

Green banking initiatives by major public sector banks

[Business](#), [Industries](#)



3. 5. 2. 1 Green Banking initiatives by major Public Sector Banks

a. State Bank of India Initiatives

State Bank of India (SBI) being the largest bank not only in India but also in the world is serving more than 33.75 crore customers through its 24017 branches and 59263 ATMs spread over length and breadth of the country. Currently it is processing 4600 transactions per second against the operational infrastructural capacity of processing 15000 transactions per second. SBI is empowering its customers through its new age banking by introducing latest digital technologies which not only changed the processes but also had reduced the cost and therefore increasing the productivity. SBI entered into green service through its “Green Channel Counter” in 2010 by offering wide range of banking operations like; paperless banking, no deposit slip, no withdrawal form, no cheques, no money transactions and many more. The collaboration of the bank with Suzlon Energy Ltd enabled the bank to use wind energy in place of thermal energy for selected branches by setting of windmills in Gujarat, Tamil Nadu and Maharashtra which reduced carbon emission drastically. Further, becoming a signatory to the Carbon Disclosure Project, the bank initiated various environmental and socially sustainable initiatives through its branches (WWF-INDIA, 2014). Further, the bank entered into agreement with Export Import Bank of India (EXIM) and jointly provided long term loans ranging to 14 years to Astonfield Renewable Resources and Group T-Solar Global SA, a Spain based company for building solar plant in India where most of the financial institutions kept away from giving these type of loans owing to uncertainty and technological changes.

The bank as its efforts towards green initiatives has adopted various energy efficient measures. It has deployed highest number of solar ATMs, installed windmills in three states to meet its own energy requirement, instigated green channel counters to promoted and implemented paperless banking, granted loans to projects at lower interest rate encouraging reduction of green house gases emission, used energy efficient photocopier, computers and CFL bulbs, need based printing to save paper, auto cut off for air conditioners, etc⁶¹ (SBI Annual Report 2016-17).

b. Canara Bank Initiatives

As of financial year 2016-17, Canara Bank being one among the major public sector banks in India is operating across the country with 6083 branches and 10519 ATMs along with paid up capital of Rs. 597 crore. The Bank with series of environment friendly measures, viz., Core Banking Solution, internet banking, tele-banking, mobile banking, ATMs, solar powered biometric ATMs served rural folk along with certain back office operations. Further, the Bank is serving its customers through E-lounges with hi-tech banking facilities like ATM, cash/cheque acceptor and passbook printing kiosk. Like that, the bank is cheering up green energy by extending financial assistance to solar, biogas and wind mill projects. Installation of water purification plants and garden watered by waste water are other initiatives of green cover. With regard to Credit Risk Management Policy, the Bank rejects finance for setting up of new units consuming or producing Ozone Depleting Substances (ODS) used in foam products, refrigeration or ACs, aerosol products, solvents of cleaning applications, fire extinguishers, etc. On the other hand, the bank

consciously monitors the installation of water treatment for processing of pollutants released by the units before releasing it to the environment at the time of financing any manufacturing units. At the same time it also makes sure that the borrower has obtained NOC from Central/State Pollution Control Board. With respect to Clean Development Mechanism, the bank has initiated various green banking ideas which included core banking solution, solar powered biometric ATMs for rural population, E-lounges at branches and e-governance for its staff to encourage paperless banking. With respect to initiatives on clean technology, energy competence and renewable energy, the bank extends due weight-age and prefer environment friendly green projects which bring in carbon credits like wind mills and solar powered projects. Like that, the bank itself shifting over to CFL's in all its locations ensured high energy efficiency. The bank in compilation with CPCB rules (Central Pollution Control Board) is using generators adopting clean technology. The Bank is actively involved in deploying solar powered UPS in its various premises to adopt renewable energy usage⁶² (Canara Bank Annual Report 2016-17).

c. Punjab National Bank (PNB)

