2024 3RD ISSUE

SCAF TIMES

SCAF TIMES MAGAZINE BY NSBM GREEN UNIVERSITY

GREEN HORIZONS

Innovations and Investments Shaping the Future of Finance

DEPARTMENT OF ACCOUNTING AND FINANCE
NSBM GREEN UNIVERSITY TOWN

NSBM

GREEN UNIVERSITY

NSBM Green University is the first of its kind in South Asia. NSBM offers undergraduate and postgraduate degree programs in the fields of Business, Computing, Engineering, and Science. NSBM has designed an alternative and innovative approach to higher education in preparing young people to face new world challenges. NSBM will integrate innovation and entrepreneurship with a culturally and ethically diverse workforce, and international engagement of expertise in the fields of Management, Computing, Engineering, and Science.
NSBM has designed world-class degree programs merged with leadership, ethics, global thinking, core management skills, and leading-edge technological innovations. It mainly focuses on producing graduates and postgraduate professionals in the above fields. It is defined by its mission as a creative and innovative school of future generations. NSBM is driven by the themes of innovation, entrepreneurship, technology, and globalization to direct the country towards a knowledge-based globalized economy while creating synergies with an existing body of knowledge after considering the needs of the 21st century in the fields of Management, Computing, Engineering, and Science education. As a forward-thinking higher education institute, NSBM assures the vital need to make learning relevant to industry expectations. NSBM has forged strategic collaborations with leading universities such as the University of Plymouth, UK and Victoria University, Australia which enable its students to expose themselves to global thinking and best practices in global industries.

D A F

DEPARTMENT OF ACCOUNTING AND FINANCE

The Department of Accounting and Finance (DAF), inaugurated in February 2021, is one of the largest departments within the Faculty of Business at NSBM Green University. As a prominent department, DAF is dedicated to providing quality, world-class education to young undergraduates in the fields of Accounting and Finance. The department currently offers two degree programs: The Bachelor of Science (Honours) in Accounting and Finance, conferred in collaboration with the University of Plymouth and recognized by the University Grants Commission (UGC) of Sri Lanka, and the Bachelor of Management (Honours) in Accounting and Finance, a program approved by the UGC and delivered by NSBM.

DAF is led by Ms Anne Pathiranage , the Head of the Department, along with a supportive and distinguished panel of lecturers who are committed to delivering top-tier education. To achieve its primary goal of delivering world-class education, DAF has established four departmental sub units and one student circle to support and guide students throughout their undergraduate journey.

DAFED: Promotes innovative Accounting and Finance education and organizes supplemental training programs to help students become competent professionals.

DAFPRO: Focuses on developing professional and employable skills, preparing students to successfully enter the corporate world.

DAFCOLLABORATE: Fosters relationships with industry and professional accounting bodies, enabling students to explore various facets of Accounting and Finance.

DAFNET: Provides services to ensure a comfortable, harmonized learning environment while supporting students' mental well-being.

SCAF (Student Circle of Accounting and Finance): Represents all students under the department, focusing on enhancing their knowledge, skills, and attitudes, and fostering a sense of community among students and lecturers.
With these comprehensive facilities, the Department of Accounting and Finance strives to nurture young undergraduates, helping them excel in their professional and academic careers while preparing them to become future leaders.

MESSAGE FROM THE DEAN

Ms. Thilini De Silva
DEAN
FACULTY OF BUSINESS

Students Circle of Accounting & Finance (SCAF) is the main student association of the Department of Accounting and Finance at the Faculty of Business, NSBM Green University. Among the many innovative initiatives of SCAF, the SCAF Times magazine stands out as a platform for students to publish their insights on Accounting and Finance topics through systematic investigations.

The theme of the third issue of the SCAF magazine is "Green Horizons: Innovations and Investments Shaping the Future of Finance." Students have been encouraged to write about how new innovations and investments are driving the future of the finance industry.

In alignment with this theme, students have produced engaging articles on topics such as sustainable finance, green investments, and the role of technology in shaping a greener Future for Finance. It's inspiring to see the diverse perspectives showcased in these articles, and I have high expectations for their future contributions given the depth of knowledge they have demonstrated.

I extend my heartfelt congratulations to the Department of Accounting & Finance and the SCAF team for the successful publication of the third issue of SCAF Times. I wish them all the best in their future endeavors.

As we celebrate the success of this third issue of SCAF Times I conclude with a timely quote

“Success is the culmination of dedication, continuous learning, and a true passion for our work”

Good luck...!

“Every significant achievement begins with a single step forward, no matter how small. It's the cumulative effect of consistent effort and perseverance, coupled with the willingness to embrace challenges and learn from setbacks, that ultimately propels you towards your goals.”

MESSAGE FROM THE HEAD OF THE DEPARTMENT

Ms. Anne Pathiranage
HEAD
DEPARTMENT OF ACCOUNTING AND FINANCE

I am honored to welcome you all to the Department of Accounting and Finance at NSBM Green University on behalf of the Student Circle of Accounting and Finance (SCAF). As one of the largest departments in the Faculty of Business, we provide the best teaching, research, and learning experiences for our undergraduates. Our mission is to shape future business leaders and responsible citizens, equipping our students with the knowledge and skills needed for successful careers and further academic pursuits.

Our department is committed to continuous curriculum improvement, ensuring that our students are well-prepared for professional certifications and diverse career opportunities. We emphasize high ethical standards, instilling in our graduates the importance of social responsibility. Through our dedicated student circles and units, we offer a variety of academic and extracurricular opportunities to help our students become well-rounded individuals.

One of our notable initiatives, SCAF TIMES, plays a crucial role in gathering and disseminating timely and important knowledge within the student community and the field of Accounting and Finance. The theme of the third issue, "Green Horizons: Innovations and Investments Shaping the Future of Finance," reflects the significant technological and environmental advancements that are transforming the industry.

In recent years, there has been a remarkable technological revolution influencing various aspects of the business world. The accounting profession has seen dynamic shifts, with innovations enhancing productivity and efficiency.

Similarly, the finance sector has experienced profound changes due to technological progress. The emphasis on green investments and sustainable finance is also reshaping the future, promoting a more environmentally responsible approach to financial practices.

This issue of SCAF TIMES aims to explore these exciting changes in Accounting and Finance, sharing valuable insights with our readers.

I am immensely proud of our undergraduate writers for their dedication and hard work on this initiative. I wish them all the best in their future endeavors with SCAF TIMES. On behalf of the Department of Accounting and Finance, I invite everyone to join us in supporting and engaging with this.

"Success is not a destination but a journey marked by relentless effort and perseverance. Every setback you encounter is not a failure but an opportunity to learn and grow stronger. Embrace the challenges as stepping stones and remain committed to your goals, no matter how distant they may seem."

MESSAGE FROM THE EDITOR

I'm so grateful to add my thoughts to the SCAF TIMES magazine as the editor of the Student Circle of Accounting and Finance.

This has been a significant journey in my life, where I was finally able to bring all work together with the help of many people, including our dearest lecturer panel. This magazine provides insight into Sustainable Finance under the theme of "Green Horizons: Innovations and Investments shaping the Future of Finance." We proudly present this magazine as the 3rd issue of SCAF TIMES.

"Green Horizons: Innovations and Investments Shaping the Future of Finance" explores the intersection of environmental sustainability and financial innovation. The convergence of finance and sustainability is reshaping investment strategies, encouraging innovation, and paving the way for a greener future. As awareness and demand for sustainable practices grow, the financial sector will continue to evolve, driving both economic and environmental progress.

As we present the 3rd issue of the SCAF TIMES, I want to take a moment to extend my heartfelt gratitude to everyone who has contributed to its creation. Special thanks go to our dearest MIC of SCAF Ms Rhythmani Perera and Senior Lecturer Mr Gishan Abhayagunarathna for your guidance. Abig thanks to our Editorial board, including Thivedi Perera and Harsha Menaka, as well as the proofreading team and creative designing team. Your passion and dedication have made this publication possible, and I am truly thankful for your support.

To our talented writers, thank you for your insightful articles and unique perspectives that inspire and inform our readers. Your hard work and creativity shine through on every page. To our committed editorial team, your attention to detail and collaborative spirit ensure that we consistently deliver high-quality content.

As we move forward, I encourage everyone to keep sharing your thoughts and experiences with us. Together, we can continue to create a vibrant community that celebrates Innovation and Exploration.

Thank you once again for being an integral part of our journey. We hope you enjoy this issue as much as we enjoyed putting it together.

Warm regards,

Jinuki Perera
Editor-in-Chief
SCAF TIMES

SCAF

ABOUT US

AS THE SCAF, WE ARE THE REPRESENTING THE ASSOCIATION OF ALL THE ACCOUNTING AND FINANCE STUDENTS OF NSBM WITH A:

VISION

TO BE THE ULTIMATE HUB IN UPGRADING THE KNOWLEDGE, SKILLS AND ATTITUDES OF ALL ACCOUNTING AND FINANCE UNDERGRADUATES AND BECOMING THE EPITOME OF AN ACTIVE STUDENT COUNCIL.

MISSION

TO PERCEIVE AND DISTRIBUTE KNOWLEDGE; ENHANCE LEADERSHIP AND PERSONALITY TRAITS; AND PROMOTE A CULTURE OF TOGETHERNESS BEYOND THE VIRTUAL WALLS OF THE CIRCLE THROUGH COLLABORATIVE ENGAGEMENT

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GREEN HORIZONS; INNOVATIONS AND INVESTMENTS SHAPING THE FUTURE OF FINANCE.

Imagine a financial world where making cash goes hand-in-hand with caring for the planet. That's the thought behind Green Horizons.
As we all know sustainable finance is essential as the financial sector holds a huge power in finding and bringing awareness to the issues of sustainability. Sustainable finance mainly refers to investment choices considering an economic activity or project's environmental, social, and governance aspects. There can be seen an increasing demand for investment in businesses and projects with sustainable ESG practices. According to a recent Bloomberg study on the trend, it's already among the most in-demand professions in Asia. Environmental, Social, and Governance, or ESG, has become a norm in the finance sector.

In addition to financial returns, investors also take a company's social responsibility, governance, and environmental impact into account. This all-inclusive strategy lowers long-term risk while also ensuring that investments adhere to moral standards. Well-known businesses like Tesla have effectively incorporated ESG concepts, proving that environmental efforts and financial success can coexist. The combination of technology and finance has given rise to creative solutions that enhance sustainability project efficiency and transparency. Blockchain-powered IBM Food Trust is radically altering the food industry's supply chain transparency. Investor trust is increased because of its transparent and decentralized structure, which guarantees that money is given to legitimate green projects.

