

BANK OF BARODA: A STUDY OF GREEN BANKING PRACTICES IN INDIA

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ABSTRACT:

When pollution has become a matter of concern in the face of today's modern challenge and environment, the contribution of banks in this field remains to be seen and how our banks can contribute to solving this problem is a matter to think about. Banking practices are environmentally friendly with emphasis on banking operations that cause minimal pollution. If we think in the context of our country of India, the Bank of Baroda has taken many environmentally friendly steps among the commercial banks in the public sector. The main objective of green banking is to maintain environmental awareness reduce carbon footprint and promote paperless transactions as part of the modernization of financial transactions. The main purpose of this research paper is to study the green banking practices adopted by the Bank of Baroda in India and to know what benefits it can have in terms of environmental protection.

KEYWORDS: Green Banking, BOB, Environment Protection, Sustainable Development

INTRODUCTION:

One of the most significant players in the industry, the banking sector, is required to take steps to participate toward encourage sustainability. Being sustainable consists of sticking to this particular generation's prosperity while ensuring sufficient potential and choices for future generations to succeed. Nevertheless, they are trustworthy for making major monetary contributions to sectors like stainless steel, paper products, cement-based material, chemicals, fertilizers, power, textiles clothing, etc. that are responsible for producing significant quantities of greenhouse gas emissions. With the goal of dealing with the ecological and social problems associated with paying for humanitarian initiatives, banks have created an informal set of rules and regulations. Notwithstanding nationwide infrastructure problems, improvement is being made. Patrons seem to comprehend the significance of such activities for environmental preservation and sustainable long-term growth while having a limited comprehension of the broad idea of "Green Banking," which makes it remarkable (Mehta, & Sharma, 2016).

Banks may assist in alleviating the environmental effects of the sectors they support and aid in the transition to a low-carbon economy by implementing these practices. This supports more comprehensive efforts to combat climate change and advance environmentally conscious development. For Indian banks, it's critical to understand that sustainability investments can promote long-term financial stability and growth in addition to protecting the environment. Indian banks have a tremendous opportunity to contribute to the advancement of the nation's sustainable development objectives by being proactive in increasing energy efficiency and reducing emissions. In order to continue meeting customers' financial demands while also promoting environmental sustainability and conservation, the banking sector has adopted a proactive strategy known as "green banking."

It is also known as "Eco-Prioritized Financing" or "Green Finance Prioritisation." According to this strategy, financing, and investment decisions are given preference to sectors and companies who have embraced environmentally friendly practices or are actively pursuing sustainability. This promotes and supports the shift to an economy that is more ecologically conscious. It takes coordinated efforts from many sectors to address the complex and multidimensional global issue of climate change. In an effort to combat climate change, a lot of nations, including India, have pledged to cut their carbon emissions. The reduction of its consequences depends on these pledges. Indian banks play a key role in assisting governmental efforts to lower greenhouse gas emissions as SRCC. In addition to promoting sustainable business practices, banks should use technologies, procedures, and goods that significantly reduce their carbon footprint.

It's a good thing that the environment is becoming more important as economies flourish. Incorporating numerous environmental practices and initiatives into their daily operations, Indian banks are taking ideas from their Western counterparts. This shows a remarkable dedication to preserving natural harmony (Yadav, R., & Pathak, G. 2013). There are suggestions for how banks might enhance their sustainable banking performance. This involves adhering to international codes of behavior like the Equator standards, UNEP FI, GRI, and UNGC standards. In addition, it emphasizes the necessity of deliberate self-regulation in spite of the lack of third-party regulatory rules regarding environmental banking (Kumar, & Prakash, 2019).

REVIEW LITERATURE:

1. Islam, & Das in 2013 presented their report highlighting the significance of "green banking," or operating banks with consideration for environmental safety and corporate social responsibility. The article also discusses a number of green banking-related topics, such as electronic and mobile banking, green lending, and the creation of environmentally conscious banking branches. The report

comes to the conclusion that Bangladesh's existing condition of green banking practices is not sufficient. This implies that there might be potential for enhancement in terms of the nation's adoption and promotion of ecologically conscious banking practices.

