Disclosure of Green Banking Issues in the Annual Reports: A Study on Bangladeshi Banks

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Abstract

These days, the concept of green banking is becoming popular in the financial sectors. This paper deals with the reporting on green banking issues by the banking companies in a developing country - Bangladesh. Through content analysis of the annual reports of ten sample banks, the research finds that Bangladeshi banks are reporting on green banking issues even in the absence of any specific reporting guideline. The nature of the language used for green banking reports was also analyzed through discourse analysis. It was found that after the introduction of the green banking program of Bangladesh Bank (the central bank of Bangladesh) in 2011, the banks started reporting on their green banking activities. The level of disclosure increased over the years up to 2013. The study concludes that though the banks started reporting on this issue, their reports lack consistency because of the absence of a standardized reporting guideline. They wanted to report that they are performing according to the suggestions of Bangladesh Bank. From this, it can be said that the banking companies consider the central bank as a powerful stakeholder. The banks mostly provided 'good news' in their reports. This kind of reporting helps the banks to gain greater legitimacy in the eyes of the regulator, Bangladesh Bank, and to the public.

Key words: Green banking, social and environmental reporting, content analysis, banks, Bangladesh.

Green Banking: An Introduction

Today's world is suffering from the problems arising from global warming, climate change and massive environmental pollution. In many ways, issues like massive industrialization, modernization and unplanned urbanization are treated as the main causes of these problems. It is said that because of this environmental pollution and climate change, human existence in this world is becoming threatened. Because of this environmental pollution the temperature of the world is increasing, world climate is changing, rainfall and crop production are being affected, and the livelihood of many marginal groups of people is being shaken.

It is important to mention here that over the years, the corporate houses all over the world are blamed as one of the contributors to climate change and global warming. At first, the manufacturing companies were mainly blamed for all this. But these days, even the service oriented organizations are being blamed for contributing negatively to climate change. In the operation of an organization, many activities are performed that can affect the environment. While performing their operating activities, they use electricity, fuel, gas, water, paper and others. Other than these, banking and other financial institutions are funding several organizations that are responsible for polluting the environment.

This paper deals with the issue of reporting on environmental responsibility from the banking companies' side. The main objective of this paper is to investigate the nature of disclosure of green banking issues in the annual reports of Bangladeshi banking companies.

In order to operate in a responsible manner, banks and other financial institutions must be aware of their environmental responsibilities. It is to be remembered that their activities must not create any harm to the environment directly or

Table 1: Definitions of Green Banking

Author(s)	Definition
Bahl (2012a: 27)	Green banking means promoting environment friendly practices and reducing your carbon footprint from your banking activities.
Meena (2013: 1182)	'Green banking' refers to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint.
Ahmed, Zayed and Harun (2013: 241)	Green banking is the term used by banks to make them much more responsible to the environment. The term green banking means developing inclusive banking strategies which will ensure sustainable economic development.

indirectly. For the purpose of creating this awareness, the concept 'green banking' came into existence. Meena (2013: 1181) sees green banking as an 'initiative for sustainable development'. Different authors have defined the term green banking in different manners. Some of these definitions are presented in Table 1.

If these definitions can be analyzed, it can be found that the issues like carbon emission/footprint and sustainability are the main themes in green banking. Here, it can be said that the term green banking came into existence because of the recent popular environmental discourses like sustainability, climate change, global warming, carbon emission and some others.

Green banking is an attempt to ensure that the banking activities do not contribute to environmental pollution. Many activities are suggested in order to ensure the achievement of the objectives of green banking.

For example, green banking encourages activities that ensure using less paper (Meena, 2013). This can be ensured by introducing online banking. Online banking ensures using less paper work and thus prevents wastage of paper. Another important activity is to introduce green banking products. Bahl (2012a: 27) gave some examples of green banking products like 'green mortgages', 'green loans', 'green credit cards', 'green saving accounts', 'green checking accounts', 'mobile banking' and others. Bahl (2012b) mentioned some strategies that the Indian banks have adopted in order to ensure green banking. These are: introducing green banking financial products, introducing paperless banking, creating energy consciousness, using mass transport and green building and promoting social responsibility services.

Meena (2013) identified four benefits of green banking. Firstly, as mentioned earlier, by ensuring less use of paper through introducing online and SMS banking services, green banking helps in reducing deforestation. Papers are products of woods and trees. Less deforestation ensures cooler weather and thus less contribution to global warming and climate change. Secondly, green banking helps in creating environmental awareness among employees and customers. Meena (2013) mentions that these awareness creation activities also help in building a positive image about the bank among the stakeholders. Thirdly, green banking attempts to ensure providing loans at a lower rate. Green banking programs encourage setting up environmentally friendly businesses by providing the facility of lower interest rates of loans. Under a green banking program, the bank shall provide loans with lower interest rates in case of investment in 'fuel efficient vehicles, green building projects' and others. Fourthly, banks under green banking programs introduce environmental standards for lending. It compels the business houses to change their business activities in a manner that is environmentally friendly (Meena, 2013). Thus, negative impact on the environment is reduced.

Over the last few years, the issue of green banking gained popularity in some parts of the world. For example, articles like Bahl (2012a), Bahl (2012b), Bhardwaj and Malhotra (2013) and Meena (2013) highlighted the green banking practices in India. Papastergiou and Blanas (2011) investigated the green banking practices in Greece.

