of January 1st, 2024, the EPA was superseded by a new legal structure and now is legally represented by the Equator Principles Limited (EPL).

These principles constitute as the introductory international risk management framework that assists financial institutions in identifying, assessing and managing environmental and social risks, particularly, in the context of 'project finance'. Kleimeier & Megginson, (2000) described the notion of 'project finance' as a long-term financing method predominantly utilised for infrastructure and development initiatives and projects. The Equator Principles (EP4) report published in 2020 by the EPA signified an evolution from previous versions that were issued as it now incorporates a more unambiguous guidance on climate change, human rights, and biodiversity, which reflects current global sustainability challenges (Equator Principles Association, 2020). The following are the ten principles outlined by EP4 2020:

1. **Review and Categorization**
2. **Environmental and Social Assessment**
3. **Applicable Environmental and Social Standards**
4. **Environmental and Social Management Systems and Equator Principles Action Plan**
5. **Stakeholder Engagement**
6. **Grievance Mechanism**
7. **Independent Review**
8. **Covenants**
9. **Independent Monitoring and Reporting**
10. **Reporting and Transparency**

(Equator Principles, 2020, pp.8- 15)

Consequently, these principles ensure that due diligence encompasses more than only financial evaluation. As Contreras, et al., (2019) observed that 'adopters' of these principles are mandated to provide an Environmental and Social Assessment report for projects that are receiving funding.

Thus, these ten interrelated principles are designed to systematically support rigorous sustainability assessment, facilitating transparency, accountability and uniformity across the banking sector. In addition, under this framework, projects are categorized according to potential impact levels- A, B or C, based on the magnitude of and nature of environmental and social (E&S) impacts. These impact levels help to guide banks in risk identification, assessment and mitigation processes aligned with International Finance Cooperation (IFC) standards. This distinctive feature of the Equator Principles allows for a categorization methodology as outlined below (Equator Principles, 2023, p.34).

- **Category A:** Projects with potential significant adverse E&S impacts that are irreversible and requires a comprehensive Environmental and Social Impact Assessment (ESIA).
- **Category B:** Projects with limited adverse impacts, generally site-specific and reversable impacts.
- **Category C:** Projects with minimal or no E&S impacts

(Equator Principles, 2023; Contreras, et al., 2019)

Furthermore, the Equator Principles Activity report (EP4) clearly highlights several other metrics used by EPFI members and are outlined below:

- **Geographical Metrics**: tracking project finance distribution across designated (developed) and non-designated (developing) countries provides a critical measure of EP's reach into emerging markets, highlighting where additional ESG risk management might be crucial (EPA, 2023, p. 32).
- **Sectoral Metrics**: indicates the degree of sustainability orientation within banks' portfolios. Renewable energy projects dominate, suggesting significant progress toward climate-aligned financing (EPA, 2023, p. 31).

- **Disclosure Metrics**: annual reporting under Principle 10 directs EPFIs to disclose how EP implementation is integrated into their internal governance, including E&S risk assessment procedures, training programs, and grievance mechanisms (EPA, 2023, p. 29).
- **Climate specific Metrics**: annual greenhouse gas emissions reporting for projects emitting over 100,000 tonnes of CO2 annually, Climate Change Risk Assessments aligned with TCFD standards and alternatives analysis for high-emission projects to identify lower-emission options according to Annex A of the Equator Principles Association, (2020).

For these reasons, research consistently indicates that the Equator Principles framework has produced favourable results (Scholtens and Dam, 2007; Macve and Chen, 2010; Finger et al., 2018; Contreras et al., 2019).

2.3.2 United Nations' Principles for Responsible Banking

Accordingly, the United Nations developed and introduced the Millennium Goals Agenda (MDGs) and afterwards the Sustainable Development Goals (SDGs) Agenda. The MDGs were ensued by the UN 17 SDGs, which were introduced in 2015 and embraced by all Member States of the United Nations as the new 2030 Agenda for Sustainable Development (United Nations, 2015). Moreover, the United Nations Environment Programme Financial Initiative (UNEP FI) is a collaboration between the UN Environment Programme and the financial sector that endeavours to promote private sector finance for sustainable development goals. This diversified network of partners has over 300 members and more than 100 institutions that support the network (United Nations, 2022). In 2019 the UNEP FI launched

the Principles for Responsible Banking, which are a set of principles geared towards achieving accountability and sustainability in the financial sector (Sredojević & Sredojević, 2021).

The UNEP FI Principles for Responsible Banking is one of the several frameworks that have been developed to guide banks in systematically integrating sustainability into their operations, policies and disclosures (UN Environment Programme Finance Initiative, 2019). It provides a robust framework that aligns banks' strategies with global sustainability goals such as the SDGs and the Paris Climate Agreement. These principles emphasize banks' responsibility in setting sustainability targets, conducting thorough impact assessments and implementing transparent stakeholder engagement mechanisms as outlined by the UNEP FI, 2022 Principles for Responsible Banking—Guidance Document. The document sets out six distinct yet interlinked principles and is as follows:

1. **Principle 1: Alignment**
2. **Principle 2: Impact and Target Settings**
3. **Principle 3: Clients and Customer,**
4. **Principle 4: Stakeholders**
5. **Principle 5: Governance and Culture**
6. **Principle 6: Transparency and Accountability**

In Principle 1, banks must openly identify relevant SDGs and specific targets within their strategic documents, they are guided to integrate climate targets consistent with the Paris Agreement's 1.5 degrees Celsius pathway and their alignment assessment includes measuring existing misalignments and identifying opportunities to contribute to sustainable goals. Therefore, these linkages ensure uniformity, comparability and clarity in how banks assess and communicate their sustainability alignment (UNEP FI, 2022). Nonetheless, the guidance could be more precise about specific quantitative metrics for alignment assessments beyond high-level climates targets, thus presenting a limitation regarding uniform reporting and cross-sector comparability.

Principle 2 is central to sustainability measurement as it requires banks to identify, assess and manage their impacts on society, the economy and the environment systematically. According to the UNEP FI guidance document (2019), banks are expected to evaluate their most substantial impacts based on scope, scale of exposure, context and relevance and intensity/salience of impacts. After they have completed this impact analysis, banks must set a minimum of two (2) sustainability targets with clearly defined milestones and Key Performance Indicators (KPIs). Proposed metrics for sustainability measurement and examples of KPIs are suggested by the guidance document and are as follows:

- **Quantitative Targets**: Measurable indicators such as emission reductions, sector-specific financing goals, biodiversity targets, and financial inclusion metrics.
- **Qualitative Targets**: Improvement in governance structures, human rights adherence, and enhanced stakeholder engagement.

Example KPIs recommended include:

- Greenhouse gas emission intensity reduction
- Portfolio exposure changes to climate-sensitive sectors
- Increased financial inclusion metrics (number of underserved individuals reached)
- Biodiversity targets aligned with global biodiversity frameworks

(UNEP FI, 2022, pp. 13-14)

Principle 2 outlines clear expectations for target setting and impact assessment. The inclusion of explicit quantitative and qualitative KPIs ensures that banks have well-defined parameters for assessing sustainability impacts. However, the complexity and scope of this principle maybe challenging for smaller institutions or those in developing countries with limited data or capacity, potentially creating a gap between intent and practical implementation.

Principle 3 encourages banks to establish comprehensive client-engagement strategies, supporting client transitions towards sustainability by offering specialized products and services tailored to climate mitigation and adaptation, biodiversity protection and human rights standards (UNEP FI, 2024). Below are the metrics for client engagement:

- The increase in client numbers adopting sustainability-aligned practices
- Engagement scores measuring the success of sustainability awareness campaigns
- Numbers and volumes of sustainability-linked financial products (loans and bonds)

An essential aspect of this framework is disclosure. Banks are encouraged to regularly disclose their sustainability performance aligned with recognized standards like the Taskforce on Climate-Related Financial Disclosures (TCFD) and the emerging Taskforce on Nature-Related Disclosures (TNFD), as well as compliance with local and international reporting standards (UNEP FI, 2024, p. 27). These metrics for transparency are as follows:

- Regular publication of sustainability reports aligned with global frameworks (e.g., TCFD, TNFD).
- Disclosure of targets, methods, assumptions, and sector-specific metrics (e.g., carbon footprint of portfolios, biodiversity impacts, and human rights due diligence).

Manos, et al., (2024) noted that in contrast to the Equator Principles, which concentrates on project finance, the Principles for Responsible Banking provide an extensive framework for sustainable finance and responsible banking across all business areas, encompassing strategic, portfolio and transactional dimensions. Both frameworks, nonetheless, are components of a broader movement towards ‘soft law and self-regulation’ within the banking sector and its associated clientele to address society’s grand challenges, including environmental and social

issues (Anton et al. 2004; Graham and Woods, 2006; Barla, 2007; Albareda, 2008; Chen and Huang, 2023). Notably, at the end of 2023 the two frameworks exhibited a disparity in scale, with 534 Principles of Responsible Banking adopters compared to 136 Equator Principles adopters. The swift implementation rate of the Principles for Responsible Banking possibly indicates an increasing number of banks' senior management personnel who anticipate that the advantages of these principles would surpass the associated implementation costs and thereby enhancing the perceived value and importance of this self-regulation framework initiative (Lyon and Maxwell, 2003). Furthermore, the prevalence of these principles clearly signifies the growing agreement about how crucial sustainable management within the banking sector is (Mitchell, 2017; Rizzi et al. 2018).

