



The Relationship Between Environmental Protection and Sustainable Corporate Social Responsibility: Evidence from Equity Bank Limited

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Abstract

This study examined the relationship between environmental protection and sustainable corporate social responsibility within Equity Bank Limited. The study was guided by the need to understand how environmental management practices influence CSR sustainability outcomes in the banking sector. A descriptive correlational case study design was adopted. Data were collected from 212 valid responses drawn from a sample of 250 employees across selected branches in Busia and Kakamega Counties. The study applied structured questionnaires measured on a five-point Likert scale, supported by pilot testing to improve reliability and validity. Data analysis involved descriptive statistics, Pearson correlation, and simple linear regression using SPSS version 28. The findings revealed that environmental protection practices are positively perceived among employees, with an aggregate mean score of 3.74. Correlation analysis indicated a moderate positive relationship between environmental protection and corporate sustainability ($r = 0.478$, $p < 0.01$). Regression results showed that environmental protection significantly predicted corporate sustainability ($\beta = 0.478$, $p < 0.001$), explaining 22.8% of the variation in sustainable CSR outcomes. The study concludes that environmental protection plays a significant role in strengthening sustainable CSR performance in banking institutions. It recommends enhanced promotion of green financing products, expanded renewable energy adoption, and improved internal communication on environmental initiatives. The findings contribute to CSR and sustainability literature by providing empirical evidence from a Kenyan banking context.



Keywords: Environmental protection, Corporate Social Responsibility, Sustainability, Green financing, Equity Bank Limited

Introduction

Environmental protection has transformed from a peripheral ethical consideration into a core pillar of corporate governance, driven by accelerating climate change, resource scarcity, and intensifying stakeholder pressure. Globally, industries are realizing that integrating ecological sustainability into organizational strategy is a critical imperative for maintaining long-term institutional viability (Burritt et al., 2020; Serafeim, 2013). Within the financial services sector, this shift has catalyzed the evolution of traditional Corporate Social Responsibility (CSR) historically criticized as reactive, compliance-driven, or purely philanthropic into Sustainable Strategic Corporate Responsibility (SSCR). SSCR represents the deliberate, proactive embedding of environmental, social, and governance (ESG) factors throughout all tiers of an organization's operational matrix and decision-making architecture (Sheehy & Farneti, 2021; Carroll, 2016). Through treating sustainability as a core strategic driver rather than an ad-hoc public relations mechanism, financial institutions seek to balance macroeconomic performance with ecological and social equilibrium (Abad-Segura et al., 2019; Fatima & Elbanna, 2023).

As financial intermediaries that channel capital from savers to economic borrowers, commercial banks occupy a uniquely influential position in national development and ecological pathways (Jebichii, Kosgei, & Bor, 2025). While banks generate a relatively low direct ecological footprint compared to heavy manufacturing industries, they exert profound indirect environmental impacts through their credit allocation, project underwriting, and investment portfolios. Through financing capital projects, commercial banks act as gatekeepers of industrial development; their lending policies can either accelerate environmental degradation or catalyze green growth. Consequently, global frameworks like the United Nations Environment Programme Finance Initiative (UNEP FI) have increasingly mobilized the banking sector to harmonize capital flows with international benchmarks, such as United Nations Sustainable Development Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action).

In emerging sub-Saharan markets, this global sustainability paradigm is reshaping highly regulated financial ecosystems. The Kenyan banking industry presents a highly dynamic, structured context for evaluating this transition. Regulated comprehensively by the Central Bank of Kenya (CBK) under the Constitution of Kenya 2010 and the Central Bank of Kenya Act, the sector has shifted from purely traditional prudential oversight toward sustainable finance mandates (Makori & Juma (2025). Through the institutionalization of the CBK Guidance on



Climate Risk Management and Sustainable Finance Principles, the regulator has reframed environmental stewardship as an element of financial soundness and systemic risk mitigation rather than a voluntary corporate favor. This top-down regulatory pressure forces Tier-1 financial institutions to continuously align their risk frameworks and CSR initiatives with evolving national climate targets and international ESG reporting mandates.

Established in 1984 as the Equity Building Society to serve low-income populations, the institution transitioned into a fully-fledged commercial bank in 2004 (Ovadje, 2018). Over the past two decades, Equity Bank has undergone exponential domestic and regional expansion under its holding company, Equity Group Holdings Plc, establishing a strong operational footprint across six East and Central African countries, including Uganda, Tanzania, South Sudan, Rwanda, and the Democratic Republic of Congo Controlling a massive asset base of over KSh 1.5 trillion and serving a retail customer network exceeding 15 million accounts, Equity Bank functions as a systemically important financial institution in the region. Critically, the bank has institutionalized its socio-ecological interventions through the Equity Group Foundation (EGF), deploying a multi-dimensional corporate model designed to drive financial inclusion, agricultural capacity building (e.g., Kilimo Biashara), and renewable energy financing.