Ahmed, Zayed and Harun (2013) examined the factors that are responsible for the adoption of green banking practices by the commercial banks of Bangladesh. By conducting a survey among 300 bank employees and applying factor analysis, the research found that the main factors behind this adoption of green banking practices are 'policy guideline, loan demand, stakeholder pressure, and environmental interest, economic and legal factors' (Ahmed, Zayed and Harun, 2013: 241).

The issue of green banking has become a catchphrase in the Bangladeshi banking sector over the last three years. Bangladeshi banks are emphasizing on green banking mainly because of the encouragement and pressure from the central bank of Bangladesh - Bangladesh Bank (Ahmed, Zayed and Harun, 2013). In February 27, 2011, Bangladesh Bank issued a circular (BRPD Circular No. 2) where it asked the banks of Bangladesh to adopt a green banking policy in order to conserve and protect the environment. Later in July 22, 2012, Bangladesh Bank issued BRPD Circular Letter No. 07 that again contained several guidelines for the banks in terms of green banking. Finally, in September 11, 2013, Bangladesh Bank issued another GBCSRD Circular Letter No. 05 titled 'Policy Guidelines for Green Banking' where detailed policy guidelines along with reporting guidelines are presented.

In these circulars, Bangladesh Bank highlighted the issue of climate change and its negative impact on the environment. Bangladesh Bank also mentioned the importance of low car-

Table 2: Phases of Implementation of Green Banking Program Suggested by Bangladesh Bank (Prepared from GBCSRD Circular Letter No. 05)

Phase 1 (Implementation deadline: June 30, 2014)	Phase 2 (Implementation deadline: December 31, 2014)	Phase 3 (Implementation deadline: June 30, 2015)
1. Policy formulation and governance; 2. Incorporation of environmental risk. 3. Initiation of in-house environmental management. 4. Introduction of green finance. 5. Climate risk fund creation. 6. Introduction of green marketing. 7. Online banking. 8. Employee training, consumer awareness, green events. 9. Disclosure and reporting of green banking activities.	1. Sector specific environmental policies. 2. Green strategic planning. 3. Setting up green branches. 4. Improved in-house environment management. 5. Formulation of bank specific environmental risk management plan and guidelines. 6. Client education programs. 7. Disclosure and reporting of green banking activities.	1. Design and introduction of innovative products. 2. Reporting in standard format with external verification.

carbon industries for safeguarding the planet. The bank recognizes Bangladesh as one of the most vulnerable countries that is facing challenges because of climate change and global warming. That is why Bangladesh Bank called for the adoption of green banking policies by the banks of Bangladesh.

It is to be mentioned here that Bangladesh Bank asked the banks operating in Bangladesh to adopt the green banking programs in three phases. Table 2 describes these phases.

This table reveals that in all three phases, disclosure and reporting on green banking was emphasized. But it should also be noted that the deadline for the implementation of the first phase was June 30, 2014. It is to be mentioned here that over these three years, the deadlines changed.

In the first circular, Bangladesh Bank did not provide enough guideline on the reporting on green banking. But in terms of reporting, the banks of Bangladesh responded very quickly. They went for disclosure on this issue by creating their own format.

This paper deals with the reporting of green banking issues by the Bangladeshi banks. The main objective of this research is to investigate the nature of voluntary disclosure on green banking by the banks of Bangladesh from the year of 2011 to 2013. The study also investigates the nature of the language of this kind of disclosure. It is expected that from this analysis, the influence of Bangladesh Bank's proposed green banking guidelines on the corporate environmental disclosure will be identified.

The next section of this article reviews the prior research on social and environmental reporting practices in Bangladesh. After that the theoretical perspectives of this research is presented. The methodology of this research is presented, then the article presents the findings of this research.

Social and Environmental Reporting in Bangladesh: Prior Research

Hossain (2014) mentioned that the first article on social and environmental reporting practices in Bangladesh was Chowdhury and Chowdhury (1996). In this research it was identified that some companies started social and environmental reporting on a voluntary basis. Later Bala and Habib (1998), Belal (1999), Imam (2000), Belal (2001) and Hossain, Salat and Amin (2005) also examined the reporting on corporate social responsibility practices by the Bangladeshi companies. In these studies, it was found that at that time some companies were disclosing information on their social and environmental performances at a minimum scale. They were disclosing information on environmental issues, employees and some ethical issues. It is important to mention here that all of these studies focused both on social and environmental issues. The two earlier studies that concentrated only on corporate environmental reporting were by Khan and Hossain (2003) and Bala and Yusuf (2003). Both of these studies concluded that the level of environmental disclosure was minimum. Almost all of these studies concentrated on conducting a content analysis of the annual reports of Bangladeshi companies. These studies were relatively small scale and applied simple methodology (Hossain, 2014).

Later Belal and Owen (2007) and Islam and Deegan (2008) by conducting both content analysis and interview method, made an attempt to identify the corporate motives behind social responsibility reporting. It was found that pressure from parent companies and international buyers acted as some of the pressure groups behind corporate disclosure. Islam and Mathews (2009) and Islam and Islam (2011), by conducting content analysis based case studies identified that negative media coverage can influence the level of corporate social and environmental disclosure.

