

## **A STUDY ON SUSTAINABILITY OF GREEN BANKING IN SBI**

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### **ABSTRACT**

Green Banking is a term which states about the Banking sector's determination to stand up for Green environment and to reduce greenhouse effects through justifying their operations, policy, strategies and other related activities of banking services, performances and internal operations. Green Banking encourages environment friendly investments and prioritize those industries which are already into green services and helps them to sustain and restore the gone by natural environment.

Green Banking aims at zero or minimal impact of negative impact on the environment by encouraging clean energy projects with reduced emission.

The banks in India has initiated certain Green Banking Practices by introducing Online Banking, Mobile Banking, Solar ATM's, e-statement procedures Gift vouchers, etc.

The study mentions different green initiatives taken by multiple banks and related proceedings.

## **INTRODUCTION**

Green Banking is a bank which promotes environmental / ecological factors with an intension to save environment and conserve natural resources. It refers to the environment friendly practices with a target to reduce bank's carbon footprint. The green bank synonyms are ethical bank or sustainable bank. In the era where the capital requirements are huge and diversified, this practice helps the institutions to adopt towards a right and eco-friendly investments. This helps in achieving a healthy survival with a purpose.

Green banking is referred as a sustainable banking by some of the organizations as it a state of survival with environmental safety and protecting resources which ultimately builds up the brand image for the same organization. Here, organizations give priority for the eco-friendly way of transactions which helps in reduction in the usage of natural resources and avoid its wastage.

Green banking is a concept where the internal and external operations of a bank leads towards safe methods of banking towards society and environment. It also refers to adopting technical and upgradation of banking actives and procedures by introducing some changes like paperless transactions, investments/ loans towards environmental safety projects.

Green banking is an effort by the banks to make the industries grow green and in the same process they can restore the natural environment. The main areas of green banking can be technical upgradation, right project investments, employer and employee acceptance, customer satisfaction and so on.

Green banking can be more effective by using online methods of banking like introducing –

- E-statements
- Cheque mode of payments
- Green accounts
- Internet banking/ online transactions.

The prominent methods which are rooting towards a green bank are E-Commerce and its models with a major contribution towards online banking. Now-a-days traditional banking is easily replaced by latest and technical methods (paper-free methods) of banking.

The other major contribution towards green banking is UPI system of banking which is handy, easy and pocket-friendly banking mode. The turnover of UPI transactions is rapidly increasing and traditional banking methodology is going green with a popular and safe banking methodology.

#### **OBJECTIVES OF THE STUDY:**

- To bring awareness regarding Green Banking concept.
- To state the prominence of eco-friendly banking.
- To know about Green banking applications.
- To know about long-term benefits of Green Banking.
- To know banking procedures that are part of Green Banking.
- To state the role of Green Banking in safe-guarding the natural resources.

#### **NEED OF THE STUDY:**

Green Banking is an initiative by Central Bank to take up certain measures to save environment and improve in-house environment management by using the resources in an effective and efficient way. Green Banking helps us in achieving sustainable development goals by investing through new financial instruments like green bonds, carbon-free market instruments. Green bank's new fiscal policy can also conserve forest resources by limited use of paper and ink, converting to online services, etc.

#### **SCOPE OF THE STUDY:**

The study is related to the Green Banking as an initiative towards eco-friendly banking system, environmental development and safe guard of natural resources. It describes about the way of SBI working with green banking initiatives and procedures adopted in achievement of eco-friendly banking. The study focuses on history of green banking in SBI and also other Indian banks which have adopted green banking and their contributions.

The study would like to research about the customer perception towards the green banking and their opinions towards the parameters that contribute sustainability of green banking.

#### **SBI PROFILE:**

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage

and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations.

SBI, the largest Indian Bank with 1/4th market share, serves over 48 crore customers through its vast network of over 22,405 branches, 65,627 ATMs/ADWMs, 76,089 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.

The Bank has successfully diversified businesses through its various subsidiaries i.e. SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 235 offices in 29 foreign countries.

Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions.(Source - [www.sbi.co.in](http://www.sbi.co.in))

**VISION:** Be the bank of choice for a transforming India.

**MISSION:** Committed to providing simple, responsive and innovative financial solutions.

### **EVOLUTION OF SBI**

The origin of the **State Bank of India** goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

Primarily Anglo-Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.