Technological developments streamline procedures, increasing the accessibility and scalability of sustainable finance. The future of sustainable finance will be shaped by various factors as we move forward. Exciting opportunities include the development of new financial instruments, the spread of sustainable finance into emerging markets, and the incorporation of artificial intelligence into investment decisions. Nonetheless, the industry faces barriers that it must work together to address, including issues with standards, regulatory divergence, and the requirement for increased collaboration.
The route to a greener future is becoming more evident as companies and investors see the connection between financial success and environmental sustainability.

“WE ARE THE FIRST GENERATION TO KNOW WE'RE WRECKING THE PLANET AND THE LAST GENERATION THAT CAN FIX IT.”

- Gro Harlem Brundtland.

By following these guidelines, we invest in a world that will prosper for coming generations as well as ensure our financial security.

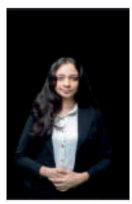
Green Horizon is not just about environmental benefits but also about mutually beneficial outcomes for investors and the environment. By fostering innovations, we discover new investment opportunities that correspond with sustainable goals, while securing vital funding for a more sustainable future. Private and public finance have a pivotal role in shaping the future.

Green Horizons: Financing Innovation for a Sustainable Future- in the realm of finance, the future is often depicted as being environmentally conscious and eco-friendly however driving factor behind financial innovation shapes “green horizons” prospects of the future.

Green financing is not just about tossing funds at environmental problems, it is about creating new financial tools that connect net-zero aspirations with the current reality. The increasing focus on sustainability is raising things in the finance world. Most cities specifically in developing countries, face various challenges in identifying and developing financially viable resilient infrastructural projects which are attractive to public and private financiers. Ultimately, sustainable finance innovations are about constructing a brighter future for all and ensuring and thriving economy and healthy planet. It is time to seize this opportunity where finance genuinely caters to the requirements of both individuals and the environment.

Green finance goes beyond traditional financial models and fosters innovations to unlock investment opportunities that complement sustainable goals. This magazine will explore how Green Finance unlocks investments that benefit both the environment and your wallet. It's a win-win for a sustainable future!
Focusing on developments that prioritize practicality and the critical part of investments in driving these activities, underscores the interconnection of finance and environmental responsibility. It sets the organization for exploring how these advancements are not only driving financial advancement but as well paving the way for a more sustainable and prosperous future. Emphasizing the cooperative energy between financial choices and ecological impact highlights the basic need for responsible investment strategies that adjust to long-term sustainability objectives. This magazine will explore how strong establish financial development and stability, ensuring an agreeable balance between financial success and environmental stewardship.

Jinuki Perera
BSc (Honours)
Accounting & Finance
22.2 Batch
University Of Plymouth
(UK)



Lona Pereira
BSc (Honors)
Accounting and Finance
22.2 Batch
University Of Plymouth
(UK)

CAN MONEY TRULY BE GREEN..?

The Relevance of Environmental Finance

From renewable energy to resource efficiency and from clean production to climate change; The concerns have risen to the top global ranks in politics, economy, and society. Over the past decades, materialism has caused the future predictions a reality, the downfall of humankind. If we continue the usage of fossil fuel at our current rate, it is estimated that the fossil fuel will be depleted by 2060. By widening the use of existing financial institutions and markets and by extending them to perform beneficial activities, most of the negative activities can be omitted.

"ABSOLUTE, TRADITIONAL FINANCE IS EXPERIENCING A GREEN REVOLUTION, AS INVESTORS ARE NOW MORE FOCUSED ON ALIGNING THEIR PORTFOLIOS WITH ENVIRONMENTAL OBJECTIVES. THIS PIECE EXPLORES THE DYNAMIC REALM OF GREEN FINANCE, HIGHLIGHTING PIONEERING ADVANCEMENTS AND INVESTMENT PROSPECTS THAT ARE SHAPING A MORE SUSTAINABLE TOMORROW"

Top Innovations in Green Finance

Some of the most promising innovations in green finance include funding renewable energy projects, measuring environmental and financial success, and engaging in carbon offset markets.
These innovations in green finance play a crucial role in addressing climate change and promoting sustainability.
Funding renewable energy projects not only helps reduce carbon emissions but also drives the transition towards a cleaner energy future.
Measuring environmental and financial success allows organizations to track the impact of their initiatives, ensuring they are making meaningful progressing both sustainability and profitability.
Engaging in carbon offset markets provides companies with the opportunity to compensate for their carbon footprint by investing in projects that reduce greenhouse gas emissions elsewhere. By embracing these strategies, businesses and investors can contribute to a more sustainable and environmentally- conscious economy.

HOW TO COMBAT CLIMATE CHANGE ?

1. Find innovative ideas for poverty reduction.
2. Mitigation and adaptation for clean energy products.
3. Promoting clean energy products
4.Provide financial products such as weather insurance.
5.Reinforcing institutions to combat climate change.
6.Advocacy and contribution to the policy debate.

Global Green Finance Index

London remains the leading global green finance center, while New York has been displaced from its second- place position

A portion of earnings funds the facility to provide technical assistance for financial institutions in partner countries. It is self- sufficient and does not rely on continuous grant funding. It supports local financial institutions in introducing EERE loan products. Financial institutions can offer funds based on the data related to energy savings and decreased greenhouse gas emissions resulting from the investments they finance.

"Former U.S. Vice President Al Gore's movie "An Inconvenient Truth" is a compelling presentation that simplifies the complex science of climate change for the general public."

Green finance is advancing and paving the way for a more sustainable future. With a focus on environmentally friendly investments and initiatives, green finance is not only beneficial for the planet but also for our economy and society as a whole. By supporting projects that promote renewable energy & reduce carbon emissions, green finance is playing a crucial role in addressing climate change and creating a more resilient world for generations to come. Embracing green finance means embracing a brighter, cleaner, and more prosperous future for all.

We will explore the shift towards ESG (environmental, social, and governance) investing, a trend fueled by investors seeking not only financial returns, but also positive environmental impact. And it will showcase some of the most promising innovations in green finance, from pioneering green bonds to climate-resilient infrastructure investments. The green finance will unlock some investment opportunities, highlighting options for readers interested in aligning their portfolios with a sustainable future. In conclusion, let us witness the world of green finance.

Ranuk Siriwardena
BSc (Honours) Accounting & Finance
22.2 Batch
University Of Plymouth (UK)

UNLOCKING THE POWER OF SUSTAINABLE FINANCE

“ Financial sustainability plays a number of roles in shaping the modern world ”

Financial sustainability is to ensure a prosperous future for our bountiful planet as well as for ourselves, not simply in the bank.

It is about wise monetary choices that promote environmentally conscious values. The industry's activities promoted economic growth, the free market's development, the enhancement of life quality, both individual and governmental security, and the ability of people and businesses to save and investment. To carry out these duties, the financial industry must continuously maintain the public's confidence in the financial system and adapt to the shifting demands of a growing number of stakeholders. The industry is currently in a crucial phase of development. Stakeholders anticipate financial institutions to make a positive impact on a more equitable and sustainable society and to redesign the financial services industry by balancing profit and social impact in the face of climate change and subsequent changes in investment preferences.

Innovation

It is about smart financial decisions that support environmentally responsible concepts. We are talking about investments that bring (cutting-edge) green technology and creative infrastructure to life. Imagine solar and wind power plants popping out like seeds from beans in the modern day, providing an endless supply of energy that doesn't harm the environment or run out.

Green horizon

As we head into a future with a hint of green, financial practices are changing. Green horizons are now just as important as greenbacks in today's world.

Sustainable investments are becoming as dependable as oak, combining profitability with environmental benefits. Investing in sustainable practices such as water conservation and renewable energy may offer positive returns while enhancing the environmental credentials of our planet.

Investment

This globe is our communicative backyard and keeping it in good condition is the greatest investment we can make. We are writing a rich story for our shared future, one in which environmental respect and economic security go hand in hand, with every dollar that is directed toward sustainable efforts.

Salutations from the forefront of financial sustainability, where green is the color of innovation rather than just money.

How it works?

Let us explore financial sustainability's performance and its significant influence on the path of finance in the future. The idea of a society where ecology and economic success combine is expressed by green horizons. Financial sustainability makes this goal a reality by allocating funds to green projects including renewable energy projects, the construction of sustainable infrastructure, and eco-friendly companies. Global investments in renewable energy topped $300 billion in 2023, according to recent statistical analysis, reflecting a notable increase led by the growing awareness of climate change and the need for sustainable solutions.

Innovation is the engine that pushes the shift towards financial sustainability.
A new wave of innovative solutions to serious environmental and social issues have arisen in the financial sector, from impact investing platforms to the financing of green bonds. Statistics shows that over the last two years, investments in green bonds have increased by over 50%, suggesting that investors are becoming more and more interested in financial products that put sustainability initially.

When considering the future of finance from a sustainable perspective, investment is crucial. Since sustainability has a significant impact on long-term financial performance, asset managers and institutional investors are incorporating environmental, social, and governance (ESG) issues into their decision- making processes more and more. The business case for sustainable investing is boosted by studies that demonstrate how financially successful companies with good ESG policies are relative to their peers.

IN A WORLD INCREASINGLY AWARE OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES, SUSTAINABLE FINANCE HAS EMERGED AS A TRANSFORMATIVE FORCE. THIS INNOVATIVE APPROACH TO FINANCE NOT ONLY SEEKS TO DELIVER ECONOMIC RETURNS BUT ALSO AIMS TO DRIVE POSITIVE SOCIETAL IMPACT AND FOSTER ENVIRONMENTAL STEWARDSHIP.

Why it Matters?

Financial sustainability is about creating a future where wealth is based on ethical behaviors and ethical administration, instead of just about keeping the books balanced. Adopting sustainability helps us to reduce risks, preserve the environment for coming generations, and open opportunities for development and innovation. It is not only a question of preference; for investors, companies, and society at large but also it is a strategic necessity. Let us use the compass of financial sustainability to steer purposefully toward a more promising future as we set the course for future finance.

In Conclusion innovation, investment, and green perspectives are coming together to transform finance in the direction of sustainability. From investments in renewable energy to innovative financial instruments like green bonds, the way forward is unmistakable give moral judgment and responsible administration top priority.

Ensuring a bright future for ourselves and our world is the fundamental goal of financial sustainability, which goes beyond simply keeping the accounts balanced. We can steer toward a future where prosperity is based on sustainability, resilience, and integrity by adopting these values, guaranteeing a better tomorrow for everybody.