Studies such as Khan, Halabi and Samy (2009), Sobhani, Amran and Zainuddin (2009) and Azim, Ahmed and Islam (2009) found that in comparison to the global context, the social and environmental disclosure level of Bangladeshi companies is low. Azim, Ahmed and Islam (2009) found that most of the disclosures are qualitative in nature. Belal and Cooper (2011) by conducting semi-structured interviews on NGO managers found that the main reasons for low level of disclosure are: 'scarce resources, profit focus, absence of legal requirements, lack of knowledge and awareness and the fear of negative publicity' (Hossain, 2014: 14).

Some studies that made an attempt to identify the determinants of corporate social responsibility reporting are: Rashid and Lodh (2008), Khan, Muttakin and Siddiqui (2013) and Muttakin and Khan (2014). Khan, Muttakin and Siddiqui (2013) found a positive significant relationship between corporate social disclosure and the variables like public ownership, board independence and presence of audit committee. According to the study of Muttakin and Khan (2014), corporate social disclosure has a positive significant relationship with 'export-oriented sector, firm size and types of industries' (Hossain, 2014: 16).

From this discussion it can be seen that most of the studies focused both on social and environmental issues combined. Very few studies investigated only environmental issues separately. Though according to Mathews (1997), in the studies based on Western economies, environmental issues got more focus than the social issues; the situation regarding Bangladesh was different. One of the recent studies that focused on only environmental issues is that of Belal et al (2010). This study investigates the environmental and climate change disclosures and conducted content analysis of annual reports and web sites of the companies. The findings of this study resemble those of the other studies regarding social and environmental reporting of Bangladeshi companies. It was found that the level of disclosure is low. Moreover, the sample companies in this study disclosed only the good news.

Very few studies were conducted on any particular business sector. Even then, the banking industry got some importance. Khan, Halabi and Samy (2009), Khan (2010) and Khan et al (2011) investigated social disclosure of the banking companies. Khan, Halabi and Samy (2009) concluded that 'the extent of CSR reporting of Bangladeshi companies is not satisfactory and the users expect more CSR disclosure' (Hossain, 2014: 13). The study conducted content analysis of the annual reports of the banking companies along with a perception survey among the users. Khan (2010), by applying multiple regression method investigated whether there is any influence of corporate governance components on CSR disclosures in the case of banking companies of Bangladesh. In this study the non-executive directors and the existence of foreign nationalities were identified as significant determinants. Khan et al (2011) examined the extent of corporate sustainability reporting of the commercial banks of Bangladesh. The extent of reporting was measured according to the guidelines of Global Reporting Initiatives (GRI). It was found that though Bangladeshi commercial banks report on many social issues, the issues like product responsibility and human rights get less importance.

This study contributes to the literature of corporate social and environmental reporting of Bangladesh by highlighting a new issue - disclosure of green banking. Also, no prior research conducted a discourse analysis of the corporate narratives related to social and environmental issues. Another novelty of this study is that it considers the effect of a particular guideline from a powerful agency - the central bank - on the environmental disclosure by Bangladeshi banks.

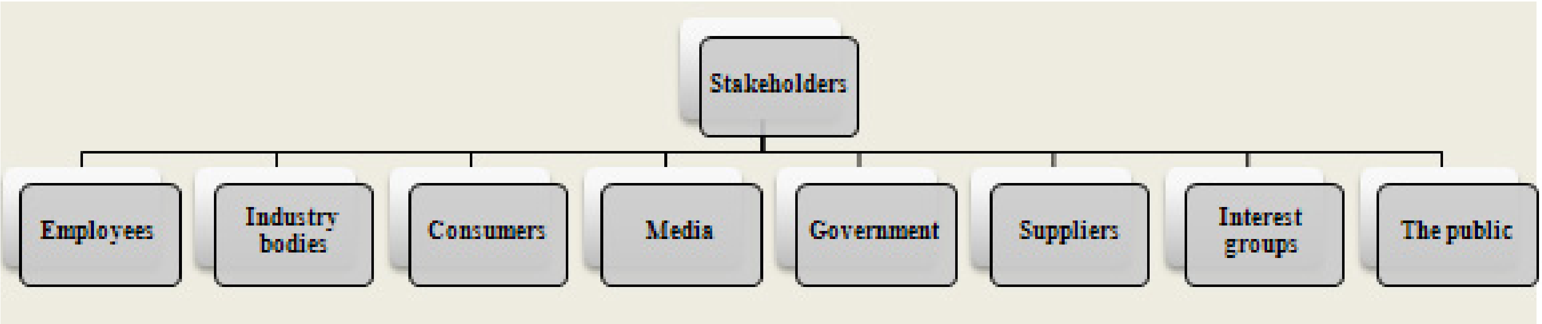
Theoretical Framework

This research focuses on the issue of corporate social and environmental reporting. Research on social and environmental accounting and reporting started in the early 1970s (Mathews, 1997). That means social and environmental accounting research, at this moment, has a history of more than 40 years (Hossain, 2014). Over the years the researchers have produced a huge amount of research on this topic. At the beginning, the researchers mostly concentrated on the social and environmental reporting practices of the companies in the developed economies, and at that time the companies in the developing and underdeveloped economies got less attention from the researchers' part (Islam, 2010 and Hossain, 2014). Mainly from the last decade, research on social and environmental reporting practices of the companies in developing and underdeveloped countries started getting researchers' attention.

Over the years, stakeholder theory and legitimacy theory remained as the most popular theories for the researchers in explaining the scenario of corporate social and environmental reporting practices. Both these theories explain the reason behind this kind of voluntary disclosures from the corporations' part.

