Ethical Issues of Banks towards the Environment: A Study on Green Practices of State Bank of India in Assam

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Abstract

Bankers are belonging to that professional group who has interaction with the other groups of people and also with general masses. Apart from profit maximization, banks can play a vital role in economic development and environmental issues of a country if they become ethical enough while marketing their banking services. Because lack of ethical norms in banking business operations may produces great damage at the micro and macro level. An ethical bank is a bank concerned with the social and environmental impacts of its general banking practices, investments and loans. Ethical banks, also known as social, green, or sustainable banks, move towards more social and environmental responsibility by adopting different eco-friendly banking practices for their customers and also financing green and pollution free projects. Eco-friendly practices, popularly known as green banking practices are the practices made by the banks to reduce the internal carbon footprint and external carbon emission from their day to day banking activities. This paper attempts to study the ethical practices adopted in the banking sector in India especially by State bank of India towards the environmental issues. The study is divided into two parts; part one studied the environment-friendly practices adopted by the SBI itself at national level and other part studied the green banking practices introduced by the bank to be practiced by the customers in Assam. It has found that there is lack of awareness among the customers as well as the bank employees regarding various green banking practices adopted by the bank.

Key Words: Eco-friendly, Environment-friendly, Ethical Banking, Green Banking Practices, Sustainable Banking
INTRODUCTION

Banks as financial institutions are environmentally neutral. They are not directly related with the environment. They are considered to be in the non-polluting sector, and do not impact the environment much through their own internal operations. However, as consumers of natural resources, banks interact with the environment. For instance, banks contribute towards the carbon emission directly in their day-to-day operations in terms of use of paper, electricity, lighting, air conditioning, electronic equipment and other things. They also affect the environment indirectly by financing intermediaries who are the major source of long term funding to various industries that pollute the environment heavily (Saleena T. A. 2014). Hence, banking sector needs to function with a social conscious apart from their original business point of view.

A normal bank provides a wide variety of services and aims to make profit first and foremost. They try not to take on clients that would cost them too much money. For example, banks do not usually made loans to people whose credit history and income makes it more likely that they will fall behind and default. They may also be reluctant to provide their services in lower-income neighborhoods. As the result, lower-income individuals have fewer opportunities to save and borrow money. This will limit their ability to improve their lives and their communities. The banks are similarly reluctant to lend money to ecologically friendly projects on the ground.

However, ethical banks have some different approaches. Supporters of ethical banking argue that by supporting this low-income community can benefits the country and the world as a whole, since it increases national tax revenues and lowers the number of people who are dependent on government aid. An ethical bank, also known as a social, alternative, civic, or sustainable bank, concerns with the social and environmental impacts of its investments and loans. Similarly, an ethical bank will often seek out investment opportunities that encourage environmental or social enterprises.

The word ethics indicates the meaning of custom, behaviour, conduct, and moral. Ethics belongs to philosophy because it studies human behaviour from a certain moral aspect. Ethics as
the study of morality examines the meaning and goals of moral norms and establishes the criteria for moral evaluation. Thus, banking ethics may be defined as a group of moral actions of a banking institution that it adheres during all forms of banking activities without damaging the business relationships within the business system and the wider environment.

LITERATURE REVIEW

Financial institutions like banks need to be seen as leading organizations who engage in social activities that uplift society, the environment and economy (Dorasamy, N. 2013). Social banking policies were made to shift the focus of commercial banks from ‘selective banking’ to ‘mass banking’ (S. Vasudevan & A. Ghaisas, 2013). The interest in social and environmental issues (particularly climate change) in banking has experienced a rapid growth over the last decade. Ethical and trust issues have also gained attention during the recent global financial crisis (Andreas G. F. Hoepner & John O. S. Wilson, 2010). The aims of ethical banking extend beyond economic benefits to include social objectives in terms of the triple bottom line including people, planet and profit (San-Joseet et al, 2011). Ethics is a set of moral values and principles related to society. In the banking sector, the business ethics principles would be implemented in an organized fashion, aided by normative and legal regulation in the field of bankers' business activities (V.V.R.Raman & Veena Tewari). Apart from profit maximization, commercial banks are supposed to support those organizations, which have some social concerns. There is a severe need for environmental awareness among all the countries of the world (Krishna A. Goyal, & Vijay Joshi, 2012). Banks in attempting to contribute to the common good of the local community, the country and humankind, have to engage in corporate social responsibility activities which satisfy the needs of all Stakeholders. Corporate social responsibility is being increasingly considered vital for organizational success and sustainable growth (N. Dorasamy, 2013). State-owned banks are more ethical than private banks when the placement of assets and avoiding social exclusion factors are considered (Icke B. T. et al, 2011).