2.4 Research Gaps

Despite the extensive research on sustainable banking and its frameworks, several gaps remain, particularly concerning their applicability and effectiveness to Small Island Developing States (SIDS) such as SVG. While most studies focus on developed economies with advanced financial markets and strong regulatory environments, they often overlook the challenges faced by these smaller, vulnerable economies. Specifically, these challenges include limited financial infrastructure, resource constraints and an increased susceptibility to climate change (Ghina, 2003). Moreover, the global frameworks for sustainable banking, such as the Equator Principles and the United Nation's Principles for Responsible Banking, having gained widespread adoption, yet their direct impact on small-scale banks in emerging markets remains largely underexplored (Scholtens & Dam, 2007). The existing literature offers little insight into how financial institutions in the Caribbean including SVG implement sustainability measures or how regulatory and policy frameworks in the region facilitate sustainable banking. Also,

much of the current literature does not address the practical barriers that small island banks face in integrating ESG considerations into their financial operations.

Although sustainable banking is becoming increasingly relevant, studies mainly focus on large multinational banks with greater resources for ESG compliance and green finance initiatives. In contrast, smaller banks in developing regions like the Caribbean often face structural and financial limitations that hinder their ability to fully integrate sustainable banking models. While banks in larger economies can allocate significant capital to renewable energy projects and low-carbon infrastructure, Caribbean banks operate within economies heavily reliant on tourism, agriculture and remittances (Joint Nature Conservation Committee, 2017). Consequently, sustainable banking strategies must be tailored to fit the socio-economic realities of small island nations. Thus, this study aims to bridge these gaps by exploring the role of banks in advancing sustainability within the context of SVG.

Chapter 3: Research Methodology

The focus of this study is "An analysis of St. Vincent and the Grenadines' Banking Sector for Sustainability Banking". This chapter describes the methodology applied to explore sustainable banking practices within the banking sector of St. Vincent and the Grenadines. As such, this chapter details the research philosophy and design, data collection and sampling methods, data analysis procedure, ethical considerations and limitations of this research. The following research questions guided the study:

RQ1: To what extent do banking institutions in St. Vincent and the Grenadines integrate sustainable banking strategies and ESG principles into their financial operations?

RQ2: What are the main barriers hindering the adoption and expansion of sustainable banking and green finance initiatives in St. Vincent and the Grenadines?

RQ3: What policies, financial instruments, and regulatory frameworks are needed to strengthen sustainable banking and green finance in St. Vincent and the Grenadines?

3.1 Research Philosophy and Design

Research philosophy influences how knowledge is acquired and interpreted. According to Ryan (2018), research philosophy encompasses the investigator's conception of truth, reality and knowledge as it describes the views and values that inform the design, gathering and analysing of data in a research project, with these decisions aligning with philosophical concepts. This study is guided by Interpretivism philosophy, particularly that of interpretivism phenomenology. Interpretivism phenomenology focuses on the interpretation and description of people's experiences (Ryan, 2018; Becker & Schad, 2022). Thus, the key focus of the phenomenological researcher is to provide a precise description of the phenomenon, while avoiding any preconceived ideas and striving to adhere closely to the facts (Becker & Schad,

2022). This approach aligns with the study's focus on sustainability banking as it allows for the exploration of these individuals' lived experiences, values and views. Therefore, interpretivism phenomenology enables an in-dept understanding of how banking professionals perceive and interact with sustainability concepts in their financial operations. By applying this philosophy, the research ensures that the findings reflect authentic experiences and perspectives within the banking sector of St. Vincent and the Grenadines.

In addition, phenomenology is an approach to qualitative research and this study utilizes qualitative research methods, which is best suited for exploring subjective experiences and capturing the complexity of sustainability banking (Azungah, 2018). Notably, qualitative research is characterized by its focus on understanding individuals' experiences with the aim of translating those experiences into meaningful insights. Therefore, the qualitative research method used in this research was selected as it provided the research several advantages compared to a quantitative approach.

Primarily, qualitative research enables a deeper, more nuanced understanding of the context-specific experiences, behaviours and perceptions of participants which, quantitative methods may overlook (Walsh, 2011). Qualitative methodologies are flexible, allowing researchers to explore emerging themes and adapt to new insights throughout the research process. This adaptive quality is particularly important when evaluating complex, sensitive or subjective topics. Likewise, qualitative research facilitates a richer exploration of the meanings and motivations underlying participant responses and allow comprehensive insights into human experiences and interactions that numerical data alone cannot fully capture (Walsh, 2011; House, 2018).

Therefore, a qualitative research approach was specifically chosen for this study "An analysis of St. Vincent and the Grenadines' Banking Sector for Sustainability Banking", due to

the explanatory nature of the research objectives. The research sought not merely to quantify occurrences but to delve deeply into understanding why certain sustainability practices were embraced or challenged, how they were perceived by banking professionals and the contextual factors influencing these dynamics. Considering the novelty of sustainability banking within the context of SVG, qualitative methods provided the opportunity for open-ended exploration, allowing participants to express their views freely. Thus, generating detailed insights not easily attainable through quantitative methods (House, 2018).

Furthermore, the research design applied a blended approach that incorporates both inductive and deductive components, offering a versatile theoretical framework alongside a flexible empirical approach (Linneberg & Korsgaard, 2019). Given that sustainability banking is a relatively novel and under-explored concept within the context of SVG, the inductive approach allowed the researcher to capture emerging practices, different perceptions and contextual factors directly from the participants' experiences. This allowed for a better understanding of how sustainability banking initiatives are uniquely perceived, adopted or resisted within the country's specific cultural, institutional and socio-economic environment (Azungah, 2018). On the other hand, the deductive approach provided a solid theoretical foundation, guiding the research design and analytical focus based on established sustainability banking frameworks. This allowed for systematic evaluation and comparison of findings within the broader international context of sustainability practices in banking, adding theoretical rigour and coherence to the empirical exploration. Hence, the integration of inductive and deductive elements enabled the study to remain open and adaptive to context-sensitive insights that may arise from the research, while maintaining analytical consistency through established sustainability banking concepts and theories (Azungah, 2018).

3.2 Data Collection and Sampling Methods

During this research, semi-structured interviews served as the primary data collection method. This technique allowed for open-ended discussions with the participants while maintaining a structured approach that aligned with the research objectives and the topic. The use of semi-structured interviews also enabled flexibility in participants' responses while ensuring the coverage of key themes related to sustainability banking (Rowley, 2012). Additionally, the individuals who were directly engaged and informed on sustainability banking within the small banking industry of St. Vincent and the Grenadines were limited.

A purposive and snowball sampling approach was used to identify relevant participants. Participants were 'purposefully' selected based on specific criteria related to their expertise in banking and sustainability (Jones, 2002), while snowballing sampling was utilized by requesting participants to recommend other suitable professionals within their network who are deemed suitable for the study's criteria (Naderifar, et al., 2017). This combined sampling strategy was particularly advantageous for this study, as it guaranteed that participants possessed relevant, specialized knowledge and practical insights pertinent to sustainability banking practices in SVG's banking sector. Unlike random or convenience sampling, which may not guarantee relevant expertise or adequate contextual knowledge, purposive sampling focuses on data collection from informed and experienced professionals (Patton, 2015). Snowball sampling further enhanced access to hard-to-reach participants with the fairly small and tightly knit banking community in SVG, strengthening trust, assisting with introductions and improving participation rates. Thus, this combined sampling strategy maximized both the depth and contextual relevance of the data collected for this study.

The investigation focused on eight participants from SVG's banking sector, including a government official from the relevant ministry and a representative from the licensing authority overseeing the banking sector in SVG. The sample included senior management,

middle management and experienced lower-level staff with a minimum of five years of experience. The number of willing participants identified for the study influenced the duration of the interviews, which was based on their availability to engage in discussions. Thus, employing a pragmatic approach, a total of eight interviews were conducted, each lasting approximately one hour (Rowley, 2012). Eight participants were included in this study based on the principle of data saturation, which is central to qualitative research. According to Guest, et al., (2006), saturation occurs when additional interviews no longer yield substantially new themes or insights, indicating that sufficient dept of understanding has been achieved. Similarly, Mason (2010) highlighted that in qualitative research, the emphasis should be placed on richness and depth rather than volume of data collected. As such, the selection of eight participants provided an appropriate balance given the relatively small size (3 commercial banks) and homogeneity of the banking sector in SVG, as well as the narrow, context-specific focus on sustainability banking. This allowed sufficient diversity of perspectives within the sector to achieve meaningful and nuanced insights while safeguarding feasibility, manageability and maintaining ethical considerations related to confidentiality within a small, interconnected banking community like SVG (Guest et al., 2006; Mason, 2010).

The interview process entailed participant recruitment, scheduling and arrangements, conducting interviews, recording and transcription and data organization. Participant recruitment was conducted by invitations via email, explaining the research purpose, confidentiality measures and consent requirements. The interviews were mainly conducted in person at the participants' workplace to facilitate direct engagement and richer interaction. Though, due to locality, one interview was conducted virtually via Microsoft Teams. Each interview lasted approximately one hour and was recorded with the participants' consent for accuracy and later transcription. Prior to the interviews participants were provided with a comprehensive explanation of the research objectives and the interviews focused on the three

key area: RQ1- Extent of Sustainability Banking Adoption, RQ2- Barriers to Sustainability Banking and Green Finance and RQ3-Required Policies and Regulatory Frameworks. Open-ended questions allowed participants to share their experiences, insights and challenges related to sustainability banking. In addition, probing questions were used to gain deeper insights where necessary. All participants granted their consent by signing a participant agreement form, indicating their approval for the interviews to be recorded and subsequently transcribed for thematic analysis. An online transcriber, NVivo software, was used to code and analyse interview transcripts, identifying key patterns and themes.

