



Green Initiatives by Indian Banks

Swasthika A.

Field Marshal K. M. Cariappa College, Madikeri

ABSTRACT:

The term “green banking” refers to bank initiatives which support environmentally sustainable investing. Green banking is an innovative and forward-thinking approach to long-term sustainability in the economy. It is critical for banks to be proactive to increase the economy’s rate of growth and development. Because of the environmental conditions are always changing, banks confront severe competition in the worldwide market. Banks can reclaim the return of investment and make polluting enterprises more environmentally friendly by including all environmental issues into their lending activities. Green banks are growing rapidly as viable alternatives to regular banks, particularly as customers start questioning the long-term durability of fossil fuels as a source of energy. The ongoing stigmatization of fossil energy may result in a decreased inflow of capital to fossil fuel companies, eventually leading to the industry’s extinction and increased adoption of green power solutions. Green Banking is a form of normal bank which involves ethical consideration that is social and environmental factors as its main objective to safeguard and conserve our natural resources. This paper has been made to study the initiatives taken by various banks in Kodagu, Karnataka.

Keywords: Green Banking, Commercial banks, initiatives, products, environment

Introduction:

Economic growth is also influenced by the banking industry, both in terms of quantity and quality, which results in a shift in the nature of economic growth. It may help banks obtain a competitive edge in the industry by making an impact in their strategy-making process. Green banking is a proactive technique of conserving energy and also in protecting the environment. The primary advantage of green banking is that, protecting the environment for future generations. Green banking minimizes paperwork to the greatest extent possible and concentrates on electronic transactions such as ATM, mobile banking, green credit card and other forms of electronic banking by customers. Electronic transactions not only contribute to sustainability, but they also give convenience to both clients and banks.

Promote environmental sustainability and equitable growth through sustainable lending practices; Reduce impact on environment on account of own operations by actively managing our environmental footprint and supporting customers to make ‘green banking’ choices.

Objectives of the Study:

1. To study the Green Banking concept
2. To study the importance of Green Banking.
3. To identify the various green initiatives taken by banks to promote environmental sustainability.

Research Methodology:

The empirical study has been incorporated on the collection of both extensive literatures and secondary data. The data sources were published information of annual report, different journals, articles and bank’s websites.

Importance of Green Banking:

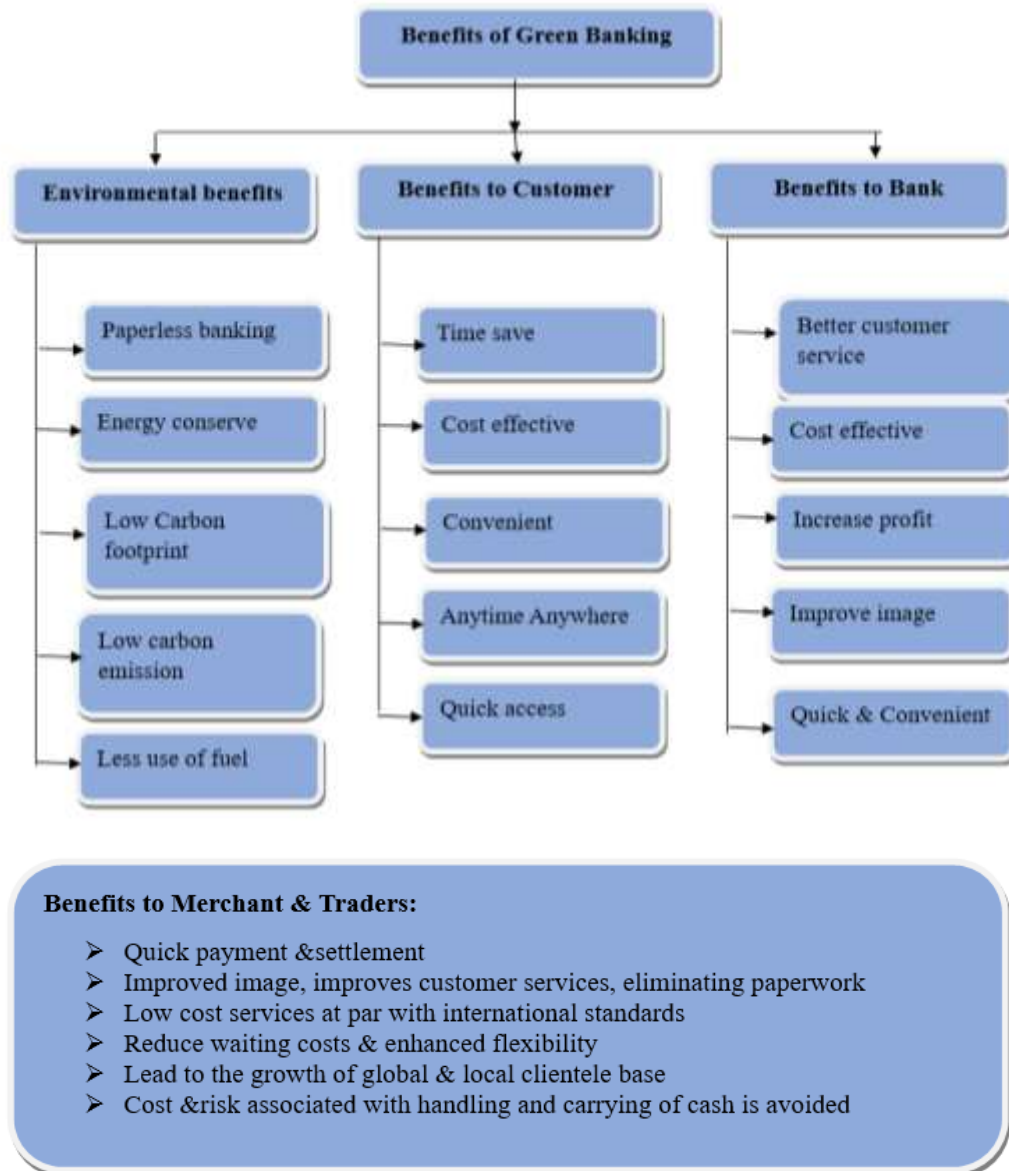
Green banking refers to the promotion of environmentally friendly practices and in reduction of the bank’s carbon footprint. It is similar to a traditional bank because it examines all social, environmental, and ecological concerns with the goal of protection and conservation of all natural resources and the environment jointly.