Banking activities are not physically related to the environment, but the external impact of their customer activities is substantial. So there is need for banks to adopt green strategies into their operations, buildings, investments and financing strategies. Green banking means combining operational improvements, technology and changing client habits in banking
business. The SBI has taken more green banking initiatives as compared to ICICI Bank (Saleena T. A., 2014).

OBJECTIVES OF THE STUDY

The following are the major objectives formulated to carry out the present study:

i) To discuss the meaning and role of ethical banking.

ii) To highlight the ethical banking practices adopted by State Bank of India towards the environment.

iii) To study the adoption level of green banking practices by the customers of the SBI in Assam.

METHODOLOGY

The present study has incorporated with the collection of both primary and secondary data. The study has been conducted in Assam. For collecting primary data, structured questionnaires have been used and 486 customers of State Bank of India from selected four districts of Assam have surveyed using convenience method of sampling. Primary data have also been collected by visiting the local head offices and bank branches. The data have been collected in between March 2012 to July 2013. The data so collected have been processed using statistical package SPSS-16 version. Secondary information have been collected from different relevant books, journals, news papers and published reports of the State Bank of India and Reserve Bank of India. Information also has been collected from different websites for the study.

Population of the study: There were 287 numbers of SBI branches all over Assam as on 17th September, 2012 (RBI Branch locator). As on March 2011 there were 42,68,054 number of customers of SBI of various categories (SB Accounts- 37,21,250, CD Accounts- 60,743 and FD Accounts- 4,86,061) in Assam. (Basic Statistical Returns of Scheduled Commercial Banks in India)

STATEMENT OF THE PROBLEM

There is an urgent need to promote consciousness among the people regarding the environmental impacts of adopting various green banking practices. There is general lack of
adequate awareness regarding the environmental-friendly banking practices adopted by the bank even among some of the bank employees. This particular study will facilitate the people to be acquainted with the adoption of these eco-friendly banking practices realizing the tremendous benefits of using it.

**RESEARCH GAP**

The review of available literatures shows that most studies about various green/eco-friendly banking practices were done outside India. Very few studies have been done in India. The researcher realizes that no study has been carried out regarding these environment-friendly banking practices in Assam till date. Therefore, it is evident that there is a research gap and choosing this area for doing research would surely help the banking sector, customers, policy makers and the society as a whole.

**MEANING OF ETHICAL BANK**

Ethical banks can be defined as financial institutions providing both social and economic profitability for the society and environment (B.T. Icke et al, 2011). An environmentally ethical bank is one that adopts sustainability practices across all lines of the organization; the employees, facilities, products & services, and governance. Ethical banking is the term that encompasses any banking system that embraces environmentally and socially conscious practices. Ethical banks have started with the aim of protecting the environment and it creates awareness around business people about environmental and social responsibility, enabling them to adopt environment friendly business practices, and follows environmental standards for lending. It attempts to reduce the danger of global warming and to prevent other environmental problems and aims to achieve the goal of a low-carbon economy. It strategically promotes green industry, including environmental pollution prevention projects and renewable energy development projects.

**ETHICAL BANKING PRACTICES ADOPTED GLOBALLY**

**Triodos Bank:** Triodos Bank’s mission is to provide finance for organizations with a positive environmental, social or cultural impact. That’s why it is considered one of the world’s
foremost ethical and sustainable banks. Triodos Bank believes that profit doesn’t need to be at the expense of the world’s most pressing environmental problems. That’s why they finance organisations from organic food and farming businesses and pioneering renewable energy enterprises, to recycling companies and nature conservation projects. They are working to reduce their own CO2 emissions in a variety of ways. They are reducing energy consumption wherever possible. Their new office buildings are designed and constructed using carefully selected sustainable materials and the most energy-efficient lighting, heating and cooling technologies. They use electricity from renewable energy sources only. They only support organic businesses.

