



WHEN TRUST MATTERS



STATE BANK OF INDIA

USE OF PROCEEDS OF GREEN BONDS FOR THE ELIGIBLE GREEN PROJECTS



Document Title: Verification of State Bank of India's Use of Proceeds of Green Bond for the eligible green projects as on 31st Mar'25

Prepared By: DNV Business Assurance India Pvt Ltd.

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

Scope and Objectives

State Bank of India ("SBI" or the "Customer") issued a Green Bond for its pool of eligible projects and assets under its ESG Financing Framework, dated January 2023, which is outstanding as of 31st March 2025. The Green Bond details are as follows:

- December 2023: Green Bond of USD 250 million (bearing ISIN XS2741061076) had been raised through Private Placement on 29th December 2023

SBI used the proceeds of the Green Bond to finance (or re-finance) the nominated projects and assets falling under the following eligible green project categories as detailed in the SBI's ESG Financing Framework (January 2023):

Green Bond details	Eligible green projects for allocations ¹
December 2023	Renewable and clean energy projects, in accordance with Green Bonds Principles including renewable energy, biodiversity, circular economy and/or eco-efficient projects, energy efficiency, climate change adaptation, sustainable water and wastewater management, waste management and resource efficiency

¹The list of projects in which the Green Bonds Proceeds of the December 2023 bond have been utilized is provided in Annexure I

DNV Business Assurance India Pvt Ltd (henceforth referred to as "DNV") was commissioned by SBI to provide a verification and assurance of the Green Bond as an independent and approved verifier. In addition, DNV is also approved as a validation and verification body as per ISO 17029. Our criteria and information covered to achieve this are described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Green Bond, the value of any investments in the Green Bond, or the long-term environmental benefits of the transactions. Our objective has been to provide a limited level verification that the proceeds of the Green Bond have met the criteria of ICMA principles of Green Bonds and the associated Technical Criteria on the basis set out below.

The scope of this DNV opinion is limited to the following associated criteria:

- Third-party verification service of the use of proceeds allocated to the eligible Green Projects as per International Capital Markets Association ("ICMA") Green Bond Principles – June 2021 with Appendix I added in June 2022 ("GBP") requirements for alignment with four components of GBP.

The Statement is based on information and data provided as of 31st March 2025.

Responsibilities of the Management of SBI and DNV

The management of SBI has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform SBI management and other interested stakeholders in the Green Bond as to whether the criteria identified above have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by SBI. DNV is not responsible for any aspect of the Green Bond referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect as a result of the information or data provided by SBI's management and used as a basis for this assessment not being correct or complete.

Basis of DNV's Opinion

DNV has conducted the verification against the requirements of the ICMA Principles (GBP 2021). As per our Protocol, the criteria against which the Green Bonds have been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Bond should outline the process it follows when determining eligibility of an investment using the Green Bond proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green Bond should be tracked within the issuing organisation and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the investors should be made of the use of Bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Exclusions and Limitations

The assurance scope has the following limitations:

- No assurance is provided regarding the financial performance of the green bonds and green loan or the long-term environmental impact of the transactions. Our objective has been to provide a assurance statement for allocation and use of proceeds of green bond of INR 2136 Cr as on 31st March 2025.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Aspects of the data that fall outside the mentioned scope are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by SBI in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. We believe with our professional judgement that the procedures performed for limited assurance are sufficient and appropriate based on supportive evidence. The work undertaken to form our verification opinion included:

- Checked SBI's ESG Financing Framework dated January 2023, that provides the guidelines and internal process for proceeds management and utilization adopting components and requirements of GBP and LMA. The framework provides list of eligible projects for financing / refinancing for allocating the proceeds of ESG instruments on an equal amount.
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- The Framework lays down the criteria that in case of refinancing, eligible projects or assets that have been financed up to 24 months prior to the issuance date of the relevant Green, Social, or sustainable instruments shall qualify. The SPO on the framework was issued by Sustainalytics dated 6th January 2023.
- Assessment of documentary evidence provided by SBI in relation to the Green Bond and review of internal tracking systems and allocation of funds from the Green Bond proceeds to eligible projects.
- Review of the list of eligible projects and assets to which the Green Bond proceeds have been allocated as of 31st March 2025, ensuring their alignment and conformance with the GBP.
- Discussions with key management personnel at SBI to obtain an understanding of the processes, responsibilities, systems and controls in place for management of proceeds, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Documentation of findings against each element of the criteria.

Findings and DNV's Opinion

DNV has performed the Annual Review of the State Bank of India's Green Bonds for the financial year ended 31st March 2025. It is DNV's responsibility to provide an independent verification statement on the compliance of the State Bank of India's Green Bonds with the criteria.

DNV conducted the Annual Review in accordance with the *International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the criteria were consistently and appropriately met, and ii) the collection of evidence supporting the verification.

DNV planned and provided the assurance by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Bond continues to meet the requirements of the criteria.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, as on 31st March 2025, the SBI's Green Bond is not, in all material respects, in accordance with the requirements of ICMA's Green Bond Principles, 2021.

For DNV Business Assurance India Pvt Ltd.

Mumbai, India / 19th May 2025

A handwritten signature in blue ink, appearing to read "Jerus D'Silva".

Jerus D'Silva
Quality Reviewer

Deepak Kumar – Verifier

Sarage, Roshni
Date: 2025.05.19
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+05'30'
Roshni Sarage
Lead Verifier

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

1 SCHEDULE 1: VERIFIED SBI GREEN BOND PROCEEDS UTILIZATION OF USD 250 MILLIONS AGAINST ELIGIBLE PROJECTS SIZE

Schedule data as of 31st March 2025.

- SBI Green Bond USD 250 million ISIN: XS2741061076

Customers	Amount Funded (INR CR)	Amount Funded (USD million) ¹
Walwahan Renewable Energy Pvt.	622.3	72.8
Ostro Kutch Wind Private Ltd.	73.0	8.6
Renew Solar Power Ltd.	579.2	67.8
Ayana Renewable Power One Private Limited.	1110.6	129.9
Total	2385.1	279.1

Overall Total	USD 279 million
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Note 1: USD 1 = INR 85.47 (reference link <https://www.xe.com/currencycharts/?from=INR&to=USD> and https://www.google.com/finance/quote/USD-INR?sa=X&ved=2ahUKEwik_orN2cWMAxV7TGwGHVIZOB4QmY0JegQIARAs&window=1M)