Stakeholder theory states that corporations have to deal with a diverse range of stakeholders. In the past it was believed that organizations have to deal mostly with the shareholders as they are the main fund providers. This shareholder perspective has changed over the years. These days it is thought that other than the shareholders there are other stakeholders like employees, industry bodies, consumers, media, government, suppliers, interest groups and the public (Deegan and Unerman, 2006). It is believed that as a part of the society, business organizations 'can affect a society in many ways' (Alam, 2006: 208). Social and environmental activities of a business can affect several groups in the society both directly and indirectly. That is why it is important that businesses do not perform any activity that becomes harmful for this diverse range of stakeholders. Business and the society are interdependent. On one hand, society has to depend on business for the products and services. On the other hand, in order to survive, businesses have to deal with the society. It is the people in the society who purchase and consume the products of the business and thus the survival of the business is ensured. That is why business must act in a responsible manner so that the interest of the society (consisting of a diverse range of stakeholders) is

Figure 1: Stakeholder Groups (Deegan and Unerman, 2006)



upheld. In corporate social and environmental reporting literature, it is highlighted that the companies should not only act in a responsible manner, but also report on their activities to these stakeholders. That means the company should be accountable to the society.

Stakeholder theory has two branches: ethical branch and managerial branch. There is no doubt that it is difficult to maintain and uphold the interests of all the stakeholders mentioned above. Another issue is the power of the stakeholders. It is also true that all these stakeholders do not have similar power to influence the organizational activities. So, the question comes whether an organization should place equal importance on all these stakeholders or not. The ethical branch of stakeholder theory states that all these stakeholders have their rights and thus their rights should not be violated (Deegan and Unerman, 2006). In this case, from a reporting perspective, the management should try to fulfill the information needs of all these stakeholders in an efficient manner.

But the managerial branch of stakeholder theory states that corporate management is more likely to meet the needs of more powerful stakeholders first. That means, management may behave strategically and fulfill the needs of the more powerful stakeholders in a more efficient manner. Management may rank the stakeholders according to their power. In case of reporting, management may make an attempt to fulfill the information needs of mostly the powerful stakeholders.

Another important theory in corporate social and environmental accounting research is the legitimacy theory. It was mentioned earlier that in order to survive an organization has to deal with the society and with the people of the society. An organization cannot survive in the society without the approval of the people in the society or community. Here comes the issue of legitimacy. If the society does not consider the activities of the business organization as legitimate, the business cannot operate in the society. If the organization works against the interests and values of the society, its existence will be at stake. It is therefore important that the perception of the society about the organization remains good. In this respect:

"Legitimacy theory asserts that organizations continually seek to ensure that they are perceived as operating within the bounds and norms of their respective societies, that is they attempt to ensure that their activities are perceived by outside parties as being 'legitimate". (Deegan and Unerman, 2006: 271)

Any wrongdoing from the part of the organization or any bad news about the organization can create a 'legitimacy gap' which may appear to be harmful to the organization. A legitimacy gap can even result in winding up of the company. A bad/wrong perception about the company can lead the consumers to boycott their products. So, in many ways, a legitimacy gap can appear as harmful for the existence of the company.

That is why the companies try to manage their impression in the eyes of the society. One of the tools for managing impression and maintaining legitimacy is corporate reporting. By reporting on their activities in a positive manner, companies can gain legitimacy for their activities.

Stakeholder theory and legitimacy theory interrelate in a way that at the end the activities of the company have to be legitimate in the eyes of the stakeholders who get affected by the affairs of the company.

These days, environmental issues have become a global concern. A wider range of stakeholders get affected by environmental pollution. If organizational activities harm the environment in any way, organizational legitimacy may be threatened and legitimacy gap may come into existence. The way to minimize the legitimacy gap is environmental reporting. If companies can create an image that their activities are environment-friendly, through environmental reporting, legitimacy is achieved.

Methodology

This research firstly applied content analysis method. Over the years, this method remained one of the most popular choices among the social and environmental accounting researchers. Content analysis can be defined as 'a careful, detailed, systematic examination and interpretation of a particular body of material in an effort to identify patterns, themes, biases and meanings' (Berg and Lune, 2012: 349). Here, in this research, the particular body of material that is analyzed is the annual reports of the banking companies of Bangladesh. Annual reports of the top ten banks (among total 30 banks listed in the Dhaka Stock Exchange) selected on the basis of the total assets in 2011, were taken for analysis. For each bank annual reports of 2011, 2012 and 2013 (three years, 30 annual reports in total) were selected. It was mentioned earlier that in the year 2011 Bangladesh Bank introduced the concept of green banking to the banking sector of Bangladesh. It is expected that the banking companies that are bigger in size will try to go for more voluntary disclosure and continue to increase it over the years. Before this, many other researchers hypothesized that the firms that are bigger in size will go for greater voluntary disclosure (see Spicer, 1978; Patten, 1991; Gray, Javad, Power and Sinclair, 2001; Roberts, 1992; Prado-Loranzo et al, 2009; Freedman and Jaggi, 2005). One common measure of firm size is total assets (Ousama, Fatima and Hafiz-Majdi, 2012). So, it can be said that the sample selection criteria is consistent with previous research on voluntary disclosure.

The annual reports were collected from the respected web-sites of the banks. Among the top ten banks on the basis of total assets in 2011, three did not have all three year's (2011 to 2013) annual reports in their web sites. As a result, 10 banks among the top 13 had to be selected as a sample.

