Research Paper Management

Green Banking: Initiatives By SBI and ICICI

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ABSTRACT

Although, banking is never considered a polluting industry, the present scale of banking operations have considerably increased the carbon footprint of banks due to their massive use of energy. Green banking refers to the banking business in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint.
The paper presents the concept of Green Banking and the green initiatives taken by the largest public sector bank i.e State Bank of India (SBI) and largest private sector bank i.e ICICI Bank.

KEYWORDS

The supreme reality of our time is ...the vulnerability of our planet."

-John F. Kennedy

What is Green Banking?
Defining green Banking is relatively easy which implies incorporating and promoting environment friendly practices and reducing carbon footprint from banking activities(green bank report)

Green banking refers to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, banks should finance green technology and pollution reducing projects. Although, banking is never considered a polluting industry, the present scale of banking operations have considerably increased the carbon footprint of banks due to their massive use of energy (e.g., lighting, air conditioning, electronic/electrical equipments, IT, etc), high paper wastage, lack of green buildings, etc. Therefore, banks should adopt technology, process and products which result in substantial reduction of their carbon footprint as well as develop a sustainable business.

Origin:
First Green Bank is a commercial bank based in Mt. Dora, Florida, United States commenced its operations in 2009.The company is known for its focus on environmentally friendly banking practices. The Bank staffed with employees who have attained the LEED accredited professional designation, meaning they understand green building practices and provides incentives to consumers purchasing high efficiency vehicles like hybrid automobiles and has a hybrid Toyota Prius as its own courier car.

Concept of Green Banking in India-SBI and ICICI Initiative
To elucidate the concept of green banking in India, the initiatives taken by the

largest public sector bank i.e State Bank of India(SBI) and largest private sector bank i.e ICICI are listed.

Green Initiatives by SBI:
- Introduced Green Channel Counters and no queue banking in over 5000 branches across India
- Supporting the construction of wind farms in India
- Making a commitment that new building will adopt green building standard including utilizing natural lighting and recycled water
- Implementing policies aimed at achieving carbon neutrality
- Online money transfers between United States and India from branch banks

Initiatives taken by ICICI Bank:
Green Products & Services:
- Instabanking: It is the platform that gives the customer convenience of anytime anywhere banking through Internet banking, i-Mobile banking, IVR Banking. This reduces the carbon footprint of the customers by ensuring they do not have to resort to physical statements or travel to their branches
- Vehicle Finance: Bank offers Auto 50% waiver on processing fee on car models which uses alternate mode of energy. The models identified for the purpose are, Maruti's LPG version of Maruti 800, Omni and Versa, Hyundai's Santro Eco, Civic Hybrid of Honda, Reva electric cars, Tata Indica CNG and Mahindra Logan CNG versions.
- Home Finance- Bank offers reduced processing fees to customers who purchase homes in 'Leadership in Energy and Environmental Design' (LEED) certified buildings

Green Communication Bank has extensively capitalized on the existing internal media- statements, inserts, Credit Card Charge slips- to reach out to the customers and seek their collaboration in the 'Go Green' movement. The communication on Online Bill pay, Online Funds Transfer and Subscribing to e-statements. (From July 2013, the bank has stopped sending physical statements for saving accounts)

Other Initiatives :
- Shredding and recycling all paper internally
- Sharing electronic files, voice mail and e-mail instead of paper memos
- Duplexing (two-sided printing) when possible as well as limiting printed materials/e-mails/memos to only what is necessary
- Replacing incandescent bulbs with CFLs when they need to be replaced, internally and externally
- Utilising online "Webinars" for shorter meetings that involve people who might otherwise have to travel a long distance
- Encouraging use of carpool and use public transportation

Road Ahead:
In this ECO-Conscious and Environmental friendly society the "Go Green" mantra permeates all spheres of life the banking sector too has adopted practices to reduce its carbon footprint. These initiatives range from banking operations to investments in companies involved in renewable and green technologies There is a tidal wave of change as more banks align their investment decision-making with the triple bottom line: people, planet, profit.

All major transactions, including withdrawals, deposits and remittances up to Rs 40,000, will be made through green-chan-

nel banking, The customers need not fill up any pay-in slip or cheque for depositing or withdrawing money from their account. Instead they could access the services of ATMs