Despite these visible institutional investments, the empirical mechanisms connecting targeted environmental protection strategies to sustainable corporate performance remain poorly understood within the context of emerging African economies. A growing body of empirical literature from developing nations confirms the competitive benefits of strategic CSR in banking. For instance, research in Ghana (Chigamba & Fatoki, 2019) and Nigeria (Osemene, 2018) indicates that community-centric and ecological investments yield significant reputational capital and foster deeper consumer loyalty. Similarly, in East Africa, studies emphasize that proactive CSR models enhance market resilience during macro-environmental volatility and economic uncertainty (Dziuron & Halaszovich, 2023; Erena et al., 2022; Mpinganjira et al., 2017).

However, a notable gap persists in the literature. Most existing studies treat CSR as an aggregate, monolithic construct or isolate its social dimensions, leaving a conceptual blind spot regarding how deliberate environmental protection practices such as green lending, carbon offsetting, and renewable energy financing interact with and sustain long-term CSR outcomes within a systemic regional bank (Lara-Pérez et al., 2023). It remains unclear how environmental strategies translate into tangible risk mitigation, operational resilience, and sustainable value creation in volatile market environments. To address this empirical gap, this study examines the relationship between environmental protection and sustainable CSR performance, using Equity Bank Limited as an instrumental case study.



Theoretical Framework

Stakeholder Theory

Stakeholder Theory, pioneered by Freeman (1984), provides a fundamental redefinition of a corporation's operational purpose, positing that the long-term survival of a firm is contingent upon its ability to manage relationships with all parties that affect or are affected by its objectives. In the modern corporate landscape, this framework has expanded beyond human actors to incorporate the natural environment as a critical, non-human stakeholder (Freeman et al., 2018). In the context of financial intermediation, banks are increasingly recognized as pivotal socio-economic actors whose environmental strategies have far-reaching external implications. This study applies Stakeholder Theory to analyze how Equity Bank Limited manages its environmental protection practices within its overarching Sustainable Strategic Corporate Responsibility (SSCR) framework. As noted by Lara-Pérez et al. (2023), financial institutions must remain responsive to shifting external market demands and stakeholder expectations to retain market relevance. Within this framework, Equity Bank's ecological interventions such as funding renewable energy alternatives, driving rural clean energy transitions, and supporting community-based conservation are not peripheral or discretionary charitable acts. Instead, they are core strategic mechanisms designed to satisfy the ecological and economic demands of its immense retail base, local agricultural communities, and civil society.

By proactively investing in environmental protection, the bank minimizes ecological risks that could directly impair its stakeholders, such as the climate vulnerabilities faced by smallholder farmers in its Kilimo Biashara portfolio. Successful stakeholder management of this nature yields tangible strategic returns. Empirical evidence from Sub-Saharan banking sectors demonstrates that targeted community and environmental initiatives significantly enhance institutional growth, build public reputation, and secure customer loyalty (Dziuron & Halaszovich, 2025). Stakeholder Theory therefore serves as an internal strategic lens, illustrating that Equity Bank's environmental SSCR is an essential tool for balancing multi-stakeholder interests. This internal alignment generates a symbiotic cycle where de-risking the environments of local actors directly stabilizes the financial institution, which in turn secures the institutional goodwill and consumer retention vital for long-term corporate sustainability.

Institutional Theory

Institutional Theory, articulated by DiMaggio and Powell (1983), provides the macro-level context necessary to understand the external pressures driving these corporate behaviors. The theory asserts that organizations do not operate in an economic vacuum; rather, they conform to the rules, norms, and beliefs of their institutional environments to secure organizational legitimacy and ensure survival.



This institutional conformity is driven by three distinct forms of isomorphic pressure: coercive, mimetic, and normative. In this study, Institutional Theory elucidates the structural forces that compel Equity Bank Limited to integrate environmental protection into its core commercial strategy.

Coercive isomorphism is directly manifested in the Central Bank of Kenya's (CBK) enforcement of the Guidance on Climate Risk Management and Sustainable Finance Principles. Equity Bank must systematically institutionalize environmental risk assessments and green financing mechanisms to comply with these formal regulatory mandates, thereby preserving its operational legitimacy and licensing within the heavily regulated national financial system. Mimetic isomorphism occurs as an adaptive response to environmental uncertainty and market volatility. In emerging economies where climate change directly threatens credit portfolios particularly in climate-sensitive sectors like agriculture commercial banks face severe risks of escalating Non-Performing Loans (NPLs). Equity Bank's pioneering role in structuring green lending frameworks serves as a strategic archetype that mitigates risk, setting a benchmark that peer institutions within the sub-Saharan financial ecosystem replicate to navigate macroeconomic uncertainty.