After collecting the annual reports, these were examined in order to identify the several green banking issues that were disclosed. From 2011, all the sample banks started reporting under the heading of 'Green Banking'. So, the contents under this heading were analyzed. In 2013, through GBCSRD Circular Letter No. 05 titled 'Policy Guidelines for Green Banking', Bangladesh Bank has clearly given the issues that need to be disclosed by the banks in respect of green banking. By keeping these issues in mind, the content analysis was conducted. It was seen that the sample banks, in general, have reported on the following sixteen issues:

Table 3: Disclosure Issues on Green Banking

Disclosure Issues on Green Banking
1. Energy efficiency/ savings,
2. Electricity Consumption/saving,
3. Gas/fuel consumption,
4. Water consumption/saving,
5. Paper consumption/saving,
6. Green Finance,
7. General statement on climate change and global warming,
8. Mentioning of carbon emission or footprint,
9. Climate change responsibility,
10. Climate change funds,
11. Establishment of green banking unit,
12. Establishment of green banking policy,
13. Green banking products,
14. Online/mobile/SMS banking,
15. Social awareness creation, and
16. Sector specific green banking policy.

The findings of the research present with the descriptive statistics that notifies the number of banks that presented these issues in the annual reports over this three-year time period.

After that, a qualitative discourse analysis of green banking related corporate narratives was conducted in order to find out the nature of language that was used. In discourse analysis language is considered as a social tool. Language is used for a purpose. A discourse analyst, through a close reading of the texts tries to identify the motives and methods of the text producers and also how the readers interpret that produced text (Baker and Ellece, 2011). This analysis is mainly qualitative in nature (Baker and Ellece, 2011). The next section of the article presents the findings of this research.

Findings and Analysis

Among the ten banks selected for analysis, one bank did not report on green banking issues in any of these three years (2011 to 2013) under consideration. As at the beginning Bangladesh Bank did not provide enough guidelines on reporting on green banking; this non-disclosure is not that surprising. All the other nine banks reported on green banking in each of these three years under consideration. It can be seen from Table 3 that on average, in 2011, these ten banks reported on around 7 issues (average is 7.4). In 2012, this average goes up to 9 (average 9.9) and in 2013 it increases again to 11 (average 11.8). So, it can be said that on average, the level of voluntary disclosure of green banking issues increased over these three years for these sample banks.

Table 5 gives an idea about the reporting on each of the issues. It shows how many banks have reported on each of these issues in each year from 2011 to 2013. It can be seen that other than the issue of "General statement on climate change and

Table 4: Average Number of Issues Reported in Each Year

Year	Average Number of Issues Reported
2011	7.4
2012	9.9
2013	11.8

Table 5: No. of Banks Reporting each of the Issues

Items	2011 (No. of Banks)	2012 (No. of Banks)	2013 (No. of Banks)
1. Energy efficiency/ savings	6	7	9
2. Electricity Consumption/saving	5	7	8
3. Gas/fuel consumption	4	5	7
4. Water consumption/saving	5	7	8
5. Paper consumption/saving	5	6	8
6. Green Finance	4	7	8
7. General statement on climate change and global warming	7	6	9
8. Mentioning of carbon emission or footprint	2	3	5
9. Climate change responsibility	5	5	7
10. Climate change funds	5	7	6
11. Establishment of green banking unit	4	7	8
12. Establishment of green banking policy	5	8	8
13. Green banking products	5	5	5
14. Online/mobile/SMS banking	6	8	9
15. Social awareness creation	5	7	8
16. Sector specific green banking policy	1	4	5

global warming" (No. 7), each of these issues were reported by more banks in each consecutive year. Although the issue of "General statement on climate change and global warming" had a drop in 2012, it increased again in 2013. So, it can be said that in each year, more banks reported on each of these issues.

Qualitative Discourse Analysis

This section of the article provides some examples of the nature of language that were used by the companies in reporting on green banking. In terms of presentation, materials were extracted directly from the annual reports and analyzed.

Definition of Green Banking

Some banks made an attempt to define green banking, according to their perception and idea. For example, Rupali Bank Limited defined green banking in the following manner:

(1) *"Green banking is a simple word but its magnitude is wider covering social environment and economical aspects. Green bank is a bank that considers social and ecological factors with an aim to protect environment and conserve resources. Thus green bankers concern about sustainable development".* [Annual Report of Rupali Bank, 2013, p. 150]

The highlighted text in the quotation was done by the authors. These highlighted words demand attention. Firstly, it can be seen that the issue of climate change was not mentioned in this definition. In the definitions given by the academicians (mentioned in the introduction section of this article), the issue of carbon emission and climate change got huge importance. Secondly, in this definition, all the aspects of Triple Bottom Line (TBL) - social, environmental and economic - got ample importance. Thirdly, they want to see green banking covering both the social and the environmental aspects (i.e., not the environmental aspects alone). Fourthly, the issue of sustainable development was highlighted here (similar to Ahmed, Zayed and Harun (2013)).

Another example can be presented here:

(2) *"Green banking is to provide innovative green products to support the activities that are not harmful to environment and to help to conserve the environment. It aims to use the resources of a bank with responsibility avoiding spoilage and giving priority to environment and society. Green banking saves costs, minimizes the risk, enhance bank's reputations and contribute to the common good of environmental sustainability. It serves both commercial objectives of the bank as well as its corporate social responsibility".* [Annual Report of Mercantile Bank Limited, 2011, p. 148].

