

# Green banking : Go green, think green

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COMMEMORATED every year on 5 June, World Environment Day is one of the principal vehicles through which the United Nations stimulates world-wide awareness of the environment and enhances political attention and action. The aim of the day is to:

- Give a human face to environmental issues;
- Empower people to become active agents of sustainable and equitable development;
- Promote an understanding that communities are pivotal to changing attitudes towards environmental issues;
- Advocate partnership, which will ensure all nations and peoples, enjoy a safer and more prosperous future.

The First regulatory enforcement named Comprehensive Environmental Responses, Compensation, and Liability Act (CERCLA) formed by US government in 1980. Under the act, a potentially responsible party (PRP) is a possible polluter who may eventually be held liable under CERCLA for the contamination or misuse of a particular property or resource. Four classes of PRPs may be liable for contamination under this act:

- Current owner or operator of the site;
- Owner or operator of a site at the time when disposal of a hazardous substance, pollutant or contaminant occurred;
- Person who arranged for the disposal of a hazardous substance, pollutant or



*The purpose of Green Banking initiatives taken by central bank is to ascertain required measures to save the environment and reduce pollution while serving or financing customers and improve in-house environment management through efficient and effective use of resources in all the branch and head offices of banks.*

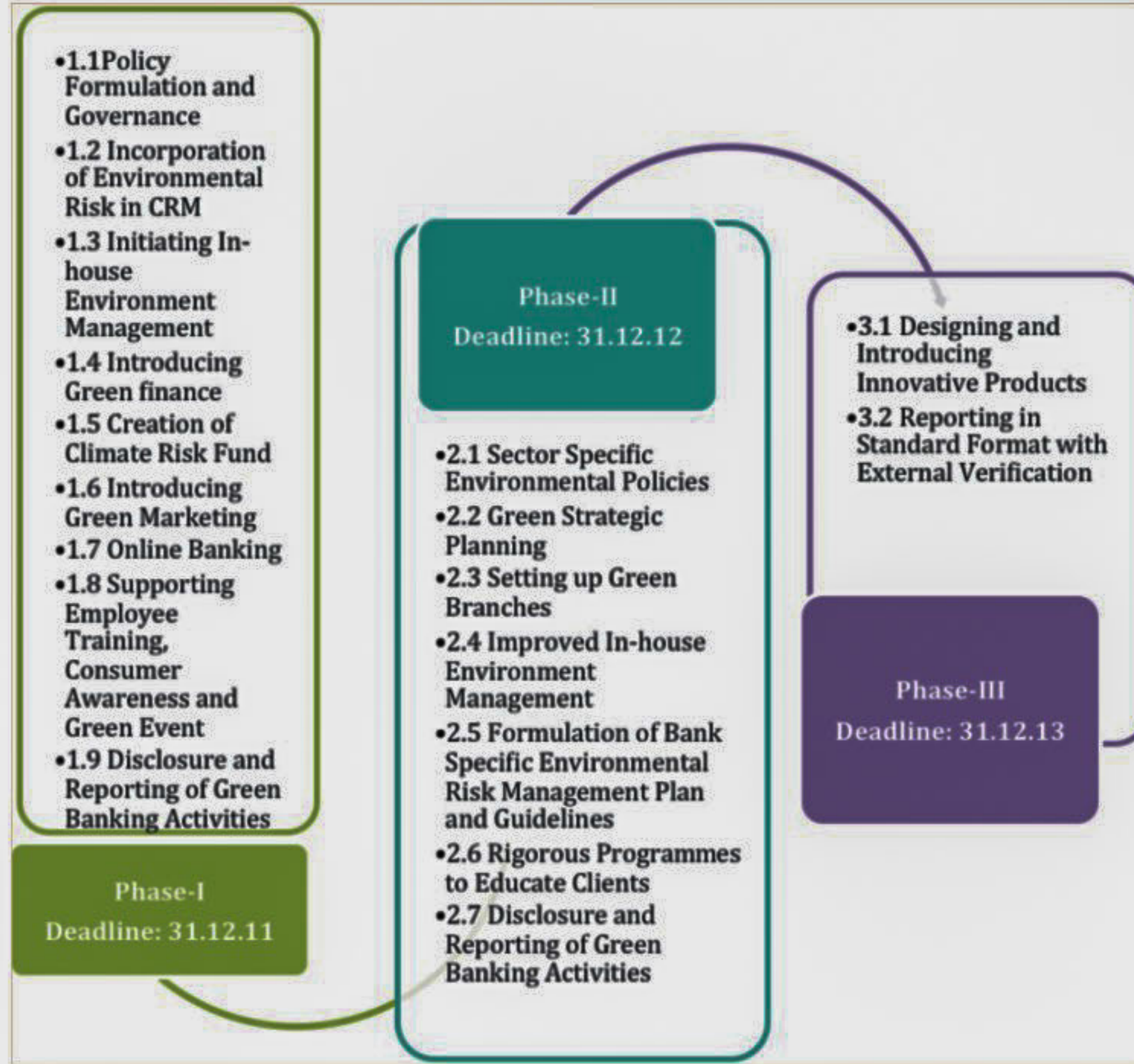
- contaminant at a site;
- Person who transported a hazardous substance, pollutant or contaminant to a site, who also has selected that site for the disposal of the hazardous substances, pollutants or contaminants. In these perspectives green banking initiatives taken by international organizations are:

- Equator Principles: Set of voluntary standards that commit signatory banks to take social and environmental risks into account when providing project finance.
- UN Principles for Responsible Investment (UNPRI): This was developed by institutional investors that recognise the increasing relevance of environmental, social and corporate governance issues that apply to asset management.
- UNEP Finance Initiative Statements: These recognise the role of financial service sector in making global economies sustainable. This promotes investment in clean and renewable energy by financial institutions and other investors.
- UN Global Compact (UNGC): Set of ten voluntary principles under which signatories promise to avoid complicity to human rights violations, adhere to labour standards, and protect the environment.

Being a responsible corporate body and with a view to developing green banking practices in the country Bangladesh Bank issued a circular on 27th February, 2011 (BRPD Circular No.2) on Policy Guideline for Green Banking towards banks stating "to adopt a comprehensive Green Banking Policy in a formal and structured manner in line with the global norms so as to protect environment degradation and ensure sus-

tainable banking practices". In line with the instructions of Bangladesh Bank, all banks are supposed to take initiatives to formulate its Green Banking Policy with an aim to inculcate practices towards optimum usage of natural resources and make every effort for environmentally friendly activities.

As per circular of Bangladesh Bank, banks are to implement Green Banking guideline under three phases:



In a word, we can say that green banking refers to the attempt of the banking sector

to consider social, ecological and environmental factors with an aim to protect the environment and conserve natural resources. The banking sector plays a major role in financing investment for commercial projects, which is one of the most important economic activities for economic growth. Hence, by taking various measures to save the environment the banking sector can play a crucial role in promoting environmentally sustainable and socially responsible investment. As such, Green Banking is also known as Ethical Banking and Sustainable Banking.

The purpose of Green Banking initiatives taken by central bank is to ascertain required measures to save the environment and reduce pollution while serving or financing customers and improve in-house environment management through effi-



Bangladesh Bank is well aware of the environmental degradation situation and has already given time-to-time directions to all scheduled banks. Commercial Banks are now required to ensure necessary measures to protect environmental pollution while financing a new project or providing working capital to the existing enterprises. Banks have been advised to facilitate their clients with utmost care financing for installation of Effluent Treatment Plant (ETP) in the industrial units and to finance in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field under refinance programme of Bangladesh Bank.

By implementing this policy banks intend to accomplish the following objectives:

- Increase goodwill or improve brand image by showing their commitment to save and protect the environment;
- Reduce giving loans to certain environmentally harmful projects;
- Check the necessary environmental due diligence factors before lending a loan/investment;
- Make efficient and effective use of resources and channel financing in an environment friendly manner;
- Introducing new technology in banking operations that would not only benefit

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## Energypac Energy Saving Lamp Ensure

- ✓ Long Lasting
- ✓ Continuous Light With Full Brightness
- ✓ Save Minimum 80% Electricity With Full Brightness

Calculation of Electricity Bill Savings		
Description	Energypac CFL	Ordinary bulb
Lamp Watt	23 Watt	100 Watt
Quantity	1 Pcs	1 Pcs
Lamp Life	10,000 Hr	10,000 Hr
Electricity Consumption in 10,000 Hr per Kilowatt hour basis	200 Unit	1000 Unit
Unit Price Tk. 4.56 (Kilowatt/Hr as per Govt. Tax)	Tk. 912.00	Tk. 4560.00
Lamp Price	Tk. 290.00	Tk. 300 (30X10 pcs)
Total Price	Tk. 1202.00	Tk. 4860.00 pcs

So in 10,000 hour savings (4860-1202) = Tk 3,658

**Tri-Phosphor** used in Energypac Energy Savings Lamp so it is not harmful for Human Body & Environment

Other Lamp uses **Halo-Phosphor** which is Harmful for Human Body & Environment



Spiral 5 W



DC Lamp 3 W



Spiral 7 W



DC Lamp 5 W



Spiral 15 W



DC Lamp 7W



Spiral 23 W



Spiral 30 W



Spiral 65 W



Spiral 42 W



Lotus 85 W



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- Continuous lighting with full brightness on voltage fluctuation. ✓
- No UV Radiation, So Environment Friendly. ✓
- Enough illumination and beautification with Spiral and U Shape. ✓
- Complete intensity lighting at low Voltage (Minimum 150 V). ✓
- Day light and Warm White lights are available (Screw & Pin). ✓
- 1 YEAR FULL WARRANTY. ✓

**Energypac**

**Energypac Electronics Ltd**

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