Finally, normative isomorphism stems from professionalization and global industry standards. To maintain its competitive regional position and attract low-cost, concessionary green capital from international development financiers, such as the International Finance Corporation (IFC) or the European Investment Bank, Equity Bank must demonstrate alignment with global Environmental, Social, and Governance (ESG) benchmarks, UNEP Finance Initiative guidelines, and United Nations Sustainable Development Goals 12 and 13. Consequently, Institutional Theory frames Equity Bank's environmental protection strategies not as voluntary philanthropic endeavors, but as essential compliance and alignment mechanisms required to secure external legitimacy and sustain long-term performance within a highly formalized institutional field.

Empirical Review

The empirical literature on environmental protection and sustainable corporate social responsibility in banking reveals a growing consensus that green banking practices significantly influence environmental performance, though the mechanisms and magnitude of impact vary considerably across institutional and geographic contexts. Chen et al. (2022) surveyed three hundred twenty-two banking employees from private commercial banks in Bangladesh using structural equation modeling and found that employee-related, daily-operations, and policy-related green banking practices had significant positive effects on green financing, though customer-related practices did not achieve statistical significance. Green project financing in turn exhibited a strong positive influence on environmental performance, with daily operations and policy-related practices significantly



impacting environmental outcomes while employee and customer-related practices did not, underscoring the importance of internal operational policies over customer-facing initiatives in driving environmental outcomes in developing economy banks. Complementing this, Gazi et al. (2024) examined how green banking practices influence green corporate social responsibility and sustainability performance in private commercial banks in Bangladesh, with green financing activities serving as a mediator. Using structural equation modeling on primary data from banking employees, the research found that green banking practices significantly enhance green corporate social responsibility and overall sustainability performance when mediated through green financing activities, highlighting that green financing serves as a critical bridge between operational green practices and broader sustainability outcomes. Rahma and Wedari (2024) examined the relationship between green banking practices and bank performance across ASEAN countries using panel data and regression analysis, finding that banks with robust green banking frameworks demonstrated improved operational efficiency and risk management profiles, with green lending portfolios and environmental risk assessment mechanisms contributing positively to long-term financial stability, though regulatory harmonization across member states could further accelerate adoption given persistent disparities in national environmental regulations. In India, Kumar et al. (2024) investigated the impact of green banking practices on banks' environmental performance with sources of green financing as a mediating variable, collecting data from employees of public and private banks in the Uttarakhand region. Using structural equation modeling, the study confirmed that green banking practices positively influence both environmental performance and green financing sources, with sources of green financing partially mediating the relationship, filling a critical gap by examining both public and private sector banks in a region experiencing rapid tourism and transportation growth where financial institutions play a pivotal role in environmental stewardship.

Turning to Africa, empirical research from West Africa offers mixed but instructive findings on the relationship between environmental corporate social responsibility and banking outcomes. Fosu et al. (2024) collected data from employees across selected companies in Ghana over six months and employed structural equation modeling to test hypothesized relationships, demonstrating that corporate environmental corporate social responsibility practices significantly impact the development of green innovations, which in turn promote companies' social performance, while corporate image was also found to influence social performance positively. The study established that environmental corporate social responsibility enhances corporate social performance through both green innovation and corporate image, recommending that firms adopt green innovation strategies to improve corporate social responsibility practices and overall social performance. Adu et al. (2024) examined the influence of corporate sustainability



practices on bank performance in Ghana, focusing on all twenty-three banks operating in the country following the twenty-seventeen banking crisis, gathering data from three hundred two key and senior management personnel through structured questionnaires and using partial least squares structural equation modeling for analysis. The results revealed that bank sustainability has a significant and positive relationship with bank performance, explaining approximately forty point seven percent of variance in performance, with sustainability measured across economic, social, and environmental dimensions and performance across financial, operational, and market dimensions, affirming signaling theory and contributing to the ongoing debate on corporate sustainability and performance in developing economies. Appiah et al. (2024) examined green banking practices and green financing among listed deposit money banks in Nigeria using secondary data from annual reports and financial statements, analyzing the extent of green banking adoption and its relationship with financial performance. The findings indicated that Nigerian banks have increasingly incorporated green financing into their lending portfolios, though the scale remains modest compared to global benchmarks, revealing a positive but statistically weak relationship between green financing volumes and short-term financial performance and suggesting that environmental investments in Nigerian banking may yield returns over longer time horizons, calling for stronger regulatory frameworks from the Central Bank of Nigeria to standardize green banking reporting and incentivize sustainable lending practices.