As on 2016-17, Punjab National Bank is catering the needs of its customers with 6938 branches and 10681 ATMs spread out all over India. With 2/3rd of its branches located in rural and semi urban areas, PNB has been vigorously pursuing the social policies and serving the requirements and desires of the society. PNB has initiated several green practices to preserve resources like electricity, water, paper, etc. The bank is making sincere efforts to harvest

rain water in all its accessible buildings and encouraging environment friendly new erections. Further, PNB apart from supporting wind energy is also popularizing solar energy usage in rural areas. The bank, emphasized green building practices in terms of energy efficient lights, immediate repair of water leakage, printing on both sides of paper, sensors for lights, fans, etc. Punjab National Bank entering into agreement through ' Green Pledge' with Ministry of New and Renewable energy initiated butterfly park at Guruvayur temple complex which houses 18 types of medicinal plants. The bank incorporating environmental and social risks in its lending decisions formulated guidelines to guarantee the necessary approvals and permissions from Pollution Control Board by the borrower prior to disbursement of loans for the projects falling in line with environment and social safeguards. Like that, it preferred to extend credit facilities to business units producing renewable energy. At the same time, the bank instigated green audit sheet to evaluate the impact of the various green initiatives taken by banks. The Bank under green initiative policy encouraged plantation of green plants, usage re-cycled papers, e-documents and recommended the use of only environment friendly light bulbs. As such, sapling of 3345 plants was accomplished under 33 Tree Plantation Camps.

As a scheme to address global environmental problems like climate change and global warming, the bank imbibed green sustainable products, processes, policies and practices. It did not granted finance to environmentally hazardous industries while preferring environment friendly green projects. However, it insisted installation of effluent treatment units to

take care of pollutants before discharging into the environment. The bank's new State of Art building situated in Dwarka and Gurgaon are certified as Green Building having 5 Star GRIHA Rating constituting utmost design competency and most up to date amenities. The bank's participation in addressing environmental concerns is noteworthy as it deliberately evades businesses that have negative impact on ecosystems and society. At the same time, it promotes funding for clean energy and environment friendly methods in its operations. As a part of Clean Development Mechanism, the bank encourages paperless banking by carrying out internet banking, mobile banking, ATMs, etc. Also within organization, usage of e-documents is encouraged.

Like that, as a part of initiatives regarding clean technology, energy efficiency and renewable energy, the bank has financed abundant renewable energy products like Solar Power projects, Biomass and Small Hydro and Wind Power projects. Similarly, it has the scheme for financing Roof Top Solar Power projects wherein at the time of lending, it ensures that the financed projects don't damage the environment. To reduce the impact on the environment, bank encourages its customers to adopt digital initiatives like e-statement subscriptions, e-welcome kits and ATM messages to keep away printing of transaction slips. The bank, being a service organization does not generate any toxic hazardous pollutants⁶³ (Punjab National Bank Annual Report 2016-17).

d. Bank of Baroda

With the view to become India's leading bank with global status Bank of Baroda is offering a world class service to its customers. The bank operating with 5422 branches spread all over the country underwent transformation through project Navoday and striding the journey with core revolving around growth processes, products, platforms and capacity building. As the consequence of registering with Indian Green Building Council, the bank had its first green building at Indore which is bank's office cum residential building. With the addition of recent delivery channels like Internet banking, Mobile banking, ATM has reduced the use of paper in banking. Further, prior to financing a commercial project, the bank thoroughly gives preference to environmentally friendly green projects those helps in earning carbon credits like windmills, biomass and solar power projects. As the result of considerable modifications brought in the bank's lending policy, it is mandatory for industries to obtain ' No Objection Certificate' from the Pollution Control Board. At the same time, the bank does not extend any finance aids to environmental hazardous industries. Further, the bank has taken numerous digital initiatives in compliance with e-business guidelines to promote paperless banking. Some of the major ones are adoption internet banking, promoting mobile banking and increasing number of ATM's. As a part of green initiative, the bank underwent considerable changes in desktop virtualization; backup consolidation and server virtualization to improve data center operational efficiency. On the other hand, the bank had far reaching policies to promote pollution control and environmental conservation. On 18/02/2014, by World CSR Congress in Mumbai, it received the ' Global

Excellence & Leadership Award' in the category of '50 most talented CSR Professionals of India64 (Bank of Baroda Annual Report 2016-17).