Bank of Bengal H.O.



Group Photograph of Central Board (1921)

## AWARDS

- SBI honoured with India's Best Annual Report Awards-2022 by Free Press Journal.
- SBI honoured with three Gold Awards at ET Human Capital Awards
  - HR Leader of the Year - Large Scale Organisations
  - Excellence in Business Continuity Planning & Management
  - Most Valuable Employer During COVID-19
- SBI won two Awards from NASSCOM -DSCI
  - Best Security Operations Centre of the Year
  - Cyber Security Awareness
- Gold & Silver awards in The ET HR World Future Skill Awards
- SBI awarded "Issuer of the Year - Private Placement" at the 5th National Summit & Awards on Corporate Bond Market 2022 by ASSOCHAM
- SBI won Gold category in Public Sector Bank in Outlook Money Awards 2022.

## HISTORY OF GREEN BANKING IN SBI:

In recent years, Indian banks have observed a rapid development and change over techniques in its banking activities. Banks have faced multiple challenges and adopted for many upgradations by competing with the flow of changes of high-end way of growing world and relating to the required survival.

- State Bank of India (SBI) is the India's largest public sector bank which was established in 1955.
- SBI was the only bank from India which was featured in top 100 world class banks.
- Merchant banking services by SBI were started since 1972.
- In the mid 1980's SBI induced to create a subsidiary and capital market in 1986.
- In early 2000's modernised banking operation were adopted.
- Beginning of 2007, SBI formulated Green Banking policy to solve banking related global warming issues.
- SBI adopted natural resource conservation methods to protect environment.
- SBI's green working was supported by government and multiple international agencies.
- The green initiatives taken by SBI supported and sustained its development by adapting to green technological policies.

## **RESEARCH METHODOLOGY:**

The research design for GREEN BANKING - DESCRIPTIVE RESEARCH. Descriptive research merely examines 'What is'. Descriptive research usually makes use of descriptive statistic to help the user understand the structure of the data and significant pattern that may found in the data.

The research is on Green Banking; what is Green Banking, sustainability of green banking and SBI working procedures with green banking. Therefore, it is a descriptive research design.

## **DATA COLLECTION**

Data collection is a systematic procedure of collecting information in order to analyse and interpret the data. The data can be collected through two principal sources viz.

- 1) Primary data
- 2) Secondary data

## **PRIMARY DATA:**

It is the information collected directly without any reference. The data required for accomplishment of this project has been collected mainly by conducting interviews, with concerned officers and staff either individually (or) collectively and some of the information had been verified (or) supplemented conducting personal observation method.

## **SECONDARY DATA:**

The secondary data is the data which is already available. It is obtained from Annual reports. Internal records, in-house magazines, journals, books and websites.

**GREEN BANKING IN INDIA – Suresh Chandra Bihari and Bhavna Pandey**  
(Academic Journals.org) Article Number - 7A7F42B49595

Vol.7(1), pp. 1-17 , January 2015 <https://doi.org/10.5897/JEIF2014.0599>

Received: 02 September 2014 Accepted: 03 December 2014 Published: 31 January 2015

This study analysis explains that the Green banking a latest upgradation in banking sector and banks too are caught with 'Green Fever'. The authors say that green banking not only improve the bank's standards but also affect socially responsible behaviour of other business.

Indian banks should set short term and long term goals in implementing their green strategies and execute the same in a periodic manner.

**A Study on Green Banking in India – an Overview (Dr. R. JANAKIRAMAN Assistant Professor PG and Research Department of Commerce Vriddhachalam – 606 001 Dr. S. KARTHIKEYAN Assistant Professor PG and Research Department of Commerce Thiru Kolanjiappar Govt. Arts College (Grade I) Vriddhachalam – 606 001) Volume-5, Issue-11, November - 2016 • ISSN No 2277 - 8160**

The study deals with green initiative and developments in banking sector. It is said like green bank is a normal bank that considers social & environmental factors and is also called as an ethical bank The study also says that the RBI and the Indian government should pay a vital role in formulating green policy guidelines and financial incentives needed for an effective adoption of green banking.