Writer's Words,

We must always be mindful of our impact on the future as we navigate the dynamic financial landscape, which is supported by a confluence of investment, green perspectives, and technological advancements. My suggestion is straightforward but impactful: Accept fully the revolutionary possibilities of sustainable finance.

Instead of just watching from the sidelines, let us take an active role in this transition to a more sustainable and just financial future. Your decisions count whether you're an investor, a company executive, or a regular customer. Think about how your financial choices may affect society and the environment and look for ways to lend your support to projects that share your beliefs.

Recall that every dollar invested in sustainable activities is an investment in a better future for future generations, rather than a financial transaction. Therefore, let us dare to imagine a day when finance acts as an instrument for positive change, and let us collaborate to make that vision a reality.

Vihanga Indrajith
BSc (Honours) Accounting & Finance
22.2 Batch
University Of Plymouth (UK)

INTERGRATING SUSTAINABILTY INTO MODERN FINANCE

Acknowledging a Sustainable Future through Finance

In today's world, sustainability is a major focus, and finance plays a key role in this shift.
"Green Horizons: Innovations and Investments Shaping the Future of Finance" explores how green finance is transforming the industry. This movement funds environmentally beneficial projects while providing economic returns, integrating sustainability into financial decisions.
Green finance includes tools like green bonds, sustainable investment funds, and green loans, helping financial markets support the global push for sustainability. This article examines these innovative approaches, highlights new investments, and discusses their current use.

As we progress, merging finance with sustainability will be crucial in tackling today's urgent challenges.

Understanding Green Finance

Green finance refers to financial activities aimed at supporting environmentally sustainable projects. This includes funding for renewable energy, energy efficiency, water conservation, pollution control, and other initiatives aimed at reducing environmental impact. The primary objective of green finance is to achieve zero carbon emissions and promote activities that benefit the environment while being socially responsible.
The concept of green finance has evolved over time, initially linked to socially responsible investing and the development of Environmental, Social, and Governance (ESG) criteria. Green finance gained momentum with the issuance of the first green bond by the European Investment Bank in 2007. However, inconsistent guidelines have hindered global sustainability targets.

"Sustainable development is the peace policy of the future "

In response to these challenges, global communities are increasingly turning to innovative financial solutions to achieve sustainable development. Key current practices in green finance include:

Growing Importance and Adoption: Governments worldwide have issued specific guidelines for green finance, highlighting a global shift towards prioritizing environmentally friendly and socially responsible projects.

INTERGRATING SUSTAINABILTY INTO MODERN FINANCE

- **Financial Innovations with Green Bonds:** Green bonds have become a significant tool in green finance, attracting investors by mitigating development risks and promoting sustainable investments.
- **Investor Focus on Ethical Investment:** Investors favor projects with positive environmental impacts, influencing the growth of green finance.
- **Research and Emerging Insights:** Recent studies highlight both positive and negative impacts of green finance, addressing issues like greenwashing and the effectiveness of green bonds in promoting environmental sustainability.

Innovations in Green Finance

- **Fintech Innovations and Green Bonds:** Technologies such as data analytics and blockchain enhance the issuance and management of green bonds. ·They ensure transparency in fund usage by verifying allocation to environmentally beneficial projects.

- **ESG Investing and Fintech Solutions:** Fintech platforms use data analytics to assess ESG criteria in investment decisions, providing detailed insights into sustainability performance. This aligns investments with ESG goals and promotes sustainable practices.

- **Fintech Solutions and Carbon Trading:** Innovations in blockchain technology improve the transparency and integrity of carbon trading, enabling real-time data analytics on carbon emissions and trading activities.

- **Green Financial Products and Fintech Platforms:** These products tailor finance for sustainable projects through data-driven risk assessments and transparent pricing mechanisms. They support initiatives like renewable energy installations and energy-efficient buildings.

Investments in Green Finance

- **Green Funds:** Significant green investment funds, such as the Green Climate Fund and Renewable Energy Infrastructure Funds, mobilize capital towards sustainable projects globally.
- **Corporate Strategies:** Companies integrate sustainability into financial strategies, evidenced by corporate sustainability reports and embedding sustainability into core business operations.
- **Government Policies:** Policies and subsidies play a pivotal role in boosting green finance and supporting sustainable investments through incentives like feed-in tariffs, regulatory support, and tax incentives

Challenges and Opportunities in Green Finance

Challenges
Market Barriers: Despite positive trends in green finance tools, challenges like financial barriers, regulatory uncertainty, and long payback periods hinder investment in environmental protection industries.

Opportunities
Growing Market Demand: Legislative incentives and increasing public awareness drive demand for green financial solutions, allowing financial institutions to offer innovative goods and services.

Technological Innovation: Advancements in green technology, such as energy-efficient infrastructure and renewable energy sources, enhance project viability and investor appeal.

Policy Support: Stable and transparent government policies support green finance efforts, advancing sustainable development and renewable energy initiatives.

The Impact of Green Finance on the Future

1. Economic Impact
Job Creation: Green investments in energy efficiency and renewable energy create jobs.
Economic Growth: Sustainable projects boost growth in sectors like green technology and agriculture.
Cost Savings: Energy efficiency and reduced environmental impact led to long-term savings.

2. Social and Environmental Impact
Environmental Preservation: Green investments reduce carbon emissions and protect biodiversity.
Health Benefits: Lower pollution improves air and water quality, enhancing public health.
Community Resilience: Sustainable infrastructure strengthens communities against climate change.

3. Corporate and Consumer Behavior
Corporate Sustainability: Companies adopt sustainable practices in operations and supply chains.
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Consumer Demand: Growing consumer preference for green products drives corporate sustainability.

4. Future Predictions
Green Financial Products: Innovation in green bonds and loans will meet increasing market demand.
Policy Support: Governments will enhance policies like carbon pricing and renewable energy subsidies.
Technological Advancements: Advances in green tech will reduce costs and boost efficiency, attracting more investors.

"Incorporating sustainability into modern finance isn't just a trend; it's a strategic imperative. By aligning financial goals with sustainable practices, we not only create long-term value but also contribute to a more resilient and equitable global economy."

Conclusion

Green finance is transforming the financial industry by integrating environmental sustainability into economic decisions. Innovative tools like green bonds and sustainable investment funds are crucial in supporting projects that benefit the environment and society. Despite challenges such as market barriers and regulatory issues, the demand for green financial products is rising due to public awareness, legislative incentives, and technological advancements.

The economic, social, and environmental benefits are substantial, driving job creation, economic growth, cost savings, environmental preservation, public health improvements, and community resilience. As we progress, merging finance with sustainability will be essential in addressing urgent global challenges.

The future of finance is green, and its role in fostering a sustainable and resilient world is definite.

U.T.V PERERA
BM (Honours) Accounting & Finance
22.2 Batch
NSBM Green University

Redefining Finance:

Investing in a Sustainable Tomorrow

Amidst financial landscapes, a new horizon is emerging—one which is green, sustainable and advanced. As the world faces serious environmental threats, the finance sector is shifting to a new landscape where the role of finance opens up new possibilities for achieving a sustainable future. This change is not only about doing good; it is a new area for business development, new opportunities for innovation, and finally, people can become more resistant and strong.

The Rise of Sustainable Finance

The escalation of sustainable finance is driven by the affirmation of environmental, social, and governance (ESG) factors as a key which opens the door for it to expand. Investors, consumers, and policymakers are becoming more and more demanding, and are making sure that financial institutions' investments are in line with sustainable practices. It is not just about curbing environmental harm, but also about identifying investments that yield a great triple bottom line.

Innovations at the Vanguard

New financial instruments and services play a crucial role in this transition process. Green bonds, one of them, are a strong instrument to finance projects with ecological targets. These associations can assist in scouring resources for projects that reveal lasting benefits to both the environment and society, like renewable energy or affordable housing. In 2021, the buoyancy in the green bond market was evidenced by its reaching a record $1 trillion level, an indicator of the strong interest in sustainable investments. By the end of 2023, the outstanding amount of student loans in the United States has already hit a scary mark of almost $940 billion as per data from Bloomberg.

Meanwhile, the rise of impact investing as another market player can be viewed as another crucial innovation. Through this way of doing business, the emphasis is not only on profit return but also on creating a positive environment and fair society. We have to note the impact on investors with projects targeting pressing issues such as climate change, healthcare and education, among other investment themes, to demonstrate how profit and purpose can go hand-in-hand.

Technology as a Catalyzing Force

Technologies are prompting financial sustainability into a new era for finance. Gram, while, Blockchain is an example of technology which is used for the development of a transparent and reliable ecosystem for sustainable investments. Using smart contracts, all financial flows will be channelized through only meeting those requirements and targets that are related to environmental protection as well as social development which opens up a huge scope of accountability and trust. AI is also employed, when it comes to data analysis, shifting through large masses of data, where AI can help the investor to be more 'green- oriented' and a keener risk manager. AI-enabled technologies will be able to generate exempt-time metrics that are useful for the investor to know so that they can make investments that adhere to their ethics and morals

The Regulatory Landscape

Authorities are more and more taking into account the fact that sustainable financing is significant. One of the sustainable finance instruments that the European Union has introduced is the Sustainable Finance Disclosure Regulation (SFDR). According to this policy, financial institutions have to disclose how they integrate ESG factors into their investment decisions. Likewise, other regional impact projects are starting up in different zones, hence showing the worldwide tendency towards sustainable funding.

Conclusion: A Future Abloom with Possibilities

Looking forward to the future, sustainable finance will play a great role in making the world resilient, fairer and better than ever. Through tackling innovation, channeling investments to sustainable projects and implementing ESG standards into their business, finance industry has the power to propel a large-scale transformation. Even though the green horizon appears to be a mirage, it is a real-life creation that is a result of the current technological innovations and investments.

Writers Word

This article considers the growing influence of sustainable finance, which is now reshaping the face of finance. It focuses on the increasing role of ESG factors, innovative financial instruments such as green bonds and impact investing, and the use of technology like blockchain and AI as the drivers of this transformation. The regulatory spotlight on sustainability also shows higher green attention to a financial system. The main idea is that of hope, which places sustainable finance at the center of a resilient, equal, and prosperous future.

Sasmitha Jayakody

BSc (Honours) Accounting & Finance

22.2 Batch

University of Plymouth (UK)

"A future abloom with possibilities thrives on the seeds of innovation, nurtured by sustainability, and blossoms into opportunities for all."