The primary goal of this banking concept is to improve the conservation of the earth i.e., environment, habitats, and resources. The best way to go about it is,

1. Encourage people to use online banking instead of branch banking.
2. Online bill payment.
3. Using online banking instead of huge multi-branch banks.

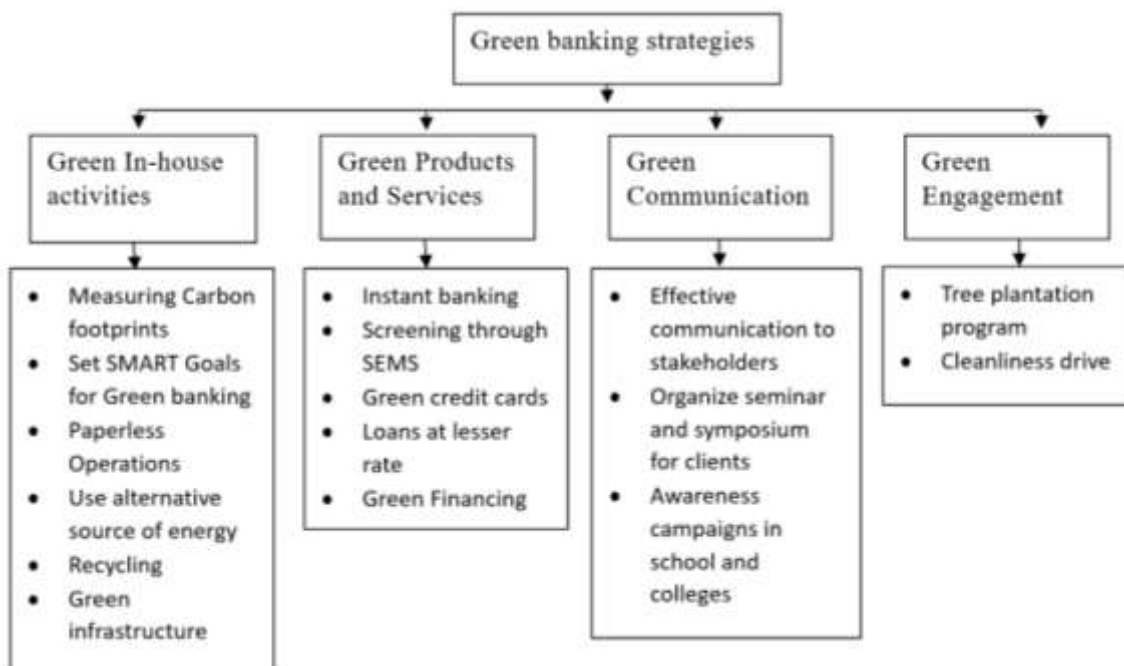
4. Banking avoids as much paper work as possible and rely on online/electronic transactions for processing so that you get green credit cards and green mortgages.
5. Less paperwork means less cutting of the trees.
6. Creating awareness to business people about environmental and social responsibility enabling them to do an environmentally friendly business practice.