**GREEN BANKING IN INDIA Dr. Ruchi Trehan Assistant Professor in Commerce and Management Deptt. Apeejay College of Fine Arts, Jalandhar (Journal of Poverty, Investment and Development www.iiste.org ISSN 2422-846X An International Peer-reviewed Journal Vol.14, 2015)**

In this study the author says that Green banking is a promotion of environment friendly activities, which will ensure greening of industries and also facilitates improvement in asset quality in banking. The study also explains the prominence and applicability of green banking is an institutional regulatory mechanism. The author states that the banks haven't taken much initiatives though they are much needed for emerging Indian economy. The study says that there is a need of adoption of equator principles and guidelines regarding environment sensitive parameters, apart from finances to fund the projects.

**Green Banking in India: A Study of Various Strategies Adopt by Banks for Sustainable Development**

Dipika, Department of Management Studies, Ganga Institute of Technology and Management, Kablana, Jhajjar, Haryana, INDIA **Paper ID: IJERTCONV3IS10062**

**Volume & Issue :** [NCETEMS – 2015 \(Volume 3 – Issue 10\)](#)

**Published (First Online):** 24-04-2018

The study says that green banking is boost to improve the environment and promotes economic growth. Indian banks are far behind the developed countries in the practices of green banking. In case of Indian banks entering global market have to recognize their environment and social responsibilities. Green banking mutually benefits banks, industries and also the economy. For sustainable banking, Indian banks should adopt green banking as a business model without any delay.

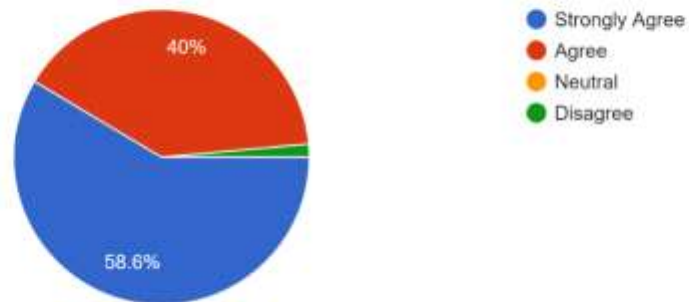
#### **ANALYSIS OF THE STUDY:**

The analysis of the research interprets that Green banking is definitely an eco-friendly way of banking which helps in environmental development and reduction in usage of natural resouces without any wastage. The research says that customer opine that Govt. promotion requirement, banking policy and procedures regulation, paperless or UPI banking and investment into safe & eco-friendly projects definitely contributes towards environment safety and development. Customers also opine that Green banking can be better initiative towards eco-friendly banking system which can definitely give us a long-term benefit towards environment protection.



### 1. Can green banking be counted as a friendly banking?

70 responses

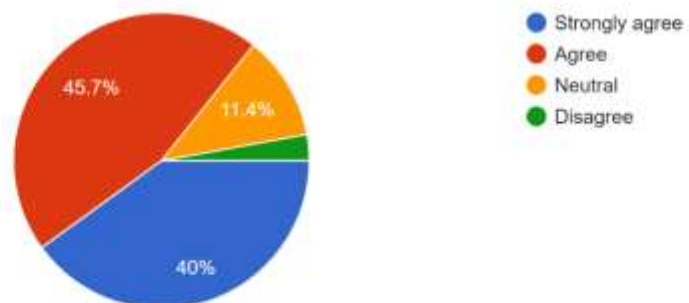


#### INTERPRETATION:

Most of the customers have chosen 'strongly agree' by putting up their opinion towards considering green banking is friendly in nature towards all the banking purposes.

### 2. Does UPI system support green banking ?

70 responses

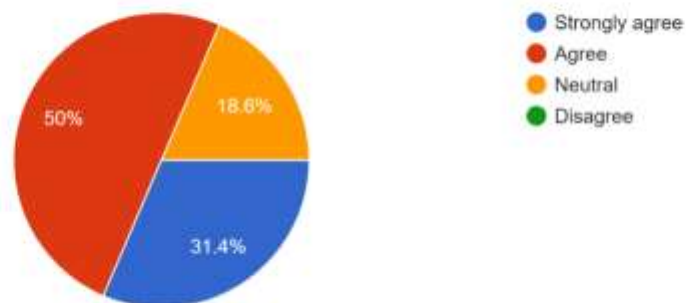


#### INTERPRETATION:

Almost 46% of the customers here have chosen 'Agree' as an option and 40% 'Strongly agree' as an option stating that the UPI banking system is a paperless banking and can be considered as a genuine part of Green banking.