GREEN HORIZONS, INNOVATIONS AND INVESTMENTS SHAPING THE FUTURE OF FINANCE

INTRODUCTION

Sustainable finance has become mainstream in global financial landscapes, addressing climate change, carbon emissions, and environmental degradation. Green finance includes innovative products and services for environmentally sustainable projects, including green bonds, loans, and renewable energy investments.

GREEN FINANCE

Green finance, a response to environmental awareness, aims to reduce investment portfolios' ecological footprint. It includes various financial tools for sustainable development goals, driven by ethical and pragmatic reasons for long-term value creation.

WAYS OF USING GREEN FINANCE

1.Green Bonds

Green finance can help restructure national debt and the green economy by issuing green bonds, which have become popular, reaching a record high of $295 billion in 2020, tapping sustainable investors.

Example - (Unilever has issued the first-ever green sustainability bond, the
£250,000,000 2% Fixed Rate Notes due in December 2018, with the backing of Unilever N.V. and Unilever United States, Inc.)

2. Green Loans

Another way is to engage with green finance institutions like the Green Climate Fund (GCF) can help both developed and developing countries adapt to climate change impacts, such as improving water supply and sanitation systems.

Example – (HSBC issuing Energy Efficiency Loan for all the SMEs around the world, based on the following manner it explains)

3.Green Investments

Frontier economies can collaborate with green finance funds like Climate Investment Funds (CIF), which has invested in projects promoting sustainable development and reducing greenhouse gas emissions.

HOW FINTECH ASSOCIATED TO THE DEVELOPMENT OF GREEN FINANCE

The rapid technological advancements and digitalization of the world have led to the emergence of Fintech, which focuses on promoting sustainability through financial innovations.

- **Nature-Based NFT (why you should have some)**

Defi (Decentralize Finance) is introducing a new initiative called 'carbonABLE', which aims to promote carbon intentionality and climate balancing by creating Nature-based NFTs. These NFTs are tangible, linked to real nature plots, and holders do not represent forest ownership, either you own proof of participation in financing nature-based decarbonization projects. The money these NFTs raise is transferred to the project holder, who receives carbon credits for the project's life. The carbon credits are tradable on the Voluntary Carbon Credits Market in exchange for dollars.

- **Digital Platforms and Fintech**

FinTech solutions like blockchain and AI-based platforms are crucial for climate finance, providing real-time tracking, accountability, and predicting project viability, guiding investors towards effective mitigation and adaptation efforts.

- **Blockchain & FLRChain**

The New topic in the street 'Blockchain', is a that transfers data between users using an underlying technology called 'cryptography'. 'FLRChain' is a new tool built on Algorand (blockchain platform) designed to maximize incentives and lower costs to Forest Landscape Restoration. The FLRchain (FLR — forest landscape restoration) is a web and mobile-based application that uses blockchain technology to make FLR reward distribution and monitoring more efficient and transparent. It also helps attract FLR investors by making it easier for them to invest, trace funds, and access proof of impact data linked to their investment.

OTHER NEW FINANCIAL PRODUCTS IN THE STREET & FUTURE OUTLOOK

- SEC approves first spot bitcoin ETFs in boost to crypto advocates

The US Securities and Exchange Commission has approved the first spot bitcoin ETFs, attracting new retail and institutional investors. The regulator cleared 11 ETFs, including established players like Fidelity and Invesco and digitally focused newcomers like Grayscale and Ark Invest

- Tokenization of real-world assets

Traditional finance and investments are experiencing a digital transformation, real-world assets (RWA) tokenization emerging as a key trend. This innovation converts diverse assets into blockchain-based digital tokens, offering enhanced liquidity, ownership evidence, and transparency. This shift aims to democratize investment opportunities and create a more equitable financial future.
Example - In March 2024, BlackRock announced the launch of its first tokenized fund issued on an Ethereum blockchain, the BlackRock USD Institutional Digital Liquidity Fund

- AI revolution into finance

The finance sector is experiencing significant changes due to the rapid growth and adoption of AI technologies, including large language models. The COVID-19 pandemic has accelerated these trends, offering organizations the potential to increase revenue, lower operating costs, optimize operations, enhance customer service, and identify risks.

I PROPOSE TO COMBINE BLOCKCHAIN TECHNOLOGY WITH THE TRADITIONAL REAL ESTATE INDUSTRY.

Large institutions typically run real estate projects due to high capital requirements. However, a real estate institution can raise 100 million USD by issuing an NFT collection, of 10,000 NFTs priced at USD 10,000. These NFTs circulate worldwide, allowing foreign investors to buy them. Each NFT has a unique code number representing property ownership, and rental profits are distributed among holders. This method can increase liquidity in the real estate industry, potentially attracting foreign investors and accelerating economic growth in countries like Sri Lanka. We all know that with inflation and economic developments, all land, property prices and rental payments are increasing. If one of the holders wants to sell his or her NFT, they can sell at any mentioned and authorized NFT market, like selling a stock in the stock market. With this method, one of the biggest problems in the real estate industry, liquidity can be reduced. For countries like Sri Lanka, this can help to attract foreign investors and accelerate economic developments and growth, which would help us to solve our balance of payment issues with the foreign inflows as well as other economic development inefficiencies.

THE FUTURE OF GREEN FINANCE

Green finance has the potential to significantly transform the global economy and contribute to a sustainable future. As governments and institutions implement policies, investor demand for sustainable investment options will increase, presenting an opportunity for investors and companies to shape a green economy.

Nethum Herath
Double Major in Banking and Finance & Financial Risk Management
22.2 Batch
Victoria University

PIONEERING SUSTAINABILITY

The increasing urgency to address climate change has sparked a growing interest in sustainable investments, particularly within the finance sector. As the global economy transitions towards a green economy, there is a pressing need for innovative solutions and substantial investments to drive this transition forward. This research aims to examine the potential impact of sustainable finance on shaping a greener future, focusing on how investments in environmental, social, and governance (ESG) criteria can drive positive change. By exploring the current landscape of sustainable finance and identifying key trends and challenges, this study seeks to provide valuable insights for investors, policymakers, and businesses looking to navigate the evolving green finance ecosystem. As we stand on the precipice of a crucial moment for our planet, understanding the role of sustainable finance in building a more sustainable future is paramount.

The Importance of Green Innovation in Financial Markets

The importance of green innovation in financial markets cannot be understated. As the global economy faces the impact of climate change, sustainable practices are becoming increasingly crucial for companies to remain competitive and resilient. Green innovation involves developing new products, processes, and services that minimize environmental impact while simultaneously delivering economic value. In financial markets, investing in green innovation not only aligns with ethical and social responsibilities but also presents lucrative opportunities for growth and long-term profitability. By supporting environmentally sustainable initiatives, investors can contribute to mitigating climate change and promoting a more sustainable future. Moreover, companies that prioritize green innovation are likely to attract environmentally conscious consumers and investors, enhancing their market reputation and competitiveness. Therefore, integrating green innovation into financial markets is not only a moral imperative but a strategic decision that can drive positive change and financial success.

Investment Opportunities in Sustainable Technologies

Investment opportunities in sustainable technologies are increasingly becoming the focal point for financial growth and innovation in today's market. The adoption and advancement of sustainable technologies offers numerous benefits for investors looking to seize opportunities in a rapidly changing landscape. By investing in renewable energy sources, energy efficiency technology, and sustainable infrastructure, investors can diversify their portfolios while supporting environmental sustainability goals. Furthermore, sustainable technologies present a compelling business case as consumers and governments alike demand cleaner and greener solutions. The global push for sustainable practices has created a booming market for companies that prioritize sustainability, making investments in this sector both financially rewarding and socially responsible. As the world transitions to a more sustainable future, investors who capitalize on these trends stand to reap significant returns while contributing to a healthier planet for generations to come.

Financial Strategies for a Greener Future

In today's rapidly evolving financial landscape, it has become increasingly imperative for companies to adopt sustainable practices that not only benefit the environment but also yield positive financial outcomes. To that end, implementing financial strategies for a greener future has become a strategic imperative for businesses seeking to remain competitive in the market. By investing in renewable energy sources, implementing efficient waste management systems, and applying green technology solutions, companies can not only reduce their environmental footprint but also achieve long term cost savings and enhanced brand reputation. Moreover, integrating sustainability into financial decision-making processes can lead to improved risk management, increased investor confidence, and access to new market opportunities. Thus, it is evident that implementing financial strategies for a greener future are not only a moral obligation but also a smart financial decision in today's business landscape.

Government Policies and Regulations Impacting Green Investments

Government policies and regulations play a crucial role in shaping the landscape of green investments. In recent years, governments around the world have implemented various incentives and regulations to promote sustainable practices and encourage investment in green technologies. Initiatives such as tax credits, subsidies, and mandates for clean energy production have been instrumental in driving growth in the green sector. However, the effectiveness of these policies can vary depending on the political climate and the commitment of policymakers. Additionally, conflicting policies and inconsistent regulations can create uncertainty for investors, hindering the flow of capital into green projects. Therefore, it is essential for governments to develop clear and consistent policies that provide long-term support for green investments, ultimately fostering a more sustainable and prosperous future for all.

Conclusion

In conclusion, the research conducted in this study vividly illustrates the urgent need for innovative approaches and increased investment in green technologies to secure a sustainable financial future. The evidence presented clearly demonstrates the significant impact that environmentally friendly practices can have on economic growth and stability. By embracing renewable energy sources, implementing green infrastructure projects, and fostering a culture of sustainability, businesses and governments alike can navigate the challenges of climate change while simultaneously reaping financial benefits. Moreover, the findings emphasize the crucial role that forward-thinking strategies and financial commitments play in mitigating environmental risks and ensuring long-term prosperity. Therefore, it is imperative for stakeholders across sectors to collaborate, prioritize sustainable development, and allocate resources towards green initiatives to pave the way for a resilient and prosperous future.

Sanuji Vinudula Ediri Wickramasuriya
BSc (Honours) Accounting & Finance
22.2 Batch
University Of Plymouth (UK)

SHAPING THE FUTURE OF BUSINESS AND ENVIRONMENT

"Innovative business practices are crucial in shaping a future where economic growth and environmental sustainability go hand in hand."

Introduction

The financial landscape has witnessed a dramatic shift towards sustainability, as increased awareness of environmental challenges compels investors and corporations to reconsider their strategies. This shift represents a crucial response to the imperative need for business practices that protect our planet and ensure the well-being of future generations.

Innovations in Sustainable Practices

The drive towards sustainability has catalyzed several key innovations in the financial sector. Among these are ESG investing, which integrates environmental, social, and governance factors into investment decisions; green bond technology, designed to fund environmentally beneficial projects; and the circular economy model, which aims to maximize resource efficiency.