In Kenya, the empirical landscape is particularly rich, with recent studies consistently demonstrating that environmental corporate social responsibility exerts a strong influence on competitive advantage and financial performance. Makori and Juma (2025) investigated the influence of corporate social responsibility on competitive advantage in twenty-one licensed commercial banks, targeting two hundred thirty-eight employees in strategic and corporate social responsibility departments and selecting a sample of one hundred forty-eight respondents using stratified random sampling. Data collected via structured questionnaires were analyzed using Pearson correlation and multiple linear regression, demonstrating that both philanthropic initiatives and environmental practices exerted positive and statistically significant influences on competitive advantage, with environmental practices having the strongest impact and suggesting that banks investing in green financing, energy efficiency, and conservation experience greater market competitiveness. The study concludes that corporate social responsibility is a strategic asset enhancing institutional reputation, stakeholder engagement, and long-term positioning. Njoroge and Wanyoike (2025) investigated how corporate social responsibility strategies influence the performance of microfinance banks in Nairobi County, focusing on philanthropic, environmental, health, and educational initiatives and collecting data from one hundred microfinance bank employees through structured questionnaires analyzed using statistical software. The findings



revealed that all four corporate social responsibility dimensions significantly impacted organizational performance, with environmental social responsibility showing the strongest correlation and findings indicating that eco-friendly practices such as energy conservation, waste reduction, and paperless operations reduced operational costs and improved customer loyalty among environmentally conscious clients. Gatauwa et al. (2024) examined the relationship between four corporate social responsibility initiatives and return on equity in Kenyan commercial banks using secondary data from annual reports, conducting correlations and regressions at a ninety-five percent confidence level. Findings revealed that education-related investments had a strong, statistically significant positive effect on return on equity, while environmental investments also showed significant positive associations with return on equity, underscoring their cost-reduction and market-positioning benefits, though health program investments exhibited a weak, statistically insignificant relationship potentially reflecting the long-term nature of healthcare returns. The study contributes empirical evidence from a developing-economy perspective, highlighting education and environmental sustainability as strategic levers for both financial performance and societal progress. Kinyua (2023) determined the effect of corporate social responsibility on the financial performance of Kenyan Tier one commercial banks, specifically examining educational, medical, and environmental costs, targeting sixty respondents from ten Tier one banks and collecting primary data via structured questionnaires analyzed using multiple regression. The findings revealed that environmental costs had a substantial influence on financial performance, contradicting earlier studies that suggested green products reduce profitability, and concluded that investments in environmental corporate social responsibility positively and significantly impact return on assets and return on equity, recommending that the Central Bank of Kenya and Kenya Bankers Association design policies to encourage corporate social responsibility investment as such expenditures enhance brand image, generate revenues, and improve long-term financial performance.

Methodology

The study adopted a descriptive correlational case study design focusing on Equity Bank Limited. The case study approach enabled an in-depth examination of Equity Bank as a single bounded organization. This approach provided contextual understanding of how environmental protection practices were integrated into corporate social responsibility structures and how they influenced sustainability outcomes.

The target population consisted of 150 employees of Equity Bank Limited drawn from selected branches in Busia and Kakamega Counties. The respondents included senior management, middle-level management, and operational staff. These groups participated directly in environmental and CSR-related activities,



providing informed perspectives on environmental protection practices and sustainability outcomes.

The study applied stratified random sampling to ensure proportional representation across organizational levels. Employees were grouped into strata based on management level, and respondents were selected proportionately from each category. Yamane's formula for finite populations guided sample determination at a 95% confidence level and 5% margin of error (Creswell & Creswell, 2023). This approach improved representativeness and reduced sampling bias.

Table 1: Sample Distribution

Stratum	Population (N)	Sample Size (n)	Percentage
Operational Staff	180	120	67%
Middle Management	110	80	20%
Senior Management	85	50	13%
Total	375	250	100%

Primary data was collected using structured questionnaires administered to employees of Equity Bank Limited. The questionnaires contained closed-ended Likert-scale items measuring environmental protection practices and sustainable CSR outcomes. Items were adapted from validated CSR and environmental sustainability scales and tailored to the banking context.

A pilot test was conducted using 15 respondents drawn from branches not included in the main study. The pilot assessed clarity, relevance, and consistency of the questionnaire items. Feedback from respondents guided refinement of ambiguous items and improved overall instrument quality before the main data collection. Reliability was tested using Cronbach's alpha coefficient to assess internal consistency. A threshold of 0.70 and above was considered acceptable (Cronbach, 1951). The pilot results confirmed acceptable reliability levels for all constructs. Validity was established through expert review to assess content relevance and alignment with study objectives. Adjustments were made based on feedback to improve clarity, relevance, and construct coverage. This process strengthened measurement accuracy prior to full data collection.