Atkinson & Coffey, (2004) asserted that researchers ought to refrain from using documentary sources as substitutes for other forms of data as described below:

> ..should not use documentary sources as surrogates for other kinds of data. We cannot, for instance, learn through records alone how an organisation actually operates day-by-day. Equally, we cannot treat records-however "official"-as firm evidence of what they report […]. This recognition or reservation does not mean that we should ignore or downgrade documentary data. On the contrary, our recognition of their existence as social facts (or constructions) alerts us to the necessity to treat them very seriously indeed.
>
> (Atkinson & Coffey, 2004)

Nonetheless, according to Azungah (2018), these documents serve as supplemental and triangulation sources of data. As such, this study used banks' annual reports as supplemental data sources in conjunction with semi-structured interviews to augment methodological rigor through triangulation. Annual reports serve as stable, unobtrusive and contextually rich source of information that offers vital knowledge into the formal sustainability banking practices as well as strategic objectives publicly disclosed by financial institutions according to (Bowen, 2009; Azungah, 2018). By utilizing these reports, this author was allowed to cross-validate interview data to mitigate potential biases stemming from respondents' subjective experiences, retrospective recollection or reluctance to disclose sensitive information. Moreover, annual reports served as a dependable method to contextualize interview responses by capturing the

official representations of the banks' sustainability policies, performance and commitments over time (Bowen, 2009). Thus, examining recently published annual reports provided a more profound understanding of how banks formally articulate sustainability initiatives which permitted comparisons between declared goals and the actual behaviours and practices indicated by banking professionals in the interviews. Such integration of annual reports and interview data substantially enhanced the credibility and reliability of this study's overall findings.

3.3 Data Analysis Procedure

Interviews were carried out, transcribed and organized into essential themes. The examination of qualitative data employed thematic analysis, supported by NVivo software. Thematic analysis serves as a prevalent qualitative approach to recognise, structure and interpret patterns found within data (Braun & Clarke, 2006). This type of analysis was chosen for its flexibility in capturing subjective perspectives while ensuring methodological rigor. The NVivo software utilized for coding and organizing data, facilitated the systematic identification of emerging themes and patterns. In addition, to ensure a robust and credible analysis, inductive and deductive (blended) coding techniques were utilised (Linneberg & Korsgaard, 2019). The study applied a thematic analysis approach, aligning with Braun and Clarke's (2006) six-phase model:

Phase 1: Data Familiarization- transcribing, reading and immersing in the data.
Phase 2: Generating Initial Codes- systematically coding key concepts using NVivo.
Phase 3: Searching for Themes- identifying emerging patterns.
Phase 4: Reviewing Themes- refining and validating thematic categories.
Phase 5: Defining and Naming Themes- assigning clear definitions.
Phase 6: Producing the Report- synthesizing findings into structed themes.

Utilizing this methodological framework proved to be beneficial for exploring sustainability banking in SVG context. This coding technique facilitated the merging of pre-existing theoretical conceptions with fresh relevant ideas from participants, which offers greater analytical depth and breadth (Fereday & Muir-Cochrane, 2006). This anonymisation process was effectively managed using NVivo, a reputable qualitative data analysis software widely adopted in qualitative research (Jackson & Bazeley, 2019). By importing interview transcripts into NVivo and labelling each transcript with its respective identifier, the researcher guaranteed that participants' identities remained confidential throughout data storage, coding and analysis, significantly enhancing participant trust and compliance with ethical guidelines (Long & Johnson, 2000). Moreover, NVivo software supported systematic data management and coding thereby improving transparency and reliability of the of the thematic analysis process (Zamawe, 2015). The use of Braun and Clarke's structured framework further increased analytical diligence and offer clarity as well as consistency throughout the process. Thereby, guaranteeing that the study findings are credible, transparent and replicable (Nowell, et al., 2017).

Employing thematic analysis within this research offered significant methodological advantages. This approach enabled the systematic identification of themes across the dataset, facilitating comprehensive exploration and nuanced interpretation of participants' perceptions and experiences within their specific contexts (Braun & Clarke, 2021). Additionally, the use of NVivo contributed to methodological rigour and efficiency by systematically organising data, enhancing the transparency of the analytical process, and maintaining a clear and robust audit trail (Jackson & Bazeley, 2019). Thus, thematic analysis, supported by NVivo, strengthened the overall credibility, transparency, and trustworthiness of the research findings (Nowell et al., 2017).

3.4 Ethical Considerations

Ethical considerations were paramount throughout this research. All participants provided informed consent through a participant agreement form, clearly outlining the research objectives, confidentiality measures and the voluntary nature of participation (see Appendix 3). Confidentiality and anonymity were strictly maintained by assigning alphanumeric identifiers to participants in data coding, analysis and reporting which ensured that responses could not be traced back to individual participants. For instance, interviewees were assigned unique alphanumeric codes (e.g., "P01" for Participant 1). The analysis of the banks' documents was similarly ascribed alphanumeric codes (B1, B2, and B3) for confidentiality measures.

Furthermore, demographic information of participants was deliberately omitted to uphold confidentiality, particularly due to the relatively small population size of SVG being approximately 100,000 (Worldometre, 2025) and the limited size of its banking sector (3 commercial banks). Given these constraints, providing detailed demographic data could risk compromising participants' anonymity. Thus, this decision was essential to protect participant privacy and adhere to ethical research practices (Saunders, et al., 2015). This approach aligns with best practices in qualitative research ethics and safeguards the privacy and confidentiality of participants (Wiles, 2013; Leavy, 2020). Additionally, all participants were informed about their right to withdraw at any stage without any repercussions which further adheres to ethical standards.

3.5 Limitations of Research

A significant limitation of this research lies in its qualitative design, particularly the reliance on semi-structured interviews and document analysis. While qualitative methods provide in-depth and contextually rich data, they are susceptible to participant and researcher

biases, potentially influencing the objectivity of the findings (Queirós, et al., 2017). Participants may have provided socially desirable responses or omitted sensitive information, particularly given the relatively small and interconnected nature of the banking sector in SVG. Although NVivo software and a robust thematic analysis framework were employed to enhance methodological rigour, the subjective interpretation inherent in thematic coding still poses a risk of researcher bias, which may affect the study's replicability (Jackson & Bazeley, 2019; Braun & Clarke, 2006).

Also, the research embraced purposive and snowball sampling methods, restricting the applicability of findings outside the study environment. These sampling methods, while effective in selecting knowledgeable and relevant participants, limit the representativeness of the sample due to possible homogeneity and dependence on participant referrals, which may induce selection bias (Naderifar, et al., 2017). The relatively small sample size of eight participants, while sufficient for thematic saturation, constrains the transferability of the research outcomes to broader contexts or larger banking populations, underscoring the necessity for prudence when applying the findings beyond the specific context of SVG's banking sector (Sim, et al., 2018; Hennink & Kaiser, 2022).

Chapter 4: Findings

4.1 Introduction

This chapter presents the findings from an in-dept analysis of the banking industry in SVG, specifically focusing on sustainability banking. The insights are drawn from two main source: interviews with professions directly involved with the banking sector and annual reports from the three commercial banks in SVG. The chapter begins by highlighting the themes and subthemes identified from the interviews. These discussions reveal the professionals' perspectives on challenges and opportunities of integrating sustainability banking practices.

Subsequently, the focus shifts to a detailed examination of the annual reports. This analysis provides a qualitative assessment of how sustainability is reported and actioned within the banks' operational and strategic frameworks. By juxtaposing the qualitative data from the interviews with the insights from the annual reports, the chapter offers a comprehensive overview of the current state and potential future of sustainability banking in SVG.

4.2 Presentation of Interviews Findings

The exploration of how participants interpret "sustainability banking", along with their perceptions and lived experiences regarding the current state of the banking sector and their concerns, revealed four key themes. Appendix 4, table 2 depicts the themes analysis of the interviews with the participants directly linked to SVG's banking sector. These themes include the following:

- **Green Finance Literacy**
- **Market Responsiveness to Sustainable Banking Products**
- **Risks Perceptions**
- **Regulatory and Government Collaboration**

1. Green Finance Literacy

Green finance is recognised for its distinct objectives compared to traditional finance, focusing on sustainable, environmentally friendly investments. It represents a shift in how financial products are tailored and managed with specific attention to their environmental impact.

Subtheme: Definition and Scope

Participants directly linked to SVG's banking sector understood the concept of 'green finance' as fundamentally different from traditional finance. When the participants talked about the banking sector's transformation into a sustainable or green industry, they indicated that this new concept of finance is grounded in environmental-friendly practices, but more awareness needs to be done through educational training.