2. Shakil, Azam, & Raju, in the year 2014 presented Positive evidence of an increasing commitment to sustainable practices in the banking industry may be seen in the considerable rise in loans being given out for environmentally friendly projects. It's also vital to keep in mind that some banks are still implementing their Green Banking strategies, maybe as a result of the projects' alleged hefty upfront costs. The nation's government is urged to assist small and medium-sized SDBs in enhancing their internet-based banking and ATM operations in conjunction with the aforementioned results by offering financial and technological assistance.
3. Rai, Kharel, Devkota, & Paudel, in the year 2019 organized their study with the purpose of this study to assess how consumers feel about green banking practices. It will center on a number of topics, such as the escalating worries about environmentally friendly banking campaigns, the environmental viewpoint of green banking, and the different financial actions being undertaken to protect the ecosystem. In the present investigation, we will investigate the variables affecting customer expectations and utilization of green banking products. By examining users' experiences—both favorable and bad—with banking services, it will also dive into the benefits of green banking practices for customers.
4. According to the study by Chen, Siddik, Zheng, Masukujjaman, & Bekhzod, in 2022, it may be very beneficial in this situation to concentrate on internal procedures, rules, and project financing. In order to better understand how customer-related green banking practices might be used to promote green finance, it also emphasizes the need for more research into these practices. According to the report, banks' environmental performance is greatly impacted by their regular business operations and policy-related green banking practices. Employee and customer-related practices, on the other hand, did not have as much of an impact in this area.
5. Rehman, Ullah, Afridi, Ullah, Zeeshan, Hussain, & Rahman, doing their research in 2021 to fill a significant research gap by concentrating on examining the relationship between green banking practices and their influence on environmental outcomes using the social sense accountable investment (SRI) paradigm. Evidence-based findings from this kind of study are crucial for guiding industrial practices and policymaking. In relation to policy-making and financial investments in green projects, the impact of green practices has been recognized as being far greater and more influential. According to the findings, investments, daily operations, and policy have a big impact

on whether or not green banking practices are adopted. The framework from the study can be adopted by anyone who is interested in accessing and identifying the elements that might encourage a sufficient level of green banking practices in the nation.

OBJECTIVE OF THE STUDY:

The main objective behind this study is as follows:

1. To study the contribution of BOB in the field of green banking practices
2. To evaluate the scope of the green banking practices in the eco-system
3. For the improvement of green banking, what is done and what is needed

THEORETICAL FRAMEWORK:

GREEN BANKING PRACTICES:

The banking industry is seeing technology advancements, operational improvements, and client behavior changes due to green banking. To reduce the carbon footprint left by banking activities and to encourage environmentally friendly practices. With a focus on long-term sustainability, it is a shrewd and proactive way of thinking. This entails implementing and making investments in environmentally friendly technologies including paperless workplaces, energy-efficient structures, and online banking options. Additionally, it can entail using renewable energy to run the business. To lessen the impact on the environment, operational improvements include adjustments to routine tasks. Transportation can be improved, waste can be reduced, and effective resource management techniques can be put in place. Promoting ecologically friendly financial practices among clients is an important component. Offering incentives for environmentally friendly decisions, such as low-cost digital transactions or green investing possibilities, can help with this.

Promoting environmentally friendly practices, such as backing sustainable enterprises, giving loans or other financial aid to green projects, and taking environmental considerations into account when making lending choices. Reduced carbon emissions from financial activities are the goal of green banking. This can be done by implementing strategies including carbon-neutral operations, funding carbon offset initiatives, and implementing sustainable supply chain practices. Sustainable long-term growth is at the heart of green banking, not just short-term gains. It entails adopting a prospective attitude and taking the environmental effects of choices and investments into account. For green banking to succeed, it is essential to implement open reporting processes and abide by pertinent environmental laws and standards. This contributes to displaying accountability and dedication.

The term "green financing" refers to a range of financial services and products that are intended to help ventures and enterprises that are environmentally responsible. Buildings' roofs can be transformed into gardens or other green areas through a practice called roof gardening, which can help preserve the environment. With an emphasis on waste reduction and recycling promotion inside the bank's operations, waste management can be an element of a green banking strategy. Customers can use remote deposit to electronically deposit checks from the convenience of their homes, eliminating the need to physically transport checks. Customers can use mobile devices to conduct financial operations thanks to mobile banking. Because it eliminates the need for paper transactions and trips to physical branches, it is seen as "green".