Data was coded and analyzed using SPSS Version 28. Descriptive statistics such as means and standard deviations summarized respondent perceptions of environmental protection practices and CSR sustainability. Pearson correlation analysis tested the strength and direction of the relationship between variables. Simple linear regression examined the influence of environmental protection on sustainable CSR. Statistical significance was tested at a 0.05 significance level. ANOVA was used to assess model fitness, while R^2 measured the proportion of



variation in sustainable CSR explained by environmental protection practices. The regression model took the following form:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y = Sustainable CSR

X_1 = Environmental Protection

β_0 = Constant

β_1 = Regression coefficient

ε = Error term

Results and Discussion

Response Rate

The study targeted a sample of 250 employees of Equity Bank Limited drawn from Busia and Kakamega Counties. The distribution of questionnaires and the response rate achieved are presented in Table 2.

Table 2: Response Rate

Category	Frequency	Percentage
Questionnaires administered	250	100%
Questionnaires returned	212	84.8%
Spoilt questionnaires	38	15.2%
Valid questionnaires	212	84.8%
Effective Response Rate	84.8%	

The study achieved an 84.8% effective response rate, with 212 valid questionnaires out of 250 administered. According to Mugenda and Mugenda (2012), a response rate above 70% is considered excellent for social science research. Therefore, the 84.8% response rate achieved in this study provides a robust foundation for statistical analysis and enhances the generalizability of the findings within the study context. The 38 spoilt questionnaires were excluded due to incomplete responses or consistent patterns of missing data that could compromise the validity of the analysis (Field, 2018).

Reliability Results

Reliability refers to the consistency and stability of measurement instruments in producing similar results under consistent conditions (Dubey & Kothari, 2022). This study employed Cronbach's alpha coefficient to assess the internal consistency of the questionnaire items. Cronbach's alpha values range from 0 to 1, with values of 0.70 and above considered acceptable, indicating that the items reliably measure the same underlying construct (Cronbach, 1951). Table 3 presents the reliability results for each study variable.



Table 3: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha	Comment
Environmental Protection	3	0.84	Reliable
Corporate Sustainability	5	0.91	Highly Reliable

The results in Table 3 indicate that all variables achieved Cronbach's alpha coefficients above the recommended threshold of 0.70. Corporate Sustainability recorded the highest reliability coefficient ($\alpha = 0.91$), indicating excellent internal consistency. Environmental Protection ($\alpha = 0.84$) also showed acceptable reliability levels. These findings confirm that the questionnaire items consistently measured the intended constructs, making the instrument suitable for the main study. The results are consistent with the reliability thresholds established by Nunnally and Bernstein (1994), who recommended Cronbach's alpha of 0.70 or higher for established constructs.

Validity Results

Factor analysis was conducted to assess the construct validity of the Environmental Protection variable. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were used to determine the suitability of the data for factor analysis. Table 4 presents the validity results for Environmental Protection.

Table 4: Validity Results for Environmental Protection

Statement	Factor Loading
The bank has clear policies aimed at reducing environmental degradation	0.82
Equity Bank actively implements initiatives for energy efficiency in its operations	0.79
The bank is committed to green financing (e.g., loans for eco-friendly projects)	0.85
KMO Measure of Sampling Adequacy	0.76
Bartlett's Test of Sphericity (Approx. Chi-Square)	324.67 ($p < 0.001$)
Variance Explained	72.4%

The results in Table 4 show that all three items measuring Environmental Protection had factor loadings exceeding the recommended threshold of 0.50, ranging from 0.79 to 0.85. The KMO value of 0.76 indicates adequate sampling adequacy, while Bartlett's test of sphericity was significant ($p < 0.001$), confirming that the data were suitable for factor analysis. The three items collectively explained



72.4% of the variance in the Environmental Protection construct, indicating strong construct validity. These findings align with recommendations by Hair et al. (2019) that factor loadings above 0.50 and variance explained above 50% indicate acceptable construct validity.

Descriptive Analysis of the Study Findings

Descriptive analysis was conducted to summarize respondents' perceptions of the study variables using means and standard deviations. The mean scores indicate the average level of agreement with statements measuring each construct, interpreted using the following scale: 1.00-1.80 (Strongly Disagree), 1.81-2.60 (Disagree), 2.61-3.40 (Neutral), 3.41-4.20 (Agree), and 4.21-5.00 (Strongly Agree). Standard deviations indicate the variability in responses, with lower values suggesting greater consensus among respondents. Table 5 presents the descriptive results.

