



STATE BANK OF INDIA GREEN BOND IMPACT ANALYSIS REPORT

Prepared by

CareEdge
ANALYTICS & ADVISORY

A subsidiary of CARE Ratings Ltd.

CARE Analytics and Advisory
Private Limited (CAAPL)

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1 Introduction

The State Bank of India (SBI) has actively engaged in green financing initiatives, notably through the issuance of green bonds aimed at supporting environmentally sustainable projects. SBI has ESG Financing Framework, in alignment with Principles of International Capital Market Association (ICMA).

The SBI ESG Financing Framework defined the bond's use of proceeds, selection and evaluation of projects, process to be followed for monitoring of proceeds and reporting practice. The bank has also undertaken a second-party opinion on the framework to ensure it follows the established guidelines and principles. On 29th December 2023, SBI raised USD 250 million through green bonds. The proceeds of the issuance were allocated towards eligible green projects in accordance with the ESG financing framework.

2 Scope of the engagement

SBI engaged with CARE Analytics and Advisory Private Limited (CAAPL) to provide Green Bond Impact Analysis Report that the utilisation of proceeds and the internal controls are as per SBI ESG Financing framework (January 2023). This Report covers the period from April 1, 2024, to March 31, 2025.

3 SBI's ESG Financing framework

The State Bank of India (SBI) has developed an Environmental, Social, and Governance (ESG) Financing Framework to guide its issuance of green, social, or sustainability instruments. This framework was released in January 2023, ensures that the funds raised are allocated to projects that generate positive environmental and social impacts in India.

The ESG Financing Framework is aligned with global sustainable finance frameworks such as Climate Bonds Initiative (CBI), International Capital Market Association ("ICMA") Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021 and with respect to loans the framework is also aligned with Loan Market Association ("LMA") Green Loan Principles 2021 and Social Loan Principles 2021.

Eligible Project Categories: The ESG Financing Framework identifies 10 categories eligible for financing, including biodiversity, Circular Economy and/or Eco-Efficient Projects, Clean Transportation, Climate Change Adaptation, Energy Efficiency, Green Buildings, Living Natural Resources and Land Use Projects, Renewable Energy, Sustainable Water and Wastewater Management along with Waste Management and Resource Efficiency.

Project Evaluation and Selection: A dedicated Sustainability Committee, headed by CGM, ESG & Climate Finance Unit, oversees the selection process, ensuring projects meet the framework's eligibility criteria. This committee includes senior representatives from various SBI departments, such as Agriculture Banking, SME Banking, Sustainability, Treasury, and International Banking.

Management of Proceeds: The Sustainability Committee monitors the allocation of proceeds quarterly.

Reporting: SBI commits to annual reporting on the allocation of proceeds and the impact of funded projects. This includes details such as the amount allocated, examples of eligible projects, and unallocated proceeds.

4 Key highlights of the bond are as follow

Date	December 29, 2023
Amount Raised	USD 250 million
Type of Bond	Senior unsecured Green floating rate notes, also referred to as "The Green Notes"
Purpose	To fund sustainable projects, aligning with SBI's ESG Financing Framework
Maturity	December 29, 2028
Program	Part of SBI's USD 10 billion medium-term note program
Issuance Method	Private placement facilitated by SBI's London branch
Listing	Listed on the India International Exchange
Floating Rate	Issued at a floating rate of 1.20% above Secured Overnight Financing Rate (SOFR)
Rating	Rated BBB- by S&P

5 Green Bond allocation details

- The funds raised through bonds have been allocated to solar, wind, and mixed renewable energy projects as per the SBI ESG finance framework. Below are the allocation details:

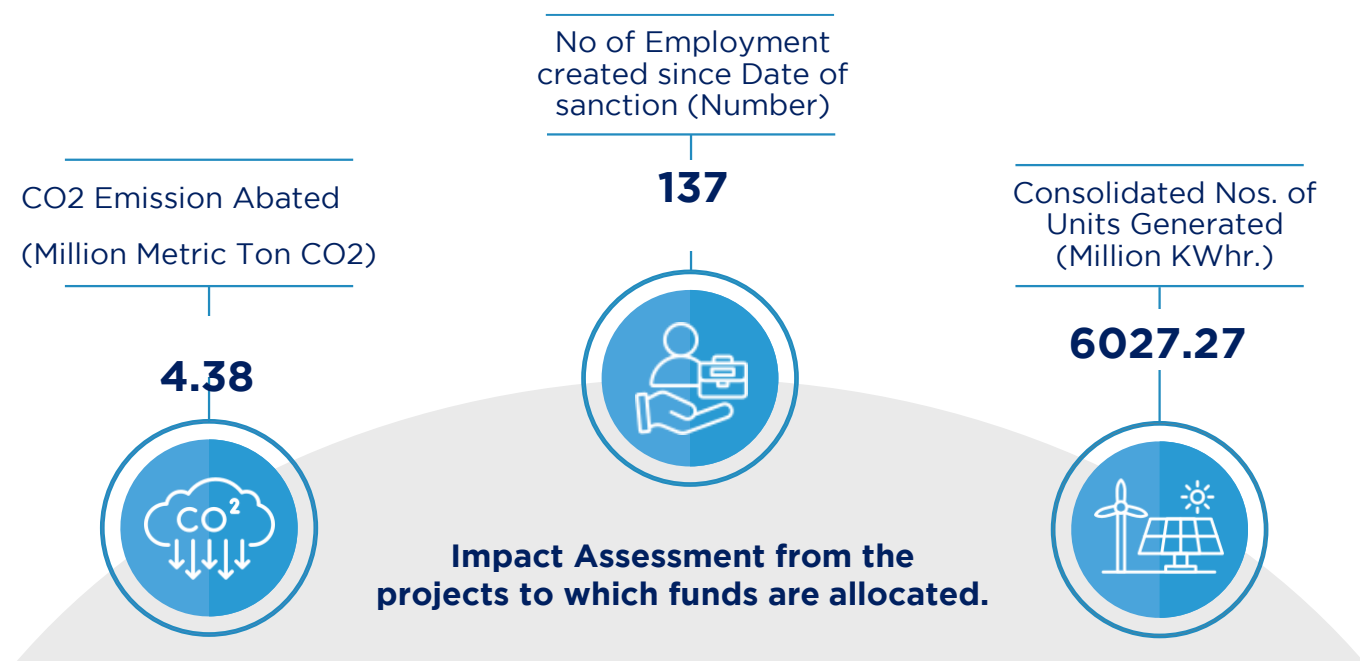
Green Bond Impact Assessment						
Sr No	Name of the project	Amount allocated as on 31.03.2025 (Rs crore) (2)	Consolidated Nos. of Units Generated (Million KWhr.)	Consolidated Nos. of Units Generated (KWhr.)	Cumulative CO2 Emission Abated (Metric Ton CO2e)	Cumulative CO2 Emission Abated (Million Metric Ton CO2) (1)
1	Walwahan Renewable Energy Pvt	701.24	1,427.46	1,42,74,60,000.00	10,37,763.42	1.04
2	Ostro Kutch Wind Private Ltd.	86.76	817.00	81,70,00,000.00	5,93,959.00	0.59
3	Renew Solar Power Ltd.	845.96	1,793.00	1,79,30,00,000.00	13,03,511.00	1.30
4	Ayana Renewable Power One Private Limited	1091.18	1,989.81	1,98,98,10,000.00	14,46,591.87	1.45
Total		2725.14	6,027.27	6,02,72,70,000.00	43,81,825.29	4.38

- 1) To calculate abated emissions, we have referred to weighted average emission factor (0.727 TCO2/MWh) provided by Central Electricity Authority. This factor is combined with the energy generation data from renewable sources to arrive the specific CO2-equivalent (CO2eq) for power generation in India. Emission abated data is estimated on an annual basis.
- 2) To report allocation proceeds in INR exchange rate of INR/USD @ 86.7920 is applied
- 3) There is no unused portion of the Green Bond portfolio of the bank as on 31.03.2025

6 Unutilised Proceeds

As per records shared by SBI, all funds are deployed basis its ESG framework and there are no unutilised proceeds as of March 31st, 2025.

7 Impact assessment



- A total of 4.38 million metric tons of carbon dioxide equivalent per megawatt-hour has been reduced on an annual basis, with 6,027 million kWh units generated.
- These projects have collectively created 137 numbers of employment opportunities.

