

A Study on Green Banking Initiatives in India with Reference to Public and Private Banks (SBI and ICICI Bank)

1. **BICHKUNDA PRANEET** (24UJ1E0010) Student of 2nd Year MBA,
Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401.

2. **Dr Shaik Mastan Vali**, Associate Professor Dept of MBA,
Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401

Abstract

Green banking promotes environmentally responsible banking practices through digital services, paperless transactions, green finance, and sustainable operations. This study examines green banking initiatives adopted by SBI and ICICI Bank and evaluates customer awareness, digital banking usage, and perceptions of environmental sustainability. The findings indicate that green banking has enhanced customer convenience, operational efficiency, and environmental conservation while encouraging sustainable financial behaviour and supporting long-term banking development.

Keywords: Green Banking, SBI, ICICI Bank, Sustainability, Digital Banking, Environmental Protection.

1. INTRODUCTION

Environmental sustainability has become one of the most important priorities for governments, businesses, and financial institutions across the world. Rapid industrialization, urbanization, climate change, deforestation, and increasing environmental degradation have created an urgent need for sustainable development practices. Although banks are not direct contributors to industrial pollution, they influence economic activities through their lending, investment, and financing decisions. Consequently, the banking sector has emerged as an important participant in promoting environmentally responsible business practices through the adoption of Green Banking initiatives.

Green banking refers to banking practices that integrate environmental sustainability into financial operations, products, and services. It encourages banks to reduce their environmental footprint while supporting projects that promote sustainable development. Green banking includes paperless banking, digital transactions, renewable energy financing, green loans, environmental risk assessment, energy-efficient branch operations, and eco-friendly corporate policies. These initiatives enable financial institutions to contribute to environmental conservation while maintaining profitability and operational efficiency.

The Indian banking industry has increasingly adopted green banking practices in response to growing environmental awareness and government initiatives promoting sustainable development. Digital India, increasing internet penetration, and widespread smartphone usage have accelerated the adoption of internet banking, mobile banking, digital payments, and electronic communication. These services reduce paper consumption, minimize transportation-related emissions, and improve customer convenience. Simultaneously, banks have expanded financing for renewable energy, sustainable infrastructure, electric vehicles, and environmentally responsible business projects, thereby supporting India's long-term sustainability objectives.

State Bank of India (SBI) and ICICI Bank have played significant roles in advancing Green Banking in India. As the country's largest public sector bank, SBI has introduced several initiatives including paperless banking, renewable energy financing, green infrastructure, and energy-efficient branch operations. ICICI Bank, one of India's leading private sector banks, has focused on digital banking innovation, mobile banking, online transactions, sustainable financing, and environmentally responsible investment practices. Both institutions have integrated sustainability into their business strategies while promoting digital transformation and responsible banking.

Green banking offers benefits beyond environmental conservation. It improves operational efficiency, reduces administrative costs, enhances customer satisfaction, strengthens corporate reputation, and supports responsible financial management. Customer awareness and participation remain essential for the successful implementation of green banking initiatives. This study evaluates Green Banking initiatives implemented by SBI and ICICI Bank by examining customer awareness, digital banking adoption, environmental benefits, and sustainable banking practices.

The findings provide useful insights into the contribution of Green Banking toward environmental sustainability and the future development of India's banking sector.

2. LITERATURE REVIEW

Green banking has emerged as an important strategy for promoting environmental sustainability within the financial sector. Earlier studies have examined how banks integrate eco-friendly practices into their operations through digital banking, paperless transactions, green finance, renewable energy funding, and sustainable investment policies. The uploaded project report reviews several significant studies that explain the role of green banking in supporting environmental protection and sustainable economic development.

Bihari and Pandey (2015) examined the concept and importance of green banking in India. Their study concluded that green banking promotes sustainable development through digital banking, paperless transactions, and environmentally responsible financing. The researchers emphasized that banks play a significant role in encouraging environmentally friendly business practices and reducing the environmental impact of financial operations. **Arulrajah and Shaumya (2017)** analysed the implementation of green banking practices in commercial banks and found that initiatives such as energy conservation, paperless banking, and digital financial services contribute to lower carbon emissions and greater environmental awareness.

Meena (2013) studied the contribution of green banking to sustainable development and reported that environmentally responsible banking practices improve operational efficiency while supporting environmental conservation. The study recommended that banks actively promote eco-friendly products and services among customers. **Jha and Bhome (2013)** investigated customer awareness of green banking initiatives and observed that although banks have introduced several green services, customer awareness remains limited. They suggested conducting awareness programmes to increase the adoption of sustainable banking practices.