> *It's the allocation of funding for environmentally friendly initiatives and not just economic benefits. (P1)*
>
> *The difference, because it is done with a particular intention, right? This intention often includes funding projects like solar installations and emission reductions, targeting opportunities within the existing portfolio of our clients to make an environmental impact. (P2)*
>
> *Traditional finance focuses more on making a profit. That is, ensuring that financial targets are met quarterly and annually. While green finance looks at how banking institutions facilitate in environmental projects for a better future. (P3)*
>
> *The allocation of funding for environmentally friendly initiatives or economic activities contrasting with traditional finance which lacks a dedicated sustainability focus. (P8)*

- ***Subtheme: Educational Initiatives:***

Participants agreed that educational initiatives about green finance and sustainability is crucial to build awareness of what the concept entails for the banking sector.

We again are involved in the seminars by the ECCB, to be able to have that knowledge of it. That initial conversation sets the groundwork. (P2)

There needs to be a bit more push by management in educating staff. A more holistic approach to learning these notions and relearning. (P5)

The one thing I've realised is that it requires a lot more analysis and understanding of theory. (P6)

2. **<u>Market Responsiveness for Sustainable Banking Products</u>**

The demand for green financial products varies across different client segments and is an indicator of market readiness and acceptance of sustainable practices. Customers' interest in products like solar financing reflects a growing consumer and business awareness towards sustainability.

- ***Subtheme: Limited Market Demand***

The participants noted limited but growing client interest in green products. Majority of the participants highlighted that the demand for green products is limited to solar energy solutions. Thus, this has led to a slow uptake of green finance products offered by banks.

We have spoken to a couple of the solar providers to partner with them, to do special financing packages. But, so far, we have partnered with one and we now offer lower interest rates on solar financing to customers. (P1)

There hasn't been a demand from our customer base. (P3)

Most of the approaches we've gotten, which is not much, is really for customers looking for solar-nothing more. (P5)

On the commercial side, I have not seen yet where there is a big part of a corporate's portfolio or corporate's intention to invest in green products. (P6)

- ***Subtheme: Institutional Response***

Participants indicated that due to the lack of demand by their clients for green products this has resulted in a slow progress in their financial institutions making progress towards such initiatives and sustainable investments. However, participants indicated that banks have taken initiatives that are aimed at reducing environmental impacts such as paperless bank statements.

We have the campaign running but it's not being pushed that much due to low interest. It's not that of a big thing right now. The bank has paperless statements as customers can view and download bank statements online. All transactions can actually be processed on our bank's online or mobile app by our clients. (P2)

We typically focus on traditional lending. There's not much to go on to warrant developing these services. (P3)

The fact that our customers are not so much aware of or demanding these products means that it's not high up on our agenda. (P4)

Going green is obviously a positive initiative but green financial products like green agriculture financing and electric vehicles financing is not something we've seen or focused on. Most banks have digital banking platform which aims to reduce the use of paper and customers travelling to visit bank branches. (P8)

3. Risks Perceptions

Various challenges hinder the full-scale implementation of sustainability banking and the provision of green financial products within the banking sector including perceived risks. Despite these risks, there is an eagerness to explore new opportunities within green finance to expand market reach and fulfil emerging client demands.

- ***Subtheme: Perceived Risks***

There's a candid discussion about the inherent risks associated with venturing into new areas of green finance and sustainable banking. (P1)

It has a bit more risk to it because it's not a section that we are all aware of. (P3)

It's not part of our strategic plan to be into green financing, but it is an area where we know we must exist if we're in that financial space. (P4)

I'm optimistic yet cautious about the future of green finance. (P5)

While the ESG benefits are compelling, let's not overlook the potential for 'greenwashing' risks and the difficulties in actually measuring long-term environmental impacts. (P8)

- ***Subtheme: Exploring New Opportunities***

  We recognise the importance of collaborating with various stakeholders such as other larger international bodies. We have mainstreamed ESG principles throughout our operations, which helps us to align with the United Nations' Sustainable Development Goals. (P1)

  Our country is highly vulnerable to climate change impacts. This creates a significant need for investments in climate resilience and so there should be opportunities there for green financing. (P2)

  Greening the economy will be a new opportunity for our financial institutions to grow. (P7)

  It's just a matter of financial institutions including it in their strategic priorities. (P8)

4. <u>Regulatory and Government Collaboration</u>

Collaboration between banks, government and other stakeholders is critical for developing a sustainable banking sector. Effective partnerships are necessary to create supportive policies and frameworks that facilitate green investments and sustainable economic growth.

- ***Subtheme: Financial Sector Unity***

  There is definitely a need for collaboration with government and larger institutions to drive green finance especially in leveraging policies and subsidies that can promote sustainable practices. (P2)

  It won't happen unless there's collaboration between the financial services sector and the government. (P4)

  Create regulatory frameworks that the banks or the ECCB can implement for lower interest rates for consumers who want to go green. (P7)

By working with stakeholders and putting in place the right policies framework to facilitate the allocation of funding for green finance which showcases a proactive approach in guiding institutions towards sustainable practices. (P8)

- ***Subtheme: Government Involvement***

There's a clear indication that government action or inaction significantly affects the pace and direction of green finance initiatives. (P5)

I'm not sure that the government is there thinking about a green economy. (P6)

We may be able to tap into facilities like green bonds and so on if we act as a region... we haven't done that because to become an issuer of these debt instruments, it really is geared towards more developing countries. (P7)

While there is optimism about the potential for green finance to grow, I am also realistic about the hurdles, notably the need for fiscal policies that support sustainable investment and the lack of bankable projects. (P8)

4.3 Presentation of Documents Findings

Themes from SVG's banks' Annual Reports: B1 2023, B2 2022 and B3 2023

The investigation of sustainability banking practices among the three banks in SVG using their most recent published annual reports (B1-2023 report, B2- 2022 report, and B3-2023 report) revealed significant differences in strategic emphasis across various themes and subthemes. These themes included Environmental Sustainability, Social Responsibility, Digital Transformation, Governance and Risk Management and alignment with Environmental Social and Governance (ESG) Principles and Sustainable Development Goals (SDGs). Appendix 5

depicts a table that summarizes the themes, subthemes and direct quotations drawn from the banks' annual reports.

- **Environmental Sustainability**

Starting with environmental sustainability, B3 stood prominently apart from the other banks with robust initiatives. B3 explicitly stated its ambitious goal "By 2025, the Group aims to lend, invest or arrange US$200 million to reduce the impacts of climate change across the region, with the strategic goal being to become the leading banking and financing partner in the Caribbean for activities related to renewable energy, climate adaptation and climate mitigation". Conversely, no explicit climate financing details were identified in the reports for B1 and B2. Additionally, B3 further distinguished itself by clearly reporting the implementation of its ESG data management system, notably launching an internal "greenhouse gas emissions tracking system," while B1 and B2 did not provide direct evidence regarding this aspect in their reports.

- **Social Responsibility**

In the realm of social responsibility, distinct priorities emerged among the banks. Notably, B3 actively participated in community development as it clearly mentioned that "We design programmes and initiatives aimed at strengthening our bonds with the communities we serve. Through partnerships with NGOs, we facilitate social investment and outreach programmes aimed at improving the lives of many" and detailed their "Partnership with the Rotaract Club of Kingstown, St. Vincent facilitated the upgrade of the Dubois Buccament Government School's reading area and support of the nationwide "Take one, Give one" literacy

programme." Conversely, B2 specifically emphasized financial inclusion and education as it was indicated that "We commenced integration of sales processes and promoted digital channels to ensure customers enjoyed banking at their fingertip." Moreover, B3 overtly supported youth and cultural development through sponsorship activities, notably becoming "the Title Sponsor of the Caribbean Premier League" and indicated "our fundamental, shared love of the sport of cricket and our deep-seated commitment to use our resources to safeguard heritage, preserve cultural and sporting traditions, and promote youth development as part of our primary goal of building successful societies". B1 provided similar details indicating, "Our support remained unwavering despite several business initiatives undertaken during the last year. We initiated sponsorships that contributed positively to various sectors within the community, thereby reinforcing our commitment to the suitable development of our people."

- **Digital Transformation**

This theme highlighted how banks adopted technological innovations to enhance their operations and customer services. B1 report stated its engagement in digital transformation by highlighting, "Innovative technologies are bringing about transformative changes across various industries; and the Banking industry is no exception" and the bank "has recognized this global trend and has strategically embarked upon a path of digitalization. As we navigate these unprecedented times, we can be sure that the future will be continuously shaped by this ongoing digital revolution. Vincentians must therefore be prepared to constantly adapt and innovate in order to thrive in this new age". Supporting this stance, B3 indicated its focus on digital solutions by emphasizing, "Our vision of Digital Transformation encompasses the strategic adoption of digital technologies, data-driven insights, and customer centric approaches to

improve the customer/employee experience, optimise services, and create personalised experiences". Conspicuously, B2 did not report such digital transformation initiatives.

Governance and Risk Management

The theme of governance and risk management practices showed clear strategic approaches among the banks. B1 reported, "The Group's enterprise risks are managed on an ongoing basis by assessing and benchmarking the key risk areas; continuously improving the governance structures and processes and by building invaluable partnerships with subject matter experts as part of the training and development of key personnel." Whereas B2 reported a direct strengthening of its risk and compliance framework post-acquisition, stating that "we progressed with our efforts towards strengthening the Risk Unit and the full implementation of the EWRM framework. We recruited a Risk Manager with the main responsibility of ensuring the full functionality of the EWRM framework'. Meanwhile, B3 articulated robust corporate governance measures, reporting, "The Group has 10 principles of corporate governance that summarise the objectives of the Board and provide a framework for the manner in which it functions and discharges its responsibilities."