To perform green bond impact analysis, CAAPL sought detailed information materials to obtain all the evidence, information and explanations that it considered necessary to arrive at a meaningful conclusion. The following is the list of information checklist we referred to

Information checklist

General requirements:

- Details on Use of proceeds
- List of nominated projects and activities
- Management and Reporting practices

Specific requirements on deployment of funds:

- Evidences on amount allocated
- Evidence of tracking and reporting of proceeds

Specific requirements for Bond:

- Date of issuance
- Maturity
- Amount Raised

8 Work undertaken:

- Reviewed the SBI Environmental, Social and Governance (ESG) Framework (January 2023) that includes processes, system and controls in place for management of bond proceeds.
- Held conversations with management and key staff responsible for the Green Bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented.
- We have referred list of projects provided by SBI to which bond proceeds have been allocated. The performance of the projects has been assessed in-line with the criteria defined in the ESG Financing Framework.
- Checked an Interactive Tagging Dashboard* where allocation and criteria has been defined and maintained a live record of all green bonds transactions as per the SBI ESG Finance Framework with a maker-checker process.
- Confirmed the amount of bond proceeds allocated to nominated projects and assets through examination of SBI's internal system for tracking the same. The data has been provided by SBI.
- Recalculated estimated per annum greenhouse gas (GHG) emission reduction from projects using information collected by issuer (SBI).

9 Conclusion

The following conclusion is based on the work performed and evidence obtained, and the scope of our engagement described above.

CareEdge Advisory believes that the green bond issued on 29 December 2023, is aligned with the SBI ESG Financing Framework (January 2023) which is aligned with global sustainable finance frameworks such as Climate Bonds Initiative (CBI), International Capital Market Association (ICMA) Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021 and with respect to loans the framework is also aligned with Loan Market Association (LMA) Green Loan Principles 2021 and Social Loan Principles 2021.

*The Interactive Dashboard works on the four-eye concept process as below:

- Through an Interactive dashboard, the green advances data captured from the core banking system (CBS) based on 47 green activity codes through Business Intelligence Department (BID), and the data will be populated at an Interactive Dashboard and available for tagging/labelling.
- The ESG-CFU Maker tag the assets to corresponding green liabilities. This tagging will then be reviewed and validated by the ESG-CFU Checker.
- After the Maker-Checker reviews at both levels, the final flag and associated amount details will be written back to the CBS.
- The operating functionaries at the branch level has no rights to amend or delete the Flag written back to CBS.

10 SBI's Management's responsibilities

The management of the Issuer (SBI) is responsible for ensuring that the issuer and their green bond comply with the requirements of the ESG Finance Framework. The Framework has been developed in alignment with the following sustainable finance principles and guidelines:

- International Capital Market Association ("ICMA") Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021
- Climate Bonds Standard Version 2.1 developed by Climate Bonds Initiative (CBI).
- Green Loan Principles 2021 and Social Loan Principles 2021 by Loan Market Association (LMA)

11 Specific limitations and exclusions

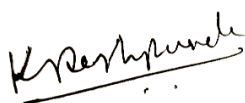
CAAPL green bond impact analysis report is subject to the following limitations as we have not been engaged to:

- SBI's financial statements and economic performance
- Verify the SBI's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention or global socio-economic and environmental aspects provided by the SBI.

12 CAAPL's responsibilities

CAAPL's responsibility is limited to the extent of providing impact analysis for the bond allocation basis SBI ESG financing framework in relation to the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in understanding environment, social and governance practices.

This green bond impact analysis report is made solely to the issuer (State Bank of India) by the team of our engagement, which includes an agreed arrangement for disclosure. Any party other than the issuer who obtains access to our impact assessment report or a copy thereof and chooses to rely on our impact assessment report will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the issuer for our work, for this Green Bond Impact Assessment Report or for the conclusions we have reached.



Kedar Deshpande

Director -ESG Advisory

CARE Analytics and Advisory Private Limited

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Contact

Kedar Deshpande
ESG Director

Email: Kedar.Deshpande@careedge.in

Vikram Thirani
Head Business Development

Email: Vikram.Thirani@careedge.in

Yogesh Kulkarni
Associate Director-ESG

Email: Yogesh.Kulkarni@careedge.in

About us

CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors such as BFSI and Infra. The wholly-owned subsidiaries of CareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd previously known as CARE Risk Solutions Pvt Ltd, and (II) CARE ESG Ratings Ltd, previously known as CARE Advisory Research and Training Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings Africa (Private) Limited in Mauritius, CARE Ratings South Africa (Pvt) Ltd, and CARE Ratings Nepal Limited.

CARE Analytics and Advisory Private Limited

(Wholly-owned subsidiary of CareEdge Ratings)

Corporate Office:

303B, 3rd Floor, B wing Times Square' Building
Andheri - Kurla Road, Gamdevi, Marol, Andheri East,
Mumbai - 400059, Maharashtra, Phone: +91-22-6517-6900
www.careedge.in

Registered Office:

4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456, Email: care@careedge.in
www.careedge.in