Table 5: Descriptive Statistics for Environmental Protection

Statement	Mean	Std. Deviation
The bank has clear policies aimed at reducing environmental degradation	3.82	0.94
Equity Bank actively implements initiatives for energy efficiency in its operations	3.74	0.97
The bank is committed to green financing (e.g., loans for eco-friendly projects)	3.66	1.02
Aggregate Score	3.74	0.89

The findings in Table 5 showed that respondents generally agreed that the bank had embraced environmental protection initiatives, as indicated by an aggregate mean score of 3.74 and a standard deviation of 0.89. This suggests a positive perception of the bank's environmental responsibility practices with relatively moderate variation in responses. The statement that the bank has clear policies aimed at reducing environmental degradation recorded the highest mean score (Mean = 3.82, SD = 0.94). This finding indicates that employees recognize the existence of formal environmental policies guiding sustainability practices within the bank. The statement on implementation of energy efficiency initiatives also recorded a high mean score (Mean = 3.74, SD = 0.97), suggesting that respondents perceived the bank as actively adopting environmentally responsible operational systems such as energy-saving technologies and digital banking solutions. The lowest mean score was recorded for green financing initiatives (Mean = 3.66, SD = 1.02), although respondents still generally agreed that the bank supports eco-friendly financing. The relatively higher standard deviation for this item suggests varying levels of awareness among employees regarding green financing products



and services. These findings agree with Chen et al. (2022), who found that policy-related and operational green banking practices significantly improved environmental performance among private commercial banks in Bangladesh. Their study established that internal environmental management systems such as energy efficiency and sustainability policies contribute substantially to institutional environmental performance. Similarly, the current findings indicate that employees perceive environmental protection policies and operational sustainability initiatives as important aspects of the bank's sustainability strategy. The findings also support Makori and Juma (2025), who established that environmental CSR practices positively influence competitive advantage among commercial banks in Kenya. Their study showed that investments in green financing, energy efficiency, and environmental conservation strengthen institutional reputation and stakeholder confidence. Likewise, the present findings suggest that Equity Bank's environmental initiatives positively shape employee perceptions regarding sustainability and responsible banking practices.

Qualitative Findings

Respondents were asked to describe specific examples of environmental initiatives implemented by Equity Bank and their outcomes. Thematic analysis revealed three main themes:

Theme 1: Paperless Banking Initiatives

A majority of respondents (68.4%) mentioned the bank's transition to paperless banking as a significant environmental initiative. One respondent from Kakamega County stated:

"Equity has implemented a fully digital onboarding process where customers can open accounts using mobile phones or tablets without paperwork. This has significantly reduced paper usage across all branches. We've also introduced e-statements instead of printed bank statements, which customers are increasingly adopting."

Another respondent from Busia County added:

"The Equitel platform has revolutionized our operations. Customers can transact, apply for loans, and access statements without any paper documentation. This not only reduces our environmental footprint but also enhances efficiency and convenience for customers."

Theme 2: Energy Efficiency and Solar Power

Approximately 53.8% of respondents highlighted the bank's investment in energy efficiency, particularly solar power installations. A senior manager from Kakamega noted:



"Our branch has been fitted with solar panels that supplement grid electricity. This has reduced our energy costs significantly and demonstrates our commitment to renewable energy. The bank has also installed motion-sensor lighting and energy-efficient air conditioning systems in newer branches."

Theme 3: Green-Financing Products

Some respondents (39.2%) mentioned green financing initiatives, though awareness appeared lower than for other environmental activities. An operational staff member from Busia observed:

"The bank has introduced loans specifically for solar products and energy-efficient equipment. Customers can access financing for solar home systems at competitive rates. However, I think we need to do more marketing of these products so that more customers are aware."

These qualitative findings corroborate the quantitative results, showing that environmental initiatives are recognized but with varying levels of awareness. The emphasis on paperless banking aligns with Agyemang et al. (2023), who found that investments in paperless banking in Nigerian banks were closely related to customer loyalty and brand equity.

Descriptive Results on Sustainable Corporate Social Responsibility

Corporate Sustainability was measured using five items assessing the bank's long-term viability and competitive advantage derived from SSCR practices. Table 6 presents the descriptive results.

Table 6: Descriptive Statistics for Corporate Sustainability

Statement	Mean	Std. Deviation
The bank's current SSCR practices ensure its long-term financial success	4.08	0.78
Equity Bank is well-positioned to manage future social and environmental risks	4.02	0.81
The bank's brand strength and customer loyalty are a direct result of its responsible practices	4.14	0.75
Our commitment to sustainability gives us a competitive advantage in the market	4.06	0.80
Overall, I believe Equity Bank is on a path towards enduring corporate sustainability	4.20	0.72
Aggregate Score	4.10	0.70

