

Environmental Sustainability through Green Banking

P.Saravanan

M.Phil.(Commerce)

Morappur Kongu College of Arts and Science, Morappur

OPEN ACCESS

Volume: 6

Special Issue: 1

Month: September

Year: 2018

ISSN: 2320-4168

Impact Factor: 4.118

Citation:

Saravanan, P.

“Environmental Sustainability Through Green Banking.”

Shanlax International Journal of Commerce, vol. 6, no. S1, 2018, pp. 33–36.

DOI:

<https://doi.org/10.5281/zenodo.1461430>

Abstract

Economic development of all the nations depends upon industrialization. But on the hand to resulted in exploitation of the natural resources which in turn has distrusted to the ecological development. The distributed on ecological balance for adversely the human and yon sounding environment. In even industrialization caused industrial or indirect in the last few decades. It has created a caution among the environmental, government and organization from all over the world. Sustainable development has become an important agenda in the international community. Various conferences and seminars are being organized to create awareness about this alarming issue. Based on this, the governments, as well as organization, take the green initiatives for environmental protection and sustainability. Environmental sustainability plays a vital role in sustainable development, with the integration of social, environmental protection. Most of the organization considered environmental protection as an important strategy and started offering environment friendly or green products and services to the society. But the concept of environmental sustainability and green product and services is new to developing countries like India.

Keywords: Industrialization; Ecological balance; Environmental Sustainability; Green banking; Green Initiatives.

Introduction

All the financial institution are focused on environmental protection for two objectives. A first objective is to work toward ethically responsible banking. A next objective is to work towards corporate social responsibility. The objective of this paper is to examine the green banking and sustainability, ways and means for successful implications of green banking concept.

Green Banking – Definition

The green is becoming a symbol do Eco-consciousness in the world. According to the Indian Banking Association, “Green Banking is like a normal bank, which considers all the social and environmental factors with an aim to protect the environmental and then conserve in natural resource.” It is also known as ethical banking or sustainable bank. Green banking is making technological improvements, operational improvements and changing climate habits in the banking sector. It means to promote environmentally friendly practices and to reduce the carbon foot print from the banking operation. It is the smart and proactive way of thinking with

a vision of feature sustainability. Banks should promote those products, process and technological improvement with a vision of future sustainability. Banks should promote those products of the banking customer in the various activity of in that banks.

Sustainable Development and Sustainable Banking

According to the report “Report of the World Commission on Environment and Development Sustainable Development,” Sustainable Development is the way of using the resource that not only meets the human needs of present and future generation but also preserves that the environment. The field of sustainability development of the country of three constituents – environmentally sustainable, economic sustainable and socio-economic sustainable. Sustainable banking as per the United Nation Environmental Programme Finance initiative is defined as “the process by which the banks consider the impact of their various operational activity and their products and services for meeting the needs of the current as well as the future generation.”

The penalty was imposed on many banks in the United States for Pollution of the environment by the clients whom the banks had financed. Those banks consider making to pay huge remediation of the cost. The United States that sustainable banks are to consider the effect of its services and operations in the meeting of current as well as future generation.

Policy Guidelines for Green Banking

We are aware that global warming is an issue that calls for the global response. The rapid change in climate will be too great to allow much eco- system to suitably adopt since the change has the direct impact on biodiversity, agriculture, forestry, dry land, are water resource and human health. Due to the unusual weather pattern, rising green house gas, declining air quality, etc. Society demands that business also took responsibility in safeguarding the planet. Green financing as a part of green banking makes the great contribution to the transition to the resource- efficient and low carbon industries, i.e., green industry and green economy in general. Green banking is a component of the global intimate by a group of stakeholders to save that environment.

Tips for Efficient Greed Banking

The terms of green banking are one popular worldwide nowadays. It is for stopping the environmental degradation and making this planet habitable. The concept of green banking developing in the western countries, which has been replicated by many developing countries. We all know that the people of the whole world are concerned about the environmental duration, especially the rising of global temperature and thereby melting of glaciers and ice-berg in the 8 Polar Regions and consequently rising of sea level, which will directly affect the low lying countries of the world. As green initiatives sweep across the global, more and more financial instructions are taking note and taking action. The term towards green banking steel largely driven by and directed on consumer behavior. Since the banking industry is a vital institution in the economic and business activity round the world, bankers cannot remain indifferent to this burin issue. A bank may address many issues to save environmental degradation and conserve the ecological balance.