Investing in green businesses and initiatives is a common practice for green money market accounts. Checking Accounts That Are Green These might assist green or sustainable efforts, much like savings accounts. Green mortgages are mortgages created to encourage the acquisition or refurbishment of ecologically friendly or energy-efficient homes. Green Loans are loans that are given to finance ecologically friendly initiatives, such as sustainable agriculture programs or the installation of renewable energy sources. For spending that is considerate of the environment, green credit cards might provide rewards or advantages, such as the ability to accrue points for green purchases.

Green banking practices may cover various aspects of the issues such as:

- ❖ Using new technological transformation
- ❖ Exemplary conduct
- ❖ Society's crafting societal habits
- ❖ Environmental protection
- ❖ Cutting back on carbon emissions
- ❖ A commitment to society

Green banking include:

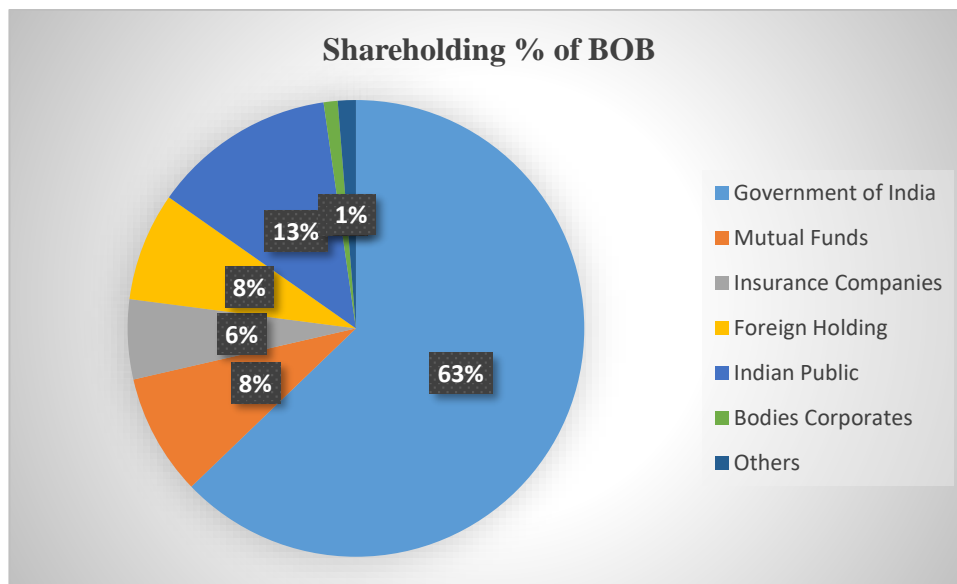
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|---------------------|------------------------------|
| ❖ Mobile banking | ❖ Internet banking |
| ❖ Remote Deposit | ❖ Green loan |
| ❖ Home banking | ❖ Green money market account |
| ❖ Green credit card | ❖ Green saving account |
| ❖ Green finance | ❖ Green checking account |

PROFILE OF BANK OF BARODA:

Gujarat's Vadodara serves as the home base for the Bank of Baroda, a public sector bank in India. With 153 million clients, a US\$218 billion in annual revenue, and a global footprint of 100 abroad locations, it is

India's second-largest public sector bank after State Bank of India. It is included on Forbes Global 2000 at position 1145 as of 2019 statistics. On July 20, 1908, Sayajirao Gaekwad III, the Maharaja of Baroda, established the bank in Gujarat's princely state of Baroda.[7] On July 19, 1969, the Bank of Baroda was declared a profit-making public sector undertaking (PSU), along with 13 other major Indian commercial banks.

Shareholding of BOB:



Strength oh BOB:

Now day BOB plays a vital role in our banking industry. In the history of BOB, it can make a strong position at the Indian and international levels. The following points will describe the actual strength of the bank.