Barua and Rahman (2016) focused on environmental risk management and sustainable finance. Their findings indicated that banks can positively influence environmental outcomes through responsible lending and investment decisions. **Sharma and Choubey (2020)** evaluated green banking initiatives in Indian banks and concluded that digital banking, renewable energy financing, and paperless operations significantly contribute to environmental sustainability while improving operational efficiency.

Recent research highlights the increasing importance of technology in promoting sustainable banking. **Singh and Kumar (2021)** reported that online banking services reduce paper consumption, transportation costs, and carbon emissions. **Patel and Shah (2022)** found that customers appreciate digital banking and environmentally friendly banking services but expect greater awareness and accessibility. **Prasad and Reddy (2023)** observed that both public and private sector banks contribute significantly to sustainability through different strategic approaches, while **Gupta and Verma (2024)** concluded that green finance, sustainable investments, and digital banking strengthen both environmental performance and institutional reputation.

3. RESEARCH OBJECTIVES

The study was conducted with the following objectives:

1. To examine the Green Banking initiatives implemented by SBI and ICICI Bank.
2. To assess customer awareness of Green Banking practices and digital banking services.
3. To evaluate the contribution of Green Banking to environmental sustainability and resource conservation.
4. To compare Green Banking practices adopted by public and private sector banks.
5. To recommend suitable measures for strengthening Green Banking initiatives and promoting sustainable banking development.

4. RESEARCH METHODOLOGY

The study adopted a **descriptive research design** to evaluate Green Banking initiatives implemented by SBI and ICICI Bank. Both **primary and secondary data** were used for the research. Primary data were collected from **100 customers** of SBI and ICICI Bank through a structured questionnaire using the convenience sampling technique. Secondary data

were obtained from annual reports of SBI and ICICI Bank, RBI publications, banking journals, research articles, sustainability reports, books, and official bank websites. The collected data were analysed using percentage analysis, tabular analysis, and comparative evaluation to examine customer awareness and perceptions of Green Banking practices.

5. DATA ANALYSIS AND INTERPRETATION

Table 1: Awareness of Green Banking Concepts

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: A combined **70%** of respondents either agreed or strongly agreed that they were aware of Green Banking concepts. This indicates that customers possess a good understanding of environmentally friendly banking practices and recognize the importance of sustainable financial services.

Table 2: Usage of Digital Banking Services

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: The findings reveal that **70%** of respondents regularly use digital banking services provided by SBI and ICICI Bank. The widespread adoption of internet banking, mobile banking, and electronic transactions reflects customers' acceptance of technology-driven banking and supports Green Banking objectives by reducing paper usage and physical branch visits.

Table 3: Green Banking and Environmental Protection

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: A majority of respondents (**70%**) agreed that Green Banking contributes significantly to environmental protection. Customers believe that paperless banking, digital transactions, green financing, and sustainable banking initiatives help conserve natural resources and support long-term environmental sustainability.

6. Results

The analysis indicates that customers of SBI and ICICI Bank have a good understanding of Green Banking concepts and actively use digital banking services. Most respondents agreed that paperless banking, mobile banking, internet banking, and electronic communication contribute to greater convenience while reducing paper consumption and environmental impact. Customers also recognized the importance of green finance, renewable energy financing, and environmentally responsible banking practices in promoting sustainable development. The comparison between the two banks suggests that both public and private sector institutions have made significant progress in implementing Green Banking initiatives. Overall, the findings demonstrate that Green Banking has enhanced customer satisfaction, improved

operational efficiency, strengthened environmental responsibility, and encouraged sustainable financial behaviour among banking customers.

7. Suggestions

SBI and ICICI Bank should expand customer awareness programmes through digital campaigns, workshops, and financial literacy initiatives to encourage greater adoption of Green Banking services. Both banks should continue investing in paperless banking, renewable energy financing, and environmentally sustainable infrastructure. Digital banking platforms should be regularly upgraded to improve accessibility, security, and customer experience. The banks should also introduce additional incentives for customers who actively use eco-friendly banking services and green financial products. Continuous monitoring and evaluation of Green Banking initiatives will further strengthen sustainability performance and support long-term environmental conservation.

8. Conclusion

The study concludes that Green Banking has become an important component of sustainable banking in India. Both SBI and ICICI Bank have successfully implemented environmentally responsible banking practices through digital banking, paperless transactions, green financing, and customer-focused sustainability initiatives. These efforts have improved operational efficiency, enhanced customer convenience, and contributed to environmental protection. Continued investment in sustainable technologies, responsible financing, and customer awareness will further strengthen Green Banking and support India's long-term environmental and economic development goals.

9. Scope for Further Research

Future research may compare Green Banking initiatives across a larger number of public and private sector banks and examine the influence of sustainable finance, carbon-neutral banking, ESG practices, and digital innovation on environmental and financial performance.

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