The Co-operative Bank: The Co-operative Bank, ‘the original ethical bank’, was the first UK bank to introduce an Ethical Policy back in 1992, which blocks investments in key ‘unethical’ areas such as weapons manufacture and fossil fuel financing. There is only really one high street bank in the UK with an ethical policy, and that’s the Co-operative. The bank has turned away over 900 million pounds worth of loan applications since it adopted its ethical policy in 1992.

Bank of America: As one of the world’s largest financial institutions with operations in more than 40 countries, Bank of America is committed to making its operations more environmentally sound through the reduction of emissions, consumption, and waste, and by working with its suppliers to help accomplish those goals. Additionally, Bank of America is helping its employees reduce their emissions through a programme that provides a US$3,000 reimbursement to employees who buy a new hybrid, natural gas or electric vehicle. The company is aiming to have 20 percent of its corporate workplace real estate portfolio certified under the U.S. Green Building Council’s LEED(R) (Leadership in Energy and Environmental Design) rating system by 2015.

Royal Bank of Canada: The Royal Bank of Canada (RBC) Environmental Blueprint is a comprehensive framework that contains the Bank’s environmental policy, its priority environmental issues, its objectives and its commitments to action. RBC’s objectives are: to reduce its environmental footprint; to lend responsibly; to offer clients green products and services; and, to promote environmental sustainability both within the organization and the communities in which it does business.

HSBC Group, UK: HSBC has taken a number of actions to tackle the environmental issues. These include the following: (i) the establishment of the HSBC Climate Change Centre of
Excellence, which investigates the likely economic risks and opportunities of climate change for the financial markets; (ii) being committed to financing the ‘climate business’ sector and what they believe, will be the low carbon technologies of the future, including low carbon energy production and energy efficiency; (iii) launching the HSBC Global Climate Change Benchmark Index, which lists companies focused on developing solutions to combat the effects of climate change across many business sectors; (iv) setting challenging targets to reduce the carbon emissions resulting from its operations; (v) working in partnership with leading NGOs and engaging HSBC employees in understanding and taking action to address climate change.

**Industrial Bank of China:** The Industrial Bank (IB) makes constant use of the environmental information made available by the Chinese government. For instance, IB follows the news on breaches of environmental rules published on China’s Information Disclosure System, which it then compares to its client list, so as to take appropriate risk management measures.

**Standard Chartered, UK:** Standard Chartered evaluates and mitigates social and environmental risks across its lending, debt, capital markets activities, project finance, principal finance and advisory work. As a signatory to the Equator Principles, the bank assesses and classifies environmental and social risk as set out in the principles. In addition, potential business deals are reviewed against the Bank’s 14 position statements covering sectors with high risk for environmental or social impact. The Bank currently has position statements on child labour, climate change, gaming and gambling and water among others. As a signatory to the Climate Principles, Standard Chartered reports on its progress against engaging clients and mitigating the impact their business has on climate change. Standard Chartered has developed sector-specific risk assessment tools, comprising a series of questions related to a client’s operations and ability to manage environmental and social risks.

**Yes Bank, India:** Yes Bank has set up a specialised investment advisory, the Sustainable Investment Banking division, which promotes investments in clean technology, renewable energy, water management, and distributed energy, especially amongst the SME sector. The Bank also acts as the Exclusive Country Advisor for a number of partnerships with foreign private equity firms, including a collaboration seeking investments across India, Sri Lanka, Nepal and Bangladesh. Finally, the Bank has initiated a socially and environmentally responsible
equity investment programme, Tatva, which is actively looking to invest equity in early-stage, small-and-growing enterprises that profitably deliver a positive ‘people and planet’ impact.

**Sumitomo Mitsui Trust Holdings, Inc., Japan:** Based on the sustainable development policy, the commitment of Sumitomo Mitsui Trust Holdings, Inc. established a CSR committee with a cross company mandate to ensure that the entire group maintains a unified direction in the promotion of CSR. Each business unit has its specific responsibilities, where the corporate banking unit looks after environmental screening of loans; the asset management unit provides sustainable investment funds which specializes in biodiversity issues; and, the real estate unit which offers consulting services on environmentally-friendly property.