The findings in Table 6 revealed a high level of agreement among respondents concerning the bank's sustainability position, as reflected by an



aggregate mean score of 4.10 and a standard deviation of 0.70. This indicates that employees strongly perceived the bank as pursuing sustainable long-term operations and responsible business practices. The statement overall, I believe Equity Bank is on a path towards enduring corporate sustainability recorded the highest mean score (Mean = 4.20, SD = 0.72). This suggests strong employee confidence in the bank's long-term sustainability direction. Similarly, the statement that the bank's brand strength and customer loyalty are a direct result of its responsible practices recorded a high mean score (Mean = 4.14, SD = 0.75), indicating that respondents associate responsible corporate practices with improved organizational reputation and customer trust. Additionally, respondents agreed that the bank's current sustainable strategic corporate responsibility practices contribute to long-term financial success (Mean = 4.08, SD = 0.78) and provide competitive advantage in the market (Mean = 4.06, SD = 0.80). The statement regarding the bank's ability to manage future social and environmental risks also recorded strong agreement (Mean = 4.02, SD = 0.81). The relatively low standard deviations across all items indicate a strong consensus among employees regarding the bank's sustainability orientation. These findings are consistent with Adu et al. (2024), who found that sustainability practices significantly improved organizational performance among banks in Ghana. Their study demonstrated that environmental, social, and economic sustainability initiatives positively influence institutional stability, operational performance, and long-term competitiveness. Similarly, the current findings indicate that employees perceive sustainable corporate practices as contributors to Equity Bank's long-term success and market positioning. The findings also agree with Kinyua (2023), who established that corporate social responsibility investments positively influence the financial performance and sustainability of Kenyan Tier one commercial banks. The study concluded that sustainability practices improve brand image, customer trust, and long-term organizational resilience. Likewise, the present findings show that respondents strongly associate Equity Bank's responsible practices with customer loyalty, competitive advantage, and enduring corporate sustainability.

Qualitative Findings

Regarding overall corporate sustainability, respondents expressed:

Theme 1: Integrated Approach

A majority (69.3%) highlighted the integrated nature of sustainability at Equity. A senior manager from Kakamega stated:

"Sustainability is not an add-on at Equity it's part of our DNA. From our founding mission of serving the unbanked to our current green initiatives, everything we do is aimed at long-term viability while creating social impact."



Theme 2: Resilience during Crises

Approximately 55.2% mentioned the bank's resilience. A middle manager from Busia observed: *During COVID-19, when many businesses struggled, Equity remained strong because of our diversified model and loyal customer base. Our investment in digital channels paid off as customers could transact seamlessly.*

Theme 3: Challenges and Opportunities

Some respondents (44.3%) discussed challenges. An operational staff member noted:

"Economic conditions sometimes affect our ability to implement sustainability programs as planned. When the economy is tough, budgets get tightened. However, the bank has remained committed to its core social mission even during difficult times."

These findings support the Creating Shared Value framework (Porter & Kramer, 2011) and the empirical work of Eccles, Ioannou, and Serafeim (2014), who found that sustainability-oriented companies demonstrated greater resilience and long-term performance.

Correlation Analysis

Pearson correlation coefficients (r) were computed to examine the relationships between the study variables. The correlation coefficient ranges from -1 to +1, with values closer to ± 1 indicating stronger relationships. According to Sahu (2018), r values between +0.10 and +0.29 indicate a weak correlation, +0.30 to +0.49 indicate a moderate correlation, and +0.50 to +1.00 indicate a strong correlation. Table 7 presents the correlation matrix.

Table 7: Correlation Matrix for Study Variables

Variable	EP	CS
Environmental Protection (EP)	1	
Corporate Sustainability (CS)	0.478**	1

*** Correlation is significant at the 0.01 level (2-tailed).*

The study established a positive and moderate relationship between Environmental Protection and Corporate Sustainability ($r = 0.478$, $p < 0.01$). This finding indicates that increased environmental protection efforts within Equity Bank Limited were associated with improved perceptions of sustainable corporate social responsibility. The statistically significant relationship suggests that environmental initiatives such as green financing, energy-efficient operations, renewable energy adoption, and paperless banking contribute meaningfully to the bank's sustainability profile. The findings agree with Chen et al. (2022), who found that green banking practices among private commercial banks in Bangladesh positively



influenced environmental performance. Their study showed that operational and policy-related environmental practices had stronger effects on sustainability outcomes than customer-related initiatives. This supports the current findings because internal environmental systems within banking institutions appear to strengthen sustainability performance and stakeholder perceptions. The findings also support Makori and Juma (2025), who found that environmental CSR practices had the strongest positive influence on competitive advantage among Kenyan commercial banks. Their study demonstrated that investments in green financing, environmental conservation, and energy efficiency strengthen organizational reputation and long-term positioning. Similarly, the current findings indicate that environmental protection contributes significantly to sustainability within the banking industry. Additionally, the findings agree with Njoroge and Wanyoike (2025), who reported that environmental CSR practices such as paperless banking, waste reduction, and energy conservation significantly improved organizational performance among microfinance banks in Nairobi County. This closely corresponds with the current findings where environmental protection initiatives were positively associated with sustainable CSR outcomes.

Regression analysis on Environmental Protection

Simple linear regression was conducted to test the relationship between Environmental Protection and Corporate Sustainability. Table 8 presents the results.