ESG Principles and SDGs Alignment

B1 evidently integrated ESG principles into its operational strategy and undoubtedly aligned its activities with specific SDGs. The bank highlighted in its 2023 report that "We have established a Group Sustainability Unit with the responsibility for crafting ESG strategies and mainstreaming ESG principles throughout all facets of our operations. This Unit is responsible for upholding our commitments under the United Nations Environment Programme Finance

Initiative and providing transparent public reporting on our ESG and sustainability progress locally, regionally and internationally." Furthermore, B1 indicated specifically that "as a signatory to the Principles for Responsible Banking (PRB), the Group continues working towards alignment with the United Nations Sustainable Development Goals (SDGs) by using specified indicators as guidelines for developing Environmental, Social and Governance (ESG) initiatives and Corporate Social Responsibility (CSR) programmes. Most notably, SDG 17 – Partnership for the Goals, remains the overarching objective across the Group in recognition that all SDGs are equally important and interconnected, and require meaningful partnership and collaboration to be achieved." Remarkably, neither B1 nor B2 provided details similar to ESG integration or SDG alignments in their reports.

4.2 Analysis Summary

The research findings highlighted crucial insights into the perceptions and experiences of banking sector participants regarding sustainability banking practices. Four primary themes emerged from the interviews: Green Finance Knowledge, Market for Green Products, Risks and Innovation and Regulatory and Government Collaboration. Each theme encapsulated meaningful aspects of the sustainability banking trajectory in SVG. Participants acknowledged the necessity for extensive expertise and education in green finance to foster sustainable investments. In addition, they highlighted the constrained market demand for green products, which influences the rate of adopting sustainable financial solutions. Thus, the inherent risks and the capacity for innovation in green finance were recognised as essential elements affecting strategic decisions within banks. As a result, the success of sustainability initiatives in the banking sector is significantly reliant on effective collaboration between financial institutions, government bodies and other stakeholders. Hence, this underscores the need for supportive policies and frameworks to promote green investments and sustainable economic growth.

Appendix 4, table 2 depicts the themes analysis of the interviews with the participants directly linked to SVG's banking sector.

Furthermore, the detailed examination of the annual reports from the three commercial banks in SVG revealed diverse strategic focuses on sustainability banking. As indicated in the 2023 and 2022 reports, there was a noticeable divergence in emphasis across several key themes, including Environmental Sustainability, Social Responsibility, Digital Transformation, Governance and Risk Management as well as alignment with ESG Principles and SDGs. Notably, Bank 3 emerged as a leader in environmental initiatives, with clear commitments to climate financing and the implementation of an ESG data management system. On the social front, the banks demonstrated varying levels of engagement, with B3 particularly active in community development and cultural sponsorships. Also, Digital Transformation was highlighted as crucial for B1 and B3, who leveraged technology to enhance customer experiences and operational efficiencies. Moreover, Governance and Risk Management practices exhibited unique approaches among the banks, each tailoring its strategy to manage enterprise risks and compliance frameworks effectively. Finally, B1 was particularly notable for its integration of ESG principles and its alignment with SDGs, showcasing a deep commitment to sustainable banking practices. Thus, these variations in strategic directions not only highlighted the individual approaches by banks to weaving sustainability into their core operations but also emphasized the dynamic nature of sustainability banking in SVG.

Chapter 5: Analytical Discussion

This chapter interprets the research findings, discusses their implications and compares them with existing literature as well as highlighting the strengths and limitations of the current study. As such, this interpretation explores the findings derived from the semi-structured interviews and document analysis conducted in St. Vincent and the Grenadines within the banking sector. The discussion emphasizes critical areas to sustainability banking, including green finance literacy, market responsiveness to sustainable banking products, perceived risks and regulatory frameworks. It is through this comparative evaluation that this chapter seeks to identify practical insights and proposes potential avenues for further research.

5.1 Interpretation of Findings

Green Finance Literacy

The findings from this research reveal a noticeable gap in green finance awareness among banking professionals in SVG. While participants clearly acknowledge the significance of sustainable banking, they consistently emphasize the dire necessity for targeted educational and professional training initiatives.

Consistent with these findings, Weber & Feltmate (2016) explicitly highlight the pivotal role of financial literacy in promoting sustainable banking. Specifically, they argue that inadequate understanding hampers effective integration of sustainability in financial institutions. Additionally, Idris, et al., (2023), through bibliometric analysis, affirm the magnitude of financial literacy as an influential factor in promoting sustainability, accentuating the need for comprehensive financial education to enhance sustainability banking outcomes.

Moreover, Abad-Segur & González-Zamar (2019) emphasizes the global impact of financial education, arguing that it substantially boosts creative entrepreneurship, innovation and sustainable development. Thereby, indirectly reinforcing the adoption and effectiveness of sustainable financial practices.

Market Responsiveness for Sustainable Banking Products

The present study identifies limited consumer engagement with sustainable banking products in SVG, notably constrained to solar financing initiatives. Institutional responses have mirrored this limited market demand, resulting in slow progress towards broader sustainable banking initiatives. Respondents frequently cite major barriers, including high initial investment costs and uncertainties about the long-term financial viability of green banking products. These observations align closely with existing literature.

According to Ahmad, et al. (2024), factors such as consumer awareness, financial incentives and product clarity as pivotal in influencing market responsiveness to green banking adoption. In addition, Bose, et al. (2017), argue for structural financial incentives and robust consumer education as extremely important strategies to increase market participation. They suggest that clear communication of both financial and environmental benefits is essential in overcoming consumer scepticism. Danladi, et al. (2023), complement these perspectives by highlighting collaborative financial technological solutions like mobile banking, digital payment platforms and blockchain technology. These technologies can be utilized as essential tools for improving financial service accessibility as well as encourage broader market engagement. Choudhury, et al. (2013), reinforce the role of stakeholder collaboration in successfully developing and promoting green banking products, with an emphasis on how crucial it is to involve various stakeholders to increase market acceptance and product uptake.

Perceived Risks and Green Financing Innovation

The research participants highlighted perceived risks primarily related to uncertainty and limited strategic clarity within the banking sector regarding green finance. Participants expressed concerns about the inherent risks in venturing into relatively unfamiliar financial territories, emphasizing caution due to limited sectoral awareness. This cautious approach stems from concerns about financial viability, regulatory uncertainty, strategic ambiguity and potential reputational risks associated with greenwashing. The concept of greenwashing refers to misleading stakeholders by overstating the environmental practices or benefits associated with a company's products or services (Delmas & Burbano, 2019; Sun, et al., 2024). The current literature corroborates these findings of perceived risks linked to the SVG banking sector. Delmas & Burbano (2019), discuss worldwide issues relating to greenwashing, emphasizing its capacity to severely harm institutional reputation and deter engagement in sustainable projects. Sun, et al. (2024), further elaborate on how policy uncertainty fuels greenwashing behaviours, which suggests that clear and stable regulatory frameworks could mitigate these risks.

Nonetheless, participants showed optimism about exploring new opportunities within green finance despite perceived risks. They recognized the importance of stakeholder collaboration and strategic alignment with ESG principles and the United Nation's SDGs. One participant remarked, "We recognize the importance of collaborating with various stakeholders such as larger international bodies. We have mainstreamed ESG principles throughout our operations". Another noted the climate vulnerability of SVG, suggesting the potential for investments in climate resilience. These statements reflect a strong recognition of potential benefits and strategic value of investing in sustainability. Furthermore, participants underscored the necessity for financial institutions to embed sustainability into their strategic

priorities as indicated by P8 “It’s just a matter of financial institutions including it (sustainable banking practices or green finance) in their strategic priorities”.

The literature supports these findings by suggesting that strategic alignment with sustainability goals and robust risk management can notably strengthen sustainable growth opportunities in the banking sector. According to Sulastri, et al. (2023), banks that balance effective risk management with sustainability focused policies often find themselves well-positioned to capitalize on emerging market opportunities related to sustainable finance initiatives including green loans, climate resilience investments and ESG-aligned products. Hence, aligning strategic planning with sustainability initiatives, including the establishment of clear ESG criteria and adherence to global sustainability standards, is crucial. It not only positions banks to manage their internal and external risks more effectively but also improves their competitiveness by differentiating their offerings in the market through sustainability branding and innovation.

Regulatory and Government Collaboration

Participants indicate that collaboration among banks, government entities and broader stakeholders is needed for the successful development of SVG sustainable banking sector. Effective partnerships were identified as crucial for establishing supportive policies and frameworks to facilitate green investments. A respondent noted that, “There is definitely a need for collaboration with government and larger institutions to drive green finance, especially in leveraging policies and subsidies that can promote sustainable practices”. Further, participants suggested practical regulatory frameworks such as lower interest rates for consumers pursuing green initiatives and proactive policymaking to guide funding allocations towards sustainability. Concerns were also raised about government readiness and proactive thinking

about sustainability. Additionally, there was an acknowledgement of potential opportunities such as regional access to green bonds, contingent upon a collaborative governmental action and favourable fiscal policies.

These findings resonate with existing literature. Appropriately, Nitescu & Cristea, (2020), argue that effective regulatory frameworks established by governments are fundamental in mitigating risks associated with green finance such as greenwashing and promoting sustainable investment practices. Sun, et al. (2024), added that stable regulatory policies help to guide and motivate genuine green strategies within financial institutions. Moreover, regulations play an important role in ensuring transparency and trust in sustainable banking practices (Delmas & Burbano, 2019).