In this highly descriptive definition both environment and society got importance. In comparison to the other definitions - (1) this definition is more focused on economic aspects like 'saving cost', 'resources', 'bank's reputation' and 'commercial aspects'.

In summary, it can be said that the definitions of green banking given by these banks lack consistency. Though the guidelines of Bangladesh Bank mostly emphasize on the environmental concerns, Banks have taken 'green banking' as a social and economic concern as well.

Energy Efficiency and Electricity, Gas, Water and Paper Saving

Use of energy needs burning the fossil fuel and as a result of this burning carbon is emitted in the air. Burning of fossil fuel contributes to global warming in a negative manner. Banks have emphasized on this issue in their reporting.

In some cases, banks have used a general statement on the efficient use of energy and water. For example, Southeast Bank Limited mentions:

(3) *"Bank is concentrating on its in-house green activities through the most effective utilization of resources (power, gas, fuel, water, paper etc.)".* [Annual Report of Southeast Bank, 2013, p. 109].

Though this kind of statement highlights the Bank's concern for energy and water saving, a detailed picture is not there. The use of the words like 'most effective utilization' may have a positive impact on the minds of the readers (stakeholders); this kind of reporting lacks completeness. Readers do not understand what kind of 'utilization' was in process.

Some of the reports were more detailed. The report of Islami Bank Bangladesh Limited reported:

(4) *"The bank advises the officials to adopt energy efficient practices. The officers try to ensure efficient use of gas, fuel and electricity with a view to reducing carbon emission. Energy efficient equipments like energy bulbs, less sound generators etc. are used in the offices. The bank also introduced the system of auto shutdown of the electrical equipments."* [Annual Report of Islami Bank Bangladesh Limited, 2013, p. 112]

In comparison to (3), this can be considered as more detailed. The actions taken (energy bulbs, less sound generator, auto shutdown) for energy saving is mentioned here. But again, this report can be referred to as incomplete in the sense that it did not mention whether these actions really resulted in energy saving or not. Again the word 'advises' demands greater interpretation. Advising does not mean that it is mandatory to follow these practices.

The report of Eastern Bank Limited contained the following information:

(5) *"While others talk big about energy conservation and using alternative energy, we are humble and action oriented. Four of EBL's branches and six ATMs are powered by solar energy. The bank has reduced electricity and paper use consumption by 33 percent and 40 percent respectively in 2011 compared to 2010. Some 40 cars of the bank have also been converted into CNG".* [Annual Report of Eastern Bank Limited, 2011, p. 107].

In comparison to (3) and (4), this can be considered as having greater detail. They mentioned the actions taken by the bank and also the results of these actions (reduction in consumption). One interesting aspect of this report (5) is that this bank wanted to compare their level of sincerity with that of the others in the market. It is said here that others only go for 'big talk' and are not action oriented. This statement indirectly gives an indication that the reports of other companies may be mere talk that lacks authenticity.

It can be seen from the discussion that the level/extent of reporting varied from bank to bank. The reporting lacks consistency because of the absence of detailed guidelines from Bangladesh Bank.

Green Finance and Sector Specific Green Banking Policy

Green finance refers to financing the projects that are environmentally friendly. In the Annual Report of Islami Bank Bangladesh Limited, a definition of green finance was presented:

(6) *"Green investment (finance) implies the financial services to the businesses and projects that help prevent deterioration of the environment as well as which are not harmful to the environment".* [Annual Report of Islami Bank Bangladesh Limited, 2013, p. 109].

In case of green financing issue, some banks have been very detailed in reporting. For example, Islami Bank Bangladesh Limited, in 2013, has presented the total scenario through a detailed table that contains information about the 'number of projects/clients', 'disbursement during 2013' and 'outstanding' amount. It can be seen from the table that the bank divided the green finance into two categories: direct green investment and indirect green investment. Under direct green investment they mentioned about their financing in projects like 'effluent treatment plants', 'non-conventional and alternative energy', 'environment friendly brick kiln', 'clean water supply projects' and 'recycling/reprocessing plants'. But under the heading of 'indirect green investment' they did not go for such detail. Because of this lack of detailing, 'indirect green investment' remains a confusing term for the readers.

Whereas, Southeast Bank presented their activities in a less detailed manner:

(7) *"Bank is one of the partners of Bangladesh Bank's refinance facilities for renewable energy generation and other environmentally beneficial projects like ETPs, energy efficient kilns and brick fields. In the year 2013 Bank provided refinancing facility to 7 Bio-Gas Projects and 137 Solar Home Systems amounting to total BDT 4.30 million".* [Annual Report of Southeast Bank, 2013, p. 109]

Here, though the total amount of green finance is mentioned, the exact amount given to each project is not determinable.

Some banks have reported on their specific policies related to financing in some particular sectors.

For example:

(8) *"Bank has inserted a mandatory clause for installing ETP for any Composite Textile, Dyeing units for availing of investment from EXIM Bank. Bank has disbursed Tk. 7.01 crore for installation of ETP and Tk. 1405.46 crore in projects having ETP in the year 2013".* [Annual Report of EXIM Bank, 2013, p. 39]

Again, the form and extent of reporting on this issue varied from bank to bank. The narratives ranged from a general and short description of the activities to detailed tables describing each of the green finance projects.

