

Date: 26 March 2025

**State Bank of India
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Sub: Issuance of Second-Party Opinion on State Bank of India ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK.

[A] Introduction:

CARE Analytics and Advisory Pvt. Ltd. (hereinafter mentioned as 'CareEdge Advisory') has undertaken the Second-party Opinion of the "**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK**" of the **State Bank of India** (hereinafter mentioned as 'SBI').

The SBI has prepared **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK** in accordance with the Climate Bonds Standard Version 4.2 developed by the Climate Bonds Initiative (CBI) which is based on the European Taxonomy. Further, with respect to bonds, The ESG Financing Framework is aligned with global sustainable finance frameworks such as International Capital Market Association ("ICMA") Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021 and with respect to loans the framework is also aligned with Loan Market Association ("LMA") Green Loan Principles 2023 and Social Loan Principles 2023.

[B] CareEdge Advisory's Scope of Work:

CareEdge Advisory's Scope of Work is defined to review **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK** of the **State Bank of India prepared in accordance with** Climate Bonds Standard Version 4.2 along with global sustainable finance frameworks such as International Capital Market Association ("ICMA") Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021, and with respect to loans, Loan Market Association ("LMA") Green Loan Principles 2023 and Social Loan Principles 2023.

[C] Management's Responsibilities

The SBI's Management is responsible for: (i) the development of the ESG Financing Framework, (ii) engagement with stakeholders and create awareness, (iii) ensure utilization of proceeds of funds as per guidelines/criteria mentioned in the framework, (iv) monitor the impact of the funds on annual basis, (v) facilitate third-party verification (vi) ensure annual reporting to SBI's Board.

[D] CareEdge Advisory's Responsibility

CareEdge Advisory's responsibility is to provide Second-party opinion on the SBI's **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK** based on the procedure described below.

[E] Procedures:

CareEdge Advisory has performed the procedures listed below:

Modality of providing Second-party Opinion: (i) reviewed of **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK** prepared by the SBI, (ii) held discussions with key stakeholders to understand their near and mid-term plan(s) and perspective(s), (iii) benchmarked the ESG Financing Framework against globally recognised frameworks and guidelines and (iv) analysed as per industry best practice(s).

The procedure has encompassed the review of the following aspects included in the Framework:

- Overall alignment of the ESG Financing Framework to Climate Bonds Standard and with best industry practice.
- With respect to bonds, bonds issued under this Framework shall be aligned with the International Capital Market Association ("ICMA") Green Bond Principles 2021 Social Bond Principles 2023 and Sustainability Bond Guidelines 2021.
- With respect to loans, loans issued under this framework shall be aligned with the Loan Market Association ("LMA") Green Loan Principles 2023 and Social Loan Principles 2023
- Criteria for selection of eligible projects that may be financed in line with CBI V -4.2 eligible categories.
- Roles and Responsibility matrix for selection of green financing projects
- Process of third-party verification/assurance of the allocation proceeds, policies and internal controls.
- SBI created an Interactive Tagging Dashboard to facilitate the tagging, labeling, and reporting of proceeds allocated to green, social, and sustainable portfolios.

[F] Exclusions:

The Second-party Opinion on SBI's ESG Finance Framework (**Version 2.0 March 2025**) should be construed as a point-in-time opinion expressed basis the information made available by the SBI and not surveilled from time to time.

The scope of vetting the Framework excluded the following and therefore CareEdge Advisory does not express a conclusion on the same:

- Testing the operationalization of the Framework at project level and providing opinion on same;
- Review of financial data of the SBI including its operations, financial performance, usage, and allocation of the funds and end-use of funds by the borrower;
- Credit rating or testament of underlying credit quality of either SBI or its Borrower(s);
- Preparation of Impact Assessment framework and defining timelines for same,
- Aspects either implicitly / explicitly excluded from CareEdge Advisory's scope of engagement;
- The statements (if any) that describe the expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the SBI, any forward- looking assertion; and/or data.

[G] Conclusion:

The Second-Party Opinion was carried out by a group of professionals with multiple-years of experience in areas like ESG, Banking and Finance.

CareEdge Advisory believes it has received sufficient information and Clarification against queries raised from key Stakeholder(s) to provide a basis of its conclusion.

Based on the Procedures performed (see sec. [E] above) and the evidence obtained, CareEdge Advisory believe that the SBI's **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FINANCING FRAMEWORK** is aligned with Climate Bonds Standard (CBI) V4.2, International Capital Market Association ("ICMA") Green Bond Principles 2021 Social Bond Principles 2023 and Sustainability Bond Guidelines 2021, Loan Market Association ("LMA") Green Loan Principles 2023 and Social Loan Principles 2023.

The said Framework is attached herewith as **Annexure 1.**

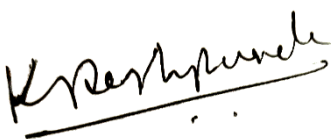
[H] Restriction of Use

CareEdge Advisory's second-party opinion including the conclusion has been prepared and addressed to the SBI's management at the request of the SBI solely to assist the SBI in reviewing its ESG Financing Framework.

Accordingly, CareEdge Advisory accepts no liability to anyone, other than the SBI. CareEdge Advisory's report(s) should not be used for any other purpose, other than those specified in the CareEdge Advisory's scope of work defined by the SBI.

CareEdge Advisory neither accepts nor assumes any duty of care or liability arising from any form of damage(s) arising from any third party.

Regards.
For **CARE Analytics and Advisory Pvt. Ltd.**



Kedar Deshpande
Director, ESG – Advisory