Defining Sustainability

In the business context, "sustainable" refers to methods of operation that prevent long-term damage to our planet, safeguarding both ecosystems and communities from irreversible harm. Environmental activist Terri Swearingen aptly summarized this concept, remarking, "We are living on this planet as if we had another one to go to."

The Essence of Sustainability Reporting

Sustainability reporting involves the disclosure by businesses and organizations of their environmental, social, and governance (ESG) performance. According to Kolk J.E.M from the University of Amsterdam, this practice is crucial for enhancing transparency and helping organizations gauge their adherence to sustainable goals.

The Essence of Sustainability Reporting

In industries like forestry, which have long been under pressure to demonstrate their commitment to sustainability, technology now plays a pivotal role. Advanced tools and platforms enable more accurate monitoring and reporting of sustainable practices and environmental impacts.

Driving Competitive Advantage through Sustainability Reporting

With the implementation of the EU Corporate Sustainability Reporting Directive (CSRD) earlier this year, sustainability reporting is set to become a norm for almost all European listed companies by the end of the decade. Nina Broström from Maint World Magazine suggests that this directive could confer a competitive advantage to those companies that embrace it proactively.

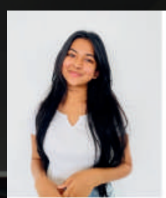
THE ROLE OF POLICY REFORMS IN ACHIVING A SUSTAINABLE ECONOMIC BOUNCE - BANK

Future Trends in Sustainability Reporting

The KPMG 2022 'Survey of Sustainability Reporting' indicates a significant evolution from voluntary to mandatory and regulated sustainability reporting. The survey highlights increased reporting on climate-related risks, in line with the Task Force on Climate-related Financial Disclosures (TCFD), and a growing awareness of biodiversity risks. It also points out an emphasis on the quantity over quality in reporting on the UN Sustainable Development Goals (SDGs), and a prioritization of climate risk reporting.

Conclusion

As we look to the future, the "Green Horizon" theme emphasizes the integration of ESG considerations into financial disclosures. Upcoming accounting practices are expected to encourage companies to adopt sustainable measures by focusing on accountability, transparency, and long-term wealth creation. By prioritizing green initiatives and robust sustainability reporting, companies can foster trust with stakeholders, drive innovation, and help forge a more resilient and sustainable global economy.



Malsha Dimashi
BM (Honours)
Accounting & Finance
22.2 Batch
NSBM Green University

Supipi Melonika
BM (Honours)
Accounting & Finance
22.2 Batch
NSBM Green University

SUSTAINABLE FINANCE:GREEN BONDS AND TECHNOLOGY INNOVATION

"Sustainable Finance is the process of taking due account of environmental, social and governance considerations when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects."- European Commission". Green finance is hailed as of high importance since it is instrumental in supporting long-term global sustainability goals by bringing down carbon emissions. It examines elements that define today's sustainable finance—ESG investing, green bonds, technology, and the circular economy. This article tries to throw some light on the global effort underway in successfully transforming the economy to a resourceful and ecologically conscientious one. Green finance refers to the financial investment in projects that result in environmental benefits like energy efficiency renovations, renewable energy projects, green infrastructure, and other programs that reduce GHG emissions and advance sustainable development.

Growth of Green Bonds

According to the World Bank, "green bonds are financial instruments that finance green projects and provide investors with regular or fixed-rate payments." While typically being backed by a bank's balance sheet and an asset, these green bonds function in a similar way to regular bonds. However, their specific purpose is to provide funding for environmental projects with positive impact.

Market trends and Future prospect of Green Bonds:

Market trends

Growing Investor Interest:
BlackRock, and other leading asset managers, insurers, and pension funds are all now placing more assets in green bonds, as increased attention is given to ESG factors by investors. This bid aims to keep pace with the rising appetites of clients towards ethical investments that hit sustainability targets.

Creative Green Financial Products:
New green financial instruments have appeared on the markets, among which are sustainability-linked bonds, green loans, and green securitizations. These developments will help attract a wider pool of investors and increase the reach of green financing.

Future prospect

Policy and Regulatory Support Initiatives:
Globally, green finance is being supported by governments and regulatory agencies more and more through incentives and laws. The EU Green Bond Standard is one of the initiatives in the Sustainable Finance Action Plan of the European Union aimed at stimulating the green bond market.

Technological Innovations Driving Sustainable Finance

Role of Fintech promoting

Platforms for Trading Carbon:
Through the creation of online marketplaces for the purchase, sale, and tracking of carbon credits, fintech is revolutionizing the carbon trading industry.

Significantly Enhanced Transparency and Accountability.
Fintech solutions including blockchain technology usher in transparency and accountability to unprecedented levels in sustainable finance. Blockchain's immutable ledger practically ensures funds from green bonds or other forms of sustainable investments are used for their intended purposes, diffusing the risk of greenwashing. For instance, blockchain permits the tracing of carbon credits or **renewable energy certificates throughout their lifecycles, providing verifiable data to investors on their impact.**Examples include carbon credit trading platforms, green bonds, green insurance products, and impact investing platforms. Challenges and Opportunities of Green Bounds and Technological Innovations

Apple's Initiatives for Green Bonds

Apple first issued a $1.5 billion green bond in 2016 and then again in 2017 with a $2.5 billion offering. The proceeds from these bonds have gone toward a number of environmental initiatives, such as the creation of sustainable materials sources, energy efficiency upgrades, and renewable energy sources. One noteworthy accomplishment is Apple Park, the company's headquarters, which uses a variety of green construction technology and is entirely powered by renewable energy.

Challenges:

- **Standardization and Certification**

Establishing uniform guidelines and certification procedures to specify what constitutes good social or environmental initiatives (such as "green" projects or impact investments).

- **Market size and Liquidity**

Compared to regular financial markets, the sustainable finance market which includes green bonds and impact investments is smaller, which may restrict investor interest and liquidity.

- **Regulatory and environment**

Different legal systems have different rules governing sustainable finance, making it difficult for issuers to comply with the law and hindering the growth of the market

Opportunities:

- **Growing Investor Demand**

Demand for investments that meet environmental, social, and governance
(ESG) standards is rising among institutional and ordinary investors.

- **Technological Advancements**

Fintech innovations can improve sustainable finance's accessibility, efficiency, and transparency. Examples of these innovations include blockchain, digital platforms, and artificial intelligence (AI)

- **Innovation in Financial Products**

Creating innovative financial instruments and frameworks, like green securitizations, sustainability linked bonds, and sustainability themed exchange traded funds

Conclusion

In general, green finance, and particularly green bonds, embody at the global front the pooling of desires shown by international entities in grappling with the issue of the environment through technological innovation and sustainable finance. While having its own share of challenges in terms of regulatory complexity and a lack of uniformity, it equally provides major opportunities. It is the rapidly growing investor demand entrained by FinTech and an increasing diversity of new financial products that lays the groundwork for a future where not only will finance drive economic growth but also leave trails toward ecological sustainability and social responsibility at a global scale. This journey may just be the very step at which an economy becomes resource-efficient and resilient, hence imperative for the implementation of global sustainable development.

"Green finance is the key to unlocking a future where economic growth and environmental preservation go hand in hand."

R.H.R.N. Ayeshani
BM (Honours) Accounting & Finance
23.2 Batch
NSBM Green University

D.D Kodithuwakku
BM (Honours) Accounting & Finance
23.2 Batch
NSBM Green University

Dhanushika Sivakumar
BM (Honours) Accounting & Finance
23.2 Batch
NSBM Green University

The Role of Green Accounting in Shaping a Green Future

Green accounting plays a key role in shaping a greener future by combining environmental considerations with traditional accounting practices.

By Internalizing environmental costs, sustainability metrics, and natural capital valuations gives green accounting provides decision makers a broader understanding of the true costs and benefits of economic activity. This information helps to design policies that promote sustainable development and responsible corporate practices. Through improved transparency and accountability, green accounting fosters a culture of environmental stewardship and facilitates the transition to a greener economy.

Introduction

Businesses and governments all over the world are increasingly recognizing the significance of incorporating sustainability into their financial practices in the face of global environmental challenges. A crucial tool in this endeavor emerges as green accounting, also known as environmental accounting or sustainable accounting. This novel strategy goes beyond standard financial reporting to take into account the social and environmental effects of economic activities.

Understanding Green Accounting

Green accounting, also known as environmental accounting is an innovative approach to financial and economic analysis that emerged in response to growing concerns about the environmental impact of human activities. It involves integrating environmental and social factors into traditional accounting frameworks to create a more balanced and sustainable perspective on economic performance.
The environmental movement of the mid-20th century, which gained momentum in the 1960s and 1970s, focused widely on pollution, resource depletion, and other environmental problems. This increased awareness led to calls for more comprehensive methods of quantifying the costs and benefits of economic activity on the environment.

Principals of Green Accounting

1. Internalizing environmental costs
2. Measuring Sustainability
3. Valuing natural capital
4. Policy support

Implementing Green Accounting in firms

1. Environmental cost identification- Identify and measure environmental costs associated with firms' operations, and manage pollution
2. Regulatory compliance- Adhere to environmental regulations and standards in reporting and operation practices.
3. Employees engagement- To ensure sustainability of green culture, educate and involve employees in green accounting practices.
4. Stakeholder communication- Communicate environmental performance transparently and disclose sustainability reports for shareholders and relevant parties.

Benefits of Green Accounting

1. Improved decision making- green accounting is crucial for today's business and government because it helps them for business and government to make more informed decisions, about environmental impacts alongside financial outcomes.
2. Resource efficiency- Green accounting is helps minimize the waste and consumption of resources, through quantifying environmental costs.
3. Risk management- Identifying risks is one of the main benefits of green accounting. It also helps in identifying resource scarcity and regulatory changes, reducing potential future costs and liabilities.
4. Enhance corporate image- Through green accounting companies can improve their reputation and attractiveness to customers and investors.

Sustainable Accounting practices for a green future

To lead the way towards a green future, sustainable accounting methods are essential. The following crucial procedures can promote sustainability in accounting.

1. Environmental cost accounting- Disclose the true cost of environmental cost such as pollution control, emissions reduction, and natural resource management.

Carbon accounting

3. Green investment evaluation- Assess the financial viability and environmental benefit of green investments Such as renewable energy projects, energy efficient technologies, and sustainable supply chain practices.

4. Resource efficiency metrics- To find opportunities for efficiency and lessen environmental impact, track and report on resource consumption metrics like water usage, energy consumption and material waste.