Climate Change, Carbon Emission and Climate Change Fund

It was mentioned earlier that the issue of climate change got immense importance in the definitions of green banking. Some banks showed their concerns related to climate change and global warming. Dutch-Bangla Bank Limited mentioned:

(9) "*The world has seen much focus on economic progress and mankind has made giant steps in its journey through time. The side effects of the development process have, however, also been equally enormous - loss of biodiversity, climatic change, environmental damage, etc.".* [Annual Report of Dutch-Bangla Bank Limited, 2012, p.173]

Though this kind of narrative does not represent the activities of the banks, it shows their concern about the environment. The following statement (10) can be considered as one where the bank has linked the issue of climate change with their activities:

(10) *"Bank has approved Environmental and Climate Change Risk as part of existing Investment Risk Methodology (IRG) to assess a prospective customer and circulated sector wise check list for complying at the time of preparation/processing of relative investment proposal".* [Annual Report of EXIM Bank Limited, 2011, p. 31-32].

Assessing the prospective customers and circulating sector wise checklist represents two activities that were performed in order to deal with the climate change issues. Some banks linked the issue of carbon emission with the mitigating activities that they adopt:

(11) *"The bank has a good number of products which are automated and time savings for the customers. Advanced technologies are being used to provide prompt and environment friendly customer services. The products include i-banking, m-cash, online banking, SMS banking, call center, ATM services and phone banking which help reduce carbon emission".* [Annual Report of Islami Bank Bangladesh Limited, 2013, p. 110].

In some annual reports, the issue of carbon emission was also linked with green finance:

(12) *"Financing low carbon technology represents a unique opportunity for banks to benefit from significant growth of the low carbon technology sector whilst demonstrating a positive contribution in tackling climate change. Many of the finance opportunities of the future will be driven by the investment demands of low carbon development. In other words, capital is needed to finance clean energy, less polluting cars and buildings, next generation public infrastructure, and many other green assets".* [Annual Report of Dutch-Bangla Bank Limited, 2012, p. 175].

It can be noticed from statements (11) and (12) that banks tried to link the issue of carbon emission with the issue of technology. That means, these banks believe that the use of proper technology can be a solution for reducing carbon footprints.

The issue of climate risk fund also been highlighted in these reports. In general, the banks that reported on climate risk funds mentioned the amount of money that is allocated for this fund. For example, Rupali Bank Limited mentioned:

(13) *"RBL has allotted Tk. 4220 million in the bank's budget of 2013 to perform green banking activities. RBL has involved CSR activities covering environmental, social, educational and cultural advancement. However the bank has participated by providing Tk. 15.31 million in CSR activities related to climate change fund".* [Annual Report of Rupali Bank, 2012, p.113]

Though this statement (13) covers the total amount of money allotted as the climate risk fund, the activities for which these funds were provided or used were not mentioned clearly. This can be found in the following example (14):

(14) "*IBBL has distributed Taka 52.00 million (for flood Tk. 7.00 million and Disaster, Health & Environment Tk. 45.00 million) in the year 2012 (which was Tk. 48.05 million in 2011) among the climate victims due to devastating flood, chilling cold, severe drought etc. in different parts of the country".*[Annual Report of Islami Bank Bangladesh Limited, 2012, p. 109].

Both examples - (13) and (14) - have some features that are different. Though both these statements disclose the total amount of money spent as a climate risk fund, example (14) gives a clearer picture by giving the breakdowns of the areas (flood, disaster, health, and environment) where these funds were utilized. Moreover, example (14) also gives a comparative picture of fund allocation in two consecutive years - 2011 and 2012. Example (13) declares the budget allocation for the forthcoming year - 2013.

Even here it is to be noticed that the disclosure pattern differed from bank to bank as there was an absence of proper format suggested by the regulating body like Bangladesh Bank.

Online/SMS/Mobile Banking

Bangladesh Bank encouraged the online/mobile/SMS banking mainly because of saving papers. As paper production requires cutting trees, it results in deforestation. Deforestation results in global warming. Some of the banks linked their reporting on online banking with paper saving. For instance:

(15) "*To reduce paper use, time, fuel consumption, MBL has introduced online banking, SMS banking and Mobile banking which are gaining popularity day by day. These are allowing customers to do banking transactions without coming to the bank physically. Expansion of ATM network is greatly reducing the need for check book and reducing consumption of security papers*". [Annual Report of Mercantile Bank Limited, 2013, p. 147]

(16) *"RBL is keen to emphasize on the easiest way to save environment by decreasing paper waste, reducing carbon emission, reducing printing costs and postal expenses".* [Annual Report of Rupali Bank Limited, 2012, p. 113]

Both of these statements highlight the issue of paper saving. The first statement (15) has a 'customer orientation' in the sense that it is focusing on the fact that because of online transaction, customers can avail easily. The second statement (16) has a 'strategic orientation' as it highlights that online banking is not only good for the environment but it is also a cost saver. Expenses related to paper, printing and mail posts are decreased through online banking. It needs to be mentioned here that though these banks are claiming that there is a decrease in paper use, none of them mentioned how much paper they have saved. The Bangladesh Bank circular GBCSRD Circular Letter No. 05 (issued in 2013) calls for mentioning the amount of paper use in the green banking reports.