5.2 Connection Between Interview Findings and Document Findings

The findings from the interviews and document analysis reveals notable correlations and discrepancies between the viewpoints of banking professionals and the sustainability strategies outlined in banks' annual reports.

One of the strongest connections lies in terms of Green Finance Literary. Both data sources highlight a growing awareness of sustainable banking practices but acknowledge a significant gap in education and training. Participants in the interviews highlight the necessity for internal training and customer awareness, which corresponds with the banks' limited references to structured sustainability education programs in their reports.

Similarly, the theme of Market Responsiveness for Sustainability Banking Products reflects consistency across both sources. The interviews indicate a minimal demand for green banking products, aside from solar financing. This finding was echoed in the annual reports, which indicate that only one bank (B3) explicitly commits to climate financing initiatives. The

documents provide some evidence of sustainability-focused initiatives, but these are not widely reported or embedded across all banks which reflects a cautious approach to market expansion in green finance and sustainability banking.

Another area of alignment is the Perception of Risks in Green Financing theme. Interviews reveal scepticism among the banking professionals about the possibility of sustainable banking due to financial uncertainties and regulatory concerns. This is indirectly reflected in the annual reports, where only one bank (B3) appears to take a proactive approach in integrating sustainability into its core financial strategies, while the others remain more traditional in their lending and investment priorities.

Nonetheless, there are also notable discrepancies between the two data sources. Interviewees highlighted the importance of the regulatory and government collaboration theme; however, it is not prominently reflected in the banks' reports. While interview participants stressed the need for government policies and incentives to drive green finance adoption, the annual reports did not openly outline collaborations or policy-driven strategies for sustainability banking. This suggests a possible gap between institutional expectations and actual policy engagement.

Another discrepancy arises with regards to Environmental Sustainability Practices. While some participants during the interviews expressed reservations about the practical implementation of green initiatives, the annual reports, particularly from B3, present a more optimistic narrative. As B3's annual report outlined a strategic commitment to climate financing and ESG data tracking. This implies that while sustainability is being promoted at the corporate level, its integration at the operational level may still be developing.

5.3 Strengths and Limitations of the Findings

This research exhibits several notable strengths that contribute to the understanding of sustainability banking practices in SVG. One principal strength is the integration of multiple data sources, combining qualitative insights from semi-structured interviews with a detailed analysis of banks' annual reports. This triangulation enhances the validity of the findings, providing a comprehensive understanding of both operational and strategic perspectives in sustainability banking. Another strength is the timely relevance and practical application of the findings. The themes identified align closely with current global trends in sustainable finance, which accentuate critical areas such as green finance literacy, market responsiveness, perceived risks and regulatory frameworks. These themes reflect contemporary issues relevant to stakeholders in the banking sector, policymakers and academia, allowing for targeted strategies and informed analysis.

Despite these strengths, the study faces several limitations that must be acknowledged. First, the relatively small sample size of interviewees restricts generalisation. While the insights derived are deeply informative, a broader sample encompassing additional banking professionals, government officials, and customers would provide a more robust representation of perspectives. Secondly, the reliance on publicly available reports may pose limitations in capturing the complete spectrum of internal sustainability initiatives. These reports often reflect information selectively disclosed by banks, potentially omitting challenges and shortcomings or other relevant internal factors. Consequently, the findings based on these documents may present a somewhat idealized view of sustainability practices. Moreover, the cross-sectional nature of the study provides only a snapshot at a particular point in time, limiting insights into long-term trends and changes within the banking sector's sustainability practices. Thus, longitudinal studies could yield deeper understanding of how sustainability banking evolves over time and the factors that influence these shifts.

Chapter 6: Conclusion

This research set out to analyse the state of sustainability banking in St. Vincent and the Grenadines (SVG), with a particular focus on the integration of Environmental, Social and Governance (ESG) principles. The study aimed to assess the extent of sustainable banking implementation, identify barriers hindering its adoption and recommend policies and financial instruments that could improve the banking sector's sustainability practices. Given the increasing global emphasis on sustainable finance, understanding SVG's unique challenges and opportunities in this domain is crucial for fostering long-term economic resilience.

6.1 Summary of Major Findings

The study's findings highlight that while banks in SVG are gradually incorporating sustainability principles, there is a disparity in the depth and consistency of these initiatives. The key findings include:

- A varying degree of ESG integration across banks, with some institutions demonstrating proactive sustainability commitments while others maintain a traditional banking approach.
- Limited public awareness and low demand for green finance products, resulting in slow adoption.
- Absence of formal regulatory framework mandating sustainability reporting and ESG compliance.
- Perceived financial and reputational risks associated with green investments, influencing banks' reluctance to fully engage in sustainable finance.
- Digital transformation has played a role in advancing sustainable banking practices by reducing paper usage and enhancing accessibility.

The following is a summary of the findings as it related to the research questions of this study:

1) **RQ1- To what extent do banking institutions in St. Vincent and the Grenadines integrate sustainable banking strategies and ESG principles into their financial operations?**

The research found that while banks in SVG have begun integrating sustainable banking strategies, the depth of this integration varies. One bank (B3) emerged as a leader in sustainability, explicitly outlining climate finance goals and ESG data tracking initiatives. In contrast, other banks (B1 and B2) exhibited more limited commitments, with ESG considerations either absent from their reports or loosely incorporated into broader corporate social responsibility (CSR) initiatives. The adoption of digital transformation as part of sustainable banking was evident with banks leveraging technology to enhance service efficiency and reduce environmental impacts.

2) **RQ2- What are the main barriers hindering the adoption and expansion of sustainable banking and green finance initiatives in St. Vincent and the Grenadines?**

The key barriers identified include limited green finance literacy, market demand constraints, regulatory gaps and perceived financial risks.

- Limited Green Finance Literacy: A lack of technical knowledge among banking professionals has impeded the expansion of sustainability-aligned financial products.
- Market Demand Constraints: Sustainable banking products remain underutilized as customers seem to have limited awareness and interest in green finance options.

- Regulatory Gaps: While the Eastern Caribbean Central Bank (ECCB) has acknowledged the importance of sustainable finance, no robust regulatory framework exists to incentivize green investments in SVG.
- Perceived Financial Risks: Banks remain cautious about financing green initiatives due to concerns over profitability, market stability and potential reputational risks linked to greenwashing.

3) **RQ3: What policies, financial instruments, and regulatory frameworks are needed to strengthen sustainable banking and green finance in St. Vincent and the Grenadines?**

To advance sustainable banking, a multi-stakeholder approach is required. Regulatory bodies can introduce targeted policies such as tax incentives for green investments and mandatory ESG reporting standards. In addition, the creation of green finance products tailored to socio-economic realities of SVG such as subsidized green loans for renewable energy adoption could enhance accessibility and engagement. Public-private partnerships should also be leveraged to facilitate green investment and consumer education initiatives.

6.2 Reflections on the Research Process

This study was completed by employing a qualitative methodology, this enabled an in-depth exploration of industry perspectives and institutional practices. The combination of interviews and document analysis ensured methodological rigour, allowing triangulation of data. However, this study was not without limitations. The small banking sector of SVG resulted in a limited pool of participants, restricting the generalization of the findings. Although thematic analysis provided rich insights, the study was reliant on participant responses, which

could be influenced by biases or knowledge gaps. While the research explored qualitative aspects of sustainability banking, a quantitative assessment of financial impact could provide a more comprehensive evaluation of ESG integration outcomes. Despite these limitations, the study contributes valuable exploratory awareness into the evolving sustainable banking landscape in SVG.

6.3 Recommendations

The following are suggested recommendations after analysing the findings of this research:

1. Regulatory Incentives for Sustainable Banking Adoption:
    - ✓ Introduction of tax incentives for banks and their customers for sustainability-linked loans and green investment products.
    - ✓ Mandate sustainability reporting standards for financial institutions to enhance transparency and accountability.
2. Financial Education and Capacity Building:
    - ✓ Banks could invest in training programs for employees to improve their knowledge of green finance and ESG frameworks.
    - ✓ Public financial literacy programs and initiatives could be launched to educate clients on the benefits of sustainable banking products and thereby increasing demand.
3. Expand the Market for Green Financial Products:
    - ✓ Banks could explore innovative financing models such as green bonds or sustainability-linked loans to attract environmentally conscious investors.

- ✓ Increase collaboration with regional financing bodies (ECCB) to integrate sustainability banking into broader financial sector policies.

4. Strengthen Public-Private Collaboration:
    - ✓ Encourage partnerships between banks, government and renewable energy firms to create a more accessible financing options for sustainable projects.

6.4 Future Research Directions

While this study has contributed to valuable insights into sustainability banking in SVG, further research is needed to deepen understanding. Future studies could:

- ✓ Conduct longitudinal research to track progress of sustainability banking over time and assess policy impacts.
- ✓ Expand the sample size to include policymakers and customers, thereby incorporating broader perspectives.
- ✓ Employ quantitative methods to measure financial performance of banks that integrate ESG strategies compared to those that do not.
- ✓ Explore the social dimensions of sustainability banking, particularly its impact on financial inclusion and poverty alleviation in SVG.
- ✓ Analyse sustainable banking adoption across multiple Caribbean SIDS to help identify regional best practices and common challenges.