1. Innovative Technology Infrastructure for Both Regional and International Activity
2. Only a PSB to be awarded and retain a CGR-2 certification for its corporate governance practices
3. Individuality that is Modern and Modernism
4. Maintaining a Perfect Track Record for Profit and Dividend Distribution
5. Significant Presence in Emerging States consisting of Maharashtra and Gujarat, among others
6. a leader in numerous customer-centered initiatives
7. 8205 Branches that provide a strong domestic presence
8. A trusted and well-known brand in the Indian banking sector
9. 93 Offices support 24 nations in the company's overseas business operations.
10. approximately 153 million customers worldwide with financial services

Services provided by Bank:

- | | |
|----------------------|--------------------------|
| ❖ Commercial banking | ❖ Banking on investments |
| ❖ Investment capital | ❖ Banking businesses |
| ❖ loan for a home | ❖ Financial management |
| ❖ Securities savings | ❖ Managing assets |
| ❖ Capital investment | ❖ financial assistance |
| ❖ Digi Banking | ❖ Personal Banking |

METHODOLOGY:

Only secondary data, which were obtained from the Bank of Baroda's annual report, were used in the study. Additionally, information is gathered from corporate profiles of companies, daily newspapers, various publications and articles, and bank websites. The data are examined from the standpoint of green banking practices and issues. Because no primary data were used in the study, this was one of its main limitations and this study only focused on the contribution of Bank of Baroda in the field of green banking practice.

DATA REPRESENTATION AND INTERPRETATION:

In the field of green banking practices, nowadays BOB contributes to various sectors for sustainable green energy development. The following sectors in which BOB plays a major role such as

1. Wet garbage (Cooking gas and Manure), Biogas plant
2. Solar Power
3. IGBC Green Existing Buildings (Silver and Gold)
4. Establish Solar Power Branches
5. Record digitization
6. Paperless Banking

Through the implementation of TAB banking, digitization, and automation of customer operations like Audit Automation, Video KYC, and compliance reporting, we have made sure that the infrastructure we have created is energy efficient. Additionally, 10 zones now have green consultants, making each step an accomplishment. Solar energy is used by the Bank of Baroda's 171 branches, which lowers carbon dioxide emissions. Wet trash is used to create biogas while strict compliance with waste separation is maintained. The Green Building accreditation that the Bank of Baroda received from the IGBC—a Gold Rating for the BCC Building and a Silver Rating for the BST Building, respectively—makes the company very proud.

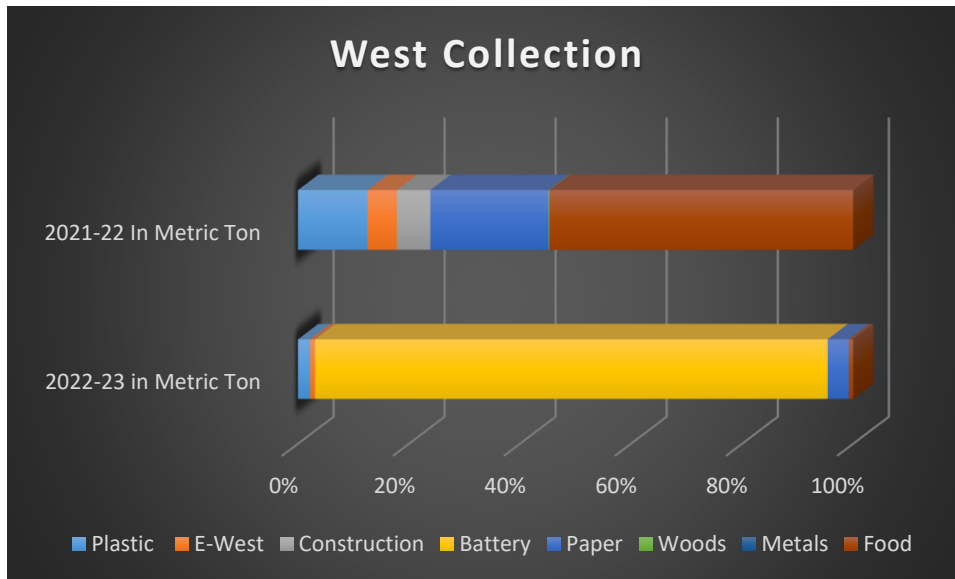
The second iteration of the Green Ride, a project with health and environmental activist Milind Soman, was announced by the Bank of Baroda on December 16, 2022. In order to promote eco-friendly transportation, a green lifestyle, and the value of health and fitness, Milind set off on an 8-day sustainable bicycle tour. 'Swachhta Pakhwada' was observed by BOB from January 16 to January 31, 2023. Numerous initiatives were carried out to promote sustainable living and contribute to a clean and green India, including cleanliness campaigns, walkathons, physical examination camps, internet-based tests, artwork and essay competitions, and tree-planting programs. On June 23, the BOBNOWW arranged a beach and mangrove clean-up program in partnership with the Eksaath Foundation, and children and members of the neighborhood gathered almost 600kg of marine waste from the shoreline and the mangroves. Since 2020, BOB's corporate offices have been totally paperless. The company is now aiming for paperless banking in all of its locations.