Table 8: Regression Analysis for Environmental Protection and Corporate Sustainability

Model Summary						
R	R²	Adjusted R²	Std. Error of Estimate			
0.478	0.228	0.225	0.487			
ANOVA						
	Sum of Squares	df	Mean Square	F		Sig.
Regression	16.842	1	16.842	62.184		0.000
Residual	56.887	210	0.271			
Total	73.729	211				

Coefficients

	B	Std. Error	Beta	t	Sig.
(Constant)	2.192	0.248		8.839	0.000
Environmental Protection	0.508	0.064	0.478	7.886	0.000



The regression results revealed that Environmental Protection significantly predicts Corporate Sustainability ($\beta = 0.478$, $t = 7.886$, $p < 0.001$). The model explained 22.8% of the variation in Corporate Sustainability ($R^2 = 0.228$), indicating that environmental protection efforts account for a substantial proportion of sustainability outcomes within the bank. The regression coefficient ($B = 0.508$) further showed that a one-unit increase in Environmental Protection leads to a 0.508-unit increase in Corporate Sustainability. The ANOVA results ($F = 62.184$, $p < 0.001$) confirmed that the regression model was statistically significant, demonstrating that environmental protection is a meaningful predictor of sustainable CSR. These findings support Gazi et al. (2024), who found that green banking practices significantly enhance sustainability performance through green financing mechanisms. Their study established that environmental practices directly influence organizational sustainability when financial institutions integrate green financing into strategic operations. The present findings similarly demonstrate that environmental protection significantly predicts sustainable CSR performance within Equity Bank. The results are also consistent with Kumar et al. (2024), who reported that green banking practices positively influence environmental performance among banks in India. Their study found that green financing partially mediates the relationship between environmental practices and sustainability outcomes. The current study similarly demonstrates that environmental protection practices significantly contribute to sustainable CSR, reinforcing the strategic role of environmentally responsible banking operations. Similarly, Appiah et al. (2024) found that green financing practices among Nigerian banks positively influenced institutional performance, although the relationship was relatively modest in the short term. Their findings suggested that environmental investments generate stronger long-term sustainability benefits than immediate financial returns. This supports the current findings where environmental protection significantly predicted corporate sustainability but explained only part of the overall variation, implying that sustainability outcomes are influenced by multiple organizational factors. The findings also agree with Gatauwa et al. (2024), who found that environmental investments positively influence return on equity among Kenyan commercial banks. Their study highlighted environmental sustainability as a strategic mechanism for improving operational efficiency and market positioning. In the current study, environmental protection significantly predicted corporate sustainability, suggesting that environmental initiatives contribute positively to both reputational and operational sustainability outcomes. Finally, the findings support Kinyua (2023), who established that environmental CSR expenditures positively influence the financial performance of Tier one commercial banks in Kenya. The study concluded that environmental investments improve organizational image, generate long-term value, and strengthen institutional sustainability. Similarly, the present study demonstrates that environmental protection significantly predicts



sustainable CSR, affirming that environmental responsibility has become an important strategic pillar within Kenya's banking industry.

Conclusion

The study established a statistically significant relationship between environmental protection and sustainable corporate social responsibility in Equity Bank Limited. The results confirmed that environmental protection practices such as paperless banking, energy efficiency initiatives, and green financing contribute positively to corporate sustainability outcomes. The correlation analysis showed a moderate positive relationship, while regression results confirmed that environmental protection significantly predicts sustainable CSR performance and explains a meaningful proportion of its variation.

The findings also indicated that environmental protection efforts are well embedded within the bank's operational systems, particularly through digital banking platforms and energy-saving technologies. However, variation in awareness of green financing products suggests uneven diffusion of environmental CSR initiatives across staff categories. Overall, environmental protection emerged as a key driver of sustainable CSR performance, reinforcing its strategic importance in the banking sector's sustainability agenda.

Recommendations

1. The study recommends strengthening the implementation and communication of green financing products within Equity Bank Limited. Although environmental initiatives such as paperless banking and energy efficiency are well recognized, green financing recorded relatively lower awareness. The bank should improve internal staff training and customer awareness programs to enhance uptake of environmentally focused financial products.
2. The bank should also expand investment in renewable energy systems across all branches, including wider deployment of solar power and smart energy management systems. This would deepen its environmental footprint reduction efforts and improve operational efficiency. Standardized environmental sustainability reporting across branches would also enhance consistency in implementation and monitoring.
3. Regulators and policymakers in the banking sector should encourage stronger integration of environmental performance indicators into CSR frameworks. This would support alignment with national climate goals and improve accountability in environmental reporting among financial institutions.



4. Future studies should extend the analysis to other commercial banks to allow comparative assessment of environmental protection and CSR sustainability performance across the banking sector.

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