6.5 Contributions of the Research

This study contributes to the academic and practical understanding of sustainability banking in Small Island Developing States (SIDS). While extensive literature exists on sustainable banking in developed economies, limited research has explored its adoption in

Caribbean financial systems. Thus, by identifying key barriers and opportunities specific to SVG, this research fills an essential knowledge gap. Additionally, the study contributes to policy discussions by outlining actionable recommendations for fostering sustainability in banking operations. The findings provide a reference point for policymakers, financial regulators and banking professionals seeking to develop strategies that align with international sustainability frameworks while considering local economic realities. Hence, this research underscores the need for stronger regulatory interventions, enhanced capacity building and increased stakeholder collaboration to promote a more resilient and sustainable banking sector in St. Vincent and the Grenadines. As such, by shedding light on these critical areas, this study sets the foundation for continued academic inquiry and industry transformation in sustainable finance. Future studies should continue to build on these findings, offering further insights into how small economies can overcome barriers to sustainable banking and transition toward more responsible financial systems.

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Appendices

Appendix 1: Table 1 Overview of terminologies used in the literature on sustainability banking

(Source: Riegler, 2023, p 15-18)

No. Author	Year	Definition
(Jeucken & Bouma, 1999, S. 28)	1999	Sustainable banking involves the integration of two key manifestations: socially and environmentally responsible initiatives and integration of environmental and social considerations into business strategies and product design. Incorporating environmental criteria into investments and lending may involve price differentials for customers.
(Bouma et al., 2001)	2001	Sustainable banking provides financial capital and risk management that is provided to products, projects and organizations that promote (or at least do not harm) economic prosperity, social equity and environmental protection.
(Alsina, 2002)	2002	Ethical banks are those that seek to finance profitable economic activities that also have a positive social impact. Ethical banking is part of the solidarity enterprise movement
(Sasia & De la Cruz, 2008)	2008	Ethical banks consist of a heterogeneous group of banking institutions that specialize in financing the most disadvantaged groups, social economy enterprises, non-governmental organizations and companies that behave responsibly towards their human, social and natural environment
(Earhart et al., 2009, S. 4–5)	2009	Sustainable banks have implemented policies and practices that reflect corporate social responsibility (CSR) and have incorporated environmental, social and governance (ESG) principles into their regular business operations. Profitability comes from focusing on explicitly sustainable businesses that provide social, environmental and cultural benefits and enable true economic growth by financing only those businesses and projects that serve sustainability
(Jeucken, 2001)	2001	Sustainable banks are those that offer sustainable products to their customers and promote socially responsible investments. They are assessed by stakeholders based on economic and social performance. Green financial institutions refer to the financial institutions whose external and internal operations, – strategic goals, day-to-day activities, products and services, investment policies, and risk management – the process of decision-making and selection process of stakeholders show respect to the components and the environment, and the society's interests.
(GABV, 2012)	2012	Sustainable banks deliver products, services and social, environmental and financial returns to support the real economy. They have decades of experience and can demonstrate a consistent commitment to productive economic activity.
(Polonskaya & Babenko, 2012	2012	Sustainable banking provides an opportunity for the creation of innovative products and services that brings positive social and environmental advantages, such as renewable and more efficient energy, cleaner production processes and technologies, microfinance, biodiversity conservation, provision of financial services for marginalised groups (such as for youths and women), low-income housing, and agency banking.

(Singh & Singh, 2012	2012	Green banking is when normal banking operations take into account additional social and environmental factors to ensure environmental sustainability and proper use of natural resources.
(Salzmann, 2013, S. 11)	2013	A sustainable bank – also known as ethical, social, alternative, or civic bank – attends to the social and environmental effects of its investments and loans.
(Bundesverband deutscher Banken e.V, 2014, S. 7) 2	2014	Sustainable banks are economically successful in the long term and at the same time act ecologically and socially.
(Rebai, 2014)	2014	Sustainable banking is defined as "a trustworthy banking system that takes into account all internal and external stakeholders, taking into account financial and non-financial factors. It ensures an intermediation activity that takes into account, in particular, social and environmental aspects with short, medium and long term time horizons. It creates ethical values and contributes to the stability and soundness of the financial system by appropriately managing various risks and striving for a continuous and optimal balance between the interests of its stakeholders.
(Stankeviciene & Nikonorova, 2014)	2014	Sustainable banking can be seen as a value system that ensures that banks' business is not only beneficial to their employees and shareholders, but also to customers and the economy as a whole. In addition, through concrete action, harmful effects on society and the environment are avoided or reduced to a minimum.
(Bouma et al., 2017)	2017	Sustainable banking can be defined as that which provides financial capital and risk management for projects and institutions that promote environmental protection, economic progress and social justice. It is about letting the bank's strategy, projects, operations, products, and services be guided by the principles of sustainability to achieve positive social, environmental, and economic impacts to promote sustainable development. For example, innovative products and services that promote financial inclusion by targeting specific groups (e.g., women, the poor, etc.), support education financing, or encourage the purchase of environmentally friendly products (e.g., green credit cards) can significantly accelerate the achievement of the SDGs.
(Bouma et al., 2017)	2017	Sustainable banking includes the areas, environmental policies of banks, the importance of transparency and communication between banks and their stakeholders, and the key role of governments, non-governmental organizations and multilateral banks in achieving sustainability. The concept of sustainability is divided into three key factors: environmental, social and governance.
(Deloitte, 2017, S. 4–5	2017	Sustainable banking is the integration of environmental, social and governance (ESG) into traditional banking operations. As of today, it is assumed that the operational and business activities of banks are carried out with conscious consideration of environmental and social impacts. Banking institutions implement sustainable banking both in their internal day-to-day operations (in terms of how they manage their physical branches/locations, human capital, costs, opportunities and risks) and in their activities related to external interactions with their customers and the projects they finance.
(Pathak & Tewari, 2017, S. 110–111)	2017	Through the support of governments around the world, banks have begun to play a prominent positive role in the process of sustainable development. Through innovative and more sustainable financial products, on the one hand, their own business activities are made more environmentally friendly, and on the other hand, financial flows

		are managed in the sense of positive impact finance. As a result, through their actions, banks have the opportunity to reduce income inequality, increase savings rates, boost farmers' yields and alleviate hunger among the population. Banks can also contribute to gender equality and access to clean water
(Raut et al., 2017, S. 551)	2017	A trustworthy banking system accounting for all its internal and external stakeholders considering financial and non-financial factors. It ensures intermediation activities that care in particular about social and environmental aspects with short, medium and long-term horizons. It establishes ethical values and contributes to the stability and soundness of the financial system by adequately managing various risks as well as seeking continuous and optimal trade-of among its stakeholders' interests.
(Bose et al., 2018)	2018	"Green banking" includes implementing, supporting and promoting environmentally friendly practices and reducing the carbon footprint in banks' internal and external activities.
(Shamshad et al., 2018)	2018	Sustainability in banks describes three spheres - environmental, economic and social. Accordingly, environmental sustainability involves the bank restructuring its activities to promote environmental friendliness by minimizing water consumption, using less paper, using renewable energy, and ensuring that lending is only done to support environmentally friendly projects, such as investing in green funds, green bonds, etc. Economic sustainability addresses the aspects of a bank's operations and support of the economy. This includes corporate philanthropy, consideration of sustainability parameters, clarity of banking operations, governance and standards, and making economically viable investments.
(Climent, 2018, S. 4)	2018	Sustainable banking is an alternative form of banking in which ecological, sustainable, ethical and social values are central components of the business strategy. By ethical banking, he means banking institutions that specialize in financing the most disadvantaged groups, social economy enterprises, non-governmental organizations and companies that behave responsibly towards their human, social and natural environment. Furthermore, they strive to finance profitable economic activities that also have a positive social impact.
(San-Jose et al., 2018	2018	The sustainability of banks can be described as the ability to balance their own development and contribution to society with available resources. Dapei economic efficiency reflects the ability of banks to use available resources to generate profits.
(Zhixia et al., 2018, S. 573)	2018	Green banking is a form of banking activity where the banks take initiative to do its daily activates as a conscious being in the society by considering in-house and external environmental sustainability. The banks who do such type of banking activities is termed as socially responsible and a sustainable bank or green bank or ethical bank. Such type of banking is not only limited its in-house green activities rather it helps to make the environment green and viable through facilitating green financing.
(Costa-Climent & Martinez-Climent, 2018, S. 6)	2018	A sustainable bank promotes stakeholder sustainability in its internal and external activities. It does this by using environmental, social or cultural concerns when selecting ethical investments and by supporting community improvement activities. This requires a view of the environment, the company's purpose, and its desired role in society. In doing so, sustainable banks accept lower profit margins