### 3. Can banking policy and procedures give sustainability to green banking ?

70 responses

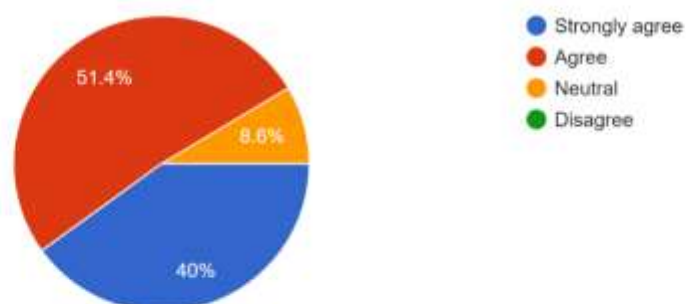


#### INTERPRETATION:

Here, 50% of the customers 'Strongly Agree' towards an opinion saying, banking policy and procedures gives sustainability to Green banking, 31% of the customers 'Agree' upon the same and 19% are neutral upon thinking not only policy and procedures but there can be other options too.

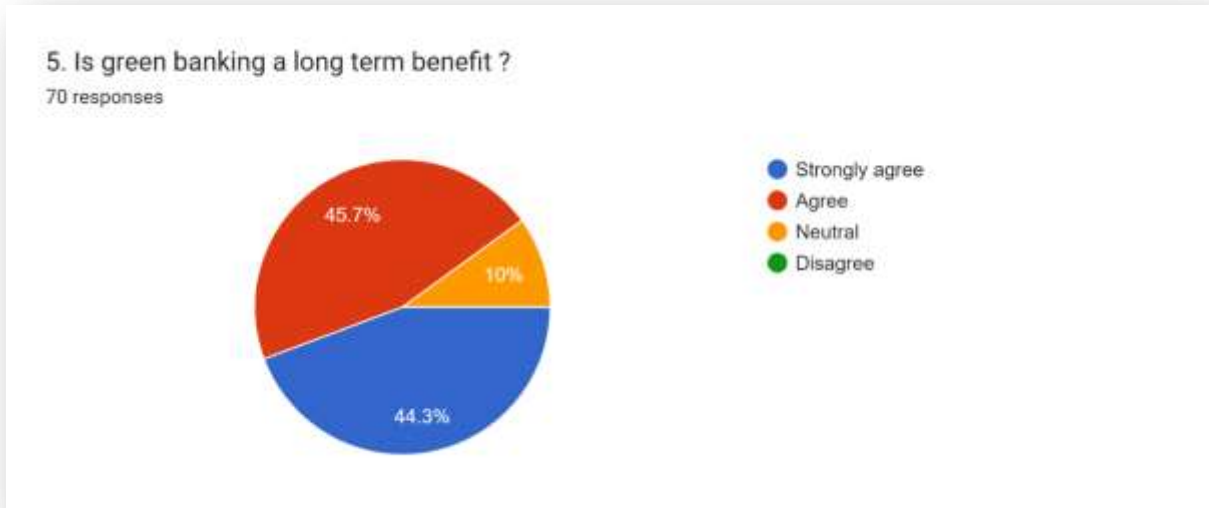
### 4. Can green banking really promote to eco-friendly development ?