Innovations of Green accounting

Companies can develop new product designs using fewer materials, invest in renewable energy sources like wind or solar power, or switch from traditional manufacturing methods to cleaner production techniques that produce less waste and pollution.

Conclusion

In the pursuit of a global economy that is both sustainable and responsible, green accounting is not only a trend but also a necessity. By expanding monetary reporting structures to incorporate natural and social considerations, organizations can pave the way for a greener future. Embracing green accounting is an essential decision that helps the planet and adds to long term business resilience and success. Green accounting is a crucial tool for achieving a harmonious balance between economic prosperity, environmental stewardship, and social well-being as businesses increasingly recognize the significance of sustainability.

Sanduni Perera
BM (Honours) Accounting and Finance
23.2 Batch
NSBM Green University

Bhagya Kularathne
BM (Honors) Accounting and Finance
23.2 Batch
NSBM Green University

Supipi Bandara
BM (Honours) Accounting and Finance
23.2
NSBM Green University

HOW BLOCKCHAIN, AI, AND BEYOND ARE RESHAPING FINANCE

The financial landscape is undergoing a profound transformation, with sustainability at its core. Technology is emerging as a pivotal force in this green revolution. Blockchain, artificial intelligence, and other innovations are not merely reshaping the finance industry; they're redefining its role in a sustainable future.

> "Tech titans of the green revolution are not just innovators of technology, but architects of a sustainable future, weaving digital prowess with environmental stewardship to create a world where progress and preservation go hand in hand."

First and foremost, Blockchain technology, originally noted for underpinning cryptocurrencies, is disrupting finance in its delivery of fully transparent, traceable, and immutable operations. It is instrumental in unmasking the originality and traceability of various products, drastically reducing the prevalence of greenwashing, a deceptive marketing strategy companies employ when they inappropriately label their products as environmentally sound. Today, companies such as Provenance and Ever Ledger use blockchain to serially trace each raw material from its origin to the end consumer, which helps guarantee all sustainability claims of a product can be substantiated. In the carbon credit markets, blockchain enables the creation of secure, efficient, and transparent marketplaces in which to buy and sell carbon credits, lowering transaction fees while also increasing market liquidity. Using blockchain ensures that each credit is unique and verifiable. Most importantly, it also prevents double-counting credits or fraud. A good example is the joint effort of IBM and Veridian to tokenize carbon credits through blockchain, making it easier for companies to trade those credits and offset their activities that contribute to global warming. Blockchain is also streamlining the issuance of green bonds. Such bonds provide a critical route for funding sustainable projects, and blockchain boosts their transparency through real-time, immutable records of transactions. The European Investment Bank (EIB) successfully issues blockchain-based digital bonds, cutting issues and reducing costs associated with traditional bond issuance.AI is rapidly changing into a green oracle able to process vast amounts of data in ways that mitigate huge climate-related risks and pinpoint sustainable investment opportunities. Climate change impact models using AI may give predictions at sector-by-sector levels, enabling

"TECH TITANS OF THE GREEN REVOLUTION HARNESS INNOVATION TO DRIVE SUSTAINABLE PROGRESS."

forward-looking decisions for businesses and investors alike. For instance, AI tools help companies to track and reduce their carbon footprints by providing real-time data and insights into their emissions. This enables more effective carbon management with environmental regulations. Beyond blockchain and artificial intelligence, the IoT ensures resource use is optimized with data-driven insights. Big data analytics discover buried patterns for informed strategies of green investment. Crowdfunding and peer-to-peer lending platforms make green financing collaborative. The potential of technology in green finance is huge, but challenges remain. Data privacy, cybersecurity, and the digital divide need careful attention. However, the opportunities are far superior to these obstacles. By harnessing the power of technology, we could build a financial system that will empower economic growth and, at the same time, be safe for our planet.

Despite technology's enormous potential in green finance, there are several obstacles that should be considered. Data privacy and cybersecurity are key concerns, as the digitization of financial transactions exposes sensitive information to possible intrusions. Furthermore, the digital gap can increase disparities by preventing all regions from having equal access to sophisticated technologies. However, the advantages far exceed the drawbacks. We can establish a financial system that encourages economic progress while protecting the environment by leveraging technology. This vision must be realized through continuous innovation and collaboration among stakeholders. As blockchain, AI, IoT, and other technologies continue to evolve, they will play a major role in reshaping the financial landscape toward a more sustainable future. Where technology and financial standings meet, new times of prosperity come in a sustainable manner. Moving into the future, building a greener, fairer, and more resilient financial future depends on continuous innovation and collaboration.

Rajendran Sanjeew
BM (Honours) Accounting & Finance
21.1 Batch
NSBM Green University

Let's Build a

GREEN ECONOMY

"The green economy prioritizes sustainable development by promoting energy efficiency, reducing carbon emissions, and encouraging the use of renewable resources."

"Building a green economy means investing in innovation today for a sustainable and prosperous tomorrow."

The concept of a green economy is revolutionizing our approach to economics.

It's founded on the understanding that the economy is intrinsically linked to, and dependent upon, the natural world. This innovative economic model aims to foster growth through government and private investments in activities and infrastructure that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent biodiversity loss and the degradation of ecosystem services.

Exploring the Pillars of a Green Economy

Central to the green economy are sectors like renewable energy, low-carbon transport, energy-efficient buildings, clean technologies, and advanced waste management systems. These sectors represent the frontline of our transition to a sustainable economic framework, marrying profitability with environmental stewardship.

The Role of Green Entrepreneurship

At the heart of the green economy is green entrepreneurship, which seeks to optimize the returns on investments in economic, social, and environmental areas. In places like Sri Lanka, green entrepreneurship is burgeoning, propelled by an increasing awareness of the necessity for sustainable practices and the lucrative market for eco-friendly products and services.

Sustainable Finance and Green Investing

In the realm of finance, sustainable practices are increasingly prevalent, with investment decisions frequently considering environmental, social, and governance (ESG) factors. Green investing is becoming a pivotal area within this space, offering investors guidance on identifying leading-edge green technologies, investing in green mutual funds, evaluating a

Let's Build a GREEN ECONOMY

"THE GREEN ECONOMY IS NOT JUST A TREND—IT'S THE FUTURE. TRANSITIONING TO SUSTAINABLE ENERGY SOURCES IS CRUCIAL FOR ADDRESSING CLIMATE CHANGE AND ENSURING LONG-TERM PROSPERITY. WE NEED TO INNOVATE AND INVEST IN TECHNOLOGIES THAT PROTECT OUR PLANET WHILE DRIVING ECONOMIC GROWTH."

Elon Musk

company's commitment to sustainability, recognizing instances of 'greenwashing,' and determining the market viability of sustainable energy products.

The Emergence of Financial Innovation

Financial innovation plays a critical role in enabling more efficient and responsive capital markets. It encompasses the development of new financial instruments and payment systems that facilitate lending and borrowing. These innovations are crucial for the evolution of markets and the integration of sustainability into the financial sector.

Current Trends in Investment

The rise of ESG-focused funds highlights a significant shift in investor priorities, with more capital flowing into funds that emphasize sustainable and ethical considerations. Furthermore, impact investing is gaining momentum, as funds increasingly aim to generate positive social and environmental impacts alongside financial returns.

By embracing these elements of a green economy, we can spearhead a transformation that not only preserves our planet but also promotes economic prosperity.

It's a holistic approach that integrates every sector of the economy into a cohesive strategy for sustainable growth.

U.H.Nisini Nethmini
BM (Honours) Accounting & Finance
23.2 Batch
NSBM Green University

Emerging Trends in Sustainable Finance

INNOVATIONS AND INVESTMENTS DRIVING A GREEN FUTURE

The financial industry is going through a revolutionary upheaval as the globe struggles with the increasing effects of climate change.

There has never been a more pressing need to promote sustainable growth and lessen negative environmental effects. Thanks to clever investments and cutting-edge technologies, the nexus between sustainability and finance is now more than just a trend. This piece explores the rapidly developing field of green finance, showcasing the ground-breaking discoveries and financial commitments that are influencing a sustainable future. We look at how technological breakthroughs are tackling environmental issues and creating new economic opportunities through green bonds, AI-driven risk assessments, renewable energy investments, and impact investing, among other things.

Join us as we navigate the promising horizon where finance meets sustainability, paving the way for a greener and more resilient global economy.

Climates and the recurrent natural disasters brought on by climate change slow down business, affecting infrastructure, agriculture, and health output. Upskilling is therefore required to adjust and lessen these negative impacts.

$2 trillion in timely financial instruments are needed to achieve the SDGs, indicating a $5 trillion yearly financing deficit in poor nations alone. Sustainable development must identify this gap. Regulations requiring sustainable finance are being implemented by nations and international organizations such as the EU's Green Deal and the Paris Accord, which is putting more regulatory pressure on environmentally conscious investment decisions.

Innovations in Green Finance

Green bonds have increased in value to more than $1 trillion, aiding the shift to a more sustainable economy by encouraging sustainable projects in agriculture and renewable energy.

Blockchain technology guarantees transparent supply chains in sustainable fintech, reducing fraud and maximizing sustainability initiatives. This invention supports moral behaviors and environmental objectives by improving accountability and traceability across industries.

Through sophisticated data processing, artificial intelligence (AI) and big data are essential in determining environmental implications and directing sustainable investment decisions. With the help of these technologies, complicated environmental data can be precisely analyzed, enabling well-informed decisions that prioritize sustainability and lessen negative effects on ecosystems and communities.

The incorporation of environmental, social, and governance (ESG) aspects into investment decisions is growing; now, over $30 trillion is invested with these factors considered. This trend shows that investors are becoming more supportive of companies that priorities sustainability, morality, and social responsibility. This impacts corporate behaviors and long-term financial performance.

Investments Shaping the Future

Impact Investing - Besides, the primary and core function of impact investments is to deliver positive social or environmental impact together with revenues. Such funds liked Generation Investment Management are very effective.

Renewable Energy Investments - Hypothesis Currently there are documented to be many investments in the solar and wind energy sources The generation capability of the energy in the global market of renewable energy is predicted to have a fifty percent boost in the next five years.

Green Infrastructure - For instance green building and smart city infrastructures are now being funded heavily as authorities and investors seek to reduce on carbon footprints and enhance the living standards of city people.

Circular Economy - This fund there involves financing pro circuits that develop economic mechanisms for the reduction and avoidance of waste as well as replenishment of a subset of key recycling and reuse.

Challenges and Opportunities

Some of the significant problems include conflicting regulations, issues with manipulation and planning of green initiatives, as well as the absence of common sustainability indicators.