		and take more risks, provided the activities undertaken are worthwhile from a sustainable perspective.
(Costa-Climent & Martinez-Climent, 2018, S. 6)	2018	Sustainable banks have a willingness to forgo maximizing margins and are generally willing to take higher risks to promote certain activities. In doing so, they apply risk-independent premium differentiation - which is not applied in the current system because the risk is too high and the earnings too low.
(Yip & Bocken, 2018, S. 150)	2018	Sustainable banking is defined as the delivery of "financial products and services, which are developed to meet the needs of people and safeguard the environment while generating profit.
(Bayer et al., 2019, S. 659)	2019	An ethical bank explicitly promotes socially responsible investment strategies, for example, by excluding specific harmful industries such as the arms, gambling, pornography, tobacco, alcohol, and nuclear energy industries, as well as firms that violate labour legislation or human rights, contribute to environmental pollution or destruction, or are involved in corruption.
(Kumar & Prakash, 2019)	2019	Sustainable banking implies carrying out banking business by incorporating environmental social and ethical considerations into business strategy and promoting sustainable development. "Sustainability in banking can be adopted by banks in two ways; first through the adoption of environmental and social responsibility in a bank's day to day operations by undertaking environmental consideration initiatives (i.e. zero waste, paperless banking, energy efficiency techniques, etc.) and social development initiatives (e.g. financial inclusion efforts, financial literacy, community welfare programme, etc.). Second, by incorporating environmental and social considerations into the bank's core strategy (i.e. environmental and social impact criteria into financing activities, development of sustainable financial products, etc.)
(Kumar & Prakash, 2019, S. 4)	2019	Sustainable banking means incorporating environmental, social and ethical considerations into business strategy when conducting banking operations and promoting sustainable development.
(Bayer et al., 2019)	2019	Unlike conventional banks, social banks conduct their business with the aim of creating positive social, environmental or sustainable benefits." This includes incorporating moral principles into the overall business strategy and creating a corporate culture in which investments, customers and employees are treated ethically and with care.
(European Commission, 2020)	2020	In the EU's policy context, sustainable finance is understood as finance to support economic growth while reducing pressures on the environment and taking into account social and governance aspects. Sustainable finance also encompasses transparency when it comes to risks related to ESG factors that may have an impact on the financial system, and the mitigation of such risks through the appropriate governance of financial and corporate actors.
(Nwagwu, 2020, S. 4)	2020	Sustainable banking combines profit maximization with social and environmental concerns in business operations, credit risk management, and investment decisions to create positive value for society. It is based on the principles of responsible business practices, shared value, and the triple bottom line of environmental, social, and governance (ESG) to address negative footprints and contribute to the transformation of society while remaining profitable.

(Nwagwu, 2020, S. 5)	2020	Sustainability in the banking sector can be said to mean the overall development of environment, economy and society with the help of innovative methods such as green finance, green credits, less paper consumption, green service counters, unique financial inclusion products and services, education and health care packages for the poor, etc.
(Tan & Tsionas, 2020, S. 4)	2020	Sustainability at banks describes the ability to strike a balance between their own development and contribution to society with the available resources.
(Tan & Tsionas, 2020, S. 2)	2020	In the banking sector specifically, we argue that sustainability development mainly concerns the issue of self-development, as well as contributing to the development of social welfare. Self-development mainly involves performance and stability. Therefore, less volatility of non-performing loans ratios will contribute to the self-development of banks and further improve sustainability development.
(Xu, 2020)	2020	Sustainable banking provides financial products and services that allow incorporating the poorest people into the financial market. Sustainable banking also generates trust, necessary for developing financial markets. Both elements improve financial inclusion, which increases financial development, especially in developing countries.
(Da Silva Inácio & Delai, 2021)	2021	Sustainable finance is the inclusion of short-, medium- and long-term environmental, social and governance issues in project financing products, services and practices of any financial organisation.
(Da Silva Inácio & Delai, 2021, S. 18)	2021	A sustainable bank can generate several positive impacts, both in the economic, social and environmental spheres. The main impacts that can be cited are contribution to economic development, poverty reduction, financial inclusion, promotion of social well-being and prevention of environmental risks through preservation.
(wbcsd, 2021, S. 51)	2021	Sustainable finance is when all capital and financial products and services are mobilized in a way that helps support sustainable development.
(Da Silva Inácio & Delai, 2021, S. 10)	2021	We propose that a sustainable bank is a bank that offers products, services and practices that contribute to sustainable development, benefiting the environmental, social and economic dimensions in the short, medium and long term.
(Venanzi & Matteucci, 2021, S. 2)	2021	As an expanded and operationalized sustainability concept, sustainable banking is defined as incorporating lending in green/ethical sectors but also on other broader attributes such as, Ensuring financial stability, reducing systemic risk, supporting the real economy, reduction of business risk, accurate and rigorous assessment of the creditworthiness of borrowers, Long-term horizon in strategies/policies, ensure best practices in corporate governance and incorporating ESG risks into their risk management systems.

Appendix 2: The United Nations 17 Sustainable Development Goal (SDGs) used in the literature on sustainability banking.

Source: (United Nations, 2015)

Sustainable Development Goals

Goal 1. End poverty in all its forms everywhere

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10. Reduce inequality within and among countries

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts*

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Appendix 3: Participant Agreement Form

Source: University of Wales Trinity Saint David

Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Participant Name: _____

Interviewer Name: Ms Suzanna Greaves

Interviewer Programme of Study: MBA Sustainability Leadership

Research Learning Supervisor: Laura James (UWTSD)

Participation Agreement to be interviewed:

I agree to participate in the research concerning "*An analysis of St. Vincent and the Grenadines Banking Sector for Sustainability Banking*". I understand that the purpose of this study is to examine my experiences/understanding of the banking sector and green finance role within the banking sector of St. Vincent. I understand that this will involve me in a 45–*60-minutes* interview.

I understand that this interview will be recorded and transcribed for use only by *Suzanna Greaves* for the MBA programme at the University of Wales Trinity Saint David.

I understand that my name or any reference to my identity will be kept anonymous in this study and for any subsequent use I will be asked again for my consent. I understand that use storage of the recordings and transcriptions relating to this interview will be anonymous; safely secured and not be used for any other purpose than this study and will be subsequently destroyed after the use intended here.

I understand that I may withdraw from the study at any point with all records of my contribution removed without having to provide a reason.

Interviewee Signature:

Interviewer Signature:

Date of Interview:

Appendix 4: Themes Analysis of Interviews

Table 2: Illustrating Emerging Themes from Interviews

Themes	Subthemes	Key Insights
Green Finance Knowledge	Definition and Scope	Participants recognized green finance as different from traditional finance, focusing on environmentally friendly practices. More awareness and education are needed.
	Educational Initiatives	Educational initiatives are crucial for building awareness of green finance within the banking sector.
Market for Green Products	Limited Market Demand	Demand for green products is currently limited mostly to solar energy solutions, with slow uptake overall.
	Institutional Response	Financial institutions show slow progress towards green initiatives due to low client demand.
Risks and Innovation in Green Financing	Perceived Risks	Participants discussed the inherent risks in new areas of green finance and the potential for 'greenwashing'.
	Exploring New Opportunities	Opportunities in greening the economy are recognized, aligning with global sustainability goals.
Regulatory and Government Collaboration	Financial Sector Unity	Collaboration with government and larger institutions is seen as essential for driving green finance.
	Government Involvement	Government action or inaction significantly affects the pace and direction of green finance initiatives.

Appendix 5: Themes Analysis of Documents

Table 3: Illustrating Emerging Themes from Commercial Banks' Annual Reports

Themes	Subthemes	Supporting Quotations and Codes
Environmental Sustainability	*Climate Financing*	"By 2025, the Group aims to lend, invest or arrange US$200 million to reduce the impacts of climate change across the region, becoming the leading banking partner for renewable energy, climate adaptation, and mitigation" (B3). No direct evidence found in reports for B1 and B2.
	ESG Data Management	"The Group launched the ESG Group Data Management platform and implemented an internal greenhouse gas emission tracking system" (B3). No direct evidence found in reports for B1 and B2.
Social Responsibility	*Community Development Initiatives*	"Through partnerships with NGOs, we facilitate social investment and outreach aimed at improving lives" (B3). No direct evidence found in reports for B1 and B2.
	Financial Inclusion and Education	"We commenced integration of sales processes and promoted digital channels to ensure customers enjoyed banking at their fingertips" (B2). No direct evidence found in reports for B1 and B3.
	Youth and Cultural Development	"The Republic Group chartered new territory as the Title Sponsor of the Caribbean Premier League, using resources to safeguard heritage, preserve cultural and sporting traditions, and promote youth development" (B3). No direct evidence found in reports for B1 and B2.
Digital Transformation	*Technological Innovations and Automation*	"Innovative technologies are bringing transformative changes across industries; BOSVG has strategically embarked on digitalization to thrive in this new age" (B1). No direct evidence found in reports for B2, while B3 supports this with digital solutions.
	Digital Banking Solutions	"Our vision encompasses strategic adoption of digital technologies and data-driven insights to improve customer experience and optimize services" (B3). No direct evidence found in reports for B1 and B2.
Governance and Risk Management	*Risk and Compliance Framework*	"Following acquisition, we strengthened our Risk and Compliance framework, implementing an Enterprise-Wide Risk Management (EWRM) framework" (B2). No direct evidence found in reports for B1 and B3.
	Corporate Governance	"The Board ensures integrity in financial reporting, establishing values, and codes of conduct and ethics to safeguard against unauthorized use or disposition of assets" (B3). No direct evidence found in reports for B1 and B2.
ESG Principles and SDG Alignment	*ESG Integration*	"The Group launched the ESG Group Data Management platform and implemented an internal greenhouse gas emission tracking system" (B3). No explicit ESG integration evidence found in reports for B1 and B2.
	SDG Alignment	"Our ESG initiatives support several Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals)" (B3). No direct evidence found in reports for B1 and B2.