Green Banking Unit and Green Banking Policy

As a requirement of Phase- I of the green banking program, Bangladesh Bank asked the banks to adopt green banking policy and establish a green banking unit/cell. Banks reported on this issue in their annual reports. For instance Dutch Bangla Bank reports:

(17) "*As directed by Bangladesh Bank, an independent dedicated team of Green Banking Cell has been working consisting of 06 (six) officials from related divisions led by Head of Credit Division who may contribute with the vested responsibilities in line with the principles towards implementation and reporting of green banking initiatives of the bank*". [Annual Report of Dutch-Bangla Bank Limited, 2012, p. 177].

(18) "*A comprehensive Green Banking Policy has formulated and approved by the Board of Directors in its 73rd meeting dated 19/06/2011. A high powered Green Banking Committee comprising the Directors of the Board of the bank has also been formed to determine/prepare banks environmental policy, strategies and program. Bank has also formed separate Green Banking Unit of Cell comprising all the Head of operational outlet assigning the responsibilities of designing, evaluating and administering related Green Banking issues of the bank*". [Annual Report of EXIM Bank Limited, 2011, p. 31]

It can be seen from the example that the banks have reported on introducing the green banking policy (18), the composition of green banking cell (17 & 18) and the tasks assigned to the green banking cell (17 & 18).

Awareness Creation - both inside and outside the organization

Banks also reported on their activities related to the creation of environmental awareness. In terms of awareness creation among employees, EXIM Bank reported:

(19) "*A set of general instruction already circulated to the employees for efficient use of electricity, water, paper and re-use of equipment*" [Annual Report of EXIM Bank Limited, 2011, p. 32].

This can be considered as an initiative inside the organization. Banks also reported on awareness creation outside the organization. Southeast Bank, in their report, emphasized on training and introduction of Green Banking awards:

(20) "*Bank has also concentrated on Green marketing, training and development. The bank has decided to introduce green awards to encourage individuals and organizations who are actively working to protect the environment and tackle the risks of climate change through green business, environment friendly operations, community investment and knowledge management*". [Annual Report of Southeast Bank Limited, 2013, p. 109].

Rupali Bank reported on their awareness creation activities as follows:

(21) *"RBL is using a slogan "Plant tree, Save the environment" in bank's letterhead and envelopes in raising green awareness among its shareholders and stakeholders… Tree plantation project is encouraged by the bank to raise awareness regarding green banking".* [Annual Report of Rupali Bank Limited, 2011, p. 96].

Discussion and Conclusion

The main objective of this research was to investigate the nature of disclosure of green banking in the annual reports of Bangladeshi banking companies. By analyzing the annual reports from 2011 to 2013 it was found that over the years, the level of disclosure increased. The form and extent of disclosure differed from company to company. On one hand, some of the banks have only presented a general statement that lacked specificity. On the other hand, some of the banks have provided detailed information with specific quantitative information.

It can be seen even without a proper guideline of reporting from the part of Bangladesh Bank, companies took initiatives to report on green banking in their own way. It can be said that as the banking sector is a relatively more regulated and competitive sector in Bangladeshi economy, they responded to this call for reporting from Bangladesh Bank. Though there were dissimilarities in the pattern and language of disclosure, most of these banks tried to disclose the issues that were identified by Bangladesh Bank as 'green banking activities'. most of these banks tried to disclose the issues that were identified by Bangladesh Bank as 'green banking activities'. So, it can be said that in this case, Bangladesh Bank was considered as a powerful stakeholder (as per the managerial branch of stakeholder theory). This disclosure initiative made them more efficient in the eyes of this powerful stakeholder - Bangladesh Bank (a powerful monitor of the Banking sector of Bangladesh). So, it can be expected that from 2014 onwards, the reporting will become more uniform as June 30, 2014 is the new deadline for implementing the first phase of the green banking program of Bangladesh Bank and in GBCSRD Circular Letter No. 05, they have provided a proper format for green banking reports.

Moreover, some banks have taken green banking as an impression management tool. They have mentioned in the reports their rankings in terms of their green banking performance. One of the banks, while defining green banking mentioned that green banking helps in enhancing corporate reputation (2). It can be seen from the examples in the qualitative discourse analysis section that these banks mostly highlighted good news. These mainly included their concern for the environment and their positive activities in order to conserve the environment and prevent environmental pollution. It can be said that these banks in fact tried to gain legitimacy from Bangladesh Bank and the society. The level of environmental pollution in Bangladesh is high. Moreover, it is one of the countries that are getting badly affected in terms of climate change and global warming. The issue of climate change is getting emphasized by the government. Moreover, media and environmental activists are also highlighting the negative effects of climate change. Climate change and global warming have become common buzzwords. In this situation, reporting on environmental performance can help the companies to manage impression and gain legitimacy.

Though institutions (like GRI) that are concerned with preparing guidelines on sustainability reporting have produced and disseminated the guidelines on this kind of reporting before, many prior researchers on corporate social and environmental reporting on Bangladesh found that the level/extent of this kind of disclosure is low (was discussed in details in the literature review). It can be said that the declaration of the guidelines from these international agencies did not get much response from the companies of Bangladesh. But when a local authority (Bangladesh Bank) proposed a green banking program, the banks responded towards the proposed activities as well as started reporting on those activities even without having proper reporting guidelines. From this, it can be argued that local authorities can act as better pressure groups in comparison to the international agencies. If the current status of corporate social and environmental reporting in Bangladesh needs to be improved, a monitoring agency like Securities and Exchange Commission (SEC) should come up with a proper and workable set of guidelines so that the whole corporate sector becomes serious about this issue.

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