*Source: UNEP FI Guide to Banking & Sustainability, October 2011*

**MEANING OF GREEN BANKING PRACTICES (GBPs)**

Green practices of banks popularly known as ‘green banking’ refers to the environment-friendly initiatives taken by the banks to reduce the carbon footprint from their day to day banking activities and also to minimize the external carbon emission. Green practices of banks are the efforts of the banking sector to keep the environment green and to minimize greenhouse effects through rationalizing their strategies, policy, decisions and activities pertaining to banking service, business and in-house operational activities. It strategically promotes green industry, including environmental pollution prevention projects and renewable energy development projects. Green projects which produce green products are healthier for the planet and everyone living on it. Production and use of such products help in conserving natural resources, energy etc. for future generation.

**GREEN BANKING PRACTICES ARE ENVIRONMENT-FRIENDLY**

Green practices of banks are the practices adopted by the banks as well as the customers aim to achieve the goal of a low-carbon economy. Green banking creates a win-win situation for all participants. Adopting these green banking practices the customers can help the environment by reducing carbon emission and they would also get benefited by saving their valuable time. The green banking is rewarding! It is not only beneficial for the banks and the economy but for
the normal customers. This initiative of green banking is mutually beneficial to the banks, industries and the economy (Harris K A and Sahitha Abdulla).

Adoption of green banking practices will benefit the environment in many ways. Banks can do much more help to the environment by just promoting green banking. Use of green banking practices will result savings of energy, fuel, paper as well as water. As for example, use of paperless ATMs, Online Banking, Mobile Banking and Tele-banking will result savings of fuel as well as paper. For green banking operation customers need not go to the bank physically. This will reduce the consumption of fuel and also minimize carbon emission. This will also result less vehicles on the road.

ROLE OF STATE BANK OF INDIA AS ETHICAL BANK

**Ethics towards the customers:** SBI claims to be very ethical towards customers. They have following specified points:

- All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by customer. The Bank has in place a Grievance Redressal Cell/ Department/ Centre.
- The Bank would provide regular statement of accounts, unless not found.
- The Bank notifies relevant due dates for application of agreed interest, penal interest, default interest, and charges if they are not mentioned in the documents or correspondence.
- The Bank notifies details of all charges payable by the customers in relation to their account.
- The Bank notifies immediately or as soon as possible any revision in the existing interest rates and makes them available to the customers in the media, website and notice board at branches.

**Ethics towards the employees:** State Bank of India has been providing several of benefits to employees. They provide low loan interest rates and high interest rates on deposits for employees. Annually LTC is also provided. SBI provides medical reimbursements, life insurance
and also provident funds. They follow central government’s leave structure. SBI claims to maintain a healthy, safe and productive work environment. There also exists on job training for employees which is provided as and when required.

**Ethics towards the society:** SBI has realized its social responsibility and mainly its focus is towards rural development. SBI Caters to the needs of agriculturists and landless agricultural laborers through a rural network. They helped farmers by providing aids and interest free loans for crop production, horticulture, plantation crops, farm mechanization, land development and reclamation, digging of wells, tube wells and irrigation projects, forestry, construction of cold storages and godowns, processing of agri-products, finance to agri-input dealers, allied activities like dairy, fisheries, poultry, sheep-goat, piggery and rearing of silk worms. SBI has also contributed in poverty alleviation programme by Micro finance. Bank has opened several Self Help Group cells in major rural branches to provide. SBI also has a ”Gram Nivas Scheme” to comprehensively cater to the needs of the village community with special focus on poorest of the poor for Housing Loans keeping in view the peculiarity of the ownership title in rural areas, social habits, type of construction and other related needs (SBI Annual Report).