Green finance has also economic benefits, as forwards new jobs in the fields of green sectors, acting in the long-term interests of finance and supporting innovations.

Exemplification

Tesla and Ørsted are good examples of firms that implemented good green finance strategies, Tesla remains committed to electric vehicles and Ørsted to renewable energy sources.
BlackRock's policy to incorporate sustainability into its investment management process is a sign that the drive among the large money and investment houses is well on the way.
EU Green Deal and Climate Bonds Initiative from the NGOs are good examples of support for green finance

Other Words

Innovations and investments in green finance are essential to combat climate change and achieve sustainable development. Green finance is the way of the future, thanks to technological breakthroughs and sustained growth in sustainable investments. Investors, policymakers, and individuals must support the shift to green finance to ensure a sustainable and prosperous future.

Hasith Gurusinghe
BM (Honours) Accounting & Finance
22.2 Batch
NSBM Green University

CULTIVATING TOMORROW: HOW SUSTAINABLE INNOVATION AND INVESTMENT ARE TRANSFORMING FINANCE

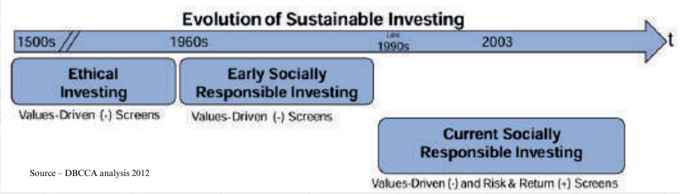
This article provides insight into how the intersection of innovation and investment within the context of a green horizon (planning the future associated with sustainability and eco-friendly practices) is reshaping the future of finance. The concept of sustainable development was first adopted in 1987. It was defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Later, as the concept of sustainability became more popular worldwide, many people and businesses began to show more interest in incorporating sustainability into their daily activities. For instance, this shift has also influenced the voting behavior of the people. According to a survey, 77 percent of potential voters across 11 European countries consider global warming an important criterion when deciding which political party to vote for. Politicians were starting to realize that promising environmental action could indeed gain votes. As a result, many of them were going “green,” publicly promoting their environmental credentials.

How Sustainable Investing Affects the Future of Finance

Sustainable Investing has evolved during the last several decades by various names starting from Ethical Investing: not investing in companies that do not align with personal values, which was the earliest form of investing. Then it further developed as an investment approach that primarily took account of corporate, social, ethical, and environmental behavior into the investment decisions called Socially Responsible Investing. Today, we use the term “Sustainable Investing” to refer to all the forms of the Ethical investing approach and the Socially Responsible Investing approach. This transformation reflects a growing recognition by both individual and institutional investors of the critical role that environmental, social, and governance (ESG) factors play in shaping investment decisions. The confluence of these factors is illustrated in Figure 1.

Figure 1: Timeline of the Evolution of Sustainable Investing



A strong corporate commitment to ESG is not just a moral or ethical choice but also a strategic financial decision. Numerous studies have found a positive correlation between strong ESG performance and lower cost of capital. For instance, the Harvard Business School and Credit rating agencies like Moody’s and S&P have shown that companies with high ESG ratings tend to have low costs of capital. This positive correlation highlights the importance for companies to integrate ESG considerations into their core business strategies.

The following trend will have an important influence on the development of sustainable investing in the coming years and will have an impact on future finance.

Climate-change Adaptation

The whole planet is at risk from the effects of climate change, including record-breaking temperatures and more frequent extreme weather events. Climate risk significantly impacts future finance in various ways such as influencing investment decisions, asset values, and overall financial stability. For instance, Assets, particularly in fossil fuel industries, may lose value as regulations tighten and the world shifts towards renewable energy sources. This can lead to significant financial losses for investors. Due to the increasing risks, in the future, investors may request climate information from businesses they wish to invest in, so there is a need for a new financial system that can present that information to businesses.

Climate finance refers to financial resources and instruments that are used to support action on climate change. As the effects of climate change are increasingly being felt in all sectors of the economy, public budgets, and other financing vehicles are starting to consider climate risk in their investment decisions, further expanding the definition of climate finance. Countries like the Maldives, for example, consider all finance to be climate finance since their entire economy and survival are so dependent on climate resilience.

Governments and the private sector can also access market-based and concessional loans from financial institutions such as the World Bank. These loans can be used to invest in projects that reduce, absorb, or prevent greenhouse gas (GHG) emissions, such as renewable energy power plants, electric buses, and forest conservation, or projects that build resilience to climate change such as establishing early warning systems, increasing coastal protection, and building infrastructure that can withstand storms and flooding.

How Sustainable Innovation Affects the Future of Finance

Investing in proven solutions will not be enough on its own. Public and private institutions will need to develop new sustainability innovations. As sustainable investing becomes mainstream, financial market participants must have a large enough pool of green securities across all the asset classes to build ESG-integrated portfolios.

The European Investment Bank issued the first green bond in 2007 to test investor appetite for sustainability and social bonds. Other innovative instruments that have emerged in this space include sustainability-linked loans, where the terms of the loan are determined based on predefined sustainability objectives. Following a similar principle, Sweden's largest property company, Vasakronan AB, issued the first-ever green commercial paper. This was the first short-term financing instrument whose proceeds were allocated for green assets.

All this innovation has led to significant growth in sustainable securities. In 2023, the value of sustainable investment products, encompassing bonds and funds, reached more than $7 trillion, which is a 20 percent increase from 2022. Sustainable bonds were the main driver of growth in sustainable capital market products. The increasing adoption of sustainable financial instruments is poised to have a profound impact on future finance. These instruments, which include green bonds, and sustainability-linked loans are transforming the financial landscape in several key ways:

1. Redirecting Capital towards Sustainable Projects
Sustainable financial instruments are channeling significant amounts of capital into projects that address environmental challenges, such as renewable energy, energy efficiency, and climate adaptation. This shift helps mitigate climate change and promote environmental sustainability.

2. Enhancing Corporate Accountability and Transparency
Companies that issue sustainable financial instruments often face stricter reporting and disclosure requirements regarding their environmental and social impacts. This increased transparency allows investors to make more informed decisions and encourages companies to improve their ESG performance.

3. Risk Management and Resilience
By investing in projects that reduce greenhouse gas emissions and enhance climate resilience, sustainable financial instruments help manage climate-related financial risks. This can protect investments from the impacts of extreme weather events and regulatory changes.

Ex- Coal, oil, and natural gas assets have the highest risk of becoming stranded. So, it makes no sense for us to continue to invest in assets that are going to be taken over by new technologies.

Palamuni Aveen Akalpa Silva
BM (Honours) Accounting & Finance
22.2 Batch
NSBM Green University

NAVIGATING THE FUTURE OF GREEN FINANCE: STRATEGIES, INNOVATIONS, AND MARKET IMPACTS

Introduction

Do you know that the International Organization for Migration has estimated that up to 200 million people may be displaced by climate change by 2050? According to those statistics, attention should be paid to the need to take action against climate change. Green finance has emerged as a solution to such environmental challenges. Here the focus is on investing money in environmentally friendly projects to create sustainable development by reducing the negative impact of climate change. The aim here is to ensure future economic, social, and environmental well-being by combining investment decisions with environmental impacts.

Green Finance

Green finance is a financial activity that is done to create a sustainable environment. Issuing green bonds, providing green loans, managing green investment funds, and planning sustainable investment strategies through financial activities such as mitigating climate change and promoting biodiversity conservation by achieving sustainable environmental goals. In this way, investing in environmentally friendly projects is not only good for the economy but also for society. It also has beneficial effects on the environment

Green finance instruments

Green finance instruments are financed instruments that support environmentally friendly projects. These are in the form of green bonds, green loans, green investment funds, green mortgages, and green insurance.

Green bond is a debt instrument issued by the government or another financial institution to raise capital for environmentally friendly projects.

Green loans are financing by banks, financial institutions, or government programs for projects that benefit the environment.

Green investment funds invest money in environmentally friendly projects or companies with a positive impact on the environment.

Thus, by allocating money for green financial instruments, carbon emissions and a sustainable environment can be created, and many other benefits can be created. Attracting investors as environmentally friendly projects are carried out.

Since money is managed for a sustainable environment, this increasing the reputation of the company as a leader along with the corporate image.

Because Capital invests in innovations, there is diversity in green industries and technology.

What are the Strategies that can be taken?

Sustainable investment strategies are strategies designed to generate long-term financial returns and address global challenges such as resource depletion, climate change, and social inequality.

Environmental, Social, and Governance (ESG) vs Social Responsible Investing (SRI)

ESG	SRI
This means involves environmental, social, and governance factors to make investment decisions. It follows things like environmental pollution management, establishing good relations with shareholders, and dealing with transparency.	Personal values and ethical principles are involved in making investment decisions. Companies or investors who contribute to sustainable development and social welfare are supported and companies and investors who do not are excluded here.

Innovative Financial Technologies

Fintech companies play a variety of roles in promoting sustainable finance. These companies use technology to create a variety of innovative financial products and services to promote sustainability, such as green bond impact investment platforms and sustainable investment tools. For example, digital banking and investment solutions have been introduced to consumers.
Blockchain technology enables secure, transparent, and immutable data or record keeping, making it ideal for tracking the sustainability of supply chains, carbon credits, and impact investments. ESG risk assessment and AI and big data analysis, as well as innovative financial technology to better manage investment, operations, better data management, and sustainable performance evaluation.

Ex: Walmart, Microsoft, Amazon

Sustainable Banking

Recognizing ESG risks, banks have incorporated sustainability principles into their business strategies, operations, and risk management practices to reduce their environmental footprint and achieve sustainable development goals. The Bank adopts a sustainable lending practice to offer green loans, finance renewable energy projects, and encourage environmentally friendly programs to support the transition to a low-carbon economy.
EX: • Triodos Bank is the first bank to create a green fund for environmental projects. The bank also won the Best Ethical Financial Provider award at the 2023 British Bank Awards., Commercial bank, BOC Bank is currently working to achieve sustainable banking principles.

Impact of Sustainability on Capital Markets

When talking about the sustainability effects of the capital market, we must study three main things.
They are,

-The growth and performance of sustainable indices and funds.

- Investor demand for sustainable financial products.

-The long-term financial performance of sustainable investments.