70 responses



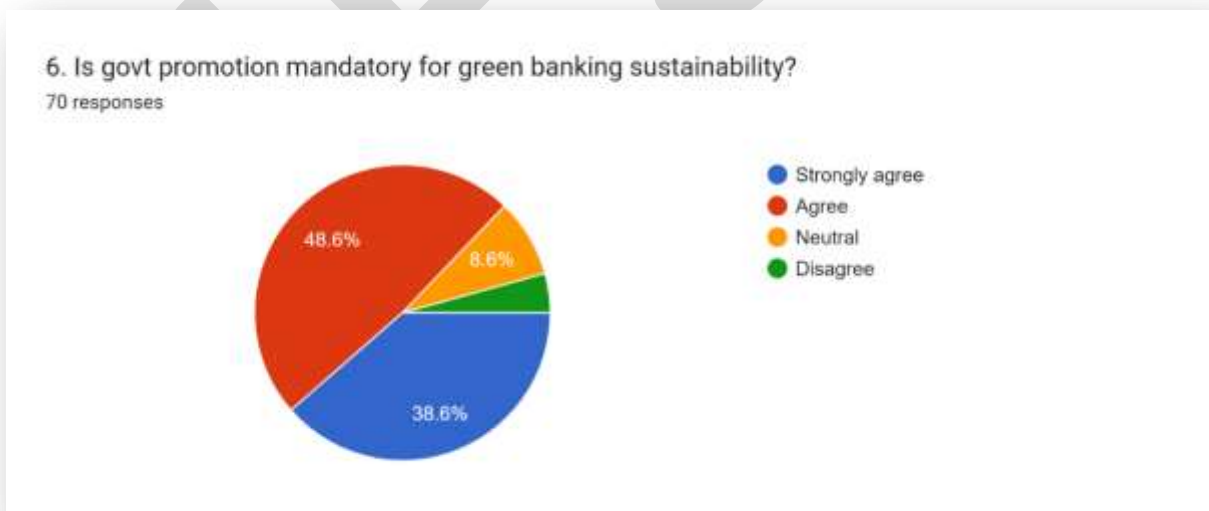
#### INTERPRETATION:

Here, almost 52% of the customers 'Agree', 40% 'Strongly Agree' as an opinion saying that green banking definitely promotes eco-friendly development.



**INTERPRETATION:**

Here, almost 46% of the customers ‘Agree’, 44% ‘Strongly Agree’ as an opinion saying that green banking definitely contributes towards a long-term benefit towards the eco-friendly development.

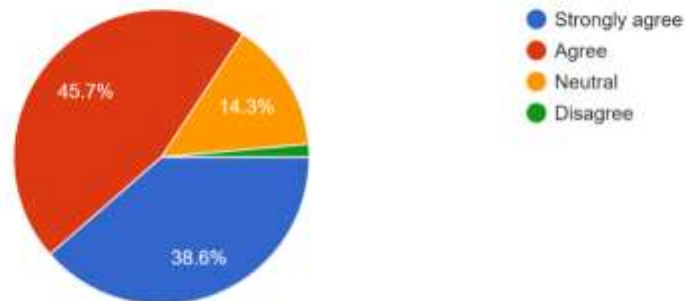


**INTERPRETATION:**

Here, almost 49% of the customers ‘Agree’, 39% ‘Strongly Agree’ as an opinion saying that Govt. promotion is mandatorily required for Green banking sustainability as long-term benefit.

7. Does banking regulations towards green banking, safeguard natural resources?

70 responses

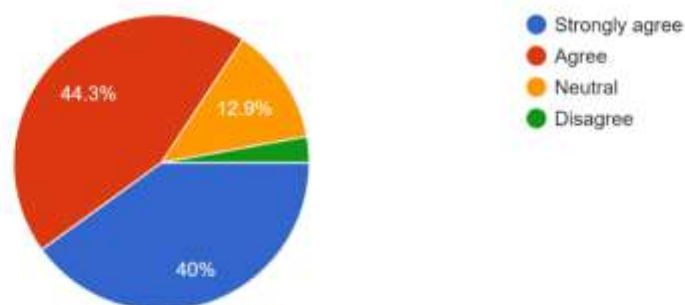


**INTERPRETATION:**

Here, almost 46% of the customers ‘Agree’, 39% ‘Strongly Agree’ as an opinion saying that Banking rules and regulations definitely helps in safe guarding the natural resources which ultimately helps environmental development, whereas 14% are neutral upon the same.

8. Will funding in the safe projects contribute towards reduction in banking carbon footprint?

70 responses

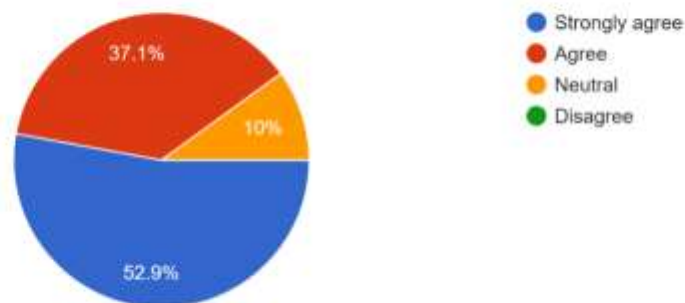


**INTERPRETATION:**

Here, almost 45% of the customers ‘Agree’, 40% ‘Strongly Agree’ as an opinion saying that funding in the safe &eco-friendly projects surely contributes towards reduction in banking carbon footprint, whereas 12% are neutral upon the same.