Bankers are the important professional group who has interaction with the other group of people and also with general masses. Hence, they can adopt different green activity within their in-house environment and also can initiate the protection of the air pollution, water pollut5ion by the clients. Many banks in the developed world have already started green banking activities.

Strategic Plans of Banks to Prefect the Environment

Banks must adopt a strategic plan to perform the green activity on the long-term basis as well as the short-term basis. The government should outline a board guideline of green banking for

environmental protection, conservation of biodiversity. Reserve Bank of India has a greater role in shaping up a concrete guideline for green banking practices and each bank and the financial institution can formulate a strategy and guidelines for green banking.

Waste Management

A green banker must be cautious about wastage and waste management. The bankers should be wastage of resource like water, gas, electricity, paper, food, etc. For example, if we draft letters on a computer rather than on paper, it will save millions of paper as well as thousands of trees that provide raw materials for paper production. Similarly, when we select a location of the branch of a bank with sufficient access to light and air, it will save huge electricity and create a healthy environment.

Clean and Hygienic Environment

A green banker will not throw any wastage, bottles or packing material here and there. Each group of waste should be kept in a sepal. Rate place, which does not pollute the environment and all the wastes must be disposed of separately. A green banker will not spit or cough on the floor, walls or the road.

Online Banking

Additional conservation of energy and natural resource, paying bills online, remote deposit, online fund transfer, and online statements are just a few of the analysis online banking can create savings from less paper, less energy, and less expenditure of natural resources from banking activities. Customers can also save money by avoiding many of those late payment fees or overdraft fees that can sneak up if the customer use bank by mail or branch banking services.

Green Banking in Rural Branches

Since India is an energy deficit country, the bank can install solar panels in all branches as an alternative energy source. They can also use the vehicles which consume less fuel which will save huge fuel ten import of the country. They can also use big, vehicles to carry the employees of the banks instead of the personal vehicle to reduce fuel as well as the traffic jam in the roads.

Financing the Green Projects

Bankers must be aware of the environmental issue and they must go for financing the projects that do not pollute the environment. The industries that are financing by the banks must have effluent treatments plant, recycling facilities, and smoke and gas arresting unit. The industries must not release any king of effluents, chemicals. Bakes should take the initiative to make their clients aware of organizing seminars and some other type of awareness meeting. They are organizing awareness campaign in schools and colleges. They can participate in the tree plantation and cleanliness programmers in city areas.

Use Green Credit Cards

The benefit of using green credit cards is that some card issue will donate funds to an environment-friendly non-profit organization. Imagine kicking back a percentage of every rupee to spend on to customer's credit card to a worthless of banking. Research the latest green credit card that will give back to the organized.

Conclusion

When our environment fights us back, we are forced to rethink and amend our ways of living to become more eco-friendly. A new trend hence was given birth in our endeavor to become eco-friendly which many define as being on the green. India already has many ongoing initiatives to talk about in the celebrate who support various green causes. Save the Environment campaign witness many celebrate like various banking activities in the financial activities. As the green bank has rapidly expanded its operations, the challenge for its leadership has been on managing this growth successfully going on green.

References

ABN AMRO. Environmental report
Keller, G.M. Industry and Environmental Protection.
Marcel Jeucken, Sustainable banking: The Greening of finance.

Web Sources

<https://www.prokerala.com/education/morappur-kongu-college-of-arts-and-science-36651.html>
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2385573
<https://www.coursehero.com/file/p4urjmf/The-objective-of-this-paper-is-to-examine-the-changes-in-private-rates-of/>
[http://www.ijbmi.org/papers/Vol\(6\)2/version-3/B0602031015.pdf](http://www.ijbmi.org/papers/Vol(6)2/version-3/B0602031015.pdf)
<http://www.ijims.com/uploads/0683349e560ec9403bb5yadwinder3.pdf>
http://www.greengrowthknowledge.org/sites/default/files/downloads/resource/going_green.pdf
http://ripublication.com/gjmbs_spl/gjmbsv3n10_21.pdf
<http://ejsit.org/journal3/dec18.pdf>
http://www.klgates.com/files/Publication/aa74c3da-22e5-4b87-b78f-1c3e7c0a4978/Presentation/PublicationAttachment/b806579a-7df6-40f5-aae9-28803fd69f06/JIBFL_27_02_10_Hedderly.pdf
<http://ejsit.org/journal3/dec18.pdf>