Green bank is considered as a governmental or quasi-public financial entity that works with the private market to promote the development of clean energy technology using innovative financing approaches and market development instruments.



Green Banking Strategies

Green banking strategies Green in-house activities, Green Products and Services, Green communication and Green Engagement.



GREEN BANKING INITIATIVES BY SBI BANK:

Background of SBI GREEN FUND

As the premier public sector bank of the country, SBI strongly believes, its responsibility and the right corporate culture to safeguard the environment by transforming India into a digital country. To take forward our Hon'ble Prime Minister's vision of Digital India, SBI launched "Yono SBI" – a first of its kind omni-channel digital platform on 24th November, 2017. SBI, caters to varied needs of customers viz. banking products & services, investments, insurance, credit cards and hosts a variety of e-commerce ventures all in a single place.

SBI launched "SBI Green Fund" to allow customers to participate in the sustainability mission by contributing reward points. This measure demonstrates SBI's core value system and is a reminder of its commitment towards society and preserving nature for future generations.

Activities supported through SBI GREEN FUND

- 1. Tree Plantation:** Planting trees is one of the easiest and most sustainable ways to positively affect the environment. Increasing the green coverage by conducting tree plantation drives and engage in social forestry in identified areas which have been hard-hit with tree loss. SBI have a plan to plant approximately 5 million trees through contributions from SBI GREEN FUND.
- 2. Construction of Bio-Toilets:** Since 2014, eight crore toilets have been built and have a new challenge in the form of untreated sewage ahead of us. Bio-toilets are one eco-friendly solution to the problem. Bio-toilet is a decomposition mechanised toilet system which decomposes human excretory waste in the digester tank using specific high graded bacteria further converting it into methane gas and water. SBI aims to construct 4,000 bio-toilets through contributions from SBI GREEN FUND.
- 3. Providing Solar Lamps/Lights/Panels:** Renewable and clean energy will make our planet better for the coming generations. It is time to adopt sustainable solutions like solar energy. In an effort to reduce carbon footprint and promote sustainable living, bank decided to provide a solar power panel/light/lamp to individual households in identified cities/towns through contribution from SBI GREEN FUND.
- 4. Installations of Windmills:** As part of its green banking initiative, SBI has installed 10 windmills with an aggregate capacity of 15 MW in the states of Tamil Nadu, Maharashtra and Gujarat.

Green Initiatives taken by Canara Bank:

- 1.** The bank has implemented various green banking initiatives such as internet banking, tele-banking & mobile banking.
- 2.** Solar power biometric ATMs has been implemented in a few rural areas.

3. Now the bank is not extending the finance to the new units which are involved in producing and consuming Ozone depleting substances. The bank has also stopped extending the finance small/medium scale unit engaged in the manufacturing of Aerosols by using CFC.
4. The bank insisted to manufacturing units which emit toxic polluting substance to implement water treatment plant and obtain NOC (No Objection Certificate) from central/ state government pollution control board while lending the loan.
5. The banking is providing loans for implementing solar lighting system.
6. For operational efficiency like centralizing and digitalizing the business process activities such as account opening through Central Processing Hubs, KYC updating through CKYC app, forex transactions through CPCFT, Recovery Call Centre (RECC), analytics-based Retail credit offers, tie-up arrangements with Fin-Tech & E-Commerce for lead generation and Document Management System to automate processes and promote paper-light banking.
7. To optimize our Digital banking offerings, we have enhanced the features under "CANDI" mobile Banking app, added the facility of "FX4U" for seamless forex transactions and DigiLocker facility under internet banking. We have also implemented SIHUB (Standing Instruction Hub) solution to enable our customers to opt for e-Mandate facility for recurring transactions at the Merchant site.
8. Canara Budget and Canara Vehicle Schemes under Retail loans and Shishu Mudra loans under MSME loans have been introduced under the Digital Lending Platform.

Green initiatives by HDFC banks:

1. To decrease absolute emissions and energy consumed aligned with SBTi targets.
2. Increasing Rooftop Solar Capacity in large offices to 500 KW (Currently at 198 KW)
3. Purchasing renewable energy as 50% of total sourced electricity.
4. Create single use plastic free offices by FY 2022-23
5. Planting 25 Lakh trees by FY 2024-25
6. Reducing the water consumption by 30% by FY 2023-24
7. Initiatives to cut emissions: Green Event guidelines (Marketing) helped avoid usage of 1.5 million Square Ft paper, 13% of procured stationery is recycled paper.
8. 1.6+ Million Trees planted through our afforestation programs to combat climate change
9. Managing Waste, zero single-use plastic water bottles from all our hub-offices pan-India.
Three R's- Reduce, Reuse and Recycle followed.