BOB's Contribution to Solid West Management:**West Collection:**

West Content	2022-23	2021-22
Plastic	11.87 Metric Ton	12.45 Metric Ton
E-West	4.851 Metric Ton	5.258 Metric Ton
Construction	0.006 Metric Ton	6.010 Metric Ton
Battery	500.62	-
Paper	20.50 Metric Ton	21.18 Metric Ton
Woods	0.032 Metric Ton	0.150 Metric Ton
Metals	0.00064 Metric Ton	0.00100 Metric Ton
Food	4.383 Metric Ton	54.38 Metric Ton
 Total West Collection	 578.33 Metric Ton	 100.10 Metric Ton

Source: (www.bankofbaroda.in, n.d.)

The graphical representation of West Collection by BOB:

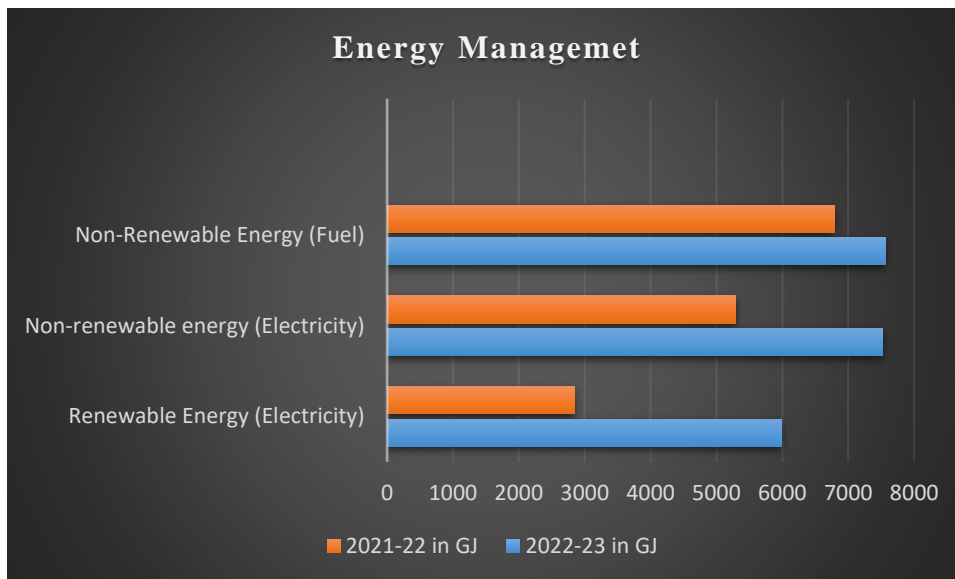


This all west can be re-cycled by the BOB in the year 2022-23 at the level of 389404.6 Metric Tons and in the year 2021-22 at the level of 43758.5 Metric Tons. In the previous year, wastage of batteries was on a larger scale in comparison to other West, and in the year 2021-22, the Food West was on a high level.

BOB Contribution to Energy Management:

Energy	2022-23	2021-22
Renewable Energy (Electricity)	5985.88 GJ	2840 GJ
Non-renewable energy (Electricity)	7522.041 GJ	5293.6579 GJ
Non-Renewable Energy (Fuel)	7563.299 GJ	6789.222 GJ

Source: (www.bankokbaroda.in, n.d.)

The graphical representation of energy management levels by BOB:**CONCLUSION:**

In the field of green banking, BOB contribute for sustainable environmental development with the using of various green banking practices such as the green financing, reduce carbon footprint practices, digital banking services, solid waste management practices and energy consumption practices which can be beneficial to all sectors of the earth especially environment, customers and also banking industry.

SUGGESTIONS:

The research provides some important suggestions who need special attention for doing environmental friendly operations. Like-

- ❖ Banks need more focus and attention in the sector of green banking
- ❖ Bank of Baroda needs more green banking practices like green credit card, green finance, green banking transaction
- ❖ Green practice concept needs more attention in all our work not only just for banking industry but overall nation's operation
- ❖ Rural areas of our India were not aware about the green banking concept and need more improvement in the field of digital banking service

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