9. Does paperless banking can be counted as an initiative towards green banking?

70 responses

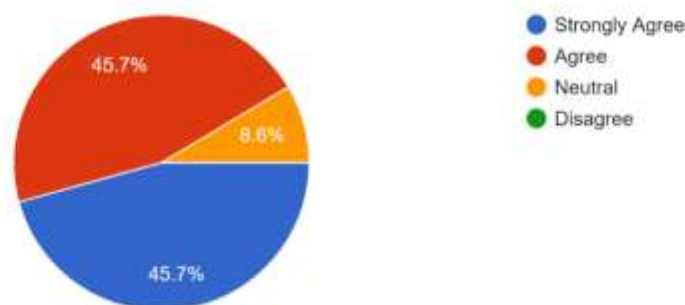


**INTERPRETATION;**

Here, almost 53% of the customers ‘Strongly Agree’, 37% ‘Agree’ as an opinion saying that paperless banking can be considered as an initiative towards green banking because it definitely leads to the reduction in usage of natural resources.

10. Do You think green banking should be adopted by all the banking institutions?

70 responses



**INTERPRETATION:**

Here, almost 46% of the customers ‘Strongly Agree’ as well as ‘Agree’, as an opinion saying that green banking should be adopted by all the banking institutions as a contribution towards environmental development and safe guarding natural resources.

## **GREEN BANKING INITIATIVES BY ‘SBI’ .(Source - [www.sbi.co.in](http://www.sbi.co.in))**

### **1. Background of SBI GREEN FUND**

- SBI strongly believes in its responsibility and right corporate culture to safe guard the environment by transforming India into a digital nation.
- SBI launched “Yono SBI” – a first of its kind omni-channel digital platform on 24<sup>th</sup> November, 2017.
- BI’s continuous endeavour to educate and migrate its’ customers from paper-based banking to digital banking through “Yono SBI”.
- SBI, have adopted ‘sustainability’ as one of its core values in 2017.

### **2. Vision of SBI GREEN FUND**

The SBI Green Fund aims to promote activities which directly contribute to sustainability such as plantation of trees, construction of bio-toilets, Providing solar lights/lamps/panels etc.

### **3. Activities supported through SBI GREEN FUND:**

- **Tree Plantation:**

SBI Increased 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 planned to plant approximately 5 million trees through contributions from SBI GREEN FUND.

- **Construction of Bio-Toilets:**

Bio-toilets should be treated as priority in the sanitation revolution in India. Bio-toilets are not only affordable but most importantly reduce the water usage. SBI aimed to construct 4,000 bio-toilets through contributions from SBI GREEN FUND.

- **Providing Solar Lamps/Lights/Panels:**

In an effort to reduce carbon footprint and promote sustainable living, SBI will provide a solar power panel/light/lamp to individual households in identified 5 cities/towns through contribution from SBI GREEN FUND.

## **FINDINGS:**

- Green banking is supported by customers as an eco-friendly banking.
- SBI initiatives towards green banking like YONO app, solar panel usage, are very well needed contributions for environment safe development.
- Green banking is an upgradation towards traditional banking system.
- E-Commerce and UPI plays a vital role in Green Banking system.

## **SUGGESTIONS:**

- More awareness need to be brought towards the promotion of Green banking.
- Need to be promoted and sustained in a consistent manner by all banking institutions.
- More possibilities need to be given to E-commerce and its models.
- More initiatives need to be taken in conservation of natural resources.

## **CONCLUSION:**

To conclude, in today's world, banking sector is growing at a rapid speed with necessary adoptions to meet all possible enhancements. Indian banking sector is transforming from all its traditional methods of banking to digitalized nature of banking. Even though Indian banks are not meeting the pace of green banking at global level, have tried to keep up with a many possible green initiatives and are coming up with more advanced and eco-friendly developments in green banking. As, the paper is of descriptive nature, it contains most of the green measures adopted in different banks and SBI being the pioneer of public sector banking has come up with an innovative green measures by maintaining ethical banking and distributes its green funds wisely to meet the initiatives taken.

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