Green initiatives by ICICI Banks:

1. During fiscal 2022, took several initiatives to expand solar capacity. During the year, 7% of the Bank's total electricity consumption was met by solar power.
2. Implemented rainwater harvesting at various locations across the country, including our large offices at Chandivali in Mumbai and Ambattur in Chennai.
3. In fiscal 2022, have set up storage tanks to harvest rain water at two offices in Pune with a combined capacity of over 4,00,000 litres.
4. Installed water recycling facility at ICICI Service Centre at BKC, Mumbai with a capacity of 80 Kilolitre per day (KLD) and office at Gachibowli, Hyderabad with a capacity of 700 KLD. Further, using recycled water for the purpose of landscaping at our offices. Recycled water is also used in the cooling towers installed at our premises.
5. Composting of organic and wet waste at some of our large offices and facilities.
6. Ensuring that e-waste is not disposed of in landfills but is recycled or handed over to the authorised agencies.
7. Reducing consumption of dry waste (paper and cardboard) through digitisation.

Green initiatives by AXIS banks:

1. Encouraging customers to subscribe for e-statements and other electronic formats of communication to reduce paper consumption,
2. Encouraging to adopt green building concept for its office space (Bank's corporate office 'Axis House' is designed and constructed as a Platinum LEED-Certified "Green Building") and many other similar activities.

3. Conducting tree plantation programs (Plant a Sapling initiative)
4. Usage of renewable energy units for the purpose of street lighting.
5. Using water collected from rainwater harvesting system and a sewage treatment plant.
6. Using furniture made out of a high percentage of recycled materials.
7. Initiated solar-based UPS for ten ATMs under Independent ATM Deployment (IAD) model.

Green Banking Initiatives by Punjab National Bank:

1. **PNB Green Car Loan:** The purpose of the product is the purchase of new electronic car for the use of personal.
2. **Financing of Solar Power systems under Housing Loan scheme:** The purpose of the loan is the installation of rooftop solar system at residential house to the customer.
3. **PNB Green Ride:** The purpose of the loan is to assist transport operators of rickshaws (new entrants) and also to create employment opportunities for the micro borrowers.
4. Promote usage of sustainable and green fuel/ energy vehicles amongst the staff members wherein, Bank has issued the guidelines for reimbursement of monthly expenses
5. As part of Bank's record keeping and record management policy, all the old disposable records (Papers) have to be destroyed by Record Keeping agency, which is then used by the agency to recycle the paper.
6. To recycle the waste water Bank constructs and operates Sewerage Treatment Plants in its major Administrative Buildings as per the feasibility.

Suggestions:

1. E-banking desk should be created at every branch of the bank. This helps in educating the customers on e-banking.
2. Shifting of account creation mode to electronic completely.
3. Bank should initiate with CSR activities and award the best branch with good CSR initiatives taken.
4. Banks and ATMs should avoid keeping paper pamphlets of their promotional activities.
5. Make customers more and more aware about green banking through their websites.
6. Creating customer's awareness through the help of media.
7. Carbon footprint reduction by saving energy and paper.
8. Carbon footprint reduction by offering transportation services for their employees.
9. Providing environment friendly rewards to customers.

Conclusions:

With the increasing concern about global warming and conservation of environment, Indian banks are becoming more receptive toward the green aspiration. Green banking is a prime new way of towards sustainability. It can be concluded that, adopting Green Banking approach in becoming environment friendly in addition to that of benefits like contributing towards the environment, enhancing reputation of the bank, reduction the use of carbon etc. it is necessary to understand the duties towards the environment as well as to the society to compete and servicing in the world-wide market. If every bank restructures their indoor, procedure and outdoor banking strategies through eco-banking operations Green Banking can be properly implemented.

References:

1. Soundarya Murugan, 2021. Impact of Green Banking in India: Opportunities and Challenges. <https://ssrn.com/abstract=3875363>
2. Asim, S., Bukhari, A., Hashim, F., & Amran, A. (2020). The Journey Of Pakistan's Banking Industry Towards Green Banking Adoption. 1–11.
3. Jaggi, G. (2014), "Green Banking: Initiatives By SBI and ICICI", Indian Journal of Research, Vol.3(6)
4. Narang, D. (2015), Green Banking: As Initiative for Sustainable Development", Global Journal of Management and Business Studies, Vol. 3(10), pp.1181-1186

-
5. <https://www.hdfcbank.com/content/api/contentstream-id>
 6. <https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-turns-green-installs-windmills/articleshow>
 7. <https://greencleanguide.com/green-banking-initiatives-by-axis-bank/>
 8. <https://www.bankofbaroda.in/banking-mantra/others/videos/it-starts-with-bob-green-initiatives>.
 9. www.wikipedia.com
 10. www.shodhganga.com