Here we can see the introduction of new indicators and standards mainly to improve animal welfare. To pay more attention to sustainability, sustainability indices such as ESG, MSCI, and the Dow Jones Sustainability Index have been introduced. Funds are created due to these sustainability indices.
For example, China Construction Bank issued the first green and sustainable development bonds, environmental, social, and governance (ESG) themed bonds, green debt asset allocation, and carbon-neutral green bonds domestically and internationally. For example, we can see the issuance of green bonds that finance environmentally friendly projects. According to a survey conducted by Harvard Business School, companies that use lean practices have better long-term financial performance than other companies

Future Trends in Sustainable Finance

The rise of green bonds specifically designated to fund environmentally friendly projects can point to an emerging trend in sustainable finance. Another trend in sustainable finance is mainstreaming environmental, social, and governance ESG factors across all asset classes. Investors are increasingly demanding transparency and accountability regarding performance and are pushing companies to improve their sustainability practices to attract investment.
In recent years, the development of innovative financial products and instruments has the potential to address specific challenges. These include green bonds, social impact bonds, and sustainability-linked loans, which provide capital for projects with positive environmental or social impacts.
Consumers increasingly expect brands to be transparent and responsible. Consumers want companies to provide quality goods and services in a socially responsible manner to contribute positively to society and the environment. In today's market, consumers are concerned about companies that prioritize sustainability and social responsibility when choosing brands. By meeting the demands of socially and environmentally conscious consumers who prioritize sustainability, businesses can improve brand loyalty and product sales, as well as enhance business reputation. A key challenge in the journey towards a sustainable financial future is the lack of standardized metrics for measuring environmental and social impact.

Conclusion

Finally, green finance and green finance instruments as well as the role of green finance in achieving global sustainability goals are provided. Also discussed above are the Transliteral, Social and Governance (ESG) criteria used in investment decisions Also, sustainable banking is also a point that cannot be forgotten. Here, special attention has been paid to how banks integrate sustainability into their operations and the role of sustainable lending practices. A comprehensive analysis of the impact of sustainability on the capital market enables the analysis of many facts about the growth and performance of sustainability indices, investor demand for sustainable financial products, sustainable investments and long-term financial performance. The future trends of sustainable finance as well as the challenges and opportunities to be faced in the journey towards a sustainable financial future have been extensively analyzed.

M.A. Sachini Kavindya
BM (Honours) in Accounting & Finance
22.2 Batch
NSBM Green University

K.W.M. Imasha Nethmi Warakawela
BM (Honours) in Accounting & Finance
22.2 Batch
NSBM Green University

U.V Uththara Samadhi
BM (Honours) in Accounting & Finance
22.2 Batch
NSBM Green University

“Bank of Ceylon:

PIONEERING GREEN FINANCE FOR A SUSTAINABLE FUTURE ”

Ms. Nadeeka Liyanage, a distinguished manager at the Bank of Ceylon's Ahungalla branch, brings 13 years of rich experience in the banking industry to our discussion. In this interview, she shares her insights on the bank's pioneering efforts in green finance and sustainable investments.

Can you describe your bank's overall strategy towards sustainable finance and green investments?

Our bank’s overall strategy towards sustainable finance and green investments is grounded in our commitment to the United Nations’ Sustainable Development Goals (SDGs). We aim to achieve sustainable development through a balanced focus on social, environmental, and economic factors. Our initiatives are designed to maximize our contributions to the triple bottom line and align with the national green agenda. We have undertaken various projects such as replanting in Gal Oya Forest Reserve, the “Kumbuk Arana” project in Kalu Ganga riverbed, and the “Green Net” project in the Southern province. These projects are part of our long-term sustainability commitment.

What innovative financial products or services has your bank introduced to support green initiatives?

To support green initiatives, we have introduced several innovative financial products. We have several green loans. The “E-Friends II” credit scheme under the Environmentally Friendly Solution Fund supports various eco-friendly projects. A special credit scheme for purchasing solar power systems, and loans for sustainable energy and eco-friendly products. Additionally, the Siriliya Saviya credit scheme finances income-generating projects for women, enhancing both social and economic sustainability. We offer green deposits like BOC eThuru and Haritha Kakulu, which motivate sustainable savings and investments. The BOC Haritha Kekulu Savings Scheme, designed for children aged 6-18, features environmentally friendly attributes, with deposits exclusively invested in sustainable development projects. Similarly, the BOC e-Thuru Green Savings Account allows individuals and institutions to contribute to eco-friendly initiatives while maximizing savings benefits. Our eco-friendly e-Calendar is another innovative initiative that reduces paper use while offering a user-friendly digital alternative. We have Smart Gen Accounts to reduce paper usage significantly. These accounts leverage online banking systems, which save both time and resources by minimizing the need for physical paperwork. Previously, the process of creating accounts involved numerous mandates and extensive documentation. Now, with the new system, details are digitally scanned, and system-generated accounts are created, the entire process and contributing to environmental sustainability.

Can you share any examples of successful green finance projects or initiatives your bank has funded?

One of our successful green finance projects is the "Wana Ropa" replanting initiative, which contributes to the national forest cover extension. Another notable project is the "Life to Our Beaches" program, where we have partnered with Biodiversity Sri Lanka and the Marine Environment Protection Authority to clean and preserve a 600-meter stretch of Beruwala beach. This project not only supports marine conservation but also provides employment opportunities and promotes corporate citizenship. Additionally, our involvement in water sanitation projects in Jaffna and Girandurukotte highlights our commitment to providing clean water and sanitation.

What challenges does your bank face in promoting and implementing green finance practices?

Promoting and implementing green finance practices presents several challenges. These include the high initial costs associated with green projects, and market readiness. Additionally, traditional customers often prefer to wait in line for transactions, lack computer literacy, and customers are hesitant to use technology or trust in online platforms. To address these challenges, we conduct continuous education and awareness programs, emphasizing the ease and convenience of our digital solutions. We also collaborate with various stakeholders to create a more supportive environment for green finance.

How does your bank address the risks associated with green investments?

We manage the risks associated with green investments through a comprehensive Sustainability Risk Management (SRM) Framework. This framework is integrated into our overall sustainability policy and involves detailed annual analyses to assess key material topics and stakeholder involvement. We adhere to internationally accepted standards and guidelines, such as the Global Reporting Initiative (GRI) Standards, to ensure transparency and accountability. Additionally, our carbon management plan includes strategies for measuring, mitigating, and managing our carbon footprint, further minimizing potential risks.

What role do partnerships with governments, NGOs, and other financial institutions play in your green finance strategy?

Partnerships are crucial to our green finance strategy. Collaborating with governments, NGOs, and other financial institutions allows us to pool resources and expertise, enabling the effective implementation of our green initiatives. For example, our partnership with the Open University of Sri Lanka for the ‘Less Plastic Movement’ national campaign aims to reduce plastic waste across the island. Our collaboration with Biodiversity Sri Lanka and MEPA on the "Life to Our Beaches" program further demonstrates our commitment to marine conservation and sustainable development. These partnerships enhance our ability to drive significant environmental and social impact through our financial operations.

Can you discuss collaborative projects or initiatives aimed at promoting sustainable finance?

Certainly. One of our key collaborative projects is the 'Less Plastic Movement,' in partnership with the Open University of Sri Lanka. This national campaign aims to reduce plastic waste across 50 locations, including reef sites and other ecologically sensitive areas. Another significant collaboration is the "Life to Our Beaches" program, in partnership with Biodiversity Sri Lanka and MEPA. This initiative involves cleaning and preserving a 600-meter stretch of Beruwala beach and is part of our commitment to marine conservation. These projects exemplify our collaborative approach to promoting sustainable finance.

How does the current regulatory environment influence your bank's green finance practices..?

The regulatory environment plays a significant role in shaping our green finance practices. Regulations that promote environmental sustainability and provide incentives for green investments have been crucial in guiding our strategies. Compliance with international standards, such as the Global Reporting Initiative (GRI) Standards and the ISO 14064-1:2018 certification for greenhouse gas emissions, ensures that we maintain transparency and accountability in our operations. However, navigating regulatory complexities can also present challenges, which we address by staying informed and proactive in our compliance efforts.

Can you highlight some of the significant achievements or milestones the Bank of Ceylon has reached in the field of green financing..?

We are proud of several significant achievements in the field of green financing. Recently, we won the 'Green Business Leadership Award 2023' for the second consecutive year and the 'Green Commitment Excellence of the Year Award 2023,' demonstrating our commitment to environmental sustainability. Our City Office in Fort also received the silver award for green efficiency. Additionally, we have made considerable progress in our solar energy initiatives, contributing 1 MW of solar photovoltaic energy to the national grid. This initiative is expected to offset CO_2 emissions significantly and save millions of rupees annually. Furthermore, we have implemented numerous tree-planting projects, waste management systems, and green building concepts across our branches, all contributing to our overarching goal of achieving carbon neutrality.

Ms. Nadeeka Liyanage
Manager
Ahungalla branch
Bank of Ceylon

BOC
Green Savings Account

Can you provide an overview of the Bank of Ceylon's Sustainability Policy Framework and explain how it integrates sustainability into the bank's operations....?

The Bank of Ceylon (BOC) has developed a comprehensive Sustainability Policy Framework that is reviewed annually by the sustainability unit, the Sustainability Committee, and the Board of Directors. This framework highlights the crucial role of banks in promoting sustainable development due to their intermediary function in the economy.

The bank's Sustainability Goals are aimed at creating value for society while minimizing negative impacts on the environment and society. These goals also include engaging in meaningful CSR initiatives to uplift society and promote national economic growth,

as well as implanting socially responsible values among bank employees.
To achieve these goals, BOC has outlined several Sustainability Objectives; integrating sustainability into key business decisions and initiatives, implementing processes to minimize the bank's carbon footprint, establishing responsible waste disposal systems, promoting renewable energy, conducting CSR initiatives to support national economic growth, etc.
The Sustainability Committee, chaired by the General Manager, ensures that sustainability is embedded into all key business processes and decisions. This committee is responsible for evaluating, developing, promoting, implementing, and monitoring sustainability principles throughout the organization.

Additionally, the BOC issues an annual integrated sustainability report that provides insights into the bank's performance in economic, environmental, and social dimensions. This report adheres to the Global Reporting Initiative (GRI) Standards and the Environmental and Social Governance (ESG) reporting recommendations by the Colombo Stock Exchange. Through this comprehensive approach, BOC aims to operate as a responsible corporate citizen, balancing environmental responsibility, social equity, and economic soundness to deliver value to all stakeholders.

Sandali Himasha Anandagoda
BM (Honours) Accounting & Fianace
22.2 Batch
NSBM Green University

NSBM GREEN UNIVERSITY

MAHENWATTA, PITIPANA, HOMAGAMA.

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