**ETHICS TOWARDS THE ENVIRONMENT**

SBI has become the first bank in the country to venture into generation of green power by installing windmills for captive use. 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. The bank also supports the green initiatives of its clients and offers them finance on priority and at concessionary rate of interest. The bank has launched a loan product called 'Carbon Credit Plus' to finance the future Clean Development Mechanism (CDM) projects. The bank launched its ‘Green Banking Policy’ in the Bengal circle and decided to run 50 ATMs out of 850 ATMs on solar energy in Bengal. The bank aims to run more and more ATMs by solar energy to reduce their power consumption and planned to introduce five lakh Point of Sale (POS) terminals across the country in the coming years. The recent green banking initiatives also include paperless banking for customers, clean energy projects and the building of windmills in rural India.
The Bank has been encouraging customers by extending project loans on concessionary interest rates to reduce Green House gases (GHGs) emissions; by adopting efficient manufacturing practices through acquisition of latest technology. The Bank also arranges consultancy services by roping in the services of empanelled CDM consultants in CDM (Clean Development Mechanism) registration process. The SBI effectively propagates and implement sustainable usage of resources including renewable energy by adopting energy efficient measures. The bank is the largest deployer of solar ATMs in the World, Saving more than 2000 tons of CO₂ per year. The bank extends project loans on concessionary interest rates to encourage customers to reduce Green House gases by adopting efficient manufacturing practices (SBI Directors’ Report 18 May, 2012). Special drive for fruit bearing tree plantation during monsoons was taken up across all Circles, which has been very successful and sustained efforts are being made to ensure the survival of the plants as well (SBI Annual Report 2011-12).

State Bank of India intends to bring down its carbon footprint and to save energy through several green banking practices. The bank is offering more than 20 green projects throughout the country. Some of the green practices are- Green Channel Counter, Automated Teller Machine, Cash Deposit Machine, Internet Banking, Mobile Banking, Credit Card, Debit Card, Virtual Card, Green Self Service Kiosks, SMS Unhappy Scheme, Green Home Loans, Solar Projects, Wind Mills, Green Projects Loan, Viswayatra Foreign Travel Card, Fruit bearing tree plantation, Rain Water Harvesting Projects in the Bank Offices, Green Banking Practices for the employees, Leader of the Group of Public Sector Banks for Solar Projects, etc. The most important paperless banking introduced by the SBI is Green Channel Counters (GCCs). Three types of transactions namely withdrawal, deposit and transfer of funds up to a limit of Rs. 40,000 per day can be performing through the Point of Sale Machines used in GCCs.

Table-1 shows the expanding foot prints of the SBI through alternate channels during the last three years. It clearly indicates the increasing trend of various alternative green banking channels namely ATM, Debit Cards, Internet Banking, Mobile Banking etc. This table also shows the increasing trend of percentage of total transactions on alternate channels of the bank. Currently about 36 percent of the transactions done by 200 million customers of the SBI is through non-branch alternate channels such as internet, mobile, ATMs, PoS terminals etc.
Table 1: Expanding foot prints of SBI through Alternate Channels in India

<table>
<thead>
<tr>
<th></th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar'13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Branches</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Group Branches</td>
<td>18,266</td>
<td>19,193</td>
<td>20,325</td>
</tr>
<tr>
<td>No. of SBI Domestic Branches</td>
<td>13,542</td>
<td>14,097</td>
<td>14,816</td>
</tr>
<tr>
<td>No. of Overseas Offices</td>
<td>156</td>
<td>173</td>
<td>186</td>
</tr>
<tr>
<td><strong>ATMs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of ATMs of the Group</td>
<td>25,005</td>
<td>27,286</td>
<td>32,752</td>
</tr>
<tr>
<td>No. of ATMs of SBI</td>
<td>20,084</td>
<td>22,141</td>
<td>27,175</td>
</tr>
<tr>
<td>Average hits per day</td>
<td>285</td>
<td>285</td>
<td>262</td>
</tr>
<tr>
<td><strong>Debit Cards</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Debit Cards (in lakh)</td>
<td>728</td>
<td>910</td>
<td>1,104</td>
</tr>
<tr>
<td><strong>Internet Banking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Customers (in lakh)</td>
<td>62.57</td>
<td>89.63</td>
<td>100.3</td>
</tr>
<tr>
<td>No. of transactions during the FY (in lakh)</td>
<td>1,437.46</td>
<td>2,610.32</td>
<td>4,205.00</td>
</tr>
<tr>
<td><strong>Mobile Banking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Mobile users (in lakh)</td>
<td>10.13</td>
<td>36.45</td>
<td>66.2</td>
</tr>
<tr>
<td>No. of successful financial transactions (in lakh)</td>
<td>49.30</td>
<td>190.65</td>
<td>358.9</td>
</tr>
<tr>
<td>No. of Non financial transactions (in lakh)</td>
<td>95.23</td>
<td>317.72</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Merchant Acquiring</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of POS Terminals</td>
<td>5078</td>
<td>10,673</td>
<td>65,514</td>
</tr>
<tr>
<td>No. of Transactions (in lakh)</td>
<td>2.6</td>
<td>10.2</td>
<td>90.4</td>
</tr>
<tr>
<td><strong>Contact Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of registered customers (in lakh)</td>
<td>9.96</td>
<td>15.31</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Alternate Channels</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of total transactions on alternate channels</td>
<td>27.7</td>
<td>33.3</td>
<td>35.7</td>
</tr>
</tbody>
</table>

Source: SBI Annual Report 2011-2012/Analyst Presentation FY 2012-13 p 51

THE MOST ENVIRONMENTALLY ETHICAL ‘GREEN HOME SCHEME’

One of the most important green initiatives the bank has introduced is ‘Green Home Scheme’ through which we can save 20%-30% energy and 30%-50% water. Under Green
Homes Scheme the bank offers subsidy and interest rates reduction to supports environment friendly housing projects. The SBI is the first bank in India to offer Green Home Loan. Now any green citizen who would like to construct a new green home, and also to buy green energy products like Solar water heater, Solar home lighting system, Solar power pack, etc, he can get capital as well as interest subsidy from the same bank (SBI Circular, 2008-09). By launching this product, the bank wants to support an environment friendly residential project, which has been rated by the Indian Green Building Council (IGBC).

**Special feature of the scheme:** Customers going for the green projects will enjoy 5% discount on the margin money, 0.25% concession on interest rate and waiver of processing fees. The bank provides the loans in two categories fixed and floating. For loans above 75 Lakh the interest rate will be only floating rate based on State Bank Advance Rate (SBAR).

**RESULTS AND DISCUSSION**

The various findings have been arrived at after doing the analysis and interpretation of the collected data. The results obtained have been classified, tabulated and the following analyses have been done. Figures have been prepared with the help of windows excel.

Customers have been asked to rank the various banking practices available through their banks and ATM is found to be the most popular channel followed by traditional banking method and Internet banking. Tele-banking is the less popular banking delivery channel. Maximum of 64 percent of respondents preferred ATM as Rank-I banking practice. Whereas, 11 percent of respondents preferred the traditional banking system i.e. visit the branch for banking transactions whereas, 10 percent preferred online banking and 8 percent of respondents preferred GCCs. This clearly indicates that people are now shifting their banking habits towards alternative green banking practices. Another important thing the study remarkably observed that not a single online user has chosen traditional banking as Rank-I banking system. On the other hand 44 percent of them favors ATM as First preferred banking practice and 37 percent go for online banking.
From the Table-2 it is observed that 50.2 percent of total respondents think ATM is the most eco-friendly banking practice followed by online banking by 28.8 percent. However, maximum of 46.3 percent online banking users feel that online banking is the most eco-friendly banking practice.

Table 2: Best eco-friendly banking delivery channel

<table>
<thead>
<tr>
<th>Delivery Channels</th>
<th>Chosen by all respondents</th>
<th>Chosen by online banking user</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Respondents</td>
<td>Percent</td>
</tr>
<tr>
<td>ATM</td>
<td>244</td>
<td>50.2</td>
</tr>
<tr>
<td>GCC</td>
<td>77</td>
<td>15.8</td>
</tr>
<tr>
<td>Online Banking</td>
<td>140</td>
<td>28.8</td>
</tr>
<tr>
<td>Mobile banking</td>
<td>24</td>
<td>4.9</td>
</tr>
<tr>
<td>Traditional Banking</td>
<td>1</td>
<td>.2</td>
</tr>
<tr>
<td>Total</td>
<td>486</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

The respondents have been asked about their views regarding the impacts of various green banking practices on the environment. It was found that 80.7 percent of respondents feel adopting various green banking practices; they can contribute some sorts of help towards the
environment by saving paper as well as energy. Obviously, they are agreeing that green banking practices are environment friendly. However, 17.3 percent of respondents are having no idea about this and only 2.0 percent respondents disagreed on this regard.

![Fig 2: GBPs are Environment-friendly](image)

Table 3: Respondents aware about ‘Green Home Scheme’ of SBI

<table>
<thead>
<tr>
<th>Aware about green banking</th>
<th>Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>110</td>
<td>22.6</td>
</tr>
<tr>
<td>No</td>
<td>376</td>
<td>77.4</td>
</tr>
<tr>
<td>Total</td>
<td>486</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 4: Respondents willing to build green home in future

<table>
<thead>
<tr>
<th>Willing to build green home</th>
<th>Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>90.9</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>9.1</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data
Only 22.6 percent of respondents are aware about the Green Home Scheme of State Bank of India. Remaining 77.4 percent are still ignorant about this scheme. It is found that 90.9 percent of respondents who are aware about the scheme are willing to build green home in near future. It is also reveals from the study that 8.8 percent of respondents who have not even heard about the green home scheme of the SBI want to build green home in future.

**CONCLUSION AND SUGGESTIONS**

Ethics is a set of moral values and principles related to society. As the world faces a great challenge of environmental degradation during the process of economic development, banking sector as responsible corporate citizen should be ethical enough towards the environment along with their normal business ethics to the customers, employees and the society as a whole. They may become environmentally responsible by adopting various sustainable green practices. Green banks or environmentally responsible banks do not only improve their own standards but also affect socially responsible behavior of other business. Besides management of financial risk banks also have to take initiatives to manage the non-financial environmental risk. There is more scope for banks and they can not only save our earth but can transform the whole world towards energy conscious.
Use of Information Technology in the banking industry has opened up new markets, new products, new services and efficient delivery channels for the banks. These products and services are highly beneficial to the environment because they consume fewer natural resources. Use of these new products and services is also results reduction of carbon footprint and carbon emission. There is tremendous scope for potential use of various eco-friendly banking practices. Although the banks in Assam have introduced various alternative banking delivery channels through which the customers can fulfill banking transactions without visiting the bank branches physically, the frequency to visit the bank branches is still high. This study reveals that people are not yet fully aware about green banking practice. More than half of the respondents have not heard about it. But unknowingly most of them are using various green banking practices. ATM is the most popular alternative banking delivery channel.

It is observed that there is lack of knowledge among the customers, even among the employees of the SBI. Only 22.6 percent of respondents are aware about the Green Home Scheme of the bank. However, more than ninety percent of respondents who are aware about the scheme are willing to build green home in future. The researcher was surprised to know that few employees of the bank have not even heard about the Scheme.

It is to be expected that a more extensive use of alternative e-banking channels will lead to an increasing misuse of ethics. Besides tremendous benefits the green banking practices are also having one dark side. The dark side is the fear of security problem. However, the security of adopting various green banking practices is mostly depends upon the users. Therefore, users should become more conscious while using these banking practices. They should strictly follow the guidelines given by the banks. Even though, banks, financial companies and clients have scope to gain multiple benefits by using the e-banking system.

This study recommends that the banks should conduct training programmes for the employees so that they can be made aware about the benefits and using pattern of various green banking practices of the bank. There should be sufficient publications from the banker’s side to educate the customers about the benefits of various green banking practices. Seminar and workshops regarding this aspect should be organized and public meetings are to be arranged by the banks to make the e-banking practices familiar among customers. Banks can display video presentations at bank branches to project the user-friendliness of their green banking practices.
The bank may take the opportunity to make the customers aware about the benefits of various green banking practices through the ATM, the commonly adopted alternative banking delivery channel. It is highly recommended that banks should install easy methods of operating online banking so that more and more customers can make use of it easily.

There are unethical practices of hacking of accounts of customers come to know in the news some times. It is nothing but the breach in the security of the banks on internet. The bank should take appropriate measures in order to prevent such practices. This study highly recommends Biometric Authentication for access of alternative channels like ATM and Internet banking as an